



BEATING THE JOBS CRISIS:
TRADE UNION PROPOSALS
FOR THE G20 EMPLOYMENT AND LABOUR MINISTERS MEETING
(WASHINGTON, D.C., APRIL 2010)

January 2010

Job Growth - the Key to Economic Recovery

1. G20 Leaders meeting in Pittsburgh in September 2009 called for “recovery plans that support decent work, help preserve employment and prioritise job growth” and directed their Employment and Labour Ministers to meet in early 2010 “to assess the evolving employment situation, review reports from the ILO and other organisations on the impact of policies we have adopted, [and] report on whether further measures are desirable”.
2. This was an important recognition of the centrality of employment in tackling the global crisis. Yet, although the International Monetary Fund (IMF) is now predicting over 3% growth for 2010, Labour Ministers will meet in April 2010 in a context of a still worsening jobs crisis worldwide. Latest projections by the International Labour Organization (ILO) and the Organisation for Economic Cooperation and Development (OECD) indicate that unemployment rates in the industrialised countries are still rising fast and will not reach their peak until well into 2011 at the earliest. Worldwide, the ILO estimates that over 200 million more workers will be pushed into extreme poverty, mostly in developing and emerging countries where there are few or no social safety nets, meaning that the number of working poor will rise to 1.4 billion. The situation would have been far worse without significant levels of government support for the economy. Yet some countries are already talking of public expenditure cuts and reversing stimulus measures, which would risk further deepening the jobs crisis.
3. The central objective of the G20 Employment and Labour Ministers meeting must be to ensure that this scenario of a ‘jobless recovery’ is not accepted and that it is understood that the recovery will remain fragile and incomplete as long as the jobs crisis continues. The global trade unions will therefore be calling on Labour Ministers to spell out:
 - The size, duration, coordination, and targeting of stimulus packages required to beat the jobs crisis including how they plan to implement the ILO Global Jobs Pact (§5);
 - Given that high and rising inequality was a major contributor to the crisis, how they plan to ensure the full integration of labour issues into the newly-established G20 “Framework for Strong, Sustainable and Balanced Growth” and to define the role of the ILO in it (§6-7);

- How they will move forward with a strategy to re-skill and upgrade the global workforce (§8);
- How they expect the different international institutions to work together to apply the Pittsburgh decision that they “should consider ILO standards and the goals of the Jobs Pact in their crisis and post-crisis analysis and policy-making initiatives” so as to ensure due policy coherence (§9-11);
- Above all how they will engage with trade unions and employers’ organisations – the social partners – before, during and in the follow-up to the meeting to ensure effectiveness in the response to the crisis (§12-14).

4. Labour Ministers have an unprecedented opportunity to develop the necessary policies that will move the global economy out of this crisis and shape the post-crisis policy framework. Taking that opportunity means tackling the global jobs issues head on, as never before. Ducking those issues means an opportunity lost – for which millions of working families would pay the price of failure. It is essential that the outcome of the G20 Employment and Labour Ministers meeting provides the necessary orientation and substance to the G20 Leaders’ Summits in Toronto, Canada in June 2010 and in Korea in November 2010.

Key Issues for the Agenda

(i) The response to the immediate jobs crisis

5. The following key issues must be addressed if the G20 is to be seen to be “Putting Quality Jobs at the Heart of the Recovery”, as promised in Pittsburgh:

- Labour Ministers must push for G20 countries to honour their commitments and ensure that there is no exit from fiscal stimulus until there is recovery in employment;
- A greater proportion of recovery package expenditure must be committed to employment creation and measures targeted so as to have the strongest impact on employment;
- Governments must invest in direct public works that can create jobs quickly and be transformational in moving to an environmentally sustainable economy;
- Short-time working and job subsidy schemes should be strengthened to minimise the inflow of workers into unemployment;
- The scarring effects of youth unemployment must be avoided through job guarantees and expanded education;
- Poverty and social exclusion should be targeted through a stronger focus on social security measures in responses to the crisis – this can also support demand;
- Emerging and developing countries must be given the resources and policy space to implement social protection floors and contribute to global growth in demand;

- Labour Ministers must work with the social partners to lead the follow-up to G20 support for the Global Jobs Pact, negotiated in the ILO, and ensure that the Pact's principles are translated into concrete action to maintain and create decent work. They should engage with the ILO to mobilise resources at national level to support "Pact Implementation Plans" that engage trade union and employer organisations.

