

DISCUSSION PAPER

**The World Bank
and
Public Sector Unions:
In Search of a Policy?**

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EXECUTIVE SUMMARY

In the autumn of 2002, World Bank President James Wolfensohn met with a delegation of trade union leaders. During the meeting, he proposed the idea of mini-secondments by trade union representatives to the headquarters of the Bank. The purpose would be to learn more about the work of the Bank. The union leaders welcomed this overture, and the first secondee from the ICFTU spent much of 2003 investigating the role played by unions in the development of Poverty Reduction Strategy Papers (PRPS).

The second secondee, a veteran public service union leader from Canada, spent his time looking at the involvement of public sector unions in World Bank driven public sector reform initiatives. What he found was that Bank leadership expressions of a willingness to consult trade unions at a country level are only very rarely followed in the case of public sector unions. Furthermore, there appears to be something of an *animus* towards, or fundamental ignorance of, public sector unions and their ability to engage in constructive dialogue.

In searching for recommendations to address this disturbing state of affairs, it became clear that there is an urgent need for an initiative from the Bank leadership to clarify what they believe to be an appropriate relationship between the World Bank and the world's unions.

This paper argues that the place to start is with the formal acceptance by the Bank of the right of unions to exist. This can be readily achieved by an endorsement of the International Labour Organization's (ILO) 1998 *Declaration of Fundamental Principles and Rights at Work*. Popularly known as the Core Labour Standards, these four principles have already been debated by the Bank's leadership who have indicated support for three of these principles, but expressed concern over the fourth which calls for the recognition of the right of freedom of association. The right of freedom of association is, however, the core labour standard that acknowledges the very right of unions to exist.

With regard to the right, as well as the potential value, of public sector union consultation in reform initiatives, the paper outlines a series of practical recommendations. They detail the Whys, Hows, and Whos of a consultation policy that, if implemented, could yield significant value added for public sector reform initiatives sponsored by the Bank.

At present the World Bank has no clear policy to guide its staff of some 10,000 people in their dealings with trade union organizations around the globe. This paper argues that such a policy should come from the top and then be promulgated throughout the organization. Such a policy should begin with the acceptance of the ILO's Core Labour Standards. A more detailed policy should then be developed for the public sector since Bank programmes so frequently impact the state or public sectors of national economies and the people they employ as well as those they serve.

INTRODUCTION

Classically trained economists—some 3,000 of them work at the World Bank—don't have much time for unions. As Joseph Stiglitz wrote just before he left the Bank, "If one didn't know better, it might seem as if the fundamental propositions of neoclassical economics were designed to undermine the rights and position of labour".

On October 22, 2002, at a meeting with ninety senior trade union leaders from around the world, World Bank President Mr. James Wolfensohn expressed the view that the Bank and the world's unions shared very similar goals. He was, of course, quite correct. And unions can indeed either help or hinder efforts to achieve the Millennium Development Goals.

Yet public sector unions complain consistently that there is very little, if any, consultation or cooperation between World Bank country teams and unions at the programme delivery level. This seems to be particularly true of the Bank's public sector initiatives. For example, the Bank's 220 page guidebook entitled "Reforming Public Institutions and Strengthening Governance" makes it clear that "[i]nstitutional reform typically involves fundamental changes in the 'rules of the game' for a large number of civil servants". Yet the guidebook makes not a single reference to consulting with the organizations that represent these workers. There is no suggestion whatsoever of a need to consult with public sector unions that, in many cases, have the legal right and moral duty to represent the workers impacted by these "reform" initiatives.

I was told repeatedly in meetings, as well as in private, that because the heads of many country teams are macro-economists they see no need for consultation with unions or that they do so only perfunctorily. Certainly, this explains why the affiliated unions of the Public Services International complain that they are not listened to, that any suggestions on their part are rarely responded to, that information is withheld, and that generally their concerns are ignored by World Bank staff. In a survey of the Europe and Central Asia Region, out of twelve (12) countries in which public sector reform initiatives are underway in only one (1) country were the appropriate public sector union(s) consulted by Bank staff.

A recent example of this *animus* towards, or ignorance of, legitimate union concerns can be found in the publication *Doing Business in 2004*. In writing to Bank

President Wolfensohn, the General Secretary of the 160 million International Confederation of Free Trade Unions (ICFTU) observed that the publication “promotes positions on labour standards that contradict several other Bank policy statements on the same issue”. Mr. Guy Ryder continued: “This will only reinforce the kind of negative impressions about the Bank among representatives of workers in developing countries that the Bank’s global poll results revealed last spring”. He concludes with the comment that “I would invite you to address this apparent lack of coherence on labour policy within the World Bank”.

