

News

Lagarde Must Put Jobs at the Centre of Economic Recovery Plans

22 September 2011: The international union movement has called on IMF Managing Director, Christine Lagarde, to lead a global economic transformation with jobs at its centre, and push governments to tackle the rising jobs crisis with growth plans that address income inequality. ITUC General Secretary Sharan Burrow said big banks and big business are again dictating economic policies from the boardroom and governments are failing to stand up to them.

“Big bank bonuses are back and their profits are up, even as the global financial crisis deepens. All the burden is being put on workers and the unemployed. “Governments saved the jobs of the billionaires, now they need to secure the jobs of teachers, nurses and construction workers who are the beating heart of the real economy. Workers, not bankers, will pull the world out of the economic crisis.

“Governments have jumped on the IMF’s approval of fiscal consolidation as a free pass for slash and burn policies to cut public services and the jobs that go with them.

“The downward pressure on wages has eroded workers rights and created a new phenomenon of insecure work,” said Sharan Burrow. Income inequality is a proven cause of financial crises from the 1930s to 2008 yet governments are turning their backs on the lessons of history. All countries should slow down budget cuts; otherwise, they will prolong the global recession and make the unemployment line even longer. Job creation and fair taxation on finance and business can provide the tax revenue needed to balance the books.

“We tackled the immediate banking crisis, but now we need to address income inequality if we are going to have a recovery that lasts longer than the latest iphone. “Countries like Germany and the US should increase their spending on jobs and recovery programmes.

“The UK needs to face up to the reality that its obsession with fiscal cuts will mean a generation of young people face a future without work , with another 80,000 people unemployed in the three months to July 2011. 78,000 of those people were under 24. This is no recipe for recovery. “We are at a crossroads, where working people can become the solution to the economic crisis, if governments get the policies right.

“Recovery can only be driven by workers with good jobs, decent wages and protected with rights that have been fought and won over the last 100 years,” said Sharan Burrow. The International Trade Union Confederation is calling on the IMF to: • support an eight point plan for employment creating growth with trade unions, employers and governments; • co-ordinate the implementation of a Financial Transactions Tax to fund social protection policies and growth strategies; • stop policy recommendations to deregulate labour markets and instead defer to the ILO on labour market issues.

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Sharan Burrow is in Washington DC for the Annual WB/IMF meetings on Thursday 22 and Friday 23 September and available for interview.

Read the statement by Global Unions to the 2011 annual meetings of the IMF and World Bank

The ITUC represents 175 million workers in 151 countries and territories and has 305 national affiliates.