



# L20 STATEMENT TO THE G20 LABOUR AND EMPLOYMENT MINISTERS' MEETING

MENDOZA, ARGENTINA, 6-7 SEPTEMBER 2018

**1** Global economic growth has slightly improved, yet the vast majority of the world's people are still left waiting for increased security, wages and social protection. Inequality is at an historic high and is rising with no sign of abating, and workers' wages are stagnating compared to productivity and profits. Currently eight billionaires have amassed the same wealth as the poorest half of the world's population,<sup>1</sup> and just 50 companies hold a combined wealth equivalent to that of 100 nations.<sup>2</sup> The concentration of wealth is increasing. This is further exacerbated by digital economy businesses in terms of both market capture and the rise in precarious work.

**2** Decent work is not a reality for the vast majority of the world's people, and downward competition between countries on wages and working conditions is having disastrous consequences on workers' livelihoods. Only 28 per cent of the world's population enjoy comprehensive social protection systems, and recent retrenchments by governments, combined with the growth in precarious work forms, are further jeopardising social protection adequacy and access.<sup>3</sup>

**3** Women workers, on whom most of the burden of unpaid care work falls, are the most affected. Women contribute some USD10 trillion from direct employment and around the same amount from unpaid care to the global economy. However, women's participation has stalled and gender inequalities in the labour market persist. Likewise, high youth unemployment combined with the concentration of young people in low-paid, precarious work is threatening decent work for all in the future.

<sup>1</sup> Oxfam (2017) *An Economy for the 99 Per Cent*

<sup>2</sup> ITUC (2016) *Scandal: Inside the global supply chains of 50 top companies*

<sup>3</sup> ILO (2017) *World Social Protection Report 2017-2019*

**4** At the same time, unabated climate change is affecting the survival and livelihoods of millions today through extreme weather events such as drought, hurricanes and flooding. The world needs vast investment and policy coordination to achieve a Just Transition to a low-carbon economy.

**5** Similarly, rapid technological change requires new regulation and investment in jobs and a just transition framework to ensure full employment.

**6** These trends are undermining social justice, contributing to growing poverty and social exclusion, and threatening social cohesion. They are also undermining sustainable, inclusive economic growth in the long term. None of this is inevitable. Governments, together with social partners, have the power to address effectively these challenges.

**7** The G20 has made several commitments to take action on these issues – however, working people have not seen tangible outcomes. Trade unions are now calling on the Labour and Employment Ministers' meeting in Mendoza to implement, deepen and go beyond past commitments by

- ensuring minimum living wages, based on and adjusted according to the cost of living;
- promoting the fundamental rights to organise and collective bargaining, particularly on wages, and taking measures to increase the coverage of agreements;
- reinforcing and investing in universal social protection systems;
- purging global supply chains of precariousness, informality, slavery and child labour and ensuring that companies take responsibility for their obligations towards workers, including by incorporating human rights due diligence throughout their operations;
- dealing with climate change and contributing to the realisation of the objectives of the Paris Climate Agreement by promoting and implementing strategies for a Just Transition to a low-carbon economy;
- preparing the workforce for a “just transition” to a digital future of work. This should be done in particular
  - by (i) promoting social dialogue on technology deployment and investment needs, tripartite governance of transition and training funds, (ii) reinforcing and adapting social protection systems, (iii) taking early measures to ensure that non-standard forms of work are not used to avoid responsibility towards workers, and ensuring that workers in such jobs enjoy all labour rights – for this, collective bargaining must be an intrinsic mechanism for social dialogue and the joint construction of peace and social justice;
  - promoting gender equality in the labour market and investing massively in the care economy and training to create new jobs and lift millions of others from informality; also, violence in the workplace must be addressed including with legislation on domestic violence leave;
  - addressing the persisting high youth unemployment levels including through active labour market policies and investment in formal training and by taking measures that increase labour demand in general; and
  - planning for the integration of refugees and migrants and lifting barriers to social inclusion.

**8** These demands are based on evidence of what works. The L20's recent Economic and Social Policy brief, “The case for wage-led growth”,<sup>4</sup> highlights research showing how raising wages, strengthening social protection, enhancing collective bargaining and reducing inequalities can lift employment, enhance skill development, reduce informality, strengthen aggregate demand and promote overall economic development and growth.

