

## G20 Finance Meeting: Action for Employment Welcome, but Many Questions Remain

Brussels, 9 November 2009 (ITUC OnLine): The world's trade union movement has welcomed the decision by G20 Finance Ministers meeting in St Andrews, Scotland, to keep jobs high on the agenda for economic recovery and reform, and to "maintain government support for the recovery until it is assured". The meeting also decided that the ILO will have a role in assessing the effectiveness of G20 policies for

"strong, sustainable and balanced growth", although the major players in this process will still be the International Monetary Fund and the World Bank. The clear commitment from the meeting to reform of the international financial institutions is also welcome, as is progress on ending tax havens.

Nevertheless, several serious questions remain unanswered by the St Andrews meeting. While the Finance Ministers committed the G20 to responsiveness and legitimacy, especially concerning reform of the international financial institutions, trade unions are extremely concerned that the Financial Stability Board (FSB), which has a primary role in designing new architecture for financial regulation, still effectively operates in secret.

"The FSB has made no effort to discuss and consult outside a very narrow circle of people, many of whom bear heavy responsibility for the current crisis. The G20's stated commitment to transparency won't have much meaning at all unless governments make the FSB come out from behind closed doors and open up to discussion and consultation," said ITUC General Secretary Guy Ryder.

The unions have also expressed dismay at the lack of progress on a global transactions tax, championed by UK Prime Minister Gordon Brown who hosted the Summit. "The IMF, which has been asked to make recommendations on this, has traditionally opposed such a tax and now seems to be steering the G20 towards a weak option which would not generate many funds nor make banks help to pay for the crisis they caused. This would only add to the enormous burden working people are already bearing, and would do little if anything to restrain destructive speculation," said John Evans, general secretary of the OECD Trade Union Advisory Committee.

The Communiqué issued by the St Andrews meeting does include references to the need for financing to tackle climate change; however, no concrete commitments are given either in terms of actual funds to be made available or on the emissions reductions that need to be agreed at the UN Conference in Copenhagen next month.

"Finance will be critical to success or failure at December's Copenhagen Climate Summit, and the absence of clear commitments from this weekend's G20 meeting on financing within the industrialised economies, or to help developing economies find a low-carbon development path, does not bode well for success in Copenhagen," said Ryder.

The ITUC represents 170 million workers in 158 countries and territories and has 316 national affiliates.

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