



# L20 STATEMENT TO THE G20 LEADERS' SUMMIT

21-22 NOVEMBER 2020

**RIYADH, SAUDI ARABIA**

## A pandemic of inequality

*"We acknowledge that job losses, reduced working hours, suspended employment relations and income loss are likely to leave more people vulnerable to poverty, informality and different forms of exploitation."*

**G20 Labour and Employment Ministers' Riyadh Declaration, 10 September 2020**

The COVID-19 pandemic is pushing the world towards a massive global recession with devastating consequences. The ILO estimates working hours lost to be the equivalent of more than 495 million jobs, with trillions of dollars in lost income in the past six months and the livelihoods of 1.5 billion people in the informal economy threatened. The impact of the pandemic on many economic sectors and regions is evident as millions of businesses close permanently, and more than 300,000 seafarers are trapped working aboard vessels.

The socio-economic impacts on women are especially severe. Women are disproportionately represented in low-paying and less secure jobs as well as in informal work. Young people face an ever-bleaker future, with disrupted education and training and low prospects of finding a job. Millions of migrant workers, trapped in exploitative work and most often excluded from social protection and government support, are facing destitution.

After decades of defunding public services, frontline health services have struggled to respond adequately. Childcare and elder care have been severely disrupted. Austerity policies and privatisation of vital services have left societies and economies severely weakened as the pandemic has brutally exposed the deficiencies of the global economy.

At the same time, the 25 wealthiest billionaires increased their wealth by an astounding \$255 billion between mid-March and late-May. Most “winners” are concentrated in data-driven and e-commerce businesses that are now accelerating the digitalisation of the global economy from a position of strength. Their business models promote tax avoidance and precarious and informal work. They are based on surveillance, data harvesting, and advanced methods to avoid responsibility. They have treated parliaments and governments with contempt, and they are in many cases knowingly profiting from the proliferation of hate speech and extremism.

Climate change has reached an emergency with 2020 setting new records for forest fires, ice cap loss, CO<sub>2</sub> emissions as well as air, land, and water pollution. Governments are well off course for meeting the Paris Agreement goals and lowering greenhouse gas emissions.

Global military expenditure rose to \$1.9 trillion in 2019, with the largest annual growth in spending since 2010. This is a gross misallocation of resources at a time of intersecting global crises of health, climate, jobs, inequality, and poverty coupled with the risks of unregulated digitalisation.

In the face of the pandemic, many developing countries are unable to access sufficient finances to respond to their emergency needs, to support workers and businesses and to finance their recovery whilst dealing with the burden of debt repayments to the international financial system or are required to apply macroeconomic conditionality that could weaken workers’ rights, public services and social protection systems.

## **The social contract is broken**

Even before the pandemic hit, societies were experiencing historic levels of inequality with absurd levels of wealth concentration on the one side and informality, precarity and destitution on the other. At the same time, much-needed resources are fleeing into tax havens, and yet little action is being taken. Recent disclosures show the involvement of major international banks in some \$2 trillion in illicit financial transfers, exposing not only corporate greed but the gross deficiencies in regulation. With tens of trillions of dollars held in tax havens, there is no shortage of resources to ensure recovery and resilience – it is a matter of political will.

## **Multilateralism is in a deplorable state**

For decades, people have seen multilateralism favouring rules of globalisation, trade and investment treaties, that are stacked in favour of the richest and most powerful. People are rapidly losing trust not only in global institutions but in governments and this debilitated version of democracy.

## **It is time for a New Social Contract**

A New Social Contract is the cornerstone for ensuring recovery and resilience. Its fundamentals are a labour protection floor, universal social protection, new quality jobs and opportunities for women and men, quality public services for all, equality, and an ambitious plan for Just Transition to a zero-carbon economy. A New Social Contract requires that workers and employers be engaged in social dialogue together with governments, based on respect for fundamental workers’ rights, to create a future where the failings of the past are consigned to history.

# Addressing the pandemic and recovering with resilience requires the implementation of past commitments and new action

*“We will work, both individually and collectively, including through social dialogue, to support all workers experiencing job losses, suspended employment relations, reduced working hours and income loss, while also ensuring their health and safety at work.”*

G20 Labour and Employment Ministers' Riyadh Declaration, September 10, 2020

## **We call on the G20 leaders to take all necessary measures to contain and eliminate the pandemic by:**

- declaring COVID-19 a workplace disease, enabling sector-specific hazard reduction and risk management protocols designed with social partners and ensuring access to quality personal protective equipment (PPE);
- maintaining economic stimulus to the extent needed and with a view to supporting those affected by containment measures to retain jobs and incomes;
- protecting frontline workers with safe working environments and recognising their valuable contribution with higher wages; and
- extending paid sick-leave and other leave entitlements to all workers.

