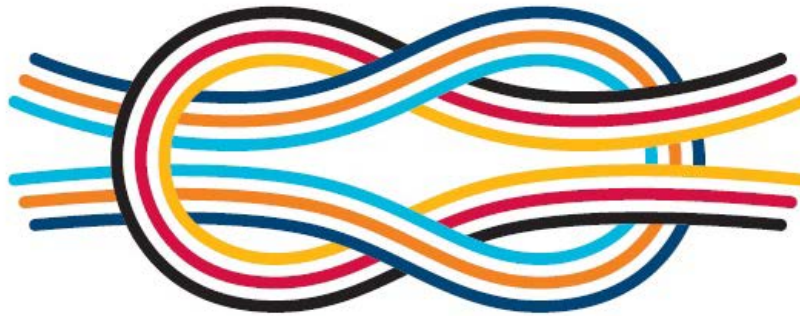


## ***L20 Statement to the G20 Hamburg Summit, 7-8 July 2017***



# **G20 GERMANY 2017**

## **LABOUR 20 DIALOGUE**

### **New Rules for a Fairer Global Economy**

The Labour 20 (L20) represents the voice of workers through their trade unions at the G20. It is convened by the International Trade Union Confederation (ITUC) and the Trade Union Advisory Committee to the OECD (TUAC) working in tandem with the current L20 host trade union, the German Confederation of Trade Unions (DGB). For more information, go to [www.Labour20.org](http://www.Labour20.org).

The G20 Hamburg 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 the failure to deliver a satisfactory recovery from the financial crisis, creating a “low growth trap” instead; and secondly the failure to achieve a more equal distribution of the benefits of globalisation, technological and economic progress. While a significant proportion of households in G20 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, and 71% believe that working people do not have enough influence on how the rules of the global economy are set.

The G20 Leaders must listen and respond to these concerns by policy changes. The G20 needs to take coordinated action to create jobs and achieve a more equitable distribution of

the wealth delivered by globalization and technological change, through collective bargaining, redistributive taxation, skills investments, and strategies for achieving the Sustainable Development Goals and climate transition. The G20 Leaders' Summit needs to make a strong call for policy change and stepped up international coordination.

The Leaders need to re-affirm the call from their Labour Ministers' Meeting (LEMM) for an "integrated set of policies that places people and jobs at centre stage" and commit to measures towards decent work for all across global supply chains and in digitalised, green economies of the future." Above all they must endorse their Ministers' commitment to ensure "that violations of decent work and fundamental principles and rights at work cannot be part of the competition."

As outlined in our policy priorities for the G20 below, we call on the leaders to commit to:

- *A fiscal stimulus to exit the low growth trap and to engage a just transition to a low-carbon and digitalised economy;*
- *Placing job quality and wages at the centre of G20 actions to tackle rising inequalities;*
- *Closing the gender employment and pay gap;*
- *Supporting youth employment and skills development;*
- *Setting the standard for responsible business conduct with mandated due diligence for human rights in global supply chains;*
- *Increasing tax transparency;*
- *Ensuring a fair distribution of benefits from technological change;*
- *A joint response to the large movements of refugees and the integration of migrants;*
- *Translating climate change commitments into reality;*
- *Aligning G20 policies with the 2030 Agenda;*
- *Mainstreaming social dialogue and ensuring policy coherence within the G20.*

## **L20 policy priorities for the G20**

### **A fiscal stimulus to exit the low growth trap and to engage a just transition to a low-carbon and digitalised economy**

- Agree on coordinated public investment in infrastructure, public services and the care economy as an urgent stimulus to break free from the low growth trap;*
- Ensure that such stimulus is in line with the transition to a low carbon and increasingly digitalised economy and is supported by international cooperation for progressive tax reforms;*
- Coordinate closely on monetary policy and pursue the G20 financial reform agenda with a view to avoiding a major disruption in financial markets.*

### **Placing job quality and wages at the centre of the G20 actions to tackle rising inequalities**

- Put job quality at the centre of the G20 policy agenda across all tracks and working groups to ensure that the benefits of growth are widely shared and provide safe and secure jobs – and align the G20 Resilience Principles towards these goals;*
- Follow-up on the commitments from the Turkish and Chinese G20 Presidencies on the*

*labour income share and on sustainable wage policy principles by ensuring living minimum wage floors and promoting the coverage of collective agreements. The LEMM highlighted the role of collective bargaining that “in particular can set income floors to reduce income inequality, eliminate poverty wages and achieve sustainable wage growth” as should the G20 Leaders;*

- *Ensure an evidence-based minimum living wage that takes into account the costs of living and wage fixing mechanisms in all G20 member states that fully involve social partners (ILO Convention 131).*

### **Closing the gender employment and pay gap**

- *Endorse the G20 Policy Recommendations to reduce gender gaps in labour force participation and pay by improving women’s job quality and acknowledge the role of social partners and collective bargaining in ensuring equal pay for work of equal value;*
- *Implement and monitor the G20 female workforce participation target with measures on equal pay legislation and effective wage policies, formalizing work with minimum living wages and social protection, and expanding collective bargaining;*
- *Invest in accessible and affordable public care services to support participation and decent working conditions that allow for a better work-life balance, and take action against occupational and sectoral segregation.*

### **Supporting youth employment and skills development**

- *Develop a Youth Action Plan with an emphasis on active labour market policies that goes beyond the G20 Youth Target which is insufficient to overcome the high levels of youth unemployment and underemployment, as well as the challenges of young people in informal or precarious work;*
- *Build on the G20 Initiative to Promote Quality Apprenticeships and identify best practices and funding opportunities towards creating inclusive and effective VET systems and acknowledging the role for social partners in their design, financing and delivery.*

