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"Parliament puts spotlight on Troika report"

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The ECON Committee of the European Parliament adopted on 24 February a report on the work and scrutiny of the Troika. The report is expected to be subject to a plenary vote in March and aims to evaluate the functioning of the Troika in the on-going programmes in the four concerned countries (Greece, Portugal, Ireland and Cyprus.) It looks into a broad range of issues including: legal base, mandate and structure of the Troika, decision-making process within the institutions and in relation to the other institutions, democratic legitimacy, theoretical basis for decisions, the consequences of Troika work. The report offers a good opportunity to think about the history of the programme operation and to consider which way we may wish to go in the future, while addressing existing shortcomings and generally improving the functioning of the system.

While all these issues are certainly important, what I really think we should bear in mind, as we evaluate the Troika work, are the following points:

We need to keep in mind the issue of transparency and ask ourselves whether a higher dose of transparency in the working method of the taskforce would have translated into better quality work and improved results, or whether more than transparency was needed.

The Troika work and programmes in the different countries brings also to the fore the problem of the national ownership of the reforms associated with adjustment programmes. This was unfortunately often lacking, with national authorities placing responsibility for consolidation measures on the European level. This in turn decreased confidence in the Union.

What was also missing was an adequate communication strategy on the need for fiscal consolidation and structural reforms. Such a strategy should have been pursued during the adoption and implementation of programmes in the Member States concerned. Looking ahead, the Union needs to develop a communication strategy for on-going and future financial assistance programmes.

Moreover, with the phasing out of the Troika, an institution will need to take over the scrutiny of

on-going reforms. The Union now needs to assess whether the ESM should carry this work forward, whether a cooperation with other European institutions is needed or whether the creation of a new body will be necessary.