**9** By making progress on their commitments, the G20 Labour and Employment Ministers would help the realisation of the Sustainable Development Goals and in particular the goals to end poverty (SDG1), ensure inclusive and equitable quality education and lifelong learning

4 ITUC (2018) *The case for wage-led growth*

opportunities (SDG4), achieve gender equality and empower all women and girls (SDG5), achieve economic growth with decent work (SDG 8) and reduce inequalities (SDG 10).

## **1. Address the falling labour income share with increased wages and collective bargaining**

**10** Stagnating wages and the declining labour income share are by-products of the global rise in low-paid and precarious work, the weakening of collective bargaining, and inadequate or nonexistent minimum wages. The G20 must place quality employment with rights and security at the centre of its policy agenda . The G20 must also ensure that its past commitments on the labour income share are implemented including those on ensuring a minimum living wage that is regularly adjusted, promoting social dialogue and collective agreements and achieving sustainable wage growth.

**11** The G20 Labour Ministers should therefore

- ensure minimum living wages for all workers, based on the cost-of-living evidence set with social partners;
- promote collective bargaining on wages and working conditions, ensuring broad coverage of collective agreements, including through utilising extension mechanisms; and
- strengthen national social dialogue structures, if necessary, with the technical assistance of the ILO.

## **2. Purge global supply chains of precariousness, informality, slavery and child labour**

**12** The 2016 ILC Resolution on decent work in global supply chains recognised the gaps in terms of governance and the engagement of the social partners, which have distinct yet complementary responsibilities in the promotion of decent work in global supply chains. The L20 is calling on the G20 to support the UN Binding Treaty on Business and Human Rights.

**13** In addition, the G20 should

- promote legislation to require companies to embed human rights due diligence across their supply chains, as well ensure robust grievance mechanisms and access to remedy;
- promote responsible purchasing practices and prohibit companies from placing orders below production costs;
- collaborate with the ILO and the OECD to continue their work on guidelines for human rights due diligence in all sectors;
- encourage transnational collective bargaining and International Framework Agreements, and explore legislative options that would establish enforceability of such agreements; and
- establish binding legislation to place joint liability on multinationals for the violations committed within their supply chains.

## **3. Effectively deal with climate change and ensure a Just Transition to a low-carbon economy**

**14** The scale of the industrial transformation needed to comply with the climate objectives of the Paris Agreement is colossal but feasible. The transition to a low-carbon economy that keeps the temperature rise under 2°C requires not only massive investment in new and redesigned jobs, skills training, redeployment in new sectors, but also income guarantees and secure pensions. Social dialogue and collective bargaining are central components of the Just Transition, delivering socio-economic results that work better for everyone, building consensus and easing policy implementation.

- 15** We call for coordination between Labour and Environment and Energy Ministers
- to support and accompany effective climate change policies with employment measures anticipating sectoral transformations, developing green sectors and skills, and providing social protection measures, following the ILO Just Transition Guidelines; and
  - to adapt in order to deal with the impact of climate change on workers, their families, and communities, including increased heat and other extreme weather events on working conditions.

## 4. Guarantee Decent Work in a digitalised economy

- 16** The L20 urges the G20 to bundle labour market policies for the future of work under a Policy Framework for a “Just Transition” to a digitalised economy. Such a framework could comprise setting up jointly administered insurance and training schemes paired with universal and robust social protection systems. Governments should adapt and enforce regulation and commit to additional investments early on in order to govern employment-related aspects of digitalisation. This needs to be done in dialogue with social partners across sectors to find tailored solutions and enable transitions for all workers.

- 17** The G20 Labour and Employment Ministers should
- ensure policy coherence between future of work discussions and the G20 Finance Track, including the Framework Working Group and the Digital Economy Task Force, in addressing challenges linked to investment and productivity gaps, job displacements and regional, gender and social digital divides;
  - endorse a “Just Transition” framework for digitalisation – including parameters on the introduction of new technologies and financing to enable workers to stay or change jobs of similar or better quality;
  - encourage new collective agreements on training and working time;
  - strengthen transparency, protection, and ownership of employee data to prevent surveillance and monitoring, and ensure that Data Protection Regulations are made with social partners’ contributions;
  - combat all forms of discrimination in on- and offline work by respecting principles of equality; and
  - avoid regulating global electronic trade in goods and services with e-commerce chapters in trade agreements in order not to restrict the ability of states to legislate, take action and coordinate global policy in view of providing a level playing field between the digital and traditional economy.