(ii) The post-crisis policy framework

6. The Leaders in Pittsburgh adopted the "G20 Framework for Strong, Sustainable, and Balanced Growth" with the aim of securing "a durable recovery that creates the good jobs that our people need". They called for a report back from the G20 Finance Ministers' meeting in St. Andrews in November 2009. The Finance Ministers in turn agreed to include "employment creation" and "poverty reduction" as two of the five goals of the Framework and adopted a "mutual assessment process" stating that "[W]e will be assisted in our assessment by IMF and World Bank analyses and the input of other international organisations as appropriate, including the FSB, OECD, MDBs, ILO, WTO and UNCTAD". They agreed to set out national policy frameworks by the end of January 2010, and undertake "a cooperative mutual assessment process, supported by IMF and World Bank analyses, of the collective consistency of our national and regional policies with our shared objectives" by April 2010. The Spring Meetings of the IMF and World Bank are scheduled on 24-25 April 2010 in Washington D.C., immediately after the Labour Ministers' meeting. The Finance Ministers are then due to propose policy options to the G20 Leaders meeting in June 2010.

7. Given this tight timescale Labour Ministers should urgently be working with Finance Ministers and others to ensure that employment and poverty reduction objectives are incorporated into the design and implementation of the Framework. Otherwise, there is a risk that the Framework will become a blueprint for a further wave of labour market deregulation. The Framework must be based on evidence-derived analysis and include the objectives of supporting decent work and reducing income inequality. This means strengthening not weakening labour market institutions and processes, such as collective bargaining. The Labour Ministers' meeting should make recommendations accordingly to the Finance Ministers process. The Global Union movement considers it essential that the ILO, with its tripartite constituency and responsibility for the Global Jobs Pact negotiated in June 2009, participate on the same footing as the IMF and be assigned specific responsibility for employment and social protection issues within the Framework.

(iii) A strategy for developing a skilled workforce

8. As part of the new 'Framework' the G20 Leaders in Pittsburgh called for "reforms to create more inclusive labour markets, active labour market policies, and quality education and training programs". They tasked the ILO "in partnership with other organisations, to convene its constituents and NGOs to develop a training strategy for our consideration". This is a fruitful area for ILO and OECD cooperation with conclusions from the OECD Labour and Employment Ministerial meeting in September 2009 on the table and an OECD Education Ministers' meeting due to take place in November 2010. The ITUC and TUAC must be engaged as soon as possible in the development of this strategy. An interim report should be presented to the Labour Ministers meeting.

(iv) *Strengthening coherence between the international institutions*

9. The G20 Leaders decided in Pittsburgh that, “[T]he international institutions should consider ILO standards and the goals of the Global Jobs Pact in their crisis and post-crisis analysis and policy-making initiatives”. The Labour Ministers must assess how the IMF, World Bank, WTO and OECD, in particular, are implementing that decision and give firm indications of the need for further action where necessary. For example, it is essential that Labour Ministers ensure that the loan conditions and policy advice of the IMF and World Bank help to achieve the goals of the Global Jobs Pact and do not work against them. It would therefore be appropriate for the leaders of these institutions to meet the Labour Ministers in order to identify future steps.

10. The recent exchange of letters between the Secretary-General of the OECD and Director-General of the ILO should now be used as the basis of a comprehensive Memorandum of Understanding between the two Organisations on issues including *inter alia* cooperation on the crisis and the G20.

11. These endeavours all need to be set within the context of significantly new approaches to the governance of the global economy. The Pittsburgh Leaders meeting agreed that the G20 should continue to work on a Charter for Sustainable Economic Activity. Labour Ministers should ensure that the Charter encompasses the full decent work agenda and deliver guarantees of respect of workers’ fundamental rights as a key to equitable societies and sustained and balanced growth.

(v) *Workers’ organisations demand a “seat at the table”*

12. Ensuring an effective response to the most serious economic crisis of our lifetimes where workers are losing their jobs, homes and savings depends on upgrading the level of social dialogue and consultation at the international level. Over the past decade, the G8 – and in 2009 the G14 – Labour Ministers’ meetings held consultation sessions with the Social Partners, the conclusions of which were reported back to the Ministerial Meeting. In Washington, the social partners should be invited to participate fully in the G20 Employment and Labour Ministers’ meeting itself.

13. To advance these crucial issues, and in line with the decisions made in Pittsburgh, Ministers should now begin a preparatory process in which inputs from the social partners at national level must have a central place. Trade unions in G20 countries and their international organisations stand ready to participate fully and constructively in substantive consultations with governments and with employers’ organisations. In the run-up to the Ministerial and beyond, a joint working group should be established comprising government officials, the international organisations and the social partners, building on the March 2009 London Jobs Summit and Rome Social Summit.

14. Trade unions are looking to this first G20 Employment and Labour Ministers’ meeting to produce important results and to play a major role in beating the jobs crisis. But they know too that the critical situation faced by working families around the globe will not be overcome quickly or easily. For that reason it is important that the Ministers meet again within a reasonable timeframe, in order to continue to take forward the struggle for decent work for all and to attain the objectives set out by the G20 Leaders.