All of which is pretty difficult to reconcile with the Bank website that maintains that: “Trade unions are involved in the work of the World Bank in many ways—as workers and stakeholders in particular projects; as members of civil society concerned about social policy; and as voices in the global debate about poverty and development”.

Admittedly, upon careful examination it does appear that there are areas of Bank activity in which consultation with unions happen with some degree of regularity. Areas such as the PRSP’s where the first Bank secondee from the ICFTU has undertaken a detailed study of union involvement in the PRSP process. This work demonstrates that when they are seriously involved there can be tangible results such as the more serious treatment of employment issues. The development of Country Assistance Strategies (CAS) also have some union involvement. As well, there are fairly regular dialogues at the headquarters level with union central bodies on international policy issues. All of this is positive and yet none of these initiatives seem so far to have engaged public sector unions in the major Bank activity of public sector reform.

This disturbing dichotomy seems to suggest that a fundamental disconnect exists between what the senior management of the Bank say and the practice on the ground when public sector reform is involved. Clearly what the World Bank needs is a written policy to instruct its relationships with unions around the globe. It needs a policy that comes from the leadership level at the Bank. It needs a policy that is jointly developed between senior people at the Bank and in the global unions.

It is not only relations with unions, especially those in the public sector, that are in need of clarification. The Bank’s own Civil Society Team, under the External Affairs Vice-Presidency, is critical of policy gaps in dealing with civil society organizations. In a draft discussion paper entitled *Issues and Options for Improving*

Engagement Between the World Bank and Civil Society Organizations, dated October 24th 2003 the authors raise four main issues as follows:

- (1) “the Bank’s overall operational policy and business procedures framework for engagement is unclear on why, whom, and how the Bank should engage”.
- (2) “the existing gap between the Bank’s messages and corresponding expectations, policies and practices suggests a number of constraints to effective Bank-CSO engagement”.
- (3) “significant changes in global and national civil society have occurred over the last several years which warrant adjustments in the ways the Bank engages with CSO’s institutionally”.
- (4) “the organizational arrangements in the Bank for managing civil society relations, and the related risks and opportunities, call for greater Bank-wide coherence, coordination and accountability”.

So it seems pretty obvious that the World Bank has a serious “vacuum of clarity” on the issue of consultation.

CORE LABOUR STANDARDS

Finding the fundamental reason for this lack of clarity is not really difficult. After all, so far the World Bank has not officially accepted the fundamental right of trade unions to exist – let alone be fully consulted on projects that are funded and guided by the Bank. To observe that the Bank’s position on the subject of core labour standards has been ambiguous, to date, is to be generous. Bank publications still warn that labour standards may be detrimental to the interests of developing countries (Collier and Dollar 2002). At the same time another publication suggests that “the principles imbedded in the core labour standards can contribute to the World Bank’s development mission...[They] can contribute to economic growth and reduce work place risks for the poor” (World Bank 2001a).

So which is it? Are core labour standards good or bad? Surely it is the time for executive leadership on this issue. It is time that the Bank’s Executive Board let its

member countries, their peoples, as well as the Bank staff know honestly where the World Bank stands on the issue.

The 1919 Treaty of Versailles created the International Labour Organization (ILO). The ILO was given the mandate to develop and adopt international labour standards through tripartite Conventions which then had to be ratified by member governments. Over the 84 years of its existence, the ILO has adopted 184 Conventions. In 1998, it adopted the ILO Declaration of Fundamental Principles and Rights at Work. This declaration, adopted by the ILO's highest decision-making body, makes observance of certain fundamental labour rights an obligation for all 175 member countries arising from the very fact of their membership. These rights cover four areas. They are the subject of eight Conventions out of the total of 184. These basic rights are known generally as the Core Labour Standards.

- Elimination of all forms of forced or compulsory labour (C. 29 & C. 105).
- Abolition and effective elimination of child labour (C. 138 & C. 182).
- Elimination and discrimination in respect of employment and occupation (C. 100 & C. 111).
- Freedom of association and effective recognition of the right to collective bargaining (C. 87 & C. 98).

