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G20 recognises inequality as risk to growth – L20 calls for national action plans on jobs and wages

Antalya, Turkey 16 November 2015 (ITUC OnLine): G20 leaders at the Antalya Summit have acknowledged that reducing inequality, creating jobs and ensuring inclusion are essential to generate a stable economy. The summit took place in the shadow of terrorism, the flight of refugees from fear and the threat of further economic crisis.

For the first time in a Leaders' statement, the G20 acknowledged that rising inequality is a major risk to "social cohesion --- and our objective to lift growth" and called on "Finance Labour and Employment Ministers to review growth strategies and employment plans to strengthen action against inequality". They committed to implementing the G20 Policy Priorities on Labour Income Share and Inequalities that recognise the need to strengthen labour market institutions, the role of minimum wages and collective bargaining. However, this will mean nothing unless there is national commitment to implement the priorities, warned the Labour 20 (L20).

With global unemployment still 30 per cent above the level before the crisis and the global jobs gap forecast to rise to 80 million by 2018 and the risk of further recession, action is needed in the short term to raise growth.

"The G20 is off target to meet the 2.0 per cent extra growth target made last year in Brisbane," said John Evans, General Secretary of TUAC. "The leaders talked of 'sound economic policies' but what is needed is a stimulus to public investment and wages of the bottom 40 per cent of wage earners. The OECD, at the release of the most recent Economic Outlook one week ahead of the G20 Summit, has called for 'collective action to increase public investment' in Europe. But this has to be followed up by action by governments. The price of failure to act is the risk of a further recession."

The L20 welcomed the statement on refugees, as the world faces the biggest refugee crisis since WWII, and the reference to climate.

"The crisis of refugees is recognised and there is a call for humanitarian support, responsibility for providing safe haven and the financial support for poorer economies, but there are no specific commitments and the central issue of the right to work for refugees is missing," said Sharan Burrow, ITUC General Secretary.

"The focus is now on leaders at the COP21 in two weeks to negotiate an ambitious and legally binding agreement that keeps the world's temperature rise to less than 2 degrees Celsius, delivers on the promise of \$100 billion in finance for developing countries by 2020, and has a mandatory review mechanism," said Burrow.

The L20 Summit in Antalya began the groundwork for the labour and social input to the Chinese Presidency of the G20 in 2016.

“The world needs hope, and with control of 85 per cent of the global economy and the majority of the world’s population, the G20 must act with greater coordination and build on these commitments in China,” said Sharan Burrow.

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