

**Framework for Dialogue between the
International Trade Union Confederation (ITUC),
International Monetary Fund (IMF) and World Bank
12 February 2013**

Since establishing in 2002 a mechanism for dialogue and a regular schedule of meetings between management and staff of the Washington-based international financial institutions (IFIs) and the international trade union movement¹, the type, number, and depth of mutual exchanges have increased considerably. This is, in part, due to the global financial and economic crisis of 2008-2011, which led to a scaling up of IFI exchanges with trade unions. Some examples were the World Bank's initiation of a process to review the labour indicators of the *Doing Business* report and the launch of meetings between IMF staff and national trade unions on IMF-supported programs and their implementation. These developments took place largely outside of the 2002 framework for union-IFI dialogue and added to earlier examples of interactions—such as trade union secondments to the World Bank and union-Bank “focal points”—which were not foreseen in the original mechanism. This update to the modalities of dialogue reflects these de facto changes in the IFI interaction with the ITUC and acknowledges a willingness to engage in dialogue about issues of mutual concern and interest. The updated framework identifies the ITUC as a core trade union interlocutor at the multilateral level, since the organizations party to the 2002 agreement—the ICFTU and the WCL—ceased to exist with the unification process that created the ITUC in 2006. The ITUC's partner organizations in the Global Unions group, the Global Union Federations (GUFs) and the Trade Union Advisory Committee to the OECD (TUAC), have also been participants in the union-IFI dialogue.

Points of Understanding

- The ITUC and staffs of the IMF and the World Bank agree that both trade unions and the IFIs can benefit by early exchanges of information about IFI projects, programs or policies, in particular those that affect levels of employment, social programs, and labour standards and conditions.
- Staffs of the IFIs acknowledge the importance of consultations with trade union organizations on labour-related issues in individual countries, regionally, or globally with regard to ongoing and new projects, programs and policies. Where feasible, consultations between the ITUC and IFIs could prove useful if undertaken before projects, programs or policies are finalized.
- Staffs of the IFIs recognize the importance of including meetings with trade unions in regular country-level consultations such as the IMF's Article IV Consultations and

¹ “Joint Report on Meeting between the International Labor Movement and the Bretton Woods Institutions”, 27 February 2002

the preparation of the World Bank's Country Assistance Strategies and Country Partnership Strategies.

- High-Level Meetings (HLMs) between the leadership of the ITUC and Global Unions and the staffs of the IMF and World Bank will continue to take place every two years on mutually agreed subjects. When possible, management-level meetings should occur at the time of the HLMs.
- Staff-level interim meetings will take place in the intervening years to assess implementation of actions agreed at the HLMs and to discuss other agreed topics.
- Thematic meetings on issues of particular interest between the unions and IFIs can take place on topics and at a frequency as mutually agreed. When appropriate, other international organizations can be invited, according to the topic. Where possible, meetings between unions and staffs of the IMF and World Bank at regional and sub-regional levels might also be organized as requested by any of the organizations.
- Other types of union-IFI exchanges are encouraged and can be implemented as agreed between relevant parties, such as staff secondments and focal points between World Bank departments and Global Union Federations or the ITUC.

Annex

Joint Report on Meeting between the International Labor Movement and Bretton Woods Institutions 27 February 2002

Representatives of the international trade union movement, including the International Confederation of Free Trade Unions (ICFTU), World Confederation of Labour (WCL), and Trade Union Advisory Committee (TUAC) to the OECD met with staff members of the World Bank and IMF to discuss modalities of regular dialogue. The meeting began with introductions of the delegations and words of welcome from the WB and IMF. The WB recapped recent meetings, pointing out key themes and lessons learned in the last 18 months of regular dialogue. The trade union representatives presented their assessment of recent meetings and indicated the areas in which they hoped to achieve some progress in the present meeting.

