

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

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New World Bank report - ICFTU welcomes positive move on workers' rights

Brussels, 21 September 2005 (ICFTU OnLine):

The ICFTU today welcomed the findings of the World Bank's annual World Development Report (WDR) as a major step forward in acknowledging the valuable role trade unions play in society. The World Bank's newly released 2006 WDR, entitled *Equity and Development: Equity Enhances the Power of Growth to Reduce Poverty*, stresses the importance of respecting core labour standards and presents a generally positive assessment of the role that trade unions play in equitably distributing the benefits of economic growth.

The WDR, which the Bank defines as its flagship annual policy research report, this year investigates the link between equity and prosperous development, acknowledging that labour regulations and strong protection of workers' rights are key factors in achieving equitable growth and development. Though the ICFTU has criticized past WDRs for their negative and biased analyses of labour issues and trade unions, the ICFTU considers this year's report to be among the most balanced assessment of labour issues that the World Bank has recently produced.

"Like many Bank publications, the 2006 WDR includes some stereotyped and negative references to trade union actions that simply aren't realistic," said ICFTU General Secretary Guy Ryder, "But the fact that the report recognizes the positive social and economic role of trade unions, and advocates defending workers' rights, is an improvement."

The 2006 WDR notes that "Free trade unions are the cornerstone of any effective system of industrial relations," and that unions have been "a force for progressive political and social change in many countries." Among other conclusions, it recommends that governments focus on efficient legislation and regulation that shift jobs away from underpaid and dangerous employment towards better working conditions and wages, particularly where workers in the informal economy are concerned. The report also examines employment protection legislation (EPL), concluding that while the effect of EPL is "ambiguous," countries should not reduce EPL without improving social protection and job creation schemes.

In this respect, the WDR findings sharply contradict the conclusions of another recent World Bank publication, the widely publicized *Doing Business* in 2006, which ranks countries according to their friendliness to business, based on criteria that penalise countries for enforcing any sort of labour regulation. Though the conclusions at the end of the WDR are weak where labour and trade union issues are concerned, and there are still several statements in the report that trade unionists strongly disagree with, the report's more nuanced view on labour is a welcome improvement from the narrow pro-business, anti-union perspective that informs World Bank publications like *Doing Business*.

The ICFTU represents 145 million workers in 234 affiliated organisations in 154 countries and territories. ICFTU is also a member of Global Unions: <http://www.global-unions.org>

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