

Resolution on the Financial Crisis

ICEM Executive Committee, June 24, 2009

The ICEM Presidium, at its November 2008 meeting in Geneva, resolved to use the ICEM's structures, and its involvement in the Council of Global Unions, to call for creation of a newer and fairer system of global capital. This system must contain stringent financial oversight and governance, including a new set of global regulations. The Presidium called for inclusion of more governments, particularly those of developing countries, to the list of countries that currently control global capital.

The ICEM Presidium noted that the global financial crisis was preceded by illogical borrowing and speculation, an unprecedented period of leveraging assets to obtain short-term and excessive profits, which depressed wages and working conditions and general living standards of people throughout the world. The ICEM Presidium rightly predicted that the people least responsible for creating the economic collapse are the ones now most harshly affected by the crisis, and those least able to cope with the ongoing financial strife.

Since the November 2008 ICEM Presidium resolution, the global financial crisis has created great economic hardships in the energy, mining, manufacturing and other sectors of the ICEM, including job loss, displacement, and devastation of local governments, resulting in far more strain on social services and safety net systems.

The ICEM also notes that since the onset of the crisis, as brought forward in ICEM's Women's Committee meeting of 21 June 2009, women workers have been disproportionately affected since they are in more vulnerable jobs, often have limited control over financial decisions, and they are, as a rule, under-employed.

The ICEM Executive Committee notes the response by global labour since the November 2008 Presidium, and commends the GUFs, the ITUC, TUAC, and the Council of Global Unions for its joint, unified approach in the form of engagement with international financial institutions, involvement at G20 economic forums in New York and London, and a common call by all global unions that the neo-liberal economic model of deregulation, privatisation, and new and unregulated financial tools has created growing monetary inequality and spawned less social responsibility throughout the world.

The ICEM Executive warns against governments reverting to the protectionist measures that occurred in the financial crisis of the 1930s. The ICEM denounces any trend toward racism or xenophobia, specifically in political parties or groupings that reflect such destructive conduct. The ICEM pledges to stand vigilant against any enterprise or multinational company that uses the financial crisis as a pretext to undergo restructuring, redundancies, or other anti-social behaviour that weakens the living or working standards of people.

The Executive takes note, and endorses, the global unions' five-point plan, the London Declaration, which states that recovery measures must maximise job creation, including active labour market reforms, extended social safety nets, and development of "green-market" technologies; that recovery must include protection of workers' rights to decent and secure pensions; that collective bargaining rights must be strengthened to combat wage deflation and growing income disparity; that cooperation with global financial institutions must be enhanced and made more focused in order to insert strong social policies into the work of these institutions; and that developing and emerging economies must receive global support to offset poverty and create decent work in a financial crisis that has adversely affected them.

Whereas, the crisis has reduced trade, made for more competition with tighter credit markets, and driven needed capital and development away from locations beset by poverty, the ICEM Executive Committee calls for renewed development and investment in the emerging and developing nations of the world; and

The ICEM Executive Committee recognises the 2008 financial collapse as a turning point in history in which the current neo-liberal model of capital has failed, and must be restructured with tighter financial oversight and regulations, and must include greater public monies to transform distressed industries into viable industrial enterprises that create and grow livable, sustainable jobs that bring social benefits and well-being to all communities in the world.