

Statement for Core Labor Standards Across All ADB Operations?*

15 Years is Enough!

Asian Development Bank was the first amongst the multinational development banks in 2001 to commit that its operations will comply with the internationally recognized Core Labor Standards (CLS). It has been 15 years since but we observe with dismay that ADB is yet to implement fully its commitment to the international community and the workers of Asia and the Pacific to not only recognize but comply with the following CLS:

- (i) freedom of association and the effective recognition of the right to collective bargaining,
- (ii) elimination of all forms of forced or compulsory labor,
- (iii) effective abolition of child labor, and;
- (iv) elimination of discrimination in respect of employment and occupation.

Since 2006, the Global Trade Union Federations have consistently campaigned to strengthen ADB's compliance mechanism and due diligence to integrate CLS in project concept papers and design and implement CLS in consultation and collaboration with the trade unions. They have, during the safeguards review also made a submission to include labor safeguards and CLS within the purview of Safeguard Policy Statement. ADB management rejected their contention relying solely on the Social Protection Strategy and the Operations Manual Charter 3 (OMC3) both of which have failed to protect workers' rights and decent work.

Various studies on the ground indicate that while CLS does find mention in project concept papers and design tools, the issue of core labour standards fails to find place in important operational documents such as loan agreement, project agreements and administration manuals, and contractors' agreements. CLS is not an agenda in the project review and monitoring reports or in the Bank's evaluation studies.

Forced labor, poor wages, violation of right to freedom of association and collective bargaining, poor and inadequate health and safety measures, lack of social security, deplorable working condition of contract and migrant workers have been reported from ADB funded projects in India, Bangladesh, Indonesia, Philippines and Uzbekistan amongst others. It has also been pointed out that ADB's project teams and consultants lack expertise on labor issues and instead of hiring workers' or labor specialists or collaborating with International Labour Organisation (ILO) specialists, this lack of expertise is being plugged through the recruitment and engagement of gender and social specialists or simply social sector specialists. These violations to workers' rights should not exist in projects funded by ADB whose mission is to eradicate poverty in Asia.

In ADB-funded projects, especially for the infrastructure projects, workers are first and direct beneficiaries in terms of employment generation, decent wages, gender equality, decent work and living conditions and reduction of poverty. But, workers' issues are relegated under "Other Social Issues" in operational terms and treated with lesser brevity from other safeguard issues like environment, resettlement and indigenous rights. Is it because workers' issues and core labor standards are not considered potential risks enough for the non-implementation of projects or projects getting delayed and issues for an inclusive development? Absence of CLS in risk assessment and risk management matrix and that of results framework surely point out to this significant aspect.

We waited for 15 years expecting that the ADB-ILO collaboration inked in 2002 Annual General Meeting in Shanghai, China will deliver results in favor of the workers and their rights and that the ADB will ultimately comply with its commitments to adhere to and implement core labor standards in its operations. But, even the Independent Evaluation Department's special evaluation study on ADB's Social Protection Strategy has refused to evaluate ADB's compliance to CLS and dumped the issue. ADB's existing Social Protection Operational Plan (2014) has nothing new to be excited about, repeating the same old commitments that ADB had kept unchanged for the last 15 years at the expense of workers of Asia and Pacific region.

This cannot go on and should not go on. It's time that ADB should move from its rhetoric to action. Fifteen years is enough. ADB's non-compliance with core labor standards stands between its long-term strategy of poverty reduction and inclusive growth and achieving that objective. The Bank cannot espouse to eradicate poverty in Asia when its own interventions defy internationally recognized basic rights of workers. It cannot continue to work around poor compliance mechanisms and weak national labor laws to expedite the implementation of its own development projects and claim success when those who labor for these projects remain unprotected or marginalized even further. We call on ADB to come out clear, be transparent, commit to due diligence in upholding the rights of the workers and fulfill its commitments to fully implement core labor standards in its all levels of operations.

** This statement was signed by 14 organizations as of 20 June 2016.*