



Trade Union Key Messages to the G7 Taormina Summit, Italy 26-27 May 2017

The G7 Taormina Summit is taking place after a year of backlash by voters against governments, institutions and the very functioning of economic systems, in particular against a global system that has done far more to liberalise and deregulate markets than to share the costs and benefits of globalisation fairly.

At the root of this popular backlash is a double policy failure: firstly to deliver a satisfactory recovery from the financial crisis, creating a “low growth trap” instead; and secondly to achieve a more equal distribution of the benefits of globalisation, technological and economic progress. While a significant share of households in G7 countries has experienced flat or falling real incomes for a decade or longer, a small elite has seen its income and wealth rise in often spectacular ways. These failures have led to important segments of workers and their communities losing out and being left on their own faced with increased insecurity about their job and their future.

According to the ITUC Global Poll 2017: 74% of people worry about rising inequality between the richest 1% and the rest of the population, 73% worry about losing their jobs, 71% believe that working people do not have enough influence on how the rules of the global economy are set¹.

G7 trade unions – the “Labour 7” – are in the frontline in proposing policy solutions and in responding to the genuine grievances that lie behind the popular backlash. We welcome the fact that the G7 presidency has chosen as a theme “Building the Foundations of Renewed Trust” for the Summit. The G7 must give hope that these concerns are being listened to and responded to by policy change.

Trade union key messages to the G7:

- Empowering workers to tackle rising inequalities, ending austerity, exiting the low-growth trap;
- A joint response to the large movements of refugees and the integration of migrants;
- Translate climate change commitments and the Agenda 2030 for Sustainable Development into reality;
- A just transition to the next production revolution and the digitalisation of our economies;
- A blue-print for a progressive trade and investment agenda and for effective responsible business conduct in global supply chains.

Empowering workers to tackle rising inequalities, ending austerity, exiting the low-growth trap

G7 countries should commit to more sustainable and equitable economic policies than austerity and de-regulation policies of the past, to exit the low-growth trap and to revert the past decade fall in investments, in the wage share of national income and in productivity growth. They should go beyond the slogan of “compensating the losers” and make sure globalisation benefits all by investing in labour market institutions that act as guardians of equality, support demand and purchasing power of the middle and lower incomes, and tackle precarious, informal or irregular work. In turn, they should:

- Agree on coordinated public investments in infrastructure, strengthening public services and the care economy as an urgent stimulus to break free from the low growth trap;
- End the corporate greed of low wages and sustain robust domestic demand by strengthening the coverage of collective bargaining, ensuring minimum living wages and job protection;
- Promote social dialogue through collective bargaining and firm-level worker participation mechanisms to anticipate change and incrementally improve firm-level productivity;
- Enable the participation of women and youth and ensuring the repair of labour income share, formalizing informal work and universal social protection; and
- Commit to “people-centred” government based upon social dialogue, public integrity and accountability, universal access to public services and commit to progressive taxation for inclusive growth and sustainable public service funding.

A joint response to the large movements of refugees and the integration of migrants

G7 countries should take a share of refugees proportionate to their economic capacity and ensure fundamental rights for migrants and refugees. They should also:

- Guarantee migrants and refugees the right to work, training and equal treatment, including the enforcement of anti-discrimination laws;
- Support refugees with quality education, language, skills and vocational training along with social protection and access to public health care services, including trauma counselling;
- Target unaccompanied minors and young adults in tailored programmes; and
- Take decisive measures against human trafficking and forced labour.

Translate climate change commitments and the Agenda 2030 for Sustainable Development into reality

G7 countries should give priority to implement the SDGs and the Paris Agreement commitments and contribute to the deepening collaboration across international institutions, especially with the United Nations and its specialized agencies including the ILO and with social partners through increased social dialogue. In doing so, they should also:

- Bring particular attention to SDGs 1 on ending poverty, 4 on education, 5 on gender equality, and 8 on decent work for all, 10 on reduced inequalities, 13 on climate action and 16 on peace, justice and strong institutions;
- Ensure that their respective nationally determined contributions (NDCs) deliver on the global emission target of a 2°C temperature increase or less; and
- Take a leadership role in opening a dialogue with trade unions and employers on the means to secure a Just Transition for workers and communities, including support to the creation of a “Just Transition” Fund in order to achieve more ambitious climate targets.

A just transition to the next production revolution and the digitalisation of our economies

G7 countries should embrace a Just Transition framework for the next production revolution and the digital economy based on the model endorsed by the COP21. Industrial and innovation policies are needed to reduce the risk for labour markets polarising and making adaptation more inclusive, while ensuring affordable access to internet connectivity worldwide. In doing so, they should:

- Ensure fundamental labour rights are respected, decent wages and social protection across the digital economy – including for non-standard workers – and commit to tripartite frameworks and consultation at the workplace on the design, development and introduction of new technologies, including ethical standards;
- Introduce lifelong learning guarantees (coupled with learning time accounts and investments into quality training and higher education systems) to cater to different skills needs across all age and social groups, and economic sectors, paired with gender-specific considerations; and
- Address regulatory challenges stemming from business models in the digital economy including on competition, corporate governance and taxation.

A blue-print for a progressive trade and investment agenda and for effective responsible business conduct in global supply chains

In a context of rising populism and the risk of nationalistic protectionism, global governance of investment and trade needs to be reshaped to help achieve balance, decent work and sustainability. Achieving a fair globalisation depends on strengthening respect for workers’ rights and improving working conditions both within multinational enterprises (MNEs) and

their global supply chains, and in all exporting sectors. To that end, the G7 countries should commit to

- Balancing foreign investors rights with obligations, increasing transparency and accountability in negotiations, protecting the right to regulate and access to public services, and ensuring a floor of enforceable international labour and environmental standards;
- Implementing the UN Guiding Principles on Business and Human Rights, including by strengthening access to effective remedy and drawing up National Action Plans;
- Enacting national legislation aimed at making corporate human rights due diligence mandatory;
- Adhering to and promoting the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and the forthcoming cross-sectoral OECD Due Diligence Guidance for Responsible Business Conduct; and
- Strengthening the National Contact Points of the OECD Guidelines for Multinational Enterprises, including by introducing consequences such as the withdrawal of economic support for companies that flout the NCP process following the example of Canada.

ⁱ ITUC Global Poll 2017 - covering 16 countries representing 53 percent of the global population.
<http://www.ituc-csi.org/ahead-of-g20-labour-ministers>