To illustrate the World Bank's reaction to the adoption of the Core Labour Standards, reference is made to an excellent paper entitled, *Labour Standards and Development*. It was written by Peter Bakvis, Director of the Washington office of the ICFTU and Global Unions Network. Peter presented it to a World Bank conference on development economics held in Oslo on June 25, 2002. He writes as follows:

“By early 1999, after the ILO had made observance of the CLS, through the June 1998 Declaration, an obligation for all member countries arising from the fact of membership in the organization, the World Bank felt compelled to state its own position on these standards. The Bank did this in a short paper on ‘Core Labor Standards and the World Bank’. While the Bank saw no problem in endorsing part of the CLS, the document stated that the institution could not do so with all of them: ‘The Bank has taken an

unambiguous position on three core labor standards (child labor, forced labor, and discrimination) that have been shown to consistently accord with economic development. The evidence on the freedom of association and collective bargaining standard seems less conclusive and the Bank is currently undertaking analysis work in this area' (World Bank 1999).

He continues:

As for the analytical work that the World Bank announced that it was undertaking in early 1999, the results have tended to support the conclusions of other researches. The Bank's analyses determined that observance of CLS, and notably of freedom of association and collective bargaining rights, does not harm economic growth. The Bank's researchers added one important additional, but certainly not unexpected, finding to the literature, which is that respect of the CLS leads to a more equal distribution of income. The published version of the Bank's research states: 'Union density appears to have little or no impact on comparative labor market research [...] with one significant exception: Union density is associated with a compression of wage distribution and a reduction of earnings inequality. [...] Finally, as for union density, high bargaining coverage is associated with a reduction in earnings inequality' (Aidt and Tzannatos 2001).

It should be remembered that, since 1999, the World Bank's 'overarching goal' is poverty reduction. Promotion of the CLS, which the Bank's research determines to be a factor which favors more equal distribution of income without harming growth, would appear to be not only consistent with the Bank's stated mandate but, in fact, highly supportive of it. Support for the CLS would be seem to be even more called for given the evidence, highlighted by the Bank's labour issues specialists, showing increasing earnings inequality in several developing countries: 'Developing countries tend to have much higher levels of inequality than developed countries [and ...] inequality appears to be increasing in many developing countries' (Betcherman 2002). Measures to combat child labour, forced labour and discrimination have their greatest impact among low-income workers, but so do measures to that would enhance unionization. Wage dispersion among unionized workers tends to be lower, to the benefit of lower-wage workers. In addition, high levels of unionization are often associated with things like higher minimum wages and better basic income support programmes, the principal beneficiaries of which are usually unorganized workers.

The World Bank's adoption of the poverty reduction priority in 1999 has translated into the requirement that countries formulate a Poverty Reduction Strategy Paper (PRSP) in order to facilitate debt relief or new concessional lending from the Bank or the IMF. In the new poverty reduction approach, the Bank has given a good deal of emphasis to the importance of involving organizations that represent the poor and non-poor in the development of successful poverty reduction strategies. For example, the Bank's *World Development Report 2000/2001*, whose theme is "Attacking Poverty", states that successful poverty reduction requires empowering the poor, participatory democracy, alliances between the poor and the non-poor, and strong civil society organizations, of which trade unions are "an important dimension" (World Bank 2000). The participation of unions in defining strategies would very likely give a higher profile to concerns about employment goals and improved labour conditions, than if they were absent. Both the IMF and World Bank have insisted that civil society organizations must be involved in the formulation and implementation of PRSPs in order for these documents to obtain the institutions' endorsement. Obviously, genuine civil society participation cannot take place if civil society organizations, including unions, do not have the right to exist, something that observance of the CLS would ensure. Once again, respect of the CLS would seem to be an important ingredient for poverty reduction.

To be sure, Peter Bakvis's analysis is by now a little dated. I am advised that in May 2003 the Bank's Board adopted a statement that "supports the promotion of good practice related to all four Core Labour Standards". But, because it was an informal meeting there was no policy decision taken. Unfortunately, warm and fuzzy generalities are not a substitute for policy.

It seems "more than passing strange" that at the end of 2003 and on the eve of the World Bank's diamond anniversary year, we are still waiting for the Executive of the World Bank to adopt an unequivocal statement and/or policy in support of the ILO's core labour standards.

A clear policy statement, issued from the Bank's top leadership, the Bank staff can readily understand, obey and implement at all levels of the Bank's operations. Only with such an action will the world's unions and their hundreds of millions of members have reason to believe that the World Bank endorses their basic right to exist.

