

6th April, 2020

Mr Paschal Donohoe TD
Minister for Finance
Department of Finance
Upper Merrion Street
Dublin 2

Re: Statement by Global Unions to the 2020 Spring Meetings of the IMF and World Bank

(Virtual - Washington DC, 14 – 16 April 2020)

Dear Minister Donohoe

I am writing to convey the Global Union statement to the 2020 Spring Meetings of the IMF and World Bank. The statement provides recommendations on how the International Financial Institutions can implement urgent measures to equitably respond to the economic and public health crises facing the world by producing a plan to coordinate economic stimulus, and public health action.

COVID-19 is creating a crisis of unprecedented proportion. As the shocks caused by the public health crisis ripple through global supply chains and depress demand, layoffs and loss of income are devastating working families. The pandemic lit a match next to an existing powder keg of debt burdens, inadequate financial and labour market regulation, increasing inequality, and years of austerity that undermined public health, social protection and the ability of states to fulfil their human rights obligations. The IMF and the World Bank should join governments in executing coordinated and sustained stimulus as the Launchpad of a reformed multilateralism that puts working people, shared prosperity and the real economy first.

In this [statement](#), Global Unions outline urgent measures to overcome the crisis and lay the groundwork for an inclusive recovery that achieves the Sustainable Development Goals (SDGs). At the center is a full-scale response by the International Financial Institutions (IFIs) that ensures frontline health workers have the resources and protections to save lives, and measures to guarantee safe employment and income support for all. The response must be sustained until full recovery and not utilise conditionality to constrain social protection, public health and services, or labour market programmes. Social dialogue and collective bargaining will help rebuild trust and assist in crafting IFI programmes to address the dual health and economic crises. There is no time to waste. Global Unions urge IFI leadership, the Development Committee, and the International Monetary and Finance Committee to agree on specific commitments for coordinated fiscal and monetary stimulus, urgent public health measures and support to developing countries.

Recommendations to the International Financial Institutions

The IMF and World Bank should:

- Support a plan for coordinated and sustained economic stimulus to improve employment, the real economy, and frontline public healthcare. Ensure all necessary support to developing countries.
- Lead creation of a debt relief initiative that including multilateral debt, to achieve the Sustainable Development Goals, and a sovereign debt workout mechanism.
- Offer immediate debt moratoriums to low-income countries facing a public health emergency and debt distress. Work with governments to fully resource the IMF Catastrophe Containment and Relief Trust.
- Collaborate with the ILO, UN and governments to implement and fund the Global Jobs Pact.
- Provide funding and policy advice to immediately expand public health systems, social protection, and investments in the care economy, laying the groundwork for achievement of universal health coverage and social protection.
- Design response measures including loan programmes through social dialogue and collaboration with the ILO and WHO. Assess measures based on adherence to core labour standards, contribution to reducing inequality, bolstering aggregate demand, strengthening labour market institutions, providing income support, and boosting public investment.

The IMF should:

- Support the issuance of Special Drawing Rights commensurate with the needs of developing countries and assist in the creation of a donor trust fund to enable the transfer of SDRs from developed countries.
- Reform conditionality for job-rich growth, ending promotion of deregulatory structural reform and attacks on collective bargaining.
- Address the structural threats to recovery and financial stability through the regulation of the financial sector, especially non-bank financial institutions, and promote the tackling of international corporate tax reform and tax havens. Support scaling-up of progressive domestic resource mobilisation and public investment.

The World Bank should:

- Ensure that all recipients of IFC response funding provide paid sick leave, childcare support for essential workers, and comply with requirements on retrenchment, collective bargaining, health and safety, and retrenchment.

- Provide all necessary funding for the health systems of developing countries facing the spread of COVID-19, prioritising safety and resources for frontline health workers. Cease support of measures that weaken resilience including marketising healthcare, labour market flexibility and narrowly targeted social protection.

We hope you and your officials will consider these recommendations.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Patricia King', with a stylized flourish at the end.

Patricia King
General Secretary