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President
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Mr David Malpass

**President
World Bank Group**

Sharan Burrow

General Secretary
Secrétaire générale
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Secretaria General

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Building universal social protection, health coverage and sustainable development in COVID-19 response

Dear Mr Malpass,

I write to welcome the World Bank's \$14 billion response package and your message to the G20 on debt relief. In the G20 and developing countries, there is an urgent need to address supply chain and real economy disruptions with paid sick leave, childcare support to essential workers, scaling-up of social protection and assistance to business that includes a reciprocal commitments to preserve jobs and wages in return. The International Trade Union Confederation urges you to decisively support these measures and work with other international organizations on a response and recovery strategy aligned with the Global Jobs Pact enshrined in Sustainable Development Goal 8. Pursuing structural reforms that fracture social protection and public health, weaken the financial stability of developing countries, and deepens existing inequalities will make the world less resilient to the current crisis and future challenges.

We share the sentiment that debt servicing should not divert response money that is desperately needed to support frontline public health, income support and the real economy. The ITUC urges further leadership by the World Bank in creating a new debt relief process centred on the Sustainable Development Goals, alongside a binding sovereign debt workout mechanism to end ad-hoc responses to distress and default. In addition to suspension of official bilateral debt, I hope to see the World Bank provide interest-free moratoriums on payments for low-income countries facing debt and public health distress, and the use of grants as needed in the response funding.

Moments of crisis require a coherent and coordinated response. The World Bank has an essential role to play in supporting public health, social protection and labour market programmes during the crisis and in global recovery. It is encouraging to see the Bank's rapid provision of funding with a focus on public health systems and necessary equipment for health workers and patients. In this effort, complete alignment should occur with the WHO and ILO, complemented by social dialogue with workers and employers to ensure effective, reactive interventions by the Bank.

We share with the Bank strong support for extending social protection to the informal sector and workers in non-standard and insecure work arrangements. However, vulnerable workers should not bear the financing and risk alone. Appropriate employer contributions, financing through progressive revenue mobilization, risk-pooled insurance with solidarity and avoidance of unreliable targeting needs to be integrated into World Bank support for social protection expansion. In the immediate term, all necessary measures need to be taken on social protection including new innovative and ad-hoc programmes for income and unemployment support, suspension of eligibility requirements and increased benefits. World Bank support should be done in coordination with the ILO and dialogue with social partners on the emerging needs created by the health and economic crisis.

We read with great concern your comments regarding recovery and structural reform. We must avoid the path that followed the global financial crisis. This included a premature shift to austerity, a slow jobs recovery concentrated in precarious work, attacks on labour market institutions that did nothing to boost employment, and policies that enabled bank and non-bank financial institutions to seek short-term returns in emerging and developing countries. Those capital flows are now reversed, creating a catastrophically fast outflow from emerging economies that dwarfs the global financial crisis and the 1997 Asian crisis. Policies need to encourage productive, patient investment that diversifies and transforms the real economy, prudent capital flow management to reduce vulnerability, quality public services for all, labour market institutions that translate investment into quality jobs, and domestic revenue mobilization including progressive and corporate taxation. Global supply chains and SMEs are particularly hard hit by the crisis. These workers and firms will need a recovery that restores and boosts demand, ends imbalances in intra-firm and worker's bargaining power, and fosters job-rich growth that has faster income growth for the bottom 40 than the national average. Decades of policies that privileged investors over development led us to a fragile debt, health and economic situation entering the COVID-19 shock. This has no place in the recovery.

The ITUC and our affiliates stand ready to work with the Bank on crisis response and recovery that leaves no one behind.

Yours sincerely,

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

General Secretary