

ILO warns of rising unemployment leading to social unrest

There are over 10 million more jobless people in Europe now than at the start of the crisis, according to a snapshot of the European labor market released by the UN's International Labor Organization (ILO) on Monday.

"While fiscal and competitiveness goals are important, it is crucial not to tackle them through austerity measures and structural reforms that do not address the root causes of the crisis," said the ILO in a snapshot of the EU labor market launched ahead of its 9th European Regional Meeting that opened in Oslo on Monday and runs through Thursday.

The report suggests that fiscal consolidation policies adopted throughout the bloc have caused the deterioration of the employment situation, warning that the young and low-skilled workers are the

hardest hit.

"Long-term unemployment is becoming a structural problem for many European countries," the report said. "In 19 of them, more than 40 percent of the unemployed are now long-term unemployed, meaning that they have been out of a job for 12 months or longer."

The ILO also warned that "the worsening employment situation also means that the risk of social unrest is now 12 percentage points higher than before the start of the crisis."

"Only five EU countries out of 27 (Austria, Germany, Hungary, Luxembourg and Malta) have witnessed employment rates above pre-crisis levels," according to the report. "Countries like Cyprus, Greece, Portugal and Spain have seen their employment rate drop by more than 3 percentage points in the last two years alone."



ECB: Cypriot households are second richest in euro area

Households in Cyprus, which secured a European Union-led bailout last month, are the second richest in the euro area, European Central Bank data showed on Tuesday.

The median net wealth of Cypriot households was 266,900 euros in 2010, according to the Eurosystem Household

Finance and Consumption Survey.

Only Luxembourg's households were more affluent, with median net wealth of 397,800 euros. Households in Germany, which is contributing the lion's share to bailouts of distressed nations, had a median net wealth of 51,400 euros.

Cyprus committee halts probe into bank transfers

A parliamentary committee looking into who transferred money out of Cyprus before the island's banking system was locked down in March suspended its probe on Tuesday, complaining of not being given all the data it had demanded from the central bank.

The report it was given showed that 6,000 individuals and legal entities withdrew tens of millions of euros in cash from Cypriot banks and sent it abroad in the period from March 1-15.

The head of the Cypriot Parliament's ethics committee, which was due to look into a list detailing transfers of more than 100,000 euros from the two major banks – Bank of Cyprus and Cyprus Popular Bank – said the list fell short of

what he had requested.

"It was with great disappointment and anger that, when we opened the envelope, we realized it contained data for only 15 days even though we had asked for a year," lawmaker Demetris Syllouris told reporters.

"This kind of behavior is unacceptable."

Underscoring tensions in relations between the central bank and Cyprus's one-month-old center-right government, the government also withdrew the appointment of the deputy central bank governor who supplied the data.

Spyros Stavrinakis's appointment, made by the previous leftist administration, was based on "faulty legal reasoning," the government said.

PASOK chief says public administration is a 'thorn' in negotiations with troika

The head of government coalition partner PASOK, Evangelos Venizelos, said on Tuesday that the overhaul of Greece's public administration remains a «thorn» in negotiations with the country's international creditors after meeting with representatives of the so-called troika of lenders at his party's headquarters in central Athens.

«From our discussion with the troika... it arises that the main problem, the biggest thorn, is public administration,» Venizelos said ahead of a planned meeting between the envoys and Finance Minister Yannis Stournaras later in the day which is expected to address public sector reform among other contentious issues in a bid to reach a consensus before Friday's informal Eurogroup summit in Dublin.

«They are not looking at the issues regarding the public sector from a fiscal standpoint,» Venizelos said in a statement following his meeting. «They are looking at them, correctly I think, from the point of view of structural reform. Our credibility rests on this issue; it will determine whether we here in Greece really want deep structural reforms - a different state that can function in a manner that is friendly toward investment, toward growth and foremost toward the citizen, and to this we must give a positive answer.»

The head of the Socialists also recommended that the troika envoys hold a meeting with the head of the junior coalition partner Democratic Left, Fotis Kouvelis, who has resisted pressure from the creditors for public sector layoffs.

«I think it very important for a direct meeting to take place between Democratic Left and the troika. It will help a lot toward pin-pointing the issues as each side sees them,» Venizelos said.

«Our principal objective,» said Venizelos, «is and should be avoiding any thought of additional fiscal measures. We will not take additional fiscal measures; society, the economy and the political system cannot afford them.»

Immigrants target Greece's sea border

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