

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

## ICFTU OnLine...

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Davos Forum: Trade Unions Call Companies and Governments to Account on Jobs and Tax

Brussels, 25 January 2006 (ICFTU OnLine) At this year's Annual Meeting of the World Economic Forum (WEF) in Davos, global trade union leaders will be tackling government and business leaders on the issue of plummeting corporate taxes, and pressing for action to create jobs for the future. The issue of job creation is high on the Davos agenda this year, reflecting growing international concern about "jobless growth" in the global economy. While International Labour Organisation figures show 185 million people with no employment at all, and 550 million working for less than USD 1 per day, after-tax profits are at their highest levels in decades as a share of GDP, particularly in the USA and the Euro area.

The labour leaders group at Davos will be putting the case for policies to ensure higher and more balanced economic growth, focusing on increased domestic demand, backed up by effective action on debt reduction, trade and aid to help tackle world poverty. In a Statement <<http://www.icftu.org/displaydocument.asp?Index=991223330&Language=EN>> being presented at the WEF Annual Meeting, the unions will also stress the importance of decent and secure jobs, with measures to ensure that the employment chaos resulting from the way in which global textile trade quotas were ended last year cannot be repeated.

The union delegation will also turn the spotlight on declining corporate tax contributions to national economies around the world. "More and more of the tax burden is falling on individuals, while major companies are failing to pay their fair share" said ICFTU General Secretary Guy Ryder. Over the last 20 years, the share of taxes paid by companies in the OECD countries has fallen by some 50%, and the situation in developing countries is far worse. In the US, corporations now only pay 13 percent of the federal income tax bill, while individuals pay 87 percent. In 1940, companies and individuals split the federal income tax bill equally. Global corporations continue to pit one government against another in their drive to pay less, depriving governments of revenue which is essential to ensure decent infrastructure, public services, education and social security.

"The ICFTU, the World Confederation of Labour and our global trade union partners will be putting this issue on the international agenda this year," said Ryder, adding that "this beggar-thy-neighbour tax competition is undermining the basis of modern productive societies, and will hurt future growth".

"This year's Davos meeting has an ambitious agenda, covering a wide range of challenges confronting the world", said Ryder. "We have a compelling case to put, and we look forward to engaging with the world leaders who will be present", he added.

The Labour Leader's group at Davos includes representatives of the ICFTU, WCL, Global Union Federations, national trade union centres and the OECD-TUAC.

The ICFTU represents 155 million workers in 236 affiliated organisations in 154 countries and territories. The ICFTU is also a partner in Global Unions: <http://www.global-unions.org>

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