CONSULTATION REVISITED

With the formal recognition of the right of unions to exist by the World Bank, there will be a need to revisit the policy and procedures for consulting with them on the multiplicity of projects funded by the Bank. This paper is intended to serve as one small resource designed to facilitate this policy discussion. The paper outlines the Why's as well as the How's of engaging unions meaningfully with an emphasis on the public sector where there is a significant union presence in almost every client country of the Bank. The paper further suggests how such a policy might be developed most productively. It concludes with a series of practical recommendations believed to be worthy of consideration in any serious policy discussion that might ensue.

In short, it is time to “scale up” the Bank’s relations with the global trade union movement in order to release the value added potential held by close to 200 million workers and their families worldwide. To make them allies in the campaign to achieve the MDG’s. And it is time for the Bank to put in place a set of clear guidelines for relationships with unions at the country level. A good place to start would be guidelines for dealing with public sector unions when reforms of public institutions are being considered.

THE “WHY’S” OF REAL CONSULTATION

There are a great many reasons “why” unions should be consulted whenever a change initiative impacting their members is being considered. A twofold categorization of the reasons might identify those based on principle or morality and those based on pure pragmatism.

Let us cite three principled reasons for doing so:

- (1) Because they are there *in situ* with the moral and often statutory right and obligation to represent their members.
- (2) Because “reform initiatives” very often are designed to, in part, impact public sector employees in profound ways through job losses, wage and benefit rollbacks, workplace disruptions, etc.

(3) Because the representatives of the employees to be affected are:

- democratically elected.
- legally representative.
- institutionally accountable

and thus they have a legitimate mandate to be consulted.

Let us now turn to the many pragmatic reasons for consultation. In addressing the Annual Conference of the Industrial Relations Research Association in Boston in January 2000, the Bank's former chief economist, Joseph Stiglitz, pointed out that "there are several advantages to bringing workers within the fold of governance beyond enhancing congruence of interests". He argues that:

- "First, the sharing of information may lead to less conflict: under some theories, strikes are a result of imperfections of information-strikes are a costly way of conveying information between the parties."
- Involving the workers and their representatives from the outset enhances the chances of success and thus saves valuable time, energy and resources needed to fix problems later on.
- Because employees-particularly in the public sector-possess detailed knowledge that can be translated into optimum solutions.
- Because involving unions in the process of change increases the sense of 'fairness' which, in turn, can positively impact both morale as well as productivity.
- Because there is so very little to lose and so much to potentially gain from doing so.

The case for "why" there should be real consultation between the World Bank and the world's unions is easily made. As with most issues the "how" to do it requires further careful attention.

HOW TO BUILD REAL CONSULTATION

It is the “Hows” of a policy on effective consultation with unions that will form the main body of any such document. Ideally, a policy will be in two parts and deal with both principle as well as process. The first part of the policy document should clarify the principled basis and broad practical outlines of engagement with the world’s unions by the World Bank.

The contents will include the well known fact that the pathway to successful relationships consists of honesty and trust. That a forum for honest, respectful, and transparent discussions will need to be established. That agreement is not necessarily expected but that genuine effort will be made to look for common interests and to develop incremental solutions. And that the Bank itself will make an honest effort to fill the enormous knowledge gap that exists within its halls about what unions really are and what they do.

The various forms of engagement can be explained. From communication through consultation and negotiation all the way to cooperation. Indeed, such a document will presumably be similar in content to the much needed statement clearly outlining the Bank’s relationships with Civil Society Organizations (CSO’s). Perhaps it could even form part of it.

But there is also a need to take very much into account what are known in today’s Bank parlance as “specificities”. In other words, a significant part of the proposed policy document must give guidance on how precisely to engage with unions at the country level(s) under special and changing conditions. Thankfully, there are at least two useful recently prepared resources to draw upon.

The first is entitled *Labour Issues in Infrastructure Reform: A Tool Kit*. It has been put together under the direction of the Public-Private Infrastructure Advisory Facility (PPIAF) at the Bank and is due to be published early in 2004. The tool kit was written by the Adam Smith International of the U.K. in consultation with a variety of organizations including the International Labour Organization the World Bank and the Public Services International.

