

INTERNATIONAL TRADE UNION CONFEDERATION

Trade unions call on IFIs to follow anti-inequality rhetoric with action

Brussels, 10 April 2014 (ITUC OnLine): A statement issued today by the ITUC and its Global Unions partner organisations in advance of this weekend's Spring Meetings of the IMF and World Bank (Washington, 11-13 April) calls on the international financial institutions (IFIs) to take concrete actions to follow through on their announced intentions to pay greater attention to employment and inequality issues.

The ITUC notes the IMF's World Economic Outlook forecast made on Tuesday that economic growth will strengthen in 2014, in large part because of "a strong reduction in the pace of fiscal tightening". ITUC General Secretary Sharan Burrow stated: "We are pleased to see the IMF recognise that drastic fiscal consolidation policies have been a drag on growth, something that unions have been saying since the inappropriate shift to austerity made in 2010."

However she also observed that threats to growth may increase in emerging-market economies because of capital outflows. "The IFIs should help boost aggregate demand in countries with output and employment gaps and ensure that their financial support maximises decent work creation," said Burrow.

Global Unions propose that the World Bank should use the opportunity of having created a "Jobs Cross Cutting Solutions Area" by applying the recommendation of the World Development Report 2013: Jobs to submit all Bank-financed activities to employment assessments. Burrow added: "The Bank should follow the example of most other multilateral lenders by adopting a comprehensive and fully enforceable labour standards safeguard."

The ITUC's General Secretary welcomed the concerns expressed by the IMF and World Bank about growing inequality in speeches by top management, but she cautioned that the IFIs must take steps to ensure that these concerns are not counteracted by their own lending programmes and policy advice. She remarked: "The IMF's undermining of labour standards and collective bargaining institutions in several European countries, for example, has already had important impacts on income distribution that are likely to intensify in the future. We urgently call for a review and major changes in the Fund's labour market policies."

The statement by Global Unions to the 2014 Spring Meetings of the IMF and World Bank is available here:

English : <http://www.ituc-csi.org/statement-by-global-unions-to-the-14555>
(also Italian, Russian and Ukrainian)

Spanish: <http://www.ituc-csi.org/declaracion-de-la-agrupacion-14559?lang=es>

French: <http://www.ituc-csi.org/declaration-du-groupement-global-14558?lang=fr>

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