



Economic Crisis: World's Trade Unions Put Recovery and Reform Plan to G20

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Trade union leaders from the G20 countries will put forward a comprehensive plan to turn around the global economy, in meetings with world leaders in Washington DC on the eve of the financial crisis summit hosted by the US government on 15 November. The top level union delegation will discuss the plan with IMF Managing Director Dominique Strauss-Kahn, World Bank President Robert Zoellick and heads of government from the G20 countries.

The world's unions are calling for a series of urgent actions to stave off the prospect of deep and long-lasting global recession, coupled with major changes in the running of the global economy to turn back decades of deregulation policies that have caused the current crisis. A fresh push for development and decent work is needed, as well as a "Green New Deal" to tackle climate change effectively. The detailed union proposals are set out in a recovery and reform programme entitled the "Washington Declaration"

http://www.tuac.org/en/public/e-docs/00/00/03/66/document_doc.phtml

"Immediate action is needed to get the world economy moving and boost employment. Governments need to be prepared to make further, coordinated, cuts in interest rates and to front-load investment in infrastructure, education and health to help stimulate demand growth and reinforce public services. This needs to be accompanied by tax and spending measures to support the purchasing power of low- and middle-income earners, and concrete steps to launch investment in green goods and services, to help address climate change", said John Evans, General Secretary of the OECD-TUAC.

The ITUC and TUAC are co-organising the union summit which will be hosted by the US trade union centre AFL-CIO at its Washington DC Headquarters.

"The outcome of the US elections reflects a world-wide rejection of the fundamentalist right-wing ideology that has made a small number of people incredibly rich, while inequality and economic insecurity have grown, development has stalled, and the world stands on the edge of economic calamity. Tens of millions of workers are facing the loss of their jobs and more and more people are falling into poverty, with women frequently the worst affected" said ITUC General Secretary Guy Ryder. "Now is the time for a complete change in direction, and we will be putting the case for that change to governments, including the incoming Obama Administration in the USA", he added.

Along with the immediate steps to stimulate the world economy, the trade unions are putting forward a comprehensive regulatory package to ensure global governance of the global

economy with a strong role for the ILO in line with the new ILO Social Justice Declaration. Key elements of the package include:

- Better accountability of central banks
- Regulation of hedge funds and private equity
- Proper supervision of banks and global conglomerates
- Reform and control of executive pay and profit distribution
- Taxation of international financial transactions
- Reform of the credit rating industry
- Ending tax havens
- Protection against predatory lending
- Active policies for housing and for community-based financial services.

The Washington Declaration also draws attention to the plight of the world's poorest countries, where the impacts of global downturn will hit hardest. It calls on richer countries to ensure that international targets on development aid and the UN Millennium Development Goals are met, and urges action to ensure that basic commodities, especially food, become affordable for the poorest.

The Declaration sets out the global trade union movement's platform for a new governance structure for the world economy. This must not be limited only to financial markets and currency flows. The new structure must overcome the major flaws in the current system, and ensure that emerging economies and developing countries have their rightful place at the centre of policy-making. Decent Work must be a primary objective of the new approach, with job creation, fundamental workers' rights, social protection and social dialogue central to reversing the massive inequality which is at the root of the present crisis. Trade unions have a major contribution to make in charting the necessary international reform, and the statement calls on governments to ensure their full involvement in the process.

"Governments have found it easy for the past three decades to withdraw from their proper role in regulating markets and ensuring that multinational companies meet global standards on workers' rights. Getting good government policies back in the driving seat will be much more difficult, as no government can achieve this alone. Now is the time for coordinated action to restore proper regulation to put the markets at the service of the people," said Ryder.

The International Trade Union Confederation (ITUC) represents 168 million workers in 155 countries and territories and has 311 national affiliates. <http://www.ituc-csi.org>
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The Trade Union Advisory Committee (TUAC) is an interface for trade unions with the OECD. TUAC's affiliates consist of 58 national trade union centres in the 30 OECD industrialised countries which together represent some 66 million workers. www.tuac.org & youtube.com/TUACSecretariat
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