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The Global Crisis Needs a Global Coordinated Response

Brussels, 24 June 2009 (ITUC OnLine): As the United Nations kicks off a major three-day Conference in New York on the World Financial and Economic Crisis and its Impact on Development, (24-26 June, 2009), the ITUC is drawing the attention of world leaders to the severe human costs of the deepening slowdown in the global economy. This is most evident in the jobs crisis, with increasing income inequality, rapid increases in unemployment, and growing hunger and poverty in developing countries. Women are bearing a disproportionate share of the hardships brought on by the global crisis.

This unprecedented global crisis requires global, coordinated responses, forged in an inclusive manner, where the representatives of the developing countries that are bearing much of the brunt of the crisis have a say in policy-making. The United Nations provides such a forum. Trade unions are therefore calling on Member States to adopt a strong, pro-development Outcome Document of the UN Conference. This would serve to initiate an inclusive, democratic process towards real and lasting solutions to the crisis.

"Functional linkages between the UN and the G20 processes must be established, in the interests of inclusive, democratic global governance, and policy coherence," said ITUC General Secretary Guy Ryder. "The Global Jobs Pact just adopted at the ILO Jobs Crisis Summit must be an integral part of the global policy response," continued Ryder. "It offers a comprehensive blueprint which puts employment and social protection at the heart of economic recovery efforts. Its recommendations should be fully supported in the UN Conference Outcome Document."

A ten-member trade union delegation will be bringing these messages to the conference, and calling on Member States to make the recommendations of the Global Jobs Pact a centre-piece of countercyclical policies. These must focus on public infrastructure investment, special employment programmes, social protection, and bring about a shift to a low-carbon growth path that creates green and decent jobs.

Trade unions are further calling on governments to support the Recommendations of the Commission of Experts set up to provide policy guidance to the conference, and chaired by Prof. Joseph Stiglitz. The so-called Stiglitz Commission Report recommends fiscal stimulus measures to finance countercyclical policies that restore long-term growth, reduce income inequality, and eradicate poverty. Trade unions are insisting that developing countries must have the policy space they need to implement the countercyclical policies recommended in the report, devoid of harmful policy conditionalities of the IFIs.

Trade unions are calling for systemic reforms to restore growth with

equity, and minimize the risk of recurrence of financial crises. These include regulatory reform of financial institutions and transactions, corrective actions to ensure fair trade, and establishment of a debt workout mechanism.

Member States at the UN must also move decisively on global governance reforms, including IFI reforms. They must place social priorities at the centre of international governance, with the setting up of a Global Economic Council (GEC), which will be the locus of forging a new global consensus on sustainable development policies, and systemic reforms that are needed to restore lasting growth. An International Panel should be established to serve as an advisory body to the GEC. This panel should include representatives of trade unions.

Member States need to support the completion of an ambitious agreement by the United Nations Framework Convention on Climate Change (UNFCCC) at Copenhagen in December 2009. This will require action on Green Jobs, financing of support for developing countries, and the inclusion of "just transition" strategies in the agreement to be adopted in Copenhagen.

Details of the ITUC's Recommendations for the Outcome Document of the UN Conference are contained in the ITUC Statement to the Conference, and presented in succinct form in the Executive Summary.

These documents are available at:

http://www.ituc-csi.org/spip.php?article3921&var_mode=calcul

Further details of Global Unions' proposals to end the global economic and financial crisis are contained in the trade union statements to the G8 L'Aquila Summit (Italy, July 2009) and G20 London Summit (April 2009). These documents are available at:

http://www.tuac.org/en/public/e-docs/00/00/04/E0/document_doc.phtml

http://www.ituc-csi.org/IMG/pdf/No_16_-_G20_London_Declaration_FINAL.pdf

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