



From Washington to London

Global Unions Focus on their Vision for Jobs and Recovery



THE INTERNATIONAL TRADE UNION MOVEMENT

IS DOOR-STEPPING WORLD LEADERS AND MAKING COMPREHENSIVE DEMANDS FOR CHANGE. GLOBAL UNIONS WANT VIGOROUS ACTION TO COUNTER THE GLOBAL ECONOMIC CRISIS, BUT THEY INSIST THAT CLEARING UP THE RUBBLE CREATED BY DESTRUCTIVE NEO-LIBERALISM SHOULD BE ONLY THE FIRST STEP. **JOHN EVANS** ARGUES THAT IT IS TIME FOR A RADICAL CHANGE OF DIRECTION.

Global Unions are laying siege to meetings of government leaders, finance and labour ministers with a message from workers around the world – create jobs now, regulate markets to make sure this economic calamity never happens again, and make the world a fairer place in which to live and work.

The priorities set out in the *London Declaration*, which was presented in April to the Group of Twenty nations' summit, and the Global Action Plan for Jobs submitted to Rome G8 Social Summit, include the design of a new structure for governance of world trade and the forging of a new global economic model to create jobs and to counter a crisis that has engulfed both the developed and the developing world.

The facts speak for themselves. The world economy is contracting at a rate that no one has experienced in their lifetimes – jobs are being lost by the million and years of progress towards the Millennium Development Goals of poverty reduction have been wiped out in a few months.

Those who are suffering the most are workers, many of them already in precarious work with little social protection, and young people who are joining a jobs market more depressed than it has been for half a century.

Groups like the G20 can play a crucial role in driving forward work between advanced and emerging economies to restore worldwide financial stability. But solving a crisis, which is as deep and as devastating as any downturn in living memory, will need more than just fine tuning of market rules if it is to lead to lasting economic recovery.

So far the economic stimulus plans put forward by the industrialised country governments fall far short of the 2 per cent of world GDP which Global Unions and international institutions say is needed to raise global demand and pull the world economy out of its nosedive.

The measures must be targeted at public investment that can be brought forward quickly and which can do long term good both by helping counter climate change and boosting productivity. Governments must also spend far more on active labour market programmes to keep people in work and help them retrain during the crisis.

Unions are convinced the crisis cannot be solved by slashing jobs, reducing living standards and making working people suffer for the mistakes of a system that has utterly failed global ambitions for equality and social justice. The Global Union message, spelled out in the *London Declaration* presented on these pages is for a people-centred recovery plan that calls for

- A focus on job creation and protection of living standards
- An international system of economic governance rooted in respect for workers' rights,

- Tight new rules for controlling global financial markets, and
- Action to invest in a green agenda, to build public services and, above all, to combat growing inequality around the world.

A key demand, and one supported by many political leaders – now boosted by a change in administration at the White House – is the insistence by unions that labour must be involved in discussions for designing a new global financial architecture.

Global Unions insist that poorer countries in the emerging and developing economies must be given the cash they need to build their economies without being hindered by stringent conditions imposed by international finance institutions. Lending programmes to boost economies around the world must not lead to a deterioration of wages and living conditions for workers as they have in the past.

Expanding the rights of workers will contribute to global growth not hold back recovery, but conditions being imposed by the International Monetary Fund in exchange for emergency funding go in the wrong direction – they cut wages and purchasing power of the weakest.

At a time when private capital flows are receding and when many migrant workers are unable to send home the money that their families depend upon, governments must deliver on commitments to expand official development assistance.

Action must also be taken to stop wages from falling in the short term that would push the world into a deflationary spiral. Workers rights should be strengthened not undermined in this crisis.

The unions also have a thought-out strategy to avoid a repeat of the financial collapse. An eight point action plan for financial reform featured on these pages offers a real opportunity for lasting and durable reform and an end to the casino of deregulated financial markets with a system where finance supports the real economy and real jobs.

But the need for change goes much deeper. There is a risk that when the economy begins to improve we will have a return to the failed policies of the past. There is already ominous talk of “exit strategies” for the state from their interventions in financial markets.

For the future, unions want more investment in quality public

services, adoption of a green agenda for change and an end to economic policy that puts stringent conditions on development loans which have reduced social programmes and deregulated labour markets.

The unions say the ILO and workers’ groups must be consulted over the design of the new multilateral system. Without a workers’ voice at the table it will be impossible to protect union rights and labour standards or to ensure workers and their families are not burdened with paying the price for the colossal failures of an under-regulated global financial system.

The need to engage with trade unions in the important debates about resolving the global crisis is key but this will only happen if governments and International Financial Institutions open the door to a new

dialogue and a vision that shifts the balance of policy towards a durable social agenda aimed at eliminating the scourge of inequality.

Coming out of this crisis we need a new development model where the state is able to balance the extremes of markets with social environment and public policy objectives. Governments must set the limits of the financial economy by directing investment to long term goals of creating decent work, building equality in society and ensuring a fair distribution of the fruits of growth. Achieving that goal will require far more union action at the international level – the global union task is just beginning.

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