



LABOUR RUSSIA 2013

L20 PRIORITY RECOMMENDATIONS FOR THE G20 LEADERS' MEETING

SAINT PETERSBURG, RUSSIAN FEDERATION
5-6 SEPTEMBER, 2013

2 Key Policy Priorities

2 Support Aggregate Demand & Reduce Inequality

2 Create Jobs & Promote Skills for all Generations

3 Principles & Practice for Long Term Investment

3 Fight Tax Evasion & Avoidance

3 Push through Reforms of the Financial System

4 Ensure Sustainable Development & Good Working Conditions in Global Value Chains

4 Follow-Up on Commitments

4 Develop the role of the L20

1 Stalled or declining growth in developed economies and emerging markets, rising unemployment, increasing income inequality, insufficient progress on financial regulation, the erosion of tax bases and unabated climate change constitute central global challenges faced by G20 Leaders meeting in St Petersburg.

2 The deficiency in global demand is reinforced by a lack of confidence when almost 60% of people claim that their income has not kept in pace with the cost of living in the last two years¹. Further, despair is eroding trust when one in two working families have been directly impacted by the loss of jobs or a reduction in working hours.

3 The G20 has lost ground and trust in its ability to coordinate policies necessary to pull economies out of the crisis as commitments appear not to be acted on. People feel abandoned by their governments with 80% of people indicating their government has failed to tackle unemployment and only 13% of people feel that they are governing in the interests of working people².

4 Leaders have the opportunity at the St. Petersburg Summit, building on the Labour and Finance Ministers' joint conclusions³, to restore the public's faith in global economic policy coordination.

1 ITUC Global Poll, 2013, available at: <http://www.ituc-csi.org/ituc-global-poll-2013-prepared-for>

2 Ibid

3 The first ever G20 Finance and Labour Ministers' Meeting was held in Moscow, G20 News and Press Releases, July 19, 2013, available at: <http://en.g20russia.ru/news/20130719/781660747.html>

In partnership with



5 We need a change in the pace and depth of actions on both the global and national levels. The G20 should take coordinated action to kick start recovery towards job-centred, inclusive, green and sustainable long-term growth. G20 governments have to live up to their commitments made in Los Cabos and take action to support domestic demand by investing in education, innovation and infrastructure. Measures have to simultaneously ensure a transition to a “green economy” and sustainable development with quality jobs.

Key Policy Priorities

- Creating quality jobs and inclusive growth and set national employment targets;
- Fostering youth inclusion in the labour market;
- Raising sustainable aggregate demand;
- Increasing long-term investment in infrastructure and the green economy;
- Stamping out tax evasion and profit shifting and moving to fair and progressive taxation;
- Drive effective regulation of the financial system and work to introduce a global Financial Transaction Tax (FTT);
- Guarantee workers’ rights and safe work in Global Value Chains.

To attain these priorities G20 Leaders must implement a holistic **G20 Jobs Action Plan** that would:

- Set national employment targets;
- Raise sustainable aggregate demand;
- Increase public and private investment;
- Mobilise private and public resources with tax measures and an FTT;
- Reduce income inequality through strengthened collective bargaining, robust minimum wages and a social protection floor.

Support Aggregate Demand & Reduce Inequality

The L20 supports labour market and investment policies that raise aggregate demand and reduce inequality by:

- Expanding collective bargaining to re-link wages to productivity;
- Implementing and strengthening social protection and enhancing social dialogue;
- Ensuring access to quality public services and utilities, specifically education and healthcare.

Create Jobs & Promote Skills for all Generations

Resilient labour markets and skills development needs to be ensured by:

- Strengthening labour market institutions and providing incentives for job creation;
- Education and skills training and life long learning ;
- Scaling up quality apprenticeships with expansion into female dominated sectors;

- Strategies to reduce the informal economy and formalize sustainable business and provide decent work ;
- Enabling SMEs to expand and provide decent work in part by ensuring affordable finance;
- Establishing tax and benefit systems that contribute to both raising productivity and reducing inequality.