As the introduction states “The primary objective of the Tool Kit is to provide practical tools and information to help policy makers handle labour issues in PPI.” It goes on to make it clear that the policies outlined apply equally to both public as well as to private sector initiatives. It states with regard to public sector reform initiatives

“Such reforms often involve similar labour issues and many of the approaches and lessons are applicable. Similarly, while the Tool Kit focuses on infrastructure enterprises, it is also applicable to state-owned enterprises in other sectors of the economy where labour issues are also a major source of concern”.

This very helpful publication contains reports of country case studies where good consultation mechanisms have helped in facilitating reform measures as well as reports of case studies where the failure to consult proved unnecessarily costly. At page 38 there is a sophisticated table comparing the “Benefits and Costs of Participatory Engagement Processes”. The Tool Kit’s definitions of, and comparisons between, Communication-Consultation-Negotiation and Cooperation are particularly instructive.

The second very helpful document was published in October 2003 by the International Monetary Fund. It is entitled *Guide for Staff Relations With Civil Society Organizations*.

Pointing out that “The IMF is committed to being transparent about its work, to explaining itself and to listening to the people whom it affects....This guide aims to assist IMF staff in their efforts to build positive relationships with civil society organizations (CSOs)”.The guide is not a big document but in a few short pages it contains a plethora of very cogent advice on how to interact with, and maximize the positive potential of, civil society organizations-including labour unions. In the cover letter dated October 10th 2003 the Managing Director of the Fund Mr. Horst Kohler notes that the “Executive Directors welcomed the proposal to prepare guidance for staff outreach to civil society organizations that would focus specifically on issues arising in interaction with civil society that influences the Fund’s operational work”.

I am sure that it is heresy in World Bank circles to suggest that it is obviously high time that the Bank follow the example of the IMF and produce a first rate policy for dealing with CSOs and further that the Bank policy document should contain a special section on interaction with unions. Maybe so, but there clearly is an urgent need for such a document—one that is jointly developed, jointly agreed to and jointly disseminated --to guide relationships into the future.

MORE THAN A FOOTNOTE ON PSU'S

As the short term secondee from the Public Services International to the World Bank and to its PRMPS unit it is appropriate to make reference to the somewhat special nature of public sector unions and their particular ability to engage in meaningful consultation whenever requested. Public sector unions are known to be different from their private sector counterparts for several reasons. Let me reference just five.

- (1) Public sector workers are highly motivated. Repeated studies reveal evidence of their desire to contribute their knowledge, skills and abilities for the good of society.
- (2) The level of educational attainment of public sector workers is found to be generally higher than for their private sector colleagues.
- (3) The legislative framework(s) governing public sector employment are generally found to be different and usually more restrictive than for the private sector of the economy.
- (4) The source of funds to pay the wages and benefits of public sector employees is quite different than for the private sector. In the public sector it is the taxpayer that foots the bill.
- (5) Finally, unionization levels are generally much higher than in the private sector, regardless of whether the country in question is developing, in transition or developed. Thus the likelihood of there being a union representing the employees to be impacted by public sector reform initiatives is very high in those countries which allow freedom of association.

WHO TO CONSULT WITH

Considering the differences outlined above it is readily understandable that public sector unions have their particular place within the Global Union Network. The organization that speaks for them is the Public Services International (PSI). The PSI is one of the oldest trade union organizations in the world. It was founded in 1907 to develop bonds of solidarity between workers in public utilities in Europe. Over its history it has expanded to cover almost all areas of public services in almost all countries of the globe. Today it has hundreds of affiliated unions with a combined membership of well over 20 million public sector workers. One of its stated tasks is to represent and defend the interests of employees in the public service before international authorities i.e. International Financial Institutions.

For administrative purposes the PSI divides the world into four regions:

- (1) AFRICA and ARAB speaking countries-Lome, Togo
- (2) ASIA and the PACIFIC-Kuala Lumpur
- (3) EUROPE-Bruxelles
- (4) INTER-AMERICAS-Washington, D.C.

Each region has a permanent staff and office and, as well, there are sub-regional offices in the following:

- Central Europe-Prague
- North-East Europe-Kiev
- Russia and Central Asia-Moscow
- South-East Europe-Bucharest
- Middle East-Jal El Dib, Lebanon
- Southern Africa-Braamfontein
- Oceania-Wellington

- South Asia-Haryana
- South East Asia-Singapore
- East Asia-Tokyo
- Brazil-Sao Paulo
- Central America-San Jose
- Southern Cone-Santiago
- Andean region-Medellin
- Caribbean-Barbados

The staff in these offices are ready and willing to act as facilitators in putting World Bank staff in touch with PSI affiliated unions in their regions and sub-regions. The PSI listing of affiliated unions is 174 pages long. It represents a major resource and potential ally in Bank endeavours. A resource that, as yet, remains largely untapped.