### 4a. Close regulatory gaps for platform workers

- 18** The challenges to job quality and income security for workers on online platforms – both locally by performing physical labour and online as crowd workers – have been widely recognised. Many platform providers are overstepping regulatory boundaries based on their scale without mass business models resulting in workers being trapped in precarious work. The L20 welcomes preliminary G20 discussions on this matter and urges Ministers to take a strong stance on the respect of labour rights and develop principles on work in the platform economy. The labour movement calls for an enabling environment for workers voice and policy solutions that aim to

- enforce the respect for labour rights and national labour laws and enable all platform workers to organise and take part in social dialogue as well as collective bargaining by reviewing competition laws and defining responsibilities of platform providers as well as employment relations;
- ensure a level playing field in digital markets and when necessary require local presence in order to eliminate disguised or concealed economic activity, and condition market access upon criteria of fair participation in the domestic economy;

- strengthen regulatory systems that ensure business obligations towards states (taxation), social protection systems (social contributions) and training (workers) are met;
- ensure that platform workers and other workers who, in practice, are dependent on a single employer or a group of employers have a right to employment contracts and to remuneration that is at least at the level of minimum wages and in line with industry standards;
- ensure that platform workers are covered by occupational health and safety regulations and have adequate social security including pensions, unemployment and health insurance coverage, training, minimum paid sick leave, paid vacation leave and parental leave, coverage of formal care services, and guarantee their rights to freely organise and take collective action;
- foster privacy, protection and transparency of data collected by platform businesses and provide the individual right to workers to request data and delete online ratings;
- promote mediation and due process as a main responsibility of the platform provider to settle disputes between platform workers, platform providers and customers and to contest negative ratings; and
- work towards international coherence in definitions and data collection on platform work, as well as international frameworks for workers on cross-border platforms.

#### **4b. Develop future skills today**

**19** The L20 welcomes G20 work on education and employment and the set-up of the Education Working Group and a joint Ministerial this year. In particular, the G20 should coordinate policies and discuss best practices on governance and funding in order to improve the quality of and increase accessibility to education and training. Governance systems should include employer and workers' representatives. Such cooperation on skills development, apprenticeships and adult learning has delivered better outcomes and should be expanded.

**20** The G20 LEMM should

- expand the G20 Skills Strategy by concrete parameters including links to all educational levels, technical needs per occupational category or field of study, and a broader vision of learning tied to the culture of work, health, safety and environment, citizens' values and sustainability;
- invest in increased access to quality public education and vocational training, aiming at achieving universal access, with enhanced focus on youth from disadvantaged socio-economic backgrounds and migrants;
- include employers' and workers' representatives in the governance of systems of skills development, apprenticeships and adult learning;
- design and deliver measures that promote access and opportunities for women to training;
- scale up industrial policy at the national, regional and sectoral levels with initiatives to forecast skill demands and revise funding needs accordingly;
- fulfil the commitments of the 2030 Agenda in education and by 2030, ensure equal access for all women and men to quality technical, vocational and higher education, including university education; and
- establish systems of recognition of prior learning in the formal and informal economy (as the G20 committed to in Annex B, LEMM, Melbourne).

#### **4c. Promote labour formalisation and regulate Non-Standard Forms of Work**

**21** Informality in the traditional economy remains high across the globe, and in some G20 countries the size of the informal economy is estimated at between 30-50 per cent of the

workforce.<sup>5</sup> Informality is having a devastating impact on poverty and economic insecurity, as these workers tend to be deprived of all labour rights, including minimum wages, employment protection, occupational health and safety, as well as social protection, freedom of association and collective bargaining.

**22** In parallel, non-standard forms of work (NSFW) have proliferated to the extent that, in some G20 countries, those in irregular jobs are more than those in regular jobs. These developments are due, in part, to recent government reforms to flexibilise the labour market, despite the lack of evidence on the benefits of this, and that have resulted in harming the working class. They are also due to the failure of governments to effectively respond to and regulate new forms of work (see section 3A on platform workers).

