

News

G20 failure puts world economy at risk: Finance Ministers Asleep on the Job

23 September 2011: The international trade union movement today warned that the G20 have failed to recognise their policy mistakes, and have been complacent in the face of a global jobs crisis with mass unemployment not seen since the 1930s.

Sharan Burrow, ITUC General Secretary said the G20 must put job creation at the top of their agenda and focus on employment and social protection until the job crisis is under control.

“The world is in the grip of the second wave of the financial crisis and the G20 finance ministers and their leaders have themselves to blame.

“A co-ordinated approach not seen since the 2008 response to bail out the banks is needed to get millions of people back to work,” said Sharan Burrow.

The warning came as the G20 Finance Ministers meeting on the sidelines of the Annual World Bank/IMF meetings in Washington DC issued a surprise statement which fell short of accepting responsibility for the current crisis.

The IMF was the first global financial institution to admit, they “largely failed to perceive what was happening” in the World Economic Outlook released by their Chief Economist on the eve of the Annual General meetings.

“The G20 Finance Ministers embarked on a plan of fiscal cuts, but failed to take account of the slow down in growth.

“They have left a trail of broken promises and an unemployment line stretching from Chile to China.

“The G20 leaders failed in their promises to ensure that financial markets would never dictate policy again. They agreed that high wages were needed to increase demand and drive the world economy, yet have not put in place any action to tackle income inequality,” said Sharan Burrow.

The ITUC is calling on the G20 finance ministers to:

- postpone spending cuts;
- re-assert labour rights;
- improve social protection, which is morally necessary but will also increase spending;
- invest in quality public service;
- return to the agenda of financial reform and regulation;
- put in place a financial transaction tax to stop financial speculation and raise revenue.

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