PRACTICAL RECOMMENDATIONS

Having identified the ‘policy vacuum(s) at the World Bank regarding clear guidance for dealing with Civil Society Organizations in general, and with trade unions in particular, it is necessary to propose realistic ways of closing these gaps.

First and foremost there needs to be an early decision at the executive level to develop clear policies on procedures for engaging with CSOs. There is a great deal of very useful and positive work being done in many parts of the Bank on engagement with elements of civil society. The team in External Affairs is working on it so are folks responsible for PRSPs. Further work is being done within different parts of Social Protection. And no doubt there are other initiatives underway as well. The problem is that they lack coordination and policy development cohesiveness. This state of affairs should be corrected at an early date.

Secondly, there needs to be a discussion about the need to develop a particular set of consultation policies for the global unions and their 160 million members. Not just because they are ‘special’ but rather because they are qualitatively different from the other parts of civil society. And within this new initiative it is the argument of this paper that there should be particular reference to the ways and means of engaging public sector unions in the process of institutional reform and all that implies.

Thirdly it would be useful for the Bank to address the colossal lack of knowledge that exists within its confines about the world’s unions and the role they truly play in economic development and in maintaining social stability. Contributions that include:

- stabilizing industrial relations.
- Contributing to preserving workplace/firm specific knowledge and organizational capital.
- Mitigating income inequalities and reducing wage discrimination based on gender
- Aiding the adult education movement.
- Creating mutual financial institutions such as credit unions, cooperatives, insurance companies and a variety of other self-help organizations.
- Enabling democracy by working to extend civil and human rights and the right to vote.
- Working for health and safety standards and improved working conditions.
- Fighting for child labour standards.
- Public sector reform.

Staff seminars should be arranged on what unions are and what they do—after all, there are seminars held at the Bank on just about every other conceivable topic. And the curriculum of the World Bank Institute should also include such topics together with the resources to instruct them.

Fourthly, it is very important to find ways to assist ‘country teams’ to tap into the enormous resource base that real consultation with unions potentially offers. Here the recommendation is to proceed on a pilot project basis. This could be done by adding a short term consultant to two, three or four country teams to serve as union liaison officers. The arrangements could be very similar to the secondee programme initiated at Mr. Wolfensohn’s suggestion in the fall of 2002 and currently in place. The duties of these liaison personnel could include but not be limited to:

- Preparing contacts ahead of the mission’s arrival.
- Briefing mission staff and especially the country economist on the union situation in the country.
- Keeping the civil society liaison informed of the need to consult public sector unions
- Arranging meetings during the mission designed to reap maximum benefit.
- Serving as a facilitator to ensure the most useful exchanges possible. It is unfortunate but true that rank and file trade unionists and university trained economists often require assistance in order to communicate well.
- Keeping a record of the meetings and making them available to the participants.
- Facilitating an ongoing flow of information between the parties to the consultation.
- Preparing recommendations for action follow ups.
- Helping resident country missions to maintain a more permanent relationship with country unions on an ongoing basis.

Fifthly, an evaluation process should be put in place to objectively assess the impact of the above suggestions. Their cost effectiveness, their value added and the categorization of any best practices can all be used to help to decide whether to continue the recommended pilot initiatives. It is the contention of this paper that the findings will most likely be positive.

CONCLUSION

My main task at the World Bank, during a three month secondment, was to find out how the Bank staff responsible for institutional reform in the public sectors of client countries interact with the public sector unions who represent the employees affected by the recommended changes. The evidence that I was able to adduce suggests that in most cases they just don't, or, at best, the interactions are perfunctory. The main reason seems to stem from the policy vacuum that exists around this issue at the Bank. This, together with a fundamental lack of knowledge among Bank staff about unions and how best to deal with them. This small paper seeks to demonstrate the nature of this policy gap and at the same time suggest a constructive framework for closing the gap.

Another of my tasks while at the Bank for a short time was to do what I could to sensitize Bank staff working on public sector issues to the possible positive outcomes of engaging in real consultation with the representatives of the people being directly impacted by adoption of bank policy advice around these issues.

In this paper I have dealt with some of the Whys and Hows surrounding such consultation together with some practical recommendations for developing a policy designed to successfully include public sector unions in the future.

