

Comments by Sharan Burrow to G20 Labour Ministers - Tuesday 27th Sept 2011, Paris

Congratulations to Minister Bertrand and our appreciation for his leadership. Likewise we acknowledge and thank the French employers and unions for their engagement in the strong social dialogue process that laid the foundation for this serious discussion.

The world is in the grip of the 2nd wave of the financial crisis and despite the promises of London and Pittsburgh the jobs and the income of working people are even more vulnerable. Likewise SME's are more vulnerable and yet there is no coordinated will to act.

We are hoping you will change that. You are the champions of workers, indeed of the real economy where workers and employers are the actors.

No global economy can function, no democracy is secure when the highest-ever levels of unemployment are the reality and a whole generation of young people is frightened of never having the opportunities of their parents.

It is workers - in work - in sustainable business' - that will drive the economy out of the crisis not the finance sector yet if you just listen to finance ministers and central bankers you would not know that.

At the onset of the global financial crisis, governments seemed to realize this. They promised financial reform with claims that the financial sector would never again be in control yet now they are even more powerful - the marriage of the bond markets and the ratings agencies is dictating the future for many nations, not their democratic Governments.

Governments also said quality jobs would be at the heart of recovery! Not only have we seen a failure to invest in jobs but the race to austerity has further slashed jobs, wages, social protection and consequently dampened demand. Fiscal consolidation can only be realised in the medium term leveraged off job centred growth.

This wave of the GFC sadly lies at the feet of inaction and this week's forecasts by the IMF underpin the reality of the challenge.

That requires jobs, jobs and jobs - decent work and sustainable enterprises.

Christine Lagarde warns that the world is in a dangerous place.

There is again growing acknowledgement that employment must be centre stage but there is no plan. This is the open door for labour ministers, unions and employers to set a bold course.

Despite the reality for both workers and business, I don't feel a sense of urgency here. We come here not to participate in another international talk-fest but to work with you, to be part of the solution.

While the framework for this discussion is sound I urge the ministers to act on some key issues.

The demand side of the employment challenge must be a priority.

Skills, active labour market policies and labour market institutions are important to us too but the sheer size of the challenge to create jobs requires an integrated approach to investment in key valued added sectors including the green economy like that in China and the care sector in aging populations. This requires jobs targets and national plans like that of South Africa. Investment, jobs and social inclusion like that in Argentina and Brazil. A coordinated youth pact like that in Australia and much more.

The Washington Labour Ministers conclusions identified the role of income led growth- wages and collective bargaining. These are economic tools and central to tackling both inequity and generating demand. Rights are both social and economic tools.

Core labour standards are not just motherhood. In his call for coherence the French President championed rights along with jobs and social protection as the floor of a global economic system. They are the floor of dignity but equally they generate the floor of demand. Yet these fundamental rights are under attack everywhere. When a multinational enterprise attacks workers' rights the motive for profit is clear and we expect to wage those battles but when the Governments across Europe demand the loss of collective bargaining, of secure work, of minimum wages it is both shocking and it is counterproductive. We don't want to be in battle with Governments we want to work with them to set a future path but core labour standards must be respected.

In the matter of labour standards and of employment and social protection the ILO's role is critical and must be recognised, be deepened and be funded.

The Minister is right. The work of the ILO on social protection and the partnership with the Bachelet panel is critical. When 75 % of the world's workers have no social protection this is an economic as well as a social disaster and no more than now in times of great transitions.

Developed countries built their social security systems when they were poor; coming out of the great depression of the 30's. These great social contracts became economic foundations as they workers as economic stabilisers.

The policy settings for the social protection floor is fundamental but so too is funding for the poorest of countries to establish their systems,

Finally let me re-emphasise the fact that workers are part of the solution. Just as we call for national and international coherence we challenge you to work with us in a serious working group- to work on solutions to jobs; jobs in the green economy; a youth pact; formalising the informal sector; creating sustainable business and more.

Let's roll up our sleeves and get down to work. Please don't wait for Cannes, for Mexico. We are ready to start now.

We have a second wave of the crisis which is frightening but so too do we have a second chance to get it right.

Working people feel betrayed. You are the Ministers they look to stand up for them. I have to be optimistic that you will map a path that your finance colleagues and your leaders cannot ignore

Thank you and good luck.