



## 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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