Principles & Practice for Long Term Investment

The G20 must:

- Draw a line between investment and speculation through greater accountability and transparency all along the investment chain, including asset managers' accountability to asset owners, and endorsing the OECD high level principles for long term investment by institutional investors;
- Develop the market for long term financial assets in order to finance sustainable jobs in value added industries, encourage productivity and structural transformation, including climate change mitigation;
- Ensure fair risk and reward sharing arrangements, whenever public money is used to mobilize long term private finance.

Fight Tax Evasion & Avoidance

The G20 must:

- Ensure MNEs pay tax levels that reflect the economic substance of their activities - paying taxes where profits and value added are generated - and curb base erosion and profit shifting aggressive tax schemes;
- Tax short term financial transactions to prevent speculative behavior and raise new sources of finance.

Push through Reforms of the Financial System

The G20 must move ahead to implement financial reforms and:

- Implement the G20 commitment to “ending too-big-to-fail groups” by taking structural measures to shield retail commercial banking activities from volatile investment banking and market trading;
- Take prompt actions to meet the deadlines of the G20/Financial Stability Board Action Plan regarding regulating “Over the Counter” derivatives trading, shadow banking and the implementation of resolution frameworks;
- Effectively tax the finance sector with bank levies and an FTT;
- Ensure that “Basel III” is not undermined by reliance on self reporting and self-assessment by financial institutions;
- Ban high frequency trading;
- Raise financial taxation to prevent taxpayer funded bail-outs.

Ensure Sustainable Development & Good Working Conditions in Global Value Chains

The L20 calls on the G20 to work to end exploitation, ensure labour rights and decent work in Global Value Chains (GVCs) by:

- Implementing the decent work agenda throughout GVCs, including with enforceable responsibilities for investors and states in trade agreements;
- Ensuring that the new post 2015 Millennium Development Goals include decent work' and social protection floors, public education and climate justice and ensure an ambitious global deal on climate change in 2015;
- Enforcing the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises (MNEs) and the ILO Tripartite Declaration on Multinational Enterprises;
- Ensuring sufficient policy space for developing countries in trade and investment treaties.

Follow-Up on Commitments

In order that the G20 restores itself as an effective coordinating force for global economic policy action it must develop an international architecture and:

- Implement past commitments and provide constant reporting through for example the Employment Task Force (ETF) database survey;
- Provide the ETF with a permanent mandate and institutionalize its cooperation with the G20 Finance Track, and social partners;
- Institutionalize the Joint Meeting of Labour and Employment and Finance Ministers to promote policy and financing coherence ;
- Enhance the Accountability Assessment Framework with the inclusion of "employment and social protection" as risk factors;
- Develop a joint process between the Finance Ministers' Mutual Assessment Process and the ETF.

Develop the role of the L20

In the current dangerous situation social dialogue must be supported and reinforced by governments including at the G20 level. The L20 should be involved in the design, implementation and follow up of finance, fiscal, economic and labour policies. The L20 therefore proposes to:

- Work with governments and international institutions to identify action required to address employment trends, early-warnings and provide analytic reporting;
- Monitor the implementation of G20 commitments and present the economic and other impact of policies;
- Actively participate in Sherpa and ETF meetings and present priority recommendations to G20 representatives in a consultative capacity;
- Facilitate the L20 Summit to discuss and present labour views on the current state of the global economy and engage with G20 Leaders and International Organisations including the ILO, the OECD and the World Bank and IMF;
- Continue the collaboration with the B20 on agreed priority issues as the basis for social dialogue with G20 leaders.

L20 PRIORITY RECOMMENDATIONS FOR THE G20 LEADERS' MEETING

ST PETERSBURG, RUSSIAN FEDERATION
5-6 SEPTEMBER, 2013



Global Unions

www.global-unions.org



BWI

www.bwint.org



EI

www.ei-ie.org



IAEA

www.iaea-globalunion.org



IFJ

www.ifj.org



IndustriALL

www.industrialunion.org



ITF

www.itf.org.uk



ITUC

www.ituc-csi.org



IUF

www.iuf.org



PSI

www.world-psi.org



TUAC

www.tuac.org



UNI

www.uniglobalunion.org

