Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
Horse Guards Road
London SW1A 2HQ

Dear George

Annual Meetings of World Bank and IMF, 10-12 October 2014, Washington

I should be grateful for the UK Government’s support for a globally coordinated wage and public investment-led recovery strategy proposed by the global unions in their statement (copy *attached*) to the annual meetings of the World Bank and IMF to be held in October. We will also be pursuing these objectives in our L20 work building up to the G20 summit in Brisbane in November.

The statement, which is endorsed by the TUC, stresses the need to resolve the twin problem of deficient aggregate demand and worsening inequalities in income and wealth between and within nations which impede the recovery, and urges international financial institutions to address the negative impact of unsustainable sovereign debt and contribute to the establishment of a multilateral framework for securing binding sovereign debt restructuring agreements.

In particular, the TUC shares the global unions’ concern over the glaring omissions in the Environmental and Social Framework which includes the Environment and Social Standard 2 proposed by the World Bank. The exclusion of contract workers and variable compliance with core labour standards and other limitations render the proposed safeguards inapplicable to most employees, and unenforceable, in projects funded by the Bank. The proposed safeguards are considerably weaker than those adopted by other multilateral institutions including the Bank’s own private sector development arm – the International Finance Corporation (IFC).

In addition, the statement points out that wages have lagged behind labour productivity in most G20 countries, thereby, further accentuating the secular decline in labour’s share of income, and argues in favour of a coordinated strategy hinged on wage recovery and public investments in social and physical infrastructure.

I look forward to hearing from you on the UK Government’s stance on the above. As this letter refers to the meetings of the Bank as well as the Fund, I am copying it to Justine Greening, and to the UK Executive Directors of both.

Yours sincerely

**FRANCES O’GRADY**

General Secretary

Visit <http://www.ituc-csi.org/statement-by-global-unions-to-the-15138> for the GU statement.