## **The G20 Summit should urgently provide financial means to all countries through progressive tax reform, finance and monetary arrangements to provide sufficient resources for sustainable development by:**

- urgently creating new financial means and support for developing countries, among them least developed countries, in the form of issuing IMF Special Drawing Rights, currency swap lines, and debt relief, including cancellation with participation of private creditors;
- establishing a global mechanism for debt restructuring;
- rationalising global taxation by implementing unitary formulas that treat multinational companies as a single entity and by eliminating tax havens and tax avoidance as well as illicit flows;
- pursuing progressive taxation, a financial transactions tax, a digital tax, and establishing a minimum corporate tax threshold;
- regulating the financial sector so as to serve the development of the real economy, ensure a fair share of added value for labour and increase financing for the 2030 Agenda and the Paris Agreement;
- build consensus toward a Binding Treaty for Transnational Enterprises; and
- ensure Official Development Aid commitments are delivered.

## **Increasing job and income security for workers and all citizens by underpinning Decent Work is a key demand under the New Social Contract. The G20 leaders need to deliver on their previous commitments by:**

- establishing a labour protection floor comprising protection and promotion of the ILO Fundamental Principle and Rights at Work, including the right to form and join unions, the right to collective bargaining as well as minimum living wages and healthy and safe workplaces;
- extending social protection to all workers irrespective of employment arrangements in line with the ILO Centenary Declaration and the UN SDGs through solidarity in the form of a Global Social Protection Fund;
- pursuing ambitious formalisation plans with labour market regulation and social protection;
- mandating human rights due diligence and access to grievance and remedy for all multinational enterprises and across their supply chains;
- ensuring gender equality in terms of closing the gender pay gap, labour market participation including women's leadership and decision-making, and eliminating all forms of discrimination and violence by taking appropriate policies and measures;
- ensuring inclusion and decent work for young workers and implementing the G20 Youth Roadmap 2025;
- ensuring equal treatment for migrant workers; and
- extending career guidance and educational and vocational training opportunities to all, including disadvantaged groups and informal workers, and building new skills and awareness of rights.

## **The world of work requires the G20 Summit to lead with action out of the crisis. We urge the G20 Leaders' Summit to make the first steps to restart the global economy and achieve climate-proofed recovery and resilience by:**

- investing in infrastructure, especially in capacity that would reduce greenhouse emissions, promote a circular economy, and create new quality jobs;
- investing in transforming transportation and achieving the SDGs on water and sanitation, electrification and digital connectivity;
- investing in the care economy to create new quality jobs, formalise existing jobs and enable more women to participate in the labour market while at the same time addressing urgent needs stemming from responding to the pandemic;
- investing in universally accessible quality public services starting with health and education; and
- adopting industry policy and achieving industrial transformation for sustainable development and a just transition to a zero-carbon economy.

**Technological innovation and digitalisation offer enormous potential to benefit humanity; however, the risks of these technologies cannot be ignored. G20 leaders have the power to ensure digitalisation and other innovations that benefit the many, rather than the few, by:**

- mandating ethical use of new technologies and personal data and obliging Big Tech to do away with the surveillance business model;
- equal treatment of platform-workers to ensure worker's rights, social security and minimum standards;
- guaranteeing worker's and trade union's participation in regulating workplace surveillance
- empowering workers with through training on new technologies
- assuring workers and trade unions access to workplace data and a say in data usage;
- making sure that telework is regulated and avoiding new forms of worker exploitation and informality;
- addressing market power concentration and unfair practices towards suppliers in the supply chains of e-commerce giants and overhauling competition policy; and
- requiring the digital economy to pay its fair share of taxes.



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**The G20 Summit comes at a critical time when we must continue to save lives whilst simultaneously laying the foundations for a recovery with a focus on quality jobs and resilience. We ask you, as leaders with the power to facilitate the pathways for recovery, to use this moment to invest in jobs, protect rights and living wages, ensure universal social protection, and ensure a Just Transition.**

**We call upon you to lay the foundations of a New Social Contract.**