

LABOUR 7 (L7)

Key Demands in response to the COVID-19 Epidemic

2 April 2020

The G7 has to lead on a coordinated response to the rapid and wide spread of the SARS-CoV-2 virus and COVID-19 and support international cooperation and coordination. Citizens need protection under their right to health and safety, including exposed frontline workers in essential sectors, i.e. healthcare and delivery of essential services to communities. Active and retired workers fear for their health and lives and are anxious in the face of the risk of a future loss of jobs and incomes.

The L7 welcomes the G7 Leaders Statement of 16 March 2020 and its support for the work of the WHO and commitment to protect jobs and stabilize our economies. This will not be enough. The OECD as well as the International Monetary Fund warn of an economic recession that could surpass the one triggered by the 2008 financial crisis. The ILO predicts that 25 million jobs will be lost. The G7 must act immediately and commit to ensuring adequate support to the economy and workers, and:

Channel massive, sustained support to the economy. The G7 should take broader and deeper measures, and support international cooperation on:

- Fiscal packages, aid to essential sectors and monetary policies to support demand and ensure liquidity.
- Ad-hoc support to business that is tied to the protection of jobs and wages and to the highest sustainability and accountability standards. It needs to be directed toward the productive rather than financial sectors. Any relaxation measures on lay-offs and short-term unemployment need to have time limits and be reversed. Measures should be conditioned to the application of responsible business conduct principles and tied to supporting suppliers in global supply chains and their 150 million workers worldwide.
- Take regulatory and supervisory actions to prevent short-term speculation on financial markets, including trading and shareholder remuneration.
- Begin discussions to move from supporting economies to a coordinated stimulus to fully recover the global economy and sectors that had to scale down or stop their activities – with a pledge not to repeat the error of 2008-2010 by turning to austerity.
- Support developing countries through debt suspension, increase in Special Drawing Rights, measures to prevent capital flight and creation of new swap lines with developing countries' currencies.

Protect households, workers, including those on the frontlines. The G7 should work with social partners in delivering the right protections for labour markets and decent work in private and public sectors:

- Provide the highest safety and support measures (including access to free childcare) to all citizens and specifically to frontline workers in health, retail, pharmacies, transport, logistics, manufacturing, banks and other vital sectors; In doing so, move towards an international OSH standard under the fundamental core labour rights at the ILO to ensure human health and safety comes before profits and is supported through adequately funded and accessible public services.
- Extend paid sick- and pay leave entitlements to all workers irrespective of their employment status and improve provisions for workers in essential sectors;
- Support measures to preserve existing employment and avoid layoffs including through temporary unemployment or other wage compensation schemes reaching all workers regardless of their employment status, thereby facilitating income compensation for self-employed workers.
- Extend and secure unemployment benefits and social security to all workers forced out of work with an adequate coverage and with special consideration to the needs of low-income, vulnerable workers.
- Deliver direct financial support to households, including mortgage, rent, duty bill and loan relief and resolve connectivity issues to allow for more telework and home-schooling including via affordability measures and the promotion of digital literacy.

Scale up investment in public health systems and public services. The G7 should take action to face the disastrous situation of the health facilities in many countries and into public services:

- Reverse past austerity cuts and massively and immediately invest in the public healthcare sector that should be accessible and free to all.
- Facilitate the requisition and manufacturing of essential goods including masks and gloves, as well as ventilators, disinfectants and other pharmaceutical productions.
- Act swiftly and step up Official Development Assistance in order to help mitigate the otherwise catastrophic effects of the pandemic on developing countries and ensure that funding is channeled into the built-up of public health systems.
- Set-up all necessary provisions after the emergency stage including available mass testing, funding for epidemiological research as well as for vaccination and relief medicine. Multilateral coordination is necessary in sharing research findings and helping conduct experiments to find successful medications and hopefully a vaccine. A rapid production of as much vaccine is imperative and should be distributed as widely as possible.
- Mobilise IFIs to ensure adequate and timely funding that should not be conditioned to structural reforms in particular not in developing countries. Relief funding for less developed countries should help enforcing current social insurance and healthcare systems with the goal to move towards more robust systems once the epidemic has abated.

Coordinate supply. The G7 should support global coordination of supply chains in production and delivery for health and medical products, food and other essentials.

- Border closures restricting supply risk stability and can only lead to panic and desperation, especially when it comes to medical supplies. This requires global coordination to keep vital access open to prevent global competition. Governments should be coordinating an increased supply of medicine, ventilators, masks, face shields, gloves and other personal protective equipment.
- Coordinated solidarity with the developing countries is essential to protect SMEs and workers as non-essential production is rapidly being reduced or halted. Where global contracts for textiles, electronics and other products are not upheld, a massive human cost in the short term arises and will delay recovery.

Ensure responsible business conduct in global supply chains. The G7 should address the disruptions created by overly fragmented global supply chains triggered by the crisis, to ensure safe, accountable and more responsible trade and investment chains:

- Any supply chain identified as “essential” should require enterprises in the supply chain to guarantee health and safety, social protections, wages for workers and access to sick leave benefits to ensure continuous supply and operations by engaging in good faith negotiations with the workers, representatives and trade unions.
- Promote and reinstate commitment to responsible business instruments, consider multilateral processes towards binding conventions and ensure that global framework agreements between multinational enterprises and sectoral union federations are upheld to mitigate risks.
- Implement commitments to “responsible exit” that afford suppliers the capacity to comply with severance laws and other commitments to workers.

Promote better collective protections for workers. Collective bargaining at all levels, minimum wages and social protection have even lower coverage and are less protective in G7 countries than they were when our economies faced the last global crisis in 2008, leaving gaps for many workers facing the crisis today. The decentralization of bargaining systems has to be reversed. All measures should be taken in view of preventing higher levels of inequalities inside and between countries. It is time to rethink our global economic model, reverse the trend toward individualisation in labour markets, and rethink our model of growth.

The 2019 G7 Social Tripartite Statement should serve as platform to help advance, deepen and share best practices on all the above and devise a longer-term strategy.

The L7 represents national trade union centers from G7 countries. This year, it is coordinated by the AFL-CIO, the ITUC and the TUAC.