

INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

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New IMF Head Must Give Priority to Jobs and Reducing Inequalities, Unions Say

Brussels, 26 May 2011 (ITUC OnLine): The incoming head of the IMF must have the capacity and will to tackle the global employment crisis and growing inequality, according to the ITUC. At least two candidates have so far announced interest in replacing Dominique Strauss-Kahn as IMF Managing Director.

"The world economy still faces huge challenges, despite the official end of global recession in 2009. A transparent and merit-based IMF selection procedure that does not discriminate on nationality or region must find a new Managing Director capable and willing to carry out the policy changes needed to attack the global employment deficit and reduce inequalities between and within countries," said ITUC General Secretary Sharan Burrow.

The international trade union movement is calling for the IMF to be transformed into a body focused on reducing unemployment, underemployment and inequality and that promotes core labour standards. It must help create an international framework for financial regulation to prevent a recurrence of the worst financial crisis the world has known since the 1930s and serve the needs of the real, productive economy.

In February, IMF's own Independent Evaluation Office faulted the Fund for its failure to foresee and properly respond to the outbreak of the global financial crisis. It has since taken some steps in recognising that income inequality drives economic instability, has begun and in three pilot countries to work with the International Labour Organisation on job creation and social protection for all in national economic recovery strategies. These areas of work must now be brought to the central policy framework of the IMF.

"Any return to the past obsession with deregulation is not acceptable. Working people already bailed out the banks and are now paying again through high unemployment and cuts in government services. The IMF should lead in restoring social spending and meeting international development goals, and it should play a key role in making the finance sector pay its fair share of the cost of recovery through a financial transactions tax," said Burrow.

The ITUC represents 175 million workers in 151 countries and territories and has 305 national affiliates. <http://www.ituc-csi.org> and <http://www.youtube.com/ITUCCSI>

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