INTERNATIONAL TRADE UNION CONFEDERATION

IMF should stop attacks against pensions and workers' rights in Greece

Brussels, 27 May 2015 (ITUC OnLine): The ITUC has attacked the IMF over its hard-line stand on Greece, including its demands that the Greek government should dismantle workers' rights. The global union body expressed its strong support to its affiliated organisation in Greece, GSEE, at a moment when unreasonable austerity and deregulatory reform demands could force the country to default to the IMF as early as next month. In June, the government will have to choose between maintaining vital public services and pension payments, and carrying out loan reimbursements to the international lender largely responsible for Greece's current predicament.

ITUC general secretary Sharan Burrow stated: "The ITUC finds unacceptable that the IMF has taken a hard-line stance within the Troika, or 'Brussels Group', and is pressuring EU lenders not to make loan disbursements unless Greece cuts pensions such that the basic level will be €360 per month, below the subsistence level. With more than a quarter of the labour force out of work, a large share of households have come to rely on pensions as their only stable source of income and will be pushed into poverty if pensions are further reduced."

The IMF has also made demands that would intensify the dismantling of rights of Greek workers, most of whom have already lost collective bargaining coverage, by fully liberalising collective dismissals, abolishing the law that protects trade union activities and placing new restrictions on the right to strike. "Greece's labour laws are consistent with EU norms," said Burrow. "The IMF's apparent intent to eliminate workers' collective voice in Greece will do nothing to achieve recovery but may succeed in ensuring that inequality will grow by leaps and bounds. The IMF should show some consistency with its own research on the negative impacts of inequality. It should respect workers' rights and support an equitable tax reform in Greece."

The ITUC pointed out that when the IMF concluded its first loan agreement with Greece in May 2010, it predicted that its programme would restore economic growth within two years, with unemployment peaking at less than 15 per cent and public debt at less than 150 per cent of GDP. In reality, unemployment has exceeded 25 per cent since 2012, and the debt-GDP ratio currently stands at 180 per cent despite a partial debt write-down three years ago.

"Given the IMF's utterly inept performance in failing to predict the level of depression and indebtedness that its loan conditions caused, it is understandable that the Greek electorate was sceptical of Troika promises of prosperity around the corner when it elected a new government in January," said Sharan Burrow. "After five years of destructive austerity and structural adjustment, the IMF and other international lenders should stop their obstructionism, make loan disbursements on the previously agreed extensions and support the Greek people's efforts to rebuild their economy through policies that give priority to employment creation. We call on the IMF to desist in its mindless attack on workers' wages, rights and pensions."

The ITUC represents 176 million workers in 162 countries and territories and has 328 national affiliates.

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For more information, please contact the ITUC Press Department on: +32 2 224 02 04