



L20 Proposals for German G20 Presidency, 2017

Globalisation and interconnectedness, coupled with exponential technological progress and innovation, have created incredible wealth but left too many working people marginalised and fearful of an insecure future.

The dominant global trade model of supply chains is a model of labour arbitrage.

MNEs are outsourcing responsibility, creating a hidden workforce of up to 94% of workers.

- The majority are in low paid, insecure, often unsafe work
- 40% are in informal work
- Up to 45 million are in modern slavery

“ The opportunities to grow sustainable economies, together with social protection, secure jobs and decent living wages exist, but urgent and co-ordinated action is required from this G20. ”

Inaction not only denies social justice to the world's working people but the growing despair increasingly threatens peace, democracy and security for everyone.

Previous G20 commitments are still the answer:

- Investment in infrastructure, jobs; investment in the care economy is also needed
- Reducing the growing disparity between productivity and the labour income share
- Increased participation of women and young people, with support for skills including apprenticeships
- Formalising informal work and eliminating slavery with human and labour rights in supply chains

SDG Goal 8 lays out the commitment to employment and decent work, and the German Government has laid out an agenda for just that:

- Social protection
- Minimum living wages
- Collective bargaining
- Rights in supply chains

Accompanied by the promise of measures to integrate women, young people and refugees into the labour market, this is a leadership agenda for the G20.

And by investing in action on climate and just transition, a sustainable future with jobs and inclusive growth dividends is possible.

This G20 Presidency has also realised that digitalisation is growing exponentially and that despite new opportunities, decent work will be further threatened in the absence of labour rights and employment protections.

Responsible investment and rights in global supply chains must be a centerpiece of the global rule of law.

As a first step G20 leaders must commit to;

1. Re-affirming their commitment to implement the UN Business and human rights principles with the responsibility for due diligence, grievance procedures and remedy.
2. Endorsing the OECD Global Due Diligence Guidance.
3. Supporting a G20 initiative to reform global governance and strengthen the social dimension of globalisation with a tripartite summit ahead of the leaders' meeting of the Argentinian Presidency.
4. Strengthening judicial and non-judicial access to grievance procedures and remedy, including the OECD Guidelines for Multinational Enterprises, by introducing consequences for companies that flout the complaints process.
5. Enforceable provisions on labour rights and investors' responsibilities in trade and investment agreements, and ensuring that the stated G20 principle of "fair, open and transparent" alternative dispute settlement measures offers access for all constituencies and covers the rights of all stakeholders.

“ **The \$80billion CSR industry has failed. We need the rule of law to hold companies to account on rights, on taxation and on environmental standards.** ”

And then there is **labour income share**: universal social protection, minimum living wages and robust collective bargaining systems will reduce inequality and ensure inclusive growth

Digitalisation requires employment protection, skills, minimum living wages and the consideration of a basic income guarantee as part of a broader package of essential services.

Don't waver on **tax reform**:

- Reactivate an official list of tax havens with a clearly defined set of sanctions
- Require beneficial ownership transparency
- Ensure public reporting by MNEs

“ **82% of people hold companies accountable for the actions of their subcontractors and 77% want companies to be open and transparent about their subcontractors.** ”

ITUC Global Poll 2016 ”

No excuse for poverty wages!!

Every worker in the Apple supply chain creates \$17,000 annual profit. Just a \$50 per month increase for Asian workers is a mere \$600 of that!

In Guatemala, a unionised box of bananas costs \$7 while an exploitative box of bananas is \$5. Decent work costs less than 2 cents per banana.

In Honduras women doing backbreaking work growing melons make 16 cents per melon. 3 cents more would mean a living wage.

