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In reply please quote:

Circular N° 14(2011)

To all affiliated organisations
To all Global Union Federations and TUAC

For information:

To all General Council Members
To all Women's Committee Members
To all Youth Committee Members

WO/ESP/PB

30 March 2011

**Statement by Global Unions to the
2011 Spring Meetings of the IMF and World Bank
(Washington, 16-17 April 2011)**

Dear Friends,

The ITUC is pleased to send you the attached statement, prepared jointly with the Global Union Federations and TUAC, for the forthcoming 2011 Spring Meetings of the International Monetary Fund and the World Bank. These meetings will be held in Washington, DC on 16-17 April.

The attached statement from Global Unions calls on the international financial institutions (IFIs) to change course in their policy directions; and to pay as much attention to employment deficits as they do to fiscal deficits by taking coordinated action to support job creation as well as education and skills training. The IFIs must place greater priority on increasing social protection coverage in collaboration with the United Nations initiative to establish a global social protection floor. Both the Bank and the Fund must act responsibly to protect quality public services vital to societies' development, such as education and health care. Fiscal consolidation plans should not be recommended prematurely; when they are appropriate, they should be designed to reduce inequalities, not exacerbate them. Such plans should include new sources of revenue, notably financial transactions taxes, which for the first time would ensure substantial contributions from the financial sector for resolving the economic and fiscal crises that it caused.

This statement emphasizes the primary responsibility of the IFIs to promote the adoption of recovery programmes consistent with a new, more equitable and sustainable growth and development model. This will require strong efforts by the World Bank and the IMF to coordinate the re-regulation of the financial sector and to extend debt relief and grants to low-income countries beset by new surges of food and fuel prices, which could be partly financed through windfall profits from IMF gold sales. The IFIs must make further progress to ensure their operations comply with the core labour standards and that their interventions in labour market issues support the creation of decent work. Finally, their

work must contribute to efforts to achieve climate resilience and reduce greenhouse gas emissions.

We would like to ask all affiliates to call on your Minister of Finance, as well as your country's representatives (Executive Directors) at the World Bank and the IMF, to endorse the proposals contained in this statement. We have provided a model letter that you may find useful to accompany the statement when you send it to your government.

Please keep us informed of your actions and any response you receive. Thank you for your cooperation.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'A. B...', written in a cursive style.

General Secretary

Encl.