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078/040610

Trade Unions Warn G20 Finance Ministers Against Inaction

Brussels, 4 June 2010: As G20 Finance ministers and central bankers meet in Busan, Korea, on June 4-5, 2010, with proposals to introduce new taxes on banks and other financial institutions high on their agenda, trade unions are calling for a firm and comprehensive G20 agreement to re-regulate global finance, including the introduction of a financial transaction tax.

see trade union Statement to the Financial Stability Board: <http://www.ituc-csi.org/trade-union-statement-to-the-4th.html>

“Current proposals to introduce new bank taxation and new limits on bank loans in a strengthened Basel II agreement fall far short of the bold and ambitious action that is needed to deliver the necessary changes and quell the rising tide of public anger caused by speculative pressure on countries like Greece and Portugal,” said ITUC General Secretary Guy Ryder. “We need a real hands-on approach to banking supervision and to excessive bankers’ pay, and to shielding commercial and retail banking from irresponsible shadow banking and speculation.”

“Concerns about preciously guarded national sovereignty or disrupting the slow economic recovery are misplaced,” stated TUAC General Secretary John Evans. “On the contrary, regulation is key to attaining recovery. Such concerns can be addressed by well-designed and coordinated international cooperation, and G20 Finance Ministers should instruct the Financial Stability Board to undertake comprehensive modelling to pave the way for the creation of a financial transaction tax at global or regional level.”

“The reports by the Financial Stability Board and its members released in the past year reveal the extent to which governments and supervisory authorities have lost control over global finance,” UNI General Secretary Philip Jennings emphasised. “It is essential that all derivatives and alternative investments, including hedge funds and private equity, should be brought under the scrutiny of proper regulation and public authorities. Moreover, worker representation in bank and insurance risk management systems needs to be enhanced.”

The ITUC represents 176 million workers in 155 countries and territories and has 312 national affiliates.

<http://www.ituc-csi.org> and <http://www.youtube.com/ITUCCSI>

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