

International and European union leaders call for crisis action from the G7 Finance Ministers

Brussels, 8 October 2008 (ITUC OnLine): The General Secretaries of the ITUC, ETUC and TUAC have sent an open letter to the G7 Finance Ministers meeting on 10 October, calling for a major recovery plan to stave off the risks of a global recession that goes beyond the coordinated cuts in interest rates announced by six central banks.

The mounting financial chaos is taking its toll on the real economy with sharply falling employment in the United States now spreading into a global recession, threatening jobs around the world with especially severe impacts on the poorest countries. The G7 Finance Ministers and Central Bank Governors must put in place a coordinated recovery plan targeted at stimulating the real economy in the G7 and beyond. There should be further coordinated interest rate cuts as necessary. Governments should bring forward infrastructure investment programmes as well as measures to create “green jobs” through alternative energy development and energy saving and conservation. Direct tax and expenditure measures should be introduced to support purchasing power of median and low income earners. As large parts of the financial system are being supported by public taxpayers, the unions insist that governments should take equity stakes and act as activist investors to protect the public interest and ensure that taxpayers are reimbursed. Beyond the immediate action, the G7 governments must work to ensure that a crisis of this scale does not happen again. Work on a new regulatory architecture must begin, covering not just banks but also the parallel financial system as well.

The call for action on the crisis follows the mobilisation of more than a million workers by trade unions in 123 countries around the world on October 7, the World Day for Decent Work. The central demand of the World Day focused on a fundamental transformation of the global economy against the background of the current crisis.

The full text is available at

http://www.tuac.org/en/public/e-docs/00/00/03/38/document_news.phtml

The ITUC represents 168 million workers in 155 countries and territories and has 311 national affiliates. Website: <http://www.ituc-csi.org>

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