**23** To this end, the G20 should take into account ILO Recommendation No. 204, the Transition from the Informal to the Formal Economy Recommendation, and in line with Annex B of Melbourne LEMM, the G20 should deliver their commitments to

- provide incentives for, and promote the advantages of, effective transition to the formal economy, including by improving access to finance, labour justice, education, and property rights;
- guarantee decent work, including fundamental principles and rights at work, and ensure access to adequate social protection and training for all, including for informal economy workers;
- develop comprehensive national action plans to improve the quality of employment taking into account sectoral, regional, national specificities and strengths – including clear goals and implementation stages, timetables for achieving goals and a peer-review process with the participation of G20 social partners – also in line with Annex IV of 2015 LEMM, “G20 Framework on Promoting Quality Jobs”;
- improve education and awareness of worker rights; and
- strengthen labour inspection systems to enforce labour laws and workplace regulation.

#### 4d. Support the workforce with social protection

**24** The G20 LEMM should scale up efforts to deliver on their past commitments on social protection. In view of the digitalisation dimension, the G20 should increase commitment to social protection, and adapt and update current systems so that they contribute to workers' employability and integration. The G20 LEMM should not miss the opportunity to put social protection systems' sustainability issues on the agenda of the Finance Track, specifically to explore innovative ways of securing resources for the function of social protection systems in the future economy.

**25** The G20 LEMM should

- recognise a human right to social protection and the role of social protection as a key component of fair future of work;
- expand the scope and coverage of social protection aiming at universal access, including those in the informal economy;
- ensure adequate, predictable financing for social protection systems, making use of progressive taxation, employers' fair share of contributions and innovative financing solutions – to this end, the G20 LEMM should request the G20 Finance Track to take measures so as to guarantee new forms of financing, in particular by
  - recognising that technological progress should benefit everyone and introduce a globally coordinated tax on technologically induced productivity (robot tax);
  - recognising that electronic personal and non-personal data are national wealth and individual property and introduce a tax for entities that gather and process big amounts of data (data tax);

<sup>5</sup> Source: ILO (2012) *Statistical update on employment in the informal economy*

- creating a G20 model normative framework for multi-employer social contributions plans; and
- ensure that employers in atypical forms of work, including platforms, take responsibility for their employment relationships and contribute to what they should in social contributions.

**26** In line with Annex A of 2017 Bad Neuenahr LEMM, the G20 should deliver their commitments to

- ensure non-discrimination, fair treatment and equal rights at work among workers of different contractual arrangements including non-standard forms of employment;
- facilitate workers' transitions between jobs by supporting the portability of benefits and entitlements across different types of employment and countries; and
- modernise the functioning and administration of social protection systems.

## 5. Ensure gender equality at the workplace

**27** In their Declaration, G20 governments should re-state their commitment to gender equality and commit to address the multidimensional nature of inequality, and enhance and coordinate policies to reduce the gender gap in labour market participation and pay, and improve the quality of employment for women. The role of the social partners and collective bargaining in ensuring equal pay for work of equal value should be recognised, and there should be implementation and monitoring of the target set in terms of women's participation in the labour market in G20 countries by 2025.

**28** The low labour force participation rate among women is linked to the lack of investment in and policy measures regarding care services. Investing in accessible and affordable public care services would support participation and decent working conditions that enable a better life-work balance.

**29** The international trade union movement is satisfied to see that work continues on achieving gender goals and in particular addresses the gender pay gap, increasing women's labour market security and achieving better working conditions. We stress that investing in the care economy has enormous potential to achieve these goals and the 25x25 goal.

**30** The G20 should increase efforts to

- invest in the care economy to formalise jobs and create new employment (Goal 25x25) as well as paid family leave and childcare leave for both women and men, in order to provide for a better work-life balance for workers with family responsibilities and a seamless career path for women;
- implement anti-discrimination and equal pay measures, take affirmative action and improve labour inspection in order to eliminate the gender pay gap and discrimination in women's recruitment, promotion and skills development;
- take measures to eradicate occupational segregation between women and men, including through addressing gender stereotypes in education and training and promoting the proactive recruitment of women in under-represented sectors;
- ensure equal and lifelong access of boys and girls, and of women and men, to education and vocational training; and
- improve the use of technology, particularly information and communications technology, to promote the empowerment of women.

## 6. Prepare the youth for the future of work

**31** Young people are facing an exceedingly uncertain future. The rise in youth unemployment on a global scale, the ever more precarious and informal nature of employment, the changes in the world of work and growing inequalities are some of the challenges young people are confronted with today. The discussions regarding the future of work should not

focus exclusively on the economic benefits of new technologies and the digital economy but should also address the huge political and economic challenges we face at the societal level.

