

## INTERNATIONAL TRADE UNION CONFEDERATION - ITUC

### ITUC ONLINE

#### G20 Finance Ministers face growing public anger for failing to reform financial system

Brussels, 14 October 2011 (ITUC OnLine): The international trade union movement said G20 Finance Ministers are coming under increasing pressure to create jobs, tackle public debt and reform the financial system as public pressure from the 'Occupy Wall Street' movement spreads from the US to Australia, France and the UK.

International Trade Union Confederation (ITUC) General Secretary Sharan Burrow said the strength of the protests is growing with rising unemployment and the failure of the G20 to act on behalf of the majority of people, not the 1% who are millionaires and banking elites.

"Finance Ministers have a second chance to get it right. After the 2008 financial crisis they promised jobs and financial reform. Workers have seen no progress, and are carrying a massive public debt burden for the bankers and financial institutions," said Sharan Burrow.

The ITUC is calling for the G20 and the IMF to support a 3 step response to the mounting debt burden:

- \* reductions of home mortgages in countries where real estate values have collapsed;
- \* rescheduling of sovereign debt repayments in countries with unsustainable levels of indebtedness;
- \* in Europe the issuance of "eurobonds" and progressive taxation reforms.

"What is needed to put the economy back on a firm footing is investment in jobs. Workers will drive the economy out of crisis not bankers.

Meanwhile citizens and tax payers are subsidizing private bankers who continue to obstruct financial reform. From Washington to Brussels, bankers' lobbyists are meeting in hotels and backrooms with a brief to stop reform at any cost," said Sharan Burrow

"Government support schemes to banks, including public guarantees on their liabilities, increased significantly post-crisis. Coming on top of public debt, they account for 20-30% GDP for most OECD economies and must be phased out. We need a smaller but more diversified financial sector" said John Evans, General Secretary of the Trade Union Advisory Committee to the OECD (TUAC).

A new ITUC report prepared with the TUAC Secretariat exposes the destructive forces behind ever-larger financial conglomerates and increasingly deregulated markets in feeding new forms of speculative behaviour, including High Frequency Trading (HFT) and naked short selling.

HFT uses computer generated exchanges executing frequent but small trades in milliseconds to make profits from incremental price movements. HFT accounted for 25% of spot foreign exchange transactions worldwide in 2010, 56% of US equity trading, and 38% of European equity trading (up from 9% in 2007).

"Casinos are better regulated than our financial system. A Financial Transactions Tax will help stop financial speculation and generate revenue for investment in jobs," said Sharan Burrow.

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

Website: <http://www.ituc-csi.org> and <http://www.youtube.com/ITUCCSI>

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