



L20 Statement to the G20 Trade and Investment Working Group

This recovery should be based on the principles of openness, transparency, fairness and sustainability, in order to create resilient, sustainable and inclusive societies. (G20)

Applying these principles to the global system of trade requires significant reform.

Trust in globalisation was diminished before the pandemic as working people faced historic levels of inequality along with the devastation of climate change in many areas of the world. The pandemic has further exposed the fragility of global supply chains and the lack of resilience of many global businesses. The impact on jobs and incomes for workers has deepened as the economic divides within and between countries have increased resulting in even less trust in global rules that do not deliver shared property.

To shape a truly fair, sustainable and inclusive trade agenda trade must work for all people and not just benefit major corporations and wealthy nations. As a first step G20 trade ministers need to take concrete action towards guaranteeing access to Covid-19 vaccines, treatments, and testing.

Global trade that benefits all people must set ILO Fundamental Rights as a minimum enforceable floor to ensure Decent Work which includes occupational health and safety standards and living wages with a compliance system that sanctions violations. Only then can trade be based on a fair competition floor.

To strengthen and make the **multilateral trade and investment agenda** more inclusive for a sustainable recovery, unions call for:

- A commitment to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to ensure all multinationals take steps to implement these principles.
- Assurance that promoting increased trade in services is not to privatise public services.
- End Investor-State Dispute Tribunals that favour corporations over the public good and establish a transparent mechanism to handle such disputes.
- The creation of an appropriate forum that respects social dialogue principles, where issues related to e-commerce and data governance that will significantly impact the

future of work can be debated and agreed upon. Unions strongly disagree that the WTO is the proper venue for such discussions.

- Expand, not restrict space industrial policy.
- All trade and investment agreements must respect domestic policy space including the right to pursue policies directed towards achieving full employment, a just transition to a carbon neutral economy, and the right to development.
- Accept that investment flows need proper regulation to maintain domestic stability and end tax avoidance practices of profit shifting
- Realise special and differential preferential treatment provisions for least developed countries and increasing the transition period for phasing out such treatment.
- All trade and investment negotiations should include as a material investment risk and assess the likely impact on the environment, and taking into account decent work, labour income share, gender inequality, and progress towards achieving the Sustainable Development Goals, including goal 8.

To **reform the WTO** and strengthen its role for a coherent multilateral trading system, G20 governments must take the following steps:

- Support the request for a TRIPS waiver to temporarily suspend intellectual property rights for Covid-19 vaccines, treatments, and tests, as proposed by India and South Africa at the WTO. Limiting access to these products to increase corporate profits will only undermine recovery efforts.
- Acknowledge that fair competition includes ending the race to the bottom on workers' rights.
- Advocate for the inclusion of an enforceable labour clause in the rules of the WTO, that can set a minimum floor of rights globally, including occupational and health standards, create space for social dialogue including a Working Group on Labour Issues, and ensure a strong compliance mechanism in collaboration with the ILO.
- Ensure the WTO does not fall behind regional agreements such as the USMCA when it comes to labour and environmental standards.

Recognition that the playing field is currently unbalanced in favour of multinational corporations, and against the public good, working people, and mSMEs.

For a resilient and inclusive recovery, the world needs a reformed trading system that ends the promotion of cheap and exploitative labour, wasteful consumption of resources and does not interfere with the domestic policy space countries need in order to reach full employment and realise the Sustainable Development Goals. The social partners must be included to shape reform for a trade agenda that delivers shared prosperity for all nations and people.