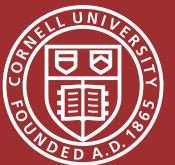


WHY CONFLICT BETWEEN ECONOMIC DEVELOPMENT AND INTERNATIONAL SOCIAL RIGHTS GOVERNANCE IS INEVITABLE

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LEGAL INSTRUMENTS & COVID STRATEGY

World Bank

- Twin goals of ending extreme poverty and promoting shared prosperity in partner countries.
- Provides loans, grants, and guarantee financing to governments that ensure “social development and inclusion.” (ESF)
- The World Bank’s activities also place a premium on the “rule of law,” which focuses on the enforcement of extant laws in recipient countries.

COVID

- Earmarked \$160USD billion in funds to assist governments in recovering from the pandemic’s “health, economic and social shocks.”
- Held governments to their commitments to their extant labor laws, in keeping with its emphasis on the rule of law.

LEGAL INSTRUMENTS & COVID STRATEGY

IMF

- Objective is to “promote international monetary cooperation” and “orderly exchange arrangements among members...”
- IMF is mandated to monitor countries’ economic and financial policies; to provide technical assistance and training to countries; and to provide members with financing.

COVID

- \$1USD trillion to support governments through COVID-19 dedicated lending arrangements.
- Through its Catastrophe Containment and Relief Trust (CCRT), the IMF has also been offering immediate debt service relief to a limited number of countries.
- Recovery loans often expressly incorporated by reference the conditions and commitments that recipient governments made in pre-pandemic loan arrangements.

LEGAL INSTRUMENTS & COVID STRATEGY

International Labour Organization

- Objectives to “promote the economic advancement and social advancement” of less developed countries
- Urges developing countries “to find ways to stabilize and gradually formalise, rather than to flexibilize, destabilise and informalize their labour markets further in order to climb higher up the development ladder.”

COVID

- Technical assistance and advice through consultations and programs.
- Activities vary depending on request and range from drafting labor legislation, providing labor-market advice on COVID-19 recovery, and consulting on wages and employment benefits to ensure that recovery efforts are compatible with the ILO’s international labor standards.

ILO/WB/IMF COVID-19 RECOVERY ACTIVITIES (JAN – JUNE 2020)

- Overlapped in 41 recipient countries
- Focused on four (4) common labour-related policies
 - *OSH*
 - *Labour legislation*
 - *Wages and employment benefits*
 - *Income-related tax*
- Typology (Herr and Chia 1995)
 - *Complementary*
 - *Inconsistent*
 - *Incompatible*

Complementary

- OSH Policies (100%)

ILO / WB

Ex: Bangladesh

WB: providing PPE and guidance concerning WHO procedures to health workers.

ILO: providing PPE and guidance concerning WHO procedures to local garment factories.

INCONSISTENT

- ILO and World Bank
 - 12 countries target same national labour laws
 - WB: rule of law (ESS2).
 - ILO: revise law through tripartite consultations.
 - Ex: Georgia
 - WB: ESS2 commits to implementing the current national labour code.
 - ILO: project aims to revise the national labour code.

INCOMPATIBLE

- ILO and IMF
 - IMF:
 - Short-term: 10/41 arrangements incorporate pre-pandemic conditionality, including those that implicate labour legislation, income tax policy, and employment benefits.
 - Long-term: 21/41 projects stipulate that government must return to IMF structural adjustment programs “as soon as” pandemic recedes.
 - ILO:
 - Project advise governments to enhance public spending in both the short and longer terms to strengthen recovery through decent work.

INCOMPATIBLE

- Ex: Central African Republic
 - IMF: \$38USD million RCF disbursement approved because authorities committed to “continue implementing the policies and structural reforms to which they committed under the ECF arrangement” – cap fines on employers for labour violations.
 - ILO: program to strengthen capacity of workers to benefit from the existing labour code to adjust to COVID-19.

PROPOSAL: EX-ANTE COORDINATION BODY

UN Country Teams

- Mandatory Participation of Financial Institutions
- Resident Coordinator
- Negotiations by Project

QUESTIONS?