



TRADE UNION ADVISORY COMMITTEE  
TO THE ORGANISATION FOR ECONOMIC  
COOPERATION AND DEVELOPMENT  
COMMISSION SYNDICALE CONSULTATIVE  
AUPRÈS DE L'ORGANISATION DE COOPÉRATION  
ET DE DÉVELOPPEMENT ÉCONOMIQUES

## **TUAC Assessment of the OECD Labour and Employment Ministerial Meeting 2016**

Paris, 19 January 2016

OECD Labour and Employment Ministers met on 15 January 2016 in Paris with the aim of discussing how to build more resilient and inclusive labour markets while, at the same time, calling upon the OECD to undertake an in-depth review and update of the 1994 OECD's Jobs Strategy for the OECD Ministerial Meeting in 2018.

The ministerial statement issued at the meeting covers 5 broad areas:

- Addressing current labour market needs: with 40 million people across the OECD unemployed, 8 million more than before the crisis, with 65% higher long term unemployment since 2007 and with 40 million young people not in employment, education nor training
- Lessons learning from crisis by promoting greater labour market resilience and inclusiveness
- Reducing labour market inequalities and recognising the positive role of minimum wages and appropriate social protection schemes for the unemployed
- Promoting high job quality, while addressing the challenges the digitisation of jobs with regard to work organisation, employment relationships, skills and social protection schemes
- Recognising the value of social dialogue and working with social partners

TUAC representatives at the meeting insisted that Ministers rethink the cost of unemployment and reaffirm the goal of 'full employment'. For labour markets to become more resilient, macroeconomic policy needs to move away from the short-term vision of fiscal prudence, instead considering the entire span of the business cycle. Moreover, one of the key lessons to retain is that those countries that specifically weakened labour market institutions failed to shield job performance as well as a fair distribution of income during the crisis. On the other hand, member states with arrangements to retain workers performed much better.

The TUAC called on Ministers to embark on an inclusive policy route that ensures full employment, high quality jobs as well as a fair distribution of income. This implies minimum wages, collective bargaining and strong labour market institutions promoting social dialogue and giving workers an independent voice in the workplace. The role of trade unions and collective bargaining in improving working conditions and promoting a fairer income distribution, both in the workplace as in the broader economy, is to be acknowledged.

The TUAC also encourages the OECD to build on its work on income inequality and make the solution to the problems associated with the declining labour share and overall wage stagnation central elements of the Jobs Strategy. OECD analysis has confirmed that inequality hurts growth. As pointed out by TUAC delegates at the Ministerial, a thriving middle class is a powerful engine of economic recovery and stability.

TUAC also welcomes the statement recognising that “*minimum wages can help to increase earnings and need not have an adverse effect on employment*”, which reflects both the recent and successful introduction of, as well as the raising of minimum wages in several member states.

The TUAC concurs with the statement’s emphasis on promoting “*a fair distribution of opportunities and outcomes*”. In this respect, the TUAC looks forward to a close cooperation with the recently launched OECD Centre for Opportunity and Equality. The OECD is in a good position to develop a strategy for vulnerable groups including women, migrants, the disabled and older workers.

The *Recommendation on Ageing* issued at the meeting offers a number of commitments to improve labour market participation at an older age and, to that end, recognises the central role of social partners – trade unions and employers – in designing the right incentives alongside governments. In dealing with retirement age, however, the text does not sufficiently take account of inequalities in life expectancy, particularly between low- and high-income earners and between low- and high skilled-workers.

The reassessment of the OECD’s Jobs strategy must take into account all of these points and lessons from the crisis: To make labour markets more resilient and perform better, policies to ensure adequate aggregate demand are key, as well as a range of labour market institutions and policies that promote job stability, ensure social protection and respect and encourage social dialogue and autonomous workers’ voice and representation. The “modernisation” of systems of labour relations must not revert to the old and failed agenda of weakening trade unions and workers’ bargaining positions: “Modernisation” should instead be undertaken with the view to strengthen the system of industrial relations and should be in line with the basic principles of the ILO, amongst other things, the freedom to organise, bargain collectively, and respect and promote social dialogue. Moreover, the Jobs Strategy reassessment should focus on the positive role that strong unions and well and comprehensive collective bargaining coverage play in reducing income inequalities.

As the OECD Forum on “Future of work” on the eve of the Ministerial showed, there is a need to discuss the impact of innovation driven labour market transformations and of the effects of new business models, notably those of Internet-based platforms, on the quality of jobs. The Ministerial invited the OECD Employment, Labour and Social Affairs Directorate to focus more on the impact of digitisation and technological change. In doing so, the OECD needs to propose policies that avoid a race to the bottom in terms of wages, labour standards, safety regulations and workers’ rights, including the right to bargain at firm or sector level. Existing standards need to apply to emerging sectors and be respected by new firms. Job insecurity of workers in this sector is not the result of technological development – it is the result of a warped business model. At the meeting TUAC called on the OECD to work across its directorates towards developing an Action Plan for Decent Work in the Digital Economy.

**TUAC Statement to the ELSA Ministerial** [http://www.tuac.org/en/public/e-docs/00/00/11/88/document\\_doc.phtml](http://www.tuac.org/en/public/e-docs/00/00/11/88/document_doc.phtml)

**OECD Labour and Employment Ministers Statement**  
<http://www.oecd.org/employment/ministerial/labour-ministerial-statement-2016.pdf>