



DAVOS 2012: THE GREAT TRANSFORMATION

LABOUR'S FIVE DEMANDS FOR JOBS, GROWTH AND EQUITY

Labour demands investment of 2 -3% of GDP (public and private) in a coordinated effort to create new jobs

1. Jobs Jobs Jobs

It is workers in work who will drive the global economy out of crisis. Labour calls for investment in jobs:

- green economy infrastructure
- the care economy including quality public services, training and education
- formalisation of the informal economy
- youth employment opportunities including a G20 "Youth Jobs Pact"

Five years of 2% of GDP invested in the green economy across six sectors in 12 countries can drive more than 55 million sustainable, decent jobs.

The American Jobs Act with \$450bn will generate 2.9 million jobs.

2. Sustainable Demand and Decent Work

Social protection, minimum wages and collective bargaining to increase demand and reduce inequality:

- A Social Protection Floor in every country, with a global fund to kick-start development in the poorest countries
- minimum wages on which people can live with dignity
- an end to precarious work
- collective bargaining expanded, to provide decent work and raise demand

Income inequality rose over the past three decades in 17 out of the 24 OECD countries for which data is available. In the US, the top 1% of the population doubled its share in national income from around 8% in the mid-1970s to almost 16% in the early 2000s. The real median wage in the US has been stagnant for 25 years, despite an almost doubling in GDP per capita.

3. Financial Regulation

Governments must stand up for the real economy:

- No "Too Big To Fail"
- Transparency for OTCs and the shadow economy
- A ban on algorithmic high-frequency trading (HFT)
- Due diligence, legal liability and regulation of the credit rating agencies

HFT accounted for 25% of spot foreign exchange transactions worldwide in 2010, 56% of US equity trading (up from 21% in 2005) and 38% of European equity trading (up from 9% in 2007).

4. Fair and Progressive Taxation

It is time to repair the balance sheets of governments through a fair contribution from those that can afford to pay:

- making corporations pay their fair share of tax
- implementing the FTT urgently:
- to help reduce speculation
- to provide new source of government funding to invest in public services, social protection, development and climate action

European Parliament reports say a broad-based, low-rate FTT (0.01% - 0.05%) could generate revenues of nearly €200 billion annually in the EU and €480 billion globally. In September 2011 the European Commission released a proposal of legislation covering transactions in shares, bonds and derivatives.

5. Climate Action

Governments must find the political will required to save our children's future:

- reducing emissions of industrialised countries by 25-40% by 2020
- significant commitments must be made by all governments
- a green Climate Fund must be implemented
- a Just Transition for workers and communities must be realized

There are no jobs on a dead planet.

The most immediate priority for this agenda is Europe, where failure to act threatens to destabilise Europe's economies and risks undermining job, incomes and rights in Europe and abroad.

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