

MICHAEL SOMMER
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PRESIDENTE

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GENERAL SECRETARY
SECRÉTAIRE GÉNÉRALE
GENERALSEKRETÄRIN
SECRETARIA GENERAL

Dr. Jim Yong Kim
President
The World Bank
1818 H Street NW
Washington, DC 20433

10 April 2013

Dear Dr. Kim,

**Statement by Global Unions to the
2013 Spring Meetings of the IMF and World Bank
(Washington, 19-21 April 2013)**

The World Bank faces the serious challenge of making good on its commitment to poverty reduction as the global economy enters a fifth successive year of a stagnate, jobless economic recovery. Unemployment is at record highs in many countries, and alarmingly, is projected to continue its rise.

The current prolonged recession has greatly exacerbated the long term trend toward steadily increasing economic inequality in a significant number of countries. For this reason, we welcomed the World Bank's willingness last year to begin review and strengthening of its social and environmental safeguards policies.

The review, when completed in 2014, would allow the Bank to establish comprehensive policies and practices to respect fundamental workers' rights in its investment lending. This would ensure that the Bank's own operations extend protection to the most vulnerable, and ensure that its lending activities support the types of deliberations and discussions between employers, workers and government that are needed to foster the equitable distribution of gains from economic and productivity growth.

We believe that it is essential that the Bank fully incorporate into its safeguards policies the core labour standards as defined by the International Labour Organization. These include rights in conventions governing freedom of association and the right to collective bargaining, the elimination of discrimination in respect to employment, and the elimination of forced labour and of child labour. The International Finance Corporation has required borrowers to respect these standards since 2006, and they should be extended to all the Bank's operations.

We also believe that if the Bank is to effectively address inequality and make good on its commitment to reduce poverty, it will need renewed efforts and focus on social protection. Global Unions views a comprehensive, integrated approach to social protection, which includes access to essential basic services, as a key component of any inclusive development strategy. For that reason, we strongly supported the establishment of the One United Nations Social Protection Floor initiative, and have called for the establishment of social protection floors in all countries.

The World Bank's *Social Protection and Labor Strategy 2012-2022*, and its *Africa Social Protection Strategy 2012-2022* both contain welcome language regarding the need to avoid fragmented and duplicative social protection systems. However, neither of these strategies puts forward concrete action plans demonstrating the Bank's intentions to engage in dialogue with governments and civil

society organizations, including trade unions, regarding how and to whom coverage will be expanded, or timelines or targets for the types of coverage to be provided.

The next steps will require ambitious and concrete commitments from Bank country offices regarding their willingness to commit resources to analytical and other work necessary to integrate the expansion of social protection into national planning processes. We strongly urge senior Bank management responsible for regional units to disclose how they plan to proceed in expanding social protection, especially in terms of coverage, so as to avoid fragmented, residual systems in developing countries.

The *World Development Report 2013* focused welcome attention on the need for medium and long-term measures to ensure a jobs-centred development agenda. Global Unions believes these should include investment in infrastructure, active support for the diversification of economies, and labour market policies and institutions such as the minimum wage and employment protection legislation to protect workers' rights. These should also include policy advice to governments to develop strategies to integrate workers into a formal system of benefits and taxes, which should include transfers to boost the purchasing power of the poorest. We believe this would create a beneficial, self-reinforcing cycle of increased consumption and production that would assist a transition out of the informal employment prevalent in many developing economies.

Those concerned with the continued discrimination women face in the labour market and elsewhere welcomed the publication in 2011 of the Bank's *World Development Report 2012: Gender Equality and Development*. The report highlighted the need to address structural inequalities through an approach that emphasizes the importance of decent work for women, the extension of labour laws to cover highly feminized sectors, the inclusion of early childhood education and care in equity strategies and improving women's and girls' access to and participation in education and training. It also highlighted the need for increased public investment in basic health services including maternal, sexual and reproductive health care; and better policies for maternity protection. The Bank should assist countries in setting targets for equality in terms of outcomes in these areas for women, in addition to those related to access.

The attached statement from Global Unions further calls on the World Bank to support job-rich and sustainable development and growth policies, to support financial sector development that appropriately emphasizes financial sector regulation and supports the extension of a financial transactions tax to further countries.

We are working with trade union colleagues around the world to advance the proposals outlined in the attached statement. I urge you to actively consider our recommendations for the upcoming 2013 Spring Meetings of the IMF and World Bank, and look forward to your reactions to the statement.

Yours sincerely,

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

General Secretary