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ITUC Calls for UN Summit to endorse Financial Transactions Tax to help fund development and growth

Brussels, 10 August 2010 (ITUC OnLine): The ITUC is calling on governments to commit to introducing a financial transactions tax (FTT) at September's United Nations Development Summit to help tackle global poverty and accelerate action on jobs and climate change. The UN Summit, to review progress on the Millennium Development Goals (MDGs), will take place against a background of growing global unemployment and inequality and major set-backs on economic development in countries across the globe. "The global economic crisis continues to hit hard, with 200 million more people falling into absolute poverty since 2008, millions of young people with little or no hope of finding work, and women in particular being squeezed out of employment. The recession may be over for banks and finance, but the outlook for employment and for vital public services is bleak as governments cut spending in order to satisfy the money markets. A financial transactions tax not only makes good economic sense – it is also a matter of justice and equity," said ITUC General Secretary Sharan Burrow.

An FTT could raise between US\$200bn and US\$900bn depending on the way it is structured and the level at which it is set, according to the ITUC submission which is being sent by its national affiliates to governments in preparation for the Summit. Even a small percentage of the funds raised by an FTT would help put in place a social protection floor, which would give a major boost to tackling poverty. The submission sets out the case for putting an FTT at the centre of an overall package of measures which would also tackle corporate tax evasion and ensure effective regulation of banks and finance.

"Instead of simply focusing on spending cuts, governments need to increase revenues to ensure employment, public services and development aid. Parts of the finance sector are awash with money, just two years after taxpayers had to bail out poorly regulated banks. An FTT would not solve all the world's problems, but it would certainly be a good starting point by moving capital from speculative profiteering to kick-starting the real economy and helping avoid a double-dip recession which would have horrendous consequences for the poorest countries in particular," said Burrow.

The ITUC submission to the Summit sets out detailed policies and actions which would give a renewed impetus to meeting the MDGs, which on current measures are highly unlikely to be met, despite repeated pledges by governments. These range from important restructuring of the world economy to put decent work at the centre of decision-making, through to actions at national and local levels to tackle poverty, discrimination and exploitation. Implementing the ILO Jobs Pact, adopted at last year's International Labour Conference, is at the centre of the ITUC's demands for the UN Summit, which takes place in New York from 20 – 22 September.

For more information, read the ITUC statement: http://www.ituc-csi.org/IMG/pdf/No_33_-Annexe_3_-ITUC_Statement_to_September_Summit_2010_on_the_MDGs.pdf

The ITUC represents 176 million workers in 156 countries and territories and has 312 national affiliates. <http://www.ituc-csi.org> and <http://www.youtube.com/ITUCCSI>

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