Union representatives then shared a proposal for regular, enhanced dialogue between the international trade union movement and the International Financial Institutions (IFIs). The proposal indicated that, although important differences exist between trade unions and the IFIs, some areas of common perspectives and interest to work together on issues of mutual concern have emerged in recent meetings. The union proposal noted the shared objective of the IFIs and the labor movement to achieve the Millennium Development Goals as an important motivation for regular dialogue and enhanced collaboration. The proposal included specific suggestions for regular meetings and coordination. It noted that, while recent meetings between the IFIs and unions have been useful, there has been insufficient opportunity to pursue the dialogue in areas where more in-depth exchanges could be productive, and no mechanism to ensure that commitments jointly made are followed through. A schedule of regular meetings could be a first step in correcting these weaknesses.

Both IFIs responded favorably to the principle of enhanced dialogue and regular meetings with the global trade union movement. The Bank noted a sea change in the level of engagement with trade unions over the last five years. The IMF echoed this sentiment, also noting that a process of dialogue was clearly established and was being assiduously implemented. There was concern by the IFIs that the process be allowed to evolve without freezing it in a written agreement through specific terms of reference. It was suggested that more experience be gained with the current format and then evaluated before new modalities were decided. Though recognizing the importance of a global international policy dialogue, the impact on and the outcomes at the country and regional level should also remain in the focus.

Over the course of the discussion, representatives of trade union organizations presented a number of arguments in favor of more established mechanisms for dialogue. They agreed that gains had been made in terms of the frequency and level of dialogue, but felt the need to consolidate these gains to ensure not only that the dialogue continues, but that

it leads to progress in the way the IFIs operate on a country level. There was concern that the current degree of dialogue was largely due to the support of certain individuals and not an institutional commitment. The political context surrounding this relationship has changed, they argued, and movement from “business as usual” to impact on the ground is critical. Currently, the rhetoric on social policy coming from IFI headquarters is not necessarily followed through at the country level. IFI commitment to regular opportunities for dialogue with trade unions is important for promoting greater accountability and consistency.

Members of the trade union delegation made additional proposals as well. Some proposed that a formal contact point at each institution be appointed to take responsibility for following up on labor-related issues in country programs and more generally on the international dialogue with unions. Others suggested that leadership meetings could usefully take place more frequently than every two years. It was also suggested that trade unions be granted observer status at WB-IMF annual meetings. Trade unions also expressed interest in capacity building and secondment of their staff to IFIs, such as the recent assignment of the Chief Economist of the Deutscher Gewerkschaftsbund (DGB) of Germany in the IMF in August-November 2001.

Both sides ultimately agreed that, at this time, a mutual agreeable joint report would be made which would serve as terms of reference regarding the modalities for regular meetings and coordination for the dialogue between the organizations (see below).

Finally, the leadership meeting, tentatively scheduled for October 21-23, was discussed. The event would include meetings between the labor delegation and the heads and executive directors of each institution. The following topics were suggested for discussion at the meetings: labor market reform; core labor standards; trade union participation in PRSPs; collaboration between unions and WB on HIV/AIDS; WB and IMF programs on social security; WB and IMF policies regarding privatization; international financial reform; the IMF's review of loan conditionality; country-level IFI consultations with trade unions; the New Partnership for African Development; and the changing structure and objectives of the international trade union movement. The meetings would also consider the modalities for regular enhanced dialogue between the international trade union movement and the IFIs on the basis of the report of the present meeting.

Other issues discussed at the meeting included lessons from the recent PRSP Review. There was an announcement made regarding the anticipated July 11-12 meeting between the World Bank and a number of Global Union Federations on labor issues in privatization.

This meeting was followed on March 1 by additional sessions on a new initiative from IMF management on a Sovereign Debt Restructuring Mechanism and an exchange of views with trade unions on reform of the international financial architecture.

Schedule of regular meetings to enhanced IFI-labor dialogue

- Leadership meetings will be held in Washington at least every two years beginning in autumn 2002.
- Follow-up, staff-level meetings will be held in the alternating years, and more frequently if necessary.
- Thematic meetings on particular issues or meetings at the regional or sub-regional level may be requested by any of the organizations. The meetings will be held as mutually agreeable, tentatively at least once per year. All partner international and labor organizations should be invited to participate in such thematic meetings.

Experience with this model will be reviewed at a follow-up meeting in autumn 2003.