

INTERNATIONAL TRADE UNION CONFEDERATION

Davos 2014: Unions call for leaders to reshape the world economy with jobs and decent wages

Davos, 22 January 2014: Working people and their families need an urgent shift in policies by leaders to investment in jobs, a minimum wage on which people can live and social protection.

The ITUC Global Poll of 13 countries found 87 percent of people say their wages are falling behind the cost of living or stagnant. One out of eight respondents said they are struggling financially and can no longer pay for basic living expenses.

John Evans, Chief Economist, International Trade Union Confederation, said financial forecasts point to stagnation – not recovery – with nearly 200 million people unemployed.

“The World Economic Forum’s own Global Risks Report identifies widening income disparities and structural unemployment as the most serious problems confronting the global economy this year, yet government policies are worsening these trends; we need a change in policy direction,” said John Evans, who is also General Secretary of the OECD Trade Union Advisory Committee (TUAC).

The new ITUC Economic Briefing released ahead of the Davos meeting points to high unemployment, wage cuts and high levels of household debt, all of which have kept demand in key economies in the doldrums, while growth strategies are still most focused on exports, specifically in Europe.

“In a stagnant global economy, it is investment that will kick start jobs and demand. We cannot assume that growth alone will create jobs. The global economy cannot recover on export-led growth if wages don’t rise. There must be an expansion of demand – particularly from working households,” warned Sharan Burrow, General Secretary of the International Trade Union Confederation.

The past year has seen growing inequality and a widening gap between leaders and citizens. Only 13 percent of people in the ITUC Global Poll of the general public in 13 countries think that governments are acting in their interests.

28 percent of people are disenchanted or worse, disengaged, believing that governments are acting in the interest of neither people nor business.

“There is profound mistrust of governments and institutions. Leaders must stand by their promises to end speculative behaviour, stand up to the banks and end tax avoidance to demonstrate to working people they are acting in their interests,” said Sharan Burrow.

The Davos 2014 plan set out by labour leaders for investment and jobs, wages and social protection includes:

- Targeted investments in infrastructure to improve long-term productive potential and move to a low-carbon economy;
- Raising the purchasing power of low- and middle-income households by reducing inequality and strengthening collective bargaining and minimum wages;
- Investing in active labour market policies to raise skill levels and reduce youth unemployment; and
- Reducing informality and creating decent work in emerging and developing countries.

For interviews with Sharan Burrow or John Evans in Davos contact Tim Noonan +32 475 67 08 33 or Gemma Swart +32 479 06 41 63, email gemma.swart@ituc-csi.org

Read the ITUC Global Poll 2013: <http://www.ituc-csi.org/ituc-global-poll-2013-economic-and>

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