**32** We recommend that the G20 Labour Ministers

- develop a Youth Action Plan with an emphasis on active labour market policies and investment in formal training that goes beyond the G20 Youth Target – as it 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;
- ensure that policies such as the Rural Youth Employment Initiative (G20 Germany, 2017) are closely monitored and tracked, and simultaneously enhance the initiative in order to tackle the issue of precarious and informal work, which particularly affects youth; and
- direct and supervise companies to provide youth with appropriate information such as disclosed information which are necessary for job searches.

## 7. Address the employment needs of migrants and refugees

**33** Migration is taking on ever-greater importance in light of the growing number of people displaced by conflict, the consequences of climate change, and the lack of economic opportunities. Within the framework of the 2030 Agenda for Sustainable Development, governments resolved to create the conditions for decent work for all and recognised migrants' positive contribution to inclusive growth and sustainable development.

**34** The G20 countries should lead the way by

- recognising the economic contributions of refugees and migrants to globalisation and national economies, including their role in countering the effects of demographic ageing and contributing to the long-term sustainability of public finances;
- providing admission to refugees as outlined in the Geneva Convention;
- taking action in order to implement the principles of the New York Declaration for Refugees and Migrants;
- taking into account labour's demands<sup>6</sup> for the Global Compact on Migration;
- developing work towards establishing common criteria to regulate and govern legal channels of migration and refugee streams;
- ensuring the fundamental rights of migrants and refugees including guaranteeing the right to work, training and equal treatment, including the observance of antidiscrimination laws;
- establishing frameworks that provide a legal status, as appropriate, to economic migrants and encourage their labour mobility and contribution to labour markets, also to avoid their exploitation, and the undermining of local workers' standards by substandard work;
- supporting refugees with quality education, language skills, public services and vocational training along with access to social protection and health care services (including trauma counselling); and
- taking immediate action for unaccompanied minors and young adults.

## 8. Promote Decent Work for persons with disabilities

**35** Persons with disabilities account for 15 per cent of the population, yet many workplaces are not ready to welcome them. This results in high levels of unemployment among persons with disabilities while those employed usually face discrimination in payment, access to training, promotion and other aspects of employment. The law does not always sufficiently protect the rights of persons with disabilities, and usually enforcement of legal provisions is inadequate.

<sup>6</sup> ITUC (2018) Labour Demands for the Global Compact on Migration

**36** The G20 LEMM should

- promote the ratification and implementation of the ILO Convention on Vocational Rehabilitation and Employment (Disabled Persons), No. 159 and the UN Convention on the Rights of Persons with Disabilities (CRPD);
- update labour laws so as to address issues of accessibility and accommodation of needs, and ensure that all forms of discrimination are covered;
- ensure that social protection systems are designed in a way that includes and promotes the position of persons with disabilities;
- adopt or reinforce affirmative action legislation and action plans as appropriate, including quotas, requirement for specialised work-related equipment, provision of transportation and flexible working hours to accommodate medical needs;
- take action to start overturning negative societal norms towards persons with disabilities;
- ensure structured consultation with organisations representing persons with disabilities, trade unions and employers' organisations; and
- start collecting and disaggregating labour market information by disability status so that policy interventions are more effective in the future.

## Conclusion

**37** The G20 is a key process global governance. The world expects the G20 countries to lead in improving coordination and coherence of economic and social policies and in strengthening the social dimension of globalisation. We emphasise the importance of greater coordination within each state as well as the importance of intergovernmental cooperation.

**38** Among other policy areas, the G20 has made commitments on the labour income share, fair wage policy principles, workers' rights throughout and inside global supply chains, the equal participation of women and men in employment and wages, youth inclusion, occupational health and safety and skills development. The Labour Ministers must not lose sight of these past commitments, and the first priority should be to implement and deepen the work already done in these areas.

**39** Skills and lifelong learning, formalisation of the informal economy and tackling non-standard forms of work, and the extension of social protection, three of the themes of the Argentine Presidency, are necessary ingredients of a socially "just transition" – one that prepares the workforce for future jobs while protecting against systemic and personal downturns, and guarantees an environmentally, socially and economically sustainable future.



ARGENTINA 2018  
LABOUR 20

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