Recently, the Bank appears to becoming aware of the importance of the role of institutions in building capacity to assist in poverty reduction efforts. After all the world's unions very much share with the Bank the desire to achieve the MDG's. They share the "dream of a world free of poverty". Their motto is for "bread, peace and freedom".

It is these developments, plus a willingness by some at the Bank to critically evaluate the lack of success of many past initiatives, that make me hopeful that during its diamond jubilee year we may well see the Bank's leadership tackle the issue of the proper role for the ILO's Core Labour Standards in the organization's future initiatives.

Trade unions, too, must accept their responsibilities in this regard. My advice would be for them to adopt the symbolism associated with the Bank's sixtieth

anniversary and use it to mount a global campaign in 2004 designed to assist the Bank's leadership to adopt the ILO's Core Labour Standards. Such a campaign by the ICFTU and others would involve intense lobbying of both national governments as well as Bank Executive Directors to solicit their support. Educational activities should also be undertaken for the double purpose of informing about both the Core Labour Standards as well as the role of unions. It is partly to assist in this process that a list of all Executive Directors and their country groupings is attached to this paper as Appendix II.

I am personally grateful for the opportunity afforded to me by the short term secondment suggested by Mr. Wolfensohn. Being afforded the rare privilege to work in the "belly of the beast" is truly appreciated. Regretfully, very few opportunities arose to meet with the staff members of PRMPS. A well attended BBL on Canada's brand new Public Service Modernization Act was arranged as well as a couple of poorly attended BBLs with regional staff. Fortunately a number of staff from other departments gave generously of their time and energy to meet with me to talk about their work as well as explaining many of the intricacies of the bank structure that sometimes seem designed to confuse outsiders and keep them on their guard.

While what I have learned at the Bank gives me serious doubts as to the fate of some of the recommendations contained in this note, nevertheless, I would be pleased—as I know the PSI would also be—to assist in developing the policy initiatives that are the subject of this small contribution.

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APPENDIX I

About the Author

John L. Fryer is an internationally respected and widely consulted authority on labour relations and human resource issues. His special field of expertise is the public sector.

He has been in turn, a correspondent for the “Economist” magazine, a public sector trade union leader (he was General Secretary of the BC Government Employees Union from 1969 to 1983 and President of Canada’s second biggest union, the 350,000 member National Union of Public and General Employees from 1980 to 1990), and an adjunct Professor in the University of Victoria’s School of Public Administration since 1991.

In 1994 he was sent to South Africa by the International Labour Organization to assist the new government, led by Nelson Mandela, to develop modern labour relations policies. From 1985 to 1993, he also served as the Canadian Vice-President of the 20 million member Public Services International (PSI) based in Geneva.

In 1998 he was appointed an Assistant Deputy Minister in the BC provincial public service in charge of the Crown Corporations Secretariat and in 2000-2001 he chaired the Advisory Committee on Labour Management Relations in the Federal public service.

He is chairman of the board of one Canadian consulting company and on the boards of directors of two others. He is also chair of the Labour Relations Committee of the Montreal based International Centre for Rights & Democracy.

In 1994, he was made a member of the Order of Canada for his “contribution to economic and social justice”. And in 1995 he was awarded the Gerard Dion award for his “outstanding contributions to Canadian labour relations.”

APPENDIX II

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL FINANCE CORPORATION INTERNATIONAL DEVELOPMENT ASSOCIATION

EXECUTIVE DIRECTORS AND ALTERNATES

Member			Executive Director Alternate
Appointed by:			
United States			Carole Brookins Robert B. Holland, III
Japan			Yuzo Harada Masanori Yoshida
Germany			Eckhard Deutscher Eckhardt Biskup
France			Pierre Duquesne Emmanuel Moulin
United Kingdom			Tom Scholar Rosemary B. Stevenson
Elected by the votes of:			
Austria	Kazakhstan)	
Belarus	Luxembourg	)	Kurt Bayer (Austria)
Belgium	Slovak Republic	)	Gino Alzetta (Belgium)
Czech Republic	Slovenia)	
Hungary	Turkey)	
Costa Rica	Nicaragua)	
El Salvador	Spain	)	Per Kurowski
Guatemala	Venezuela, Republica	)	(Rep. Bol. de Venezuela)
Honduras	Bolivariana de	)	Maria Jesús Fernández (Spain)
Mexico)			
Armenia	Macedonia, former)	
Bosnia and Herzegovina	Yugoslav Republic of)	
Bulgaria	Moldova	)	Ad Melkert (Netherlands)
Croatia	Netherlands	)	Tamara Solyanyk (Ukraine)
Cyprus	Romania)	
Georgia	Ukraine)	
Israel)	
Antigua and Barbuda	Guyana)	
Bahamas, The	Ireland)	
Barbados	Jamaica	)	Marcel Masse (Canada)
Belize	St. Kitts and Nevis	)	Sharon Weber (Jamaica)
Canada	St. Lucia)	

