

## INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

### ITUC Online

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### **Seoul G20: Jobs Commitment Welcome but Fiscal Austerity Risks Undermining Recovery, Warn Trade Unions**

Seoul, 12 November 2010 (ITUC OnLine): Trade unions have welcomed the recognition by the G20 that decent jobs are at the heart of the recovery and their commitment to provide social protection for the most vulnerable, while expressing deep concern about the global consequences of premature austerity measures.

"Unions now want to see real action to fix the bitter and unprecedented social crisis of global unemployment between now and the G20 meetings in France in 2011, and remain opposed to slashing fiscal deficits in the short-term before employment is back on track," stated ITUC General Secretary Sharan Burrow. "We are worried that without coordinated investment in jobs and social protection, the G20 stands to become a transmission belt for communicating recession from one G20 country to another, ultimately damaging the entire global economy."

"The global economy is far weaker than the G20 admit and far from reassuring the financial markets, a headlong rush to austerity and cutting deficits prematurely will further depress investment, and hit sovereign debt ratings as current growth forecasts are downgraded," explained TUAC General Secretary John Evans. "Governments are trying to talk up growth by calling for structural reform, but the Seoul Action Plan looks too much like the old agenda of reducing benefits and weakening job protection and will sap the confidence of households. We need a G20 action plan for jobs that promotes fairer income distribution and a demand-led recovery."

In Seoul, the 50-strong global trade union delegation discussed trade union demands with the summit host President Lee Myung-bak and many other heads of government as well as the chiefs of major international institutions and the European Commission. "G20 Labour Ministers must now meet as soon as possible to discuss best-practice measures for decent work and the ILO's Global Jobs Pact, and how to stop a recurrence of the labour market inequalities that were a major causative factor in bringing about the crisis," Burrow added.

Trade unions welcome the G20 commitment to engage with unions in the G20 process, while at the same time warning that the G20 remains unduly tilted towards the narrow self-interest of the financial community.

"From being the locus for decisive measures to rescue the global economy as at London and Pittsburgh and to restore sane regulation in place of mad financial market greed, financial reform has stalled, and the G20 appears unwilling to stand up to the business leaders and bankers who continue to resist even watered-down regulation whilst paying themselves massive and undeserved bonuses," stated Evans.

Unions warn that without genuine financial reform, the introduction of a financial transactions tax and an end to tax havens, the resources needed for investment in jobs, development and tackling climate change will be lacking. "Implementing these measures is both a moral imperative and an economic necessity," said Evans.

"While the Seoul Development Consensus for Shared Growth is important, it does not compensate for the absence of concrete commitment of resources for the Millennium Development Goals or for the establishment of a global social protection floor," concluded Burrow. "The world's citizens expect more. They are looking to the G20 Leaders to show true global leadership and deliver employment and recovery instead of inaction and short-termism. It is urgent that as France assumes the G20 Presidency for 2011, the

G20 rediscover its collective sense of purpose, before stagnant growth and a return to rising unemployment delivers them with that wake-up call."

The ITUC represents 176 million workers in 151 countries and territories and has 301 national affiliates. <http://www.ituc-csi.org> <http://www.ituc-csi.org> and <http://www.youtube.com/ITUCCSI> <http://www.youtube.com/ITUCCSI>

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