

*Model Letter to Ministers of Finance
and/or Executive Directors of the IMF and World Bank*

Date

Dear Minister (*or Executive Director*),

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

The International Labor Organization estimates that almost 200 million people were unemployed in 2012. Even more alarmingly, global unemployment is expected to continue to rise in 2013 and 2014. The situation is particularly acute in the Middle East and North Africa (MENA) region, and in Europe, where some countries have entered into their sixth successive year of recession.

The attached statement from Global Unions calls on the international financial institutions (IFIs) to support an economic programme for recovery in Europe, to cease support for harmful labour market ‘reforms,’ to work jointly to support MENA countries to mitigate painful adjustment measures, and to renew their focus on jobs-centred growth strategies and social protection to address inequality. The International Trade Union Confederation, to which the (*name of organization*) is affiliated, has produced this statement jointly with the Global Union Federations and the Trade Union Advisory Committee to the OECD. All of the above organizations form Global Unions.

Global Unions calls on the IMF to support and promote an economic programme for recovery in Europe. The depression-era levels of unemployment in several European states require an urgent and forceful response from the IMF, European Union and European Central Bank. The IMF must communicate this publicly to its European partners.

The IMF must also end support for harmful labour market ‘reforms.’ IMF recommendations or conditions in this area have included reducing or freezing minimum wages, relaxing dismissal procedures and reducing severance pay. They have also included the weakening or dismantling national and sector-level collective bargaining arrangements, at times in contravention of internationally-recognized labour standards.

In the MENA region, an important focus of IMF negotiations for new lending has been the removal or reduction of fuel subsidies. Trade unions in the MENA region have made repeated urgent and public calls for the adoption of mitigating measures. The IMF should work closely with the World Bank on the timing and sequencing of subsidy removal. This should include adequate time to ensure that prior to subsidy removal social and workers’ protection measures and are fully in place, including cash transfer programmes, improved wages and employment creation schemes for young workers.

In other developing countries, we urge the IMF to continue its ongoing joint work with the ILO. We consider this work programme an important indicator of the IMF’s commitment to its stated policies to address inequality and distributional issues. The Fund and ILO have undertaken pilot projects in three

countries to assist governments and social partners to produce job-focused development strategies. We urge the Fund to explore with the ILO further countries with potential for joint work in addition to the three pilot countries of Bulgaria, the Dominican Republic and Zambia.

The IMF and ILO also have recently completed joint work in three countries to explore fiscal issues related to the sustainable establishment of social protection floors. This joint project in El Salvador, Mozambique and Vietnam, resulted in important lessons learned regarding the financing of social protection schemes. We urge the IMF to propose additional countries to the ILO for joint analytical work.

The World Bank began a review of its social and environmental safeguards policies last year. 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. We urge the Bank to fully incorporate into its safeguards policies the core labour standards as defined by the International Labour Organization.

We 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 employment creation and social protection. The Bank should work to implement the proposal of the *World Development Report 2013: Jobs*, to re-examine all development strategies through a 'jobs lens'.

Global Unions view 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. We call on the World Bank regional managers to put forward ambitious plans outlining how they will proceed in expanding social protection, especially in terms of coverage, so as to avoid fragmented, residual systems in developing countries.

Those concerned with the continued discrimination women face in the labour market and elsewhere welcomed the publication last year of the Bank's *World Development Report 2012: Gender Equality and Development*. The Bank should assist countries in setting targets for equality in terms of outcomes in areas that reinforce structural inequality for women, in addition to those related to access.

The attached Global Unions statement also includes proposals for measures the IMF and World Bank should adopt to assist in building a private financial sector that supports the real economy, and for steps they can take to assist in the coordinated adoption and implementation of financial transactions taxes in as many countries as possible.

The *(name of organization)* is working with our trade union colleagues around the world to advance the proposals outlined in the attached statement. I urge the government to actively consider our recommendations for the upcoming 2013 Spring Meetings of the IMF and World Bank, and look forward to receiving your reactions to the statement.

Yours sincerely,