

Trade unions press IMF/World Bank on social dimension of globalisation

8/10/2004

6-8 October 2004: Trade union meetings with international financial institutions

Brussels October 8, 2004 (ICFTU online): During three days of meetings with the International Monetary Fund (IMF) and World Bank in Washington, a delegation of trade union leaders from over 40 countries are [discussing their recently published proposals](#) with World Bank President James Wolfensohn, IMF Managing Director Rodrigo de Rato, country Executive Directors and senior staff at the IMF/World Bank. The discussions, part of a structured dialogue process between trade unions and the IMF/World Bank agreed upon in 2002, feature a range of sessions covering social protection policies, Poverty Reduction Strategy Papers (PRSPs), debt reduction initiatives, the Millennium Development Goals, core labour standards and follow-up to the report of the World Commission on the Social Dimension of Globalisation.

In the meetings with Rato and Wolfensohn, ICFTU General Secretary Guy Ryder and WCL General Secretary Willy Thys called on the international financial institutions (IFIs) to stop promoting one-sided labour market deregulation, citing their interventions in countries from South Africa to the European Union which encourage the easing dismissal rules and the dramatic dismantling of worker protection. They welcomed the dialogue process of the IFIs with trade unions while emphasising that much work still needed to be done to achieve a policy shift in the organisations.

"The IFIs need to drop their simplistic support for labour market flexibility and reposition themselves to work more in concert with other international organisations - particularly the International Labour Organisation and other UN bodies - if current attempts to reach the Millennium Development Goals (MDGs) are to be successful," said Ryder.

In response, Wolfensohn stressed his determination to ensure that the World Bank developed and built further upon its commitment to achieve respect for core labour standards, and stated that the World Bank would implement no policy that diminished the influence of organised labour. The World Bank had moved a long way from the "Washington Consensus", and it was now recognised that social justice was an essential counterpart of economic growth. Greatly increased development assistance was vital to achieving the MDGs, and governments and all other parties must also work together to develop management systems capable of translating the political commitments reached at international meetings into concrete follow-up programmes that could be implemented effectively. He proposed the holding of small-group, more intensive follow-up discussions between unions and the Bank, with the use of video conferencing to facilitate global discussions.

In the meeting with Rodrigo Rato, the union delegation called for the IMF to make changes in its policies to achieve poverty reduction, growth and higher employment levels, consistent with the recommendations of the World Commission on the Social Dimension of Globalisation. They drew attention to the IMF's failures in countries like Argentina, with a serious impact on poverty, and criticised the austerity that the IMF inevitably prescribes for developing nations.

Rato also emphasised the importance of increased resources for developing countries

and welcomed new proposals for international financing facilities and other forms of assistance, emphasising that the major hurdles were not technical but political. He expressed his strong belief in the value of dialogue with the trade union movement, including the implementation of a genuine consultation process with the IMF at national and at international levels. However, he added that, despite the trade union interventions, the IMF remained convinced that labour market reforms were very often a necessary part of achieving successful macroeconomic recovery.

The trade union delegation included representatives and affiliates of the International Confederation of Free Trade Unions (ICFTU), World Confederation of Labour (WCL), Global Union Federations and the Trade Union Advisory Committee to the OECD.

The ICFTU represents 148 million workers in 152 countries and territories. The ICFTU is also a member of Global Unions: <http://www.global-unions.org>

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