

USING DEVELOPMENT BANK SAFEGUARDS TO BUILD POWER

Several multilateral development banks including the World Bank have adopted binding labour standards for funded projects. These labour ‘safeguards’ mandate safe and decent working conditions, and are a tool for trade unions to organize, settle disputes and win agreements in the public and private sectors.

The adoption of labour safeguards by multilateral development banks is an achievement of the trade union movement, part of a continuing fight to uphold the core labour standards in development. Compliance with the safeguards is a requirement of loans in the public and private sector. Ultimately, only workers and their trade unions can ensure that the reality on the ground matches the principles.

The safeguards are an opportunity for strategic organizing and bargaining. Effective use of this leverage changes employer behaviour and sets an example of respect for basic rights in challenging environments.

Trade unions have extensively utilized the labour safeguard of the International Finance Corporation (IFC), which in 2006 was the first binding standard. From subcontracted workers in Iraq gaining the right to join a union to tea workers in India winning safer conditions, thousands have used the safeguard to organize and win.

In addition to using the safeguards to resolve problems in specific investments, trade unions have engaged the development banks to improve due diligence, monitoring and remedy. Trade unions can monitor proposed projects and promote worker involvement in design and execution.

The World Bank is the latest institution to adopt a labour safeguard. It joins the IFC and regional development banks covering Africa, MENA and Central Asia. Today, trade unions are mobilizing for the equal protection of all workers under the Asian Infrastructure Investment Bank standard, and the adoption of labour safeguards at the Asian Development Bank and the Inter-American Development Bank.

- » Binding labour safeguards promote safe and decent working conditions on development projects
- » Workers have used the labour safeguards to win collective agreements and better conditions
- » Leveraging the safeguards can be part of comprehensive strategies to build trade union power
- » Labour safeguards for investment projects exist at: World Bank, African Development Bank, International Finance Corporation, and European Bank for Reconstruction and Development
- » Trade unions are taking action to win labour safeguards at additional banks and improve implementation of the existing standards

