

INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

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Unions to Davos: Jobs the Missing Link

Employment and incomes key to pulling world economy out of tailspin, as ILO predicts up to 50 million jobs to go and 200 million more into absolute poverty, as new IMF figures herald global recession.

Davos, 29 January 2009 (ITUC OnLine): The global financial crisis now threatens to become a social timebomb if the world's governments don't act together to save and create jobs, according to global trade union leaders attending the World Economic Forum Annual Meeting in Davos. The unions are delivering a tough message to business at the forum, as millions more face unemployment, home repossessions and lost savings and pensions. This follows the disastrous effects of years of deregulation and corporate greed on the global economy. Urgent coordinated action is now needed to get economies onto a pathway to recovery, with the G20 countries at the forefront.

"We warned business and politicians at Davos last year of dangerous instability in the global economy, but most were more than happy to continue to reap the short-term benefits of the failing model of deregulation and speculation. Business and governments created this crisis on their own, but they won't be able to solve it unless they work with unions to stop the global jobs haemorrhage, kick-start the world economy and put a proper regulatory framework in place," said ITUC General Secretary Guy Ryder. "Even now, some businesses are still pushing governments to leave them free from regulation and hold down any chance of consumer-led recovery by stopping workers from joining unions and bargaining for better incomes," he added.

The ITUC, with its national affiliates and Global Unions partners, is pushing a comprehensive recovery and reform package, with top priority on sustainable employment, in discussions with the global institutions and national governments. Ensuring workers' rights to union representation and collective bargaining, coupled with investment in labour market programmes, have to be the core of recovery efforts to enable consumer spending to steer economies onto the path to growth. In their statement to the Davos meeting, the unions call for a series of measures to arrest collapsing global demand through:

- * Further coordination of interest rate policy (with more cuts required in European countries)
- * Coordinated fiscal stimulus to maintain and create jobs
- * Investment in infrastructure to stimulate demand and prepare for recovery
- * A "Green New Deal" for climate-friendly investment and jobs
- * Actions to keep workforces employed and retrained during the crisis
- * Strengthening of unemployment benefit and other social security schemes;

- * Spending on schools, hospitals and care for the aged and young children
- * Tax and spending measures targeted at those on low-incomes
- * Emergency IMF loans to developing countries, without austerity conditions
- * A boost to development aid to help meet the MDGs
- * Action on the global food crisis.

"We have witnessed three decades of stagnating or falling real incomes for the vast majority, while huge and undeserved pay and bonuses are still being gouged out of companies by those at the very top of the corporate tree, even when they have utterly failed to deliver," said Ryder.

Beyond the immediate need for action on these points, the global union movement is putting forward a detailed framework for new regulations to put an end to the rampant speculation and financial profiteering which has caused the global crisis. The framework includes regulatory actions which need to be taken by national governments, as well as new global measures to support regulation and ensure coherence.

"Governments need to act together, both on stimulating demand and on the new regulatory agenda. Success, both in the immediate future and in the long term, can only be achieved if governments put workers' rights to organise and bargain collectively at the heart of their response to the crisis. Unions need to have a seat at the table, to make sure that the interests of working people are at the forefront, instead of the unbalanced and ultimately destructive past practice of governments letting finance and business interests set the agenda," said Ryder.

The union statement also calls on business to negotiate with unions to save jobs, upgrade skills, cut carbon emissions and re-tool industry to set the basis for recovery. This needs to be done through national social dialogue and collective bargaining, and internationally through agreements between multinationals and Global Union Federations in the different sectors.

The ITUC represents 168 million workers in 316 affiliated national organisations from 157 countries. <http://www.ituc-csi.org>
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