Dominica	St. Vincent and the Grenadines)
Grenada)
Brazil	Panama)
Colombia	Philippines	) Amaury Bier (Brazil)
Dominican Republic	Suriname	) Gil S. Beltran (Philippines)
Ecuador	Trinidad and Tobago)
Haiti)
Albania	Portugal	) Franco Passacantando (Italy)
Greece	San Marino	) Helena Cordeiro (Portugal)
Italy	Timor-Leste)
Malta)
Australia	New Zealand)
Cambodia	Palau)
Kiribati	Papua New Guinea	) Neil F. Hyden (Australia)
Korea, Republic of	Samoa	) Dong-Soo Chin (Republic of
Korea))
Marshall Islands	Solomon Islands)
Micronesia, Federated States of	Vanuatu)
Mongolia)
Member		Executive Director
		Alternate
Angola	Namibia)
Botswana	Nigeria)
Burundi	Seychelles)
Eritrea	Sierra Leone)
Ethiopia	South Africa	) Louis K. Kasekende (Uganda)
Gambia, The	Sudan	) J. Mills Jones (Liberia)
Kenya	Swaziland)
Lesotho	Tanzania)
Liberia	Uganda)
Malawi	Zambia)
Mozambique	Zimbabwe)
Bangladesh	India	) Chander Mohan Vasudev (India)
Bhutan	Sri Lanka	) Akbar Ali Khan (Bangladesh)
Afghanistan	Iraq)
Algeria	Morocco	) Tanwir Ali Agha (Pakistan)
Ghana	Pakistan	) Sid Ahmed Dib (Algeria)
Iran, Islamic Republic of	Tunisia)
Denmark	Latvia)
Estonia	Lithuania	) Finn Jønck (Denmark)
Finland	Norway	) Inkeri Hirvensalo (Finland)
Iceland	Sweden)
Azerbaijan	Switzerland)
Kyrgyz Republic	Tajikistan	) Pietro Veglio (Switzerland)

Poland	Turkmenistan	) Jakub Karnowski (Poland)
Serbia and Montenegro	Uzbekistan)
China		)Zhu Guangyao (China)
		) Wu Jinkang (China)
Saudi Arabia		)Yahya Abdullah M. Alyahya (Saudi Arabia)
		) Abdulrahman M. Almofadhi (Saudi Arabia)
Russian Federation		)Alexey G. Kvasov (Russian
Federation)		) Eugene Miagkov (Russian
		Federation)
Bahrain	Maldives)
Egypt, Arab Republic of	Oman	)Mahdy Ismail Aljazzaf (Kuwait)
Jordan	Qatar	) Mohamed Kamel Amr (Arab Rep. of Egypt)
Kuwait	Syrian Arab Republic)
Lebanon	United Arab Emirates)
Libya	Yemen, Republic of)
Brunei Darussalam	Nepal)
Fiji	Singapore)
Indonesia	Thailand	)Rapee Asumpinpong (Thailand)
Lao People's Democratic Republic	Tonga	) Hadiyanto (Indonesia)
Malaysia	Vietnam)
Myanmar)
Argentina	Paraguay	)Alieto Guadagni (Argentina)
Bolivia	Peru	) Alfonso C. Revollo (Bolivia)
Chile	Uruguay)
Benin	Gabon)
Burkina Faso	Guinea)
Cameroon	Guinea-Bissau)
Cape Verde	Madagascar)
Central African Republic	Mali	)Paulo F. Gomes (Guinea-Bissau)
Chad	Mauritania	) Louis Philippe Ong Seng
Comoros	Mauritius)
Congo, Democratic Republic of	Niger)
Congo, Republic of	Rwanda)
Cote d'Ivoire	Sao Tome and Principe)
Djibouti	Senegal)
Equatorial Guinea	Togo)

NOTE: Somalia did not participate in the 2002 Regular Elections of Executive Directors.