



8TH TRADE UNION-OECD DAC FORUM

25 SEPTEMBER 2023

SUMMARY REPORT

ACCELERATING PROGRESS ON THE SDGS THROUGH STRENGTHENED SUPPORT TO SOCIAL PROTECTION AND DECENT CLIMATE-FRIENDLY JOB CREATION

The 8th Trade Union-DAC Forum was launched with introductory remarks from Veronica Nilsson, General Secretary of the Trade Union Advisory Committee to the OECD (TUAC) and Carsten Staur, Chair of the OECD Development Assistance Committee (DAC), who highlighted current global challenges, including geopolitical tensions, climate change, and the potential threats to livelihoods and development from global growth forecasts, as well as financing challenges to achieve the Sustainable Development Goals (SDGs).

In this context, social protection plays a key role as a fundamental human right, but also as an economic stabiliser that can tackle inequality, alleviate poverty and promote formal employment, skills development, productivity, domestic resource mobilisation and overall GDP growth. There is growing political consensus to recognise the critical importance of strengthening investments in social protection through development policies. However, according to the latest OECD data, Official Development Assistance (ODA) contributions fall short and more investments are needed. In that respect, Veronica Nilsson called for a DAC Recommendation on social protection to better frame the role of the DAC on this important issue.

SESSION 1: STRENGTHENING SOCIAL PROTECTION & ACHIEVING A JUST TRANSITION IN RESPONSES TO THE MULTIPLE CRISES

The discussion on social protection and just transition was introduced by María del Pilar Garrido Gonzalo, Director of the Development Co-operation Directorate (DCD), and launched with a presentation from Rahul Malhotra Head of the DCD Reviews, Results, Evaluation and Development Innovation Division. Rahul emphasised the potential of social protection to facilitate a just transition. He underlined the importance of seeking investments with multiplier effects, such as social protection, and highlighted its catalytic role in boosting employment and livelihoods, and promoting a just transition, but showed that official development finance (ODF) in support to social protection in low- and middle-income countries stood at USD 5.21 billion in 2021, making up only 3.4% of ODF, down from 3.7% in 2020.

Alexandre Kolev, Head of the Social Cohesion Unit of the OECD Development Centre, highlighted the importance of addressing inequalities to achieve the SDGs and the relevance of social protection. He noted that informality is a major barrier to achieving universal social protection and put forward policy recommendations to extend social protection to informal economy workers.



In the ensuing discussion, trade unionists and DAC members looked into how development cooperation can further support the extension of social protection and greater collaboration with social partners. Bangladesh trade unions pointed to the challenges of very low social protection coverage and the need to improve inclusiveness and representation of workers through consultations.

The Belgian DAC Delegate described how her government is working towards universal social protection. She pointed out that Belgium has been supporting the UN Global Accelerator on Jobs and Social Protection for Just Transitions since the beginning and invited other DAC members to do so. She also noted that a DAC Recommendation on social protection would be an interesting initiative. Belgium's support to the Global Accelerator was welcomed by Belgian trade unions who stressed the ILO's central role in this initiative and emphasised the importance of wages to combat in-work poverty.

The Spanish DAC delegate also showed support to the UN Global Accelerator. She highlighted the wish to see more ODA to social protection and just transition and called for more engagement and commitment to strengthen social protection work at the DAC, pointing to the November 2023 DAC High Level Meeting (HLM) as a key moment for this.

Support to the Global Accelerator was also manifested by the German DAC Delegate, who highlighted her government's priorities on social protection and job creation.

Challenges in the inclusion of informal economy workers were spelled out by a trade union representative from the Dominican Republic, who explained how they have organised informal economy workers by providing them with services, including health insurance at a reduced cost, and how this work was crucial to promote a social security law in the country. Strategies for formalisation were also echoed by an Argentinian trade unionist, who in addition raised the importance of progressive taxation for the expansion of social protection coverage.

African trade unions from Senegal and South Africa respectively voiced challenges stemming from significant emigration and emphasised the role that governments need to play in supporting social protection. This last point was echoed by the Indonesian trade union representative.

In concluding, the initial presenters noted the importance of working towards universality through progressive extension of social protection, for which domestic resource mobilisation, including through progressive taxation and fighting tax avoidance, is key. They also noted the need for mechanisms, such as the Global Accelerator to build the political will needed.

