



INTERNATIONAL TRADE UNION CONFEDERATION

GENERAL COUNCILBrussels, 2 - 4 February 2011

**RESOLUTION ON
ACHIEVING SUSTAINABLE ECONOMIC RECOVERY,
FASTER DEVELOPMENT AND DECENT WORK WORLDWIDE**

Governments must be made to act on decent jobs and social protection, with policies for growth, not austerity, and financial regulation including an FTT

1. In early 2011, prospects for the global economy remain fragile at best. The economic forecasts of international organisations are modest and uncertain. At the same time unemployment has reached a level of more than 210 million around the world, the highest ever recorded, and job loss is continuing to rise in many countries. The G20 Seoul Declaration did nothing to provide workers or even financial markets with any confidence that governments had grasped either the scale of the risks faced or the decisive leadership required to attain sustainable recovery with decent work.
2. The unrest in Tunisia, Algeria, and elsewhere is indicative of the depth of anger and despair from workers facing exclusion from the labour market, deprivation, and poverty.
3. And fear of those same financial markets is pushing many countries to adopt heightened austerity programmes and in some cases even to attack long-established workers' rights and labour codes in the name of labour market flexibility. Yet cutting public expenditure, wages, pensions and social programmes to pay for the crisis is not only morally unjust but also economically unsound. It will cause further unemployment and increased inequality – a key factor precipitating the crisis in the first place – and risks tipping the global economy back into economic recession with catastrophic results. The General Council condemns the role of credit rating agencies which contributed to the financial crisis by not accurately rating private debt and are now undermining the economic strategies of democratically elected governments by downgrading the creditworthiness of sovereign debt.
4. The crisis has at best slowed the struggle for development or at worst sent it into reverse. An extra 100 million people have been thrown into extreme poverty, with the most vulnerable groups including women bearing the brunt of its impact. Increases in food prices fuelled by financial speculation stand to deepen the malnutrition and suffering of the poorest people in society. Furthermore the International Monetary Fund (IMF), whose prior advocacy of deregulated financial markets must share the

blame for the evolution of the crisis, is oscillating between its neo-liberal origins and its more recent recognition of the importance of higher wages and employment in restoring growth, with the proponents of a deregulated labour and social protection model too often gaining the upper hand. The General Council expresses further concern that Economic Partnership Agreements (EPAs) between EU and ACP countries risk to be significantly detrimental to development and employment prospects in the developing countries concerned.

5. To combat this unacceptable situation it is essential that governments implement vastly expanded measures to support growth through increased wages, jobs and output. Their priority must be to achieve a faster recovery in economic activity by raising demand until unemployment is on a sustained path falling to pre-crisis levels. Looking to the longer term, governments must address the inequalities that caused the crisis and ensure the world is on a path to sustainable and equitable growth and development.

6. Accordingly, the ITUC General Council recognises the value of the joint work with TUAC in this area and instructs the General Secretary to continue this collaboration and to work intensively with affiliates, regional organisations, and other Global Unions over the course of 2011 to achieve sustained economic recovery, more decent work and falling unemployment, including measures to reduce the massive inequalities – all too often worsened by the crisis - between rich and poor, between men and women and between industrialised and developing countries.

7. The basis for all governments' policies needs to become the Global Jobs Pact of the ILO. That would entail the promotion of genuine national social dialogue to involve trade unions and employers' organisations in increased action to raise wages and purchasing power, strengthen social protection, build Quality Public Services, undertake training and education and reduce the gender wage gap. It would mean projects with higher employment content including investing in green infrastructure. Governments must also emphasise labour market programmes that provide jobs or training for young people, and halt the growth of precarious and irregular work that is undermining the recovery and increasing insecurity. The G20 Labour Ministers' Washington meeting of April 2010 recognised the need to achieve fair distribution of the benefits of growth, and now due follow-up to its recommendations must be undertaken. To this end, we call for the establishment of a G20 Working Group on Employment led by both finance and labour ministers that includes the social partners and the ILO to accelerate action and to assist governments in the implementation of recommendations.

8. In particular, the General Council insists that progress be made in providing social protection for all worldwide. This would both assist the poorest and give a significant boost to global demand. The ILO has the recognised expertise and mandate to lead action in this area. Governments must endorse a social protection floor and ensure that the IMF, World Bank, OECD and G20 commit adequate funding to achieving it. This would form part of a renewed international effort to get back on track for development by increasing official development assistance to achieve the MDGs.

9. It should be made a requirement for IMF programmes in crisis-hit countries that the ILO alone should provide the labour market recommendations. All IMF programmes should deploy counter-cyclical fiscal policies to achieve recovery on a pro-growth, high wage basis. The ILO must similarly be recognised as the sole agency

competent to undertake analysis of employment and social protection in the G20 Mutual Assessment Processes for Strong, Sustainable and Balanced Growth. ILO capacities to provide in-country assistance and to undertake global and national macroeconomic analysis need to be strengthened, with additional resources provided by major ILO member governments.

10. Furthermore, it is imperative to implement a financial transaction tax (FTT) as part of a return to progressive taxation that puts the heaviest burden on higher income groups and unproductive or speculative assets. The General Council emphasises its full support for the FTT Global Day of Action on 17 February 2011 and demands urgent implementation of an FTT both at the national level and as part of a major strengthening and acceleration of the G20 action plan on financial regulation. This must include more effective, robust measures against hedge funds and financial speculators and, led by the OECD, against tax havens and other forms of tax evasion. We underline the need for the Financial Stability Board (FSB) to establish a trade union consultation mechanism.

11. The General Council further underlines the necessity to move towards a new, sustainable and low-carbon economic growth model, entailing progress in multilateral climate negotiations, incorporating Just Transition, by the time of COP17 (South Africa, December 2011). We draw attention to the Resolution that this General Council has adopted on this matter.

12. With regard to the G20, the General Council calls for enhanced governance and transparency through a deepening of its processes for trade union consultation in order to ensure that trade union views receive equal weight to those of business. We call on the G20 to confirm the holding of the G20 Labour Ministers' Conference as an annual meeting incorporating social partners' consultation to draw up employment policy recommendations, and for the next meeting of G20 Labour Ministers to be brought forward to early 2011. A global charter for sustainable economic activity that incorporates the full decent work agenda of the ILO, with an effective implementation mechanism, needs to be finalised.

13. Finally the General Council instructs the General Secretary to ensure that attention is given to increasing economic growth, decent work and living standards in all regions, with particular attention to poorer countries. This will require the ITUC to organise meetings and to provide clear and detailed statements to enable affiliates to promote trade union recommendations with governments and decision-makers on the occasion of each major international meeting or event including those of the G20, international financial institutions and UN. All such efforts must form part of an overall undertaking to mobilise social and political support for a new globalisation model profoundly different to market fundamentalism.