

ETUC shows how Troika policies bring economic failure and social disaster

(27 January 2014) Today at a hearing in the European Parliament the ETUC revealed how the Troika of the European Commission, European Central Bank (ECB) and International Monetary Fund (IMF) had undermined fundamental principles of the European Union while failing to deliver sustainable recovery in the programme countries.

The meeting was jointly organised by the Parliament's Economic and Employment committees and heard the views of both the ETUC and the BusinessEurope employers' organisation.

The ETUC submission included survey evidence from its affiliates in the programme countries - Cyprus, Greece, Ireland and Portugal. The report highlights the dire social consequences of policies advocated by the Troika with youth unemployment ranging from 27.8% in Cyprus (up from 9% in 2008) to 55.3% in Greece (up from 22.1% in 2008).

On top of this, these countries have experienced declining social expenditure as welfare benefits and health spending are cut and poverty and inequality increase.

The combination of these results with the Troika pressure for major reforms to undermine collective bargaining and reduce minimum wages, means that, the European Commission has been collaborating with the ECB and IMF in undermining fundamental principles and objectives of the European Treaty.

The ETUC says that claims that urgent action is needed under pressure from the markets is no justification for the Troika's policies. "On the contrary", the ETUC argues, "the failure of the Troika programmes to deliver economic and social results shows that the respect of Treaty provisions is a necessary guarantee to design policies that actually work."

The ETUC also observes that the actions of the Troika have lead to a collapse in citizens' trust of their governments and of approval of the leadership of the EU.

The report includes a series of measures proposed by the ETUC to tackle the attacks on fundamental social rights, to address the failures of the Troika policies and to establish more democratic and accountable procedures for dealing with economic crises in the future.

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