### **Setting the standard for responsible business conduct with mandated due diligence for human rights in global supply chains**

- *Implement the UN Guiding Principles on Business and Human Rights by drawing up National Action Plans which ensure due diligence and securing access to effective remedy, including the development of National Focal Points to implement the ILO MNE Declaration, as called for in the G20 Labour Ministers’ Statement;*
- *Commit to enacting national legislation aimed at making corporate human rights due diligence mandatory and encourage and support other initiatives aimed at operationalising due diligence, including International Framework Agreements, in line with the commitments made by G20 Labour Ministers;*
- *Adhere to and promote 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, working with the social partners, and agree on a G20 tripartite implementation plan;*

- *Strengthen G20 National Contact Points of the OECD Guidelines for Multinational Enterprises,<sup>1</sup> including by signing up for peer review and introducing consequences such as withdrawal of economic support, for companies that flout the NCP process, following the example of Canada;*
- *Establish robust, transparent and accountable grievance mechanisms in non-adhering G20 countries that offer access to all constituencies and cover the rights of all stakeholders;*
- *Take action to improve Occupational Health and Safety (OHS) across global supply chains;*
- *Commit to enforceable provisions on labour rights and standards and investors' responsibilities in trade and investment agreements as called for in the LEMM Statement.*

### **Increasing tax transparency**

- *Reactivate an official list of tax havens based on robust transparency and access to information criteria, accompanied by a clearly defined set of sanctions and, where appropriate, capacity-building development cooperation programmes;*
- *Deliver on the commitment to develop a new mechanism for automatic exchange of information on beneficial ownership information of legal persons and legal arrangements;*
- *Initiate a new process for full tax transparency and public reporting by MNEs based country-by-country reporting framework.*

### **Ensuring a fair distribution of benefits from technological change**

- *Agree on standards and coordinated measures related to the next production revolution and the digital economy including regulatory frameworks to ensure fundamental rights and decent work. Good working conditions, secure jobs and access to social protection are needed to ensure that globalisation and digitalisation are in the interests of people. This requires tripartite frameworks, collective agreements and consultation at the workplace on the design, development and introduction of new technologies, including ethical standards;*
- *Endorse the G20 Priorities on the Future of Work, specifically regarding adequate social protection coverage for all workers and the respect for fundamental principles and rights at work as a foundation for social dialogue and collective bargaining;*
- *Enact the framework of a just transition for digitalisation including through a lifelong learning guarantee and training accounts, by securing permanent quality jobs across sectors with decent wages as called for in the L20-B20 Statement to the G20 Labour and Employment Ministers' Meeting and by ensuring affordable access to internet connectivity worldwide;*
- *Address regulatory challenges stemming from business models in the digital economy including on competition, corporate governance and taxation, and ensure standard employment relationships and workers' rights and protections in the online platform economy.*

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<sup>1</sup> TUAC has developed a 15-point Plan for strengthening National Contact Points: [http://www.tuacoecdmneguidelines.org/Docs/TUACFactSheet\\_NCP15Plan.pdf](http://www.tuacoecdmneguidelines.org/Docs/TUACFactSheet_NCP15Plan.pdf)

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

- *All G20 countries should take a share of refugees proportionate to their economic capacity and ensure fundamental rights for migrants and refugees;*
- *The economic and social integration of migrants and refugees requires destination countries to guarantee the right to work, training and equal treatment, including the enforcement of anti-discrimination laws in line with the G20 Policy Practices for the Fair and Effective Labour Market Integration of Regular Migrants and Recognised Refugees;*
- *Supporting refugees with quality education, language, skills and vocational training along with social protection and access to public health care services, including trauma counselling, is vital;*
- *Specifically targeted programmes for unaccompanied minors and young adults are fundamental;*
- *The G20 needs to take decisive measures against human trafficking and forced labour. Notably, all G20 members need to ratify the ILO protocol on forced labour.*

## Translating climate change commitments into reality

- *Deliver on the Paris Agreement commitments to take action in ensuring global emissions stay well below a 2°C temperature increase trajectory, through the review of their nationally determined contributions (NDCs), which to date do not meet that objective;*
- *Take a leadership role in implementing the Paris Agreement’s commitment to secure a Just Transition for workers and communities. This requires the development of national and sector level plans, based on social dialogue, that can secure jobs and protect vulnerable workers and communities.*

## Aligning G20 policies with the 2030 Agenda

- *Operationalize the G20 Action Plan on the 2030 Agenda for Sustainable Development, in particular “Human Resources Development and Employment” in regard 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;*
- *Give primacy to aligning G20 work with efforts to implement SDGs and Targets both by 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, also by enhancing efforts to formalise informal and other precarious forms of work;*
- *Build the Compact with Africa on decent work, sustainability and long term goals and go beyond the five target countries to contribute to the development process of the region through (i) sustainable industrialization with propensity for continuous modernization, (ii) decent jobs creation especially for youth and women and (iii) long-term transformation of economies.*
- *Align the compact with the seven aspirations of the AU agenda 2063, in particular the three following aspirations that meet the trade union vision for African*

*development:*

- *A prosperous Africa based on inclusive growth and sustainable development;*
- *An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children*
- *Africa as a strong, united, resilient and influential global player and partner.*

### **Mainstreaming social dialogue and ensuring policy coherence within the G20**

- *Call for the holding of a Tripartite Summit ahead of the Leaders' Meeting of the G20 under the Argentinian presidency;*
- *Engage social partners and, at firm level, worker participation mechanisms in identifying future needs on investment, employment and skills;*
- *Re-introduce a joint Labour and Finance Ministers' Meeting with social partners' consultations to create more policy coherence;*
- *Maintain social partners' consultations at the G20 Leaders' meetings as has been good practice in several past G20 Summits.*