The DCD Director closed the session emphasising the importance of this debate and the need to build bridges with the social partners, strengthen coherence, and reduce fragmentation to improve effectiveness and impact. This has to be born at the level of the state and supported with donor funds.



SESSION 2: PROMOTING DECENT CLIMATE-FRIENDLY JOBS WITH JUST TRANSITION THROUGH DEVELOPMENT COOPERATION

Alison Tate, Director of the International Trade Union Confederation's (ITUC) Economic and Social Policy Department, opened the session outlining the ITUC's call for a New Social Contract, and its implications for development cooperation, particularly focusing on the creation of decent climate-friendly jobs as a crucial aspect in the fight against poverty and inequalities. She highlighted the importance of a just transition rooted in social dialogue, to protect workers and communities impacted by climate change, including through secure employment and training opportunities, alongside universal social protection. She also underscored the role of ODA in promoting investments in jobs and made suggestions to monitor development aid's contributions to decent work.

Jens Sedemund, Head of the DCD Climate Change and Environment Team, explained the DCD's focus on climate policy. He stressed that donor countries should support decent jobs in the green transition but also acknowledged the pivotal role of decent employment in development overall. While the DAC does not have a dedicated workstream on just transition, it supports it cutting across different areas such as adaptation, resource mobilization, and net-zero transitions. Rahul Malhotra followed, noting the increasing prominence that just transition and decent jobs are gaining and pointing out to specific tools to track and promote the contribution to decent jobs, including the peer reviews, the Foreign Direct Investment Qualities Guide for Development Cooperation and responsible business conduct instruments such as the OECD Guidelines for Multinational Enterprises.

The discussion that followed focused on how to improve the contribution of development aid to decent job creation with the just transition. This was launched with an intervention from a South African trade unionist who presented their proposals around industrial policy, decent jobs, skills development and universal social protection in the South African framework on just transition. She, however, raised concerns about limited involvement of trade unions by the government in just transition discussions and their absence from talks on the Just Energy Transition Partnership (JETP). These concerns were echoed by Indonesian trade unions.

The French DAC Delegate noted that just transition along with decent and secure jobs creation are top priorities for them. Creation of green and decent jobs were a key priority of France development policies, together with gender equality. He stressed the significance of the ILO's Just Transition Guidelines and the 2023 International Labour Conference conclusions as the guiding principles on Just transition in a crowded space and shared France's support to the Global Accelerator. Peer reviews were encouraged to drive countries towards the just transition and identify best practices.

Trade union interventions that followed emphasised the central role of social dialogue for inclusive development and a just transition and underlined the challenges of a shrinking civic space for trade unions to engage.



The Norwegian DAC delegate shared inputs emphasising how trade union support has been an intrinsic part of their development aid through a historical support to workers' rights and social dialogue. She highlighted the importance of the tripartite cooperation model between trade unions, business associations and authorities, and shared their initiatives to drive the green transition while respecting a just labour force transition.

In closing, Alison Tate underscored the importance of labour rights, quality job creation and skills as well as having the right actors at the table through social dialogue. She further noted that COP 28 will be an important moment to enhance work on just transition.

CONCLUSIONS AND SUGGESTED WAY FORWARD

In his concluding remarks, Carsten Staur highlighted the DAC's growing work on social protection and emphasised the need to focus more on just transition with decent jobs that will have an impact on growth, stressing the importance of ensuring social dialogue in these efforts. He advocated for elevating the role of social protection in development, as a social stabiliser, and emphasised the need to invest more in domestic resource mobilisation through strengthened tax policies and systems. He also underscored the importance of responsible business conduct and its implications for supply chains.

Veronica Nilsson highlighted the economic importance of social protection and the need for political will to increase development aid to social protection, including through support for the Global Accelerator, which was endorsed by the G20 Summit in New Delhi. She emphasised the need to tackle employment misclassification and extend social protection to informal economy workers, underscored that decent jobs require social dialogue and collective bargaining and recalled that the just transition is about a just transition of the workforce and with representatives of workers at the table.

Trade unions and DAC members will continue to work together on social protection and decent work creation as well as on just transition, including through the DAC Community of Practice on Poverty and Inequalities, and explore ways of better tracking contributions to decent work creation and better incorporating the just transition approach in the DAC's work on climate.