



Labour 7 Statement to the G7 Leaders' Summit, 2023

Upholding workers' rights in times of crises

This year, G7 Leaders will meet in Hiroshima, Japan, a city marked by the horrors of war. On this occasion, and while the world faces times of great tension and uncertainty, G7 Leaders have a historic responsibility.

Leaders must continue to condemn in the strongest terms Russia's aggression against Ukraine. Renewed efforts are needed to end the war and to address the humanitarian, social, environmental and economic consequences. The respect of fundamental labour rights should be one of the cornerstones in the reconstruction. The Labour 7 reaffirms its solidarity with the people of Ukraine and with all those affected by the scourge of war and armed conflicts around the world.

Mindful of the symbolic significance of meeting in Hiroshima, G7 Leaders must also have the courage to pursue a world free from nuclear weapons. G7 Leaders should reaffirm their commitment to disarmament and more generally to a rules-based international order as well as the principles of peace, solidarity, democracy, equality, and social justice enshrined in the UN Charter, the Universal Declaration of Human Rights and the opening words of the ILO Constitution¹.

But beyond words, G7 Leaders must act

Since the great recession of 2007-09 the world economy has lurched from crisis to crisis. The surge in food, commodity and energy prices following the war in Ukraine has led to a cost-of-living crisis which is deepening inequalities. Urgent measures must be taken by the G7 members to set maximum prices on essential goods and services, as is already being done with energy prices in France and Germany and with the European cap on natural gas prices, and to regulate commodity exchanges to tackle financial speculation.

As countries are still grappling with the ongoing impacts of the Covid-19 pandemic, international cooperation should be strengthened to uphold health as a global public good. This implies sharing and guaranteeing free and universal access to vaccines, but also ensuring our resilience to future crises by urgently increasing investment in public health and care systems after decades of under-investment.

¹ "Whereas universal and lasting peace can be established only if it is based upon social justice"
[Constitution of the International Labour Organization, 1919.](#)

Women and girls remain disproportionately affected by these crises, just like the youth. Increasing economic and social inequalities undermine social cohesion, within and between countries, and challenge the foundations of democracy. The crises also have dramatic consequences on development worldwide. With only seven years left to achieve the Sustainable Development Goals, the distance to cover has grown in many respects over the last few years.

Bringing together some of the wealthiest nations with an impact extending far beyond the boundaries of its members' territories, the G7 can make multilateralism work and change the realities of millions of people, but only if it steps up to its responsibility by embracing an agenda of social progress, including by upholding the role of the ILO in the multilateral system.

The Labour 7 calls upon the G7 to take urgent action to tackle inequality and protect workers' rights. To achieve a prosperous and sustainable world, governments need to respond to citizens' needs and aspirations by investing in free and universal public services, promoting higher wages and universal social protection.

Economic Policy

The L7 expresses great concern that governments' focus seems to have shifted from securing a robust recovery to fighting inflation by squeezing aggregate demand, including through the containment of public expenditure, and scaremongering about a "wage-price spiral" - despite the fact that inflation drivers are firmly embedded on the supply side of the economy. We must **avoid repeating the mistakes of the last global and financial crisis**, when austerity measures to constrain aggregate demand hindered recovery efforts, deepened inequalities and undermined the resilience of economies and societies. The tightening of fiscal and monetary policy is not only an ineffective policy response, it is also becoming the trigger of a new recession.

These monetary policies, led by the US Central Bank, place a particularly severe burden on lower income countries still struggling with debt burdens from fighting COVID. Those countries in more precarious fiscal positions are being left with few options to assist in confronting the shocks to food and fuel supplies. Higher interest rates are making it more difficult to fund the transition from fossil fuels, and the threat of slowing demand together with the increased cost of finance, is making it less likely for firms to hasten their investments in cleaner production processes. We need a better approach to coordinating the response to supply shocks given the urgency to address where food shortages are most severe. We need to ensure that countries have greater, not less, flexibility in responding to the food crisis and planning more resilience in their food production. The current monetary policy adds to the costs of food, exacerbating the cost-of-living problem.

The L7 urges the G7 to actively support economic recovery and growth through employment-friendly macroeconomic policies, redistributive policies and robust investment in sustainable infrastructure to support decent job creation. We **call upon the G7 to ensure that all workers are able to earn fair wages**. This will require ensuring **adequate wages determined through collective bargaining** and in accordance with relevant ILO standards, as well as tackling the gender pay gap. Increasing wages is essential to stimulate aggregate demand and respond to the needs of people. As such, **higher wages that at least keep up with inflation rates are both a social and economic necessity**.

The G7 should regulate the financial sector to curb speculation, including by introducing a Financial Transaction Tax and taxing windfall profits of enterprises accumulated in some key sectors. The G7 should foster tax transparency and reform the global tax architecture by promoting unitary taxation, eliminating tax avoidance and evasion and by implementing a global minimum corporate tax rate. The recent **G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS)**, including the introduction of a 15% minimum tax rate, is a welcome first step.

This should lead countries to increase corporate taxation and to work on further raising the threshold. We welcome the initiative of the United Nations General Assembly on the promotion of inclusive and effective international tax cooperation². A **comprehensive progressive tax system** would help countries acquire more fiscal space and contribute to social justice and cohesion at a time of great global challenges.

Development, Climate Change and Just Transition

Action on climate change has never been more urgent. The year 2022 was the hottest on record in many parts of the world. Extreme weather events and disasters are multiplying in every country and have dramatic impact on workers and their families' livelihoods and jobs. The least responsible for climate change and the least equipped to protect themselves are also those most vulnerable and those who suffer the most.

As G7 members account for about 40% of global GDP and 25% of global energy-related greenhouse gas emissions, they have a particular responsibility to **provide a global and solidarity-based response** to climate change and biodiversity losses. Without delay, G7 leaders should upscale efforts to ensure that the 1.5°C threshold is not exceeded, take action to reduce emissions and phase down fossil fuels while protecting jobs and workers' incomes. G7 members should lead by example and develop integrated agendas to tackle inequalities including those based on gender, while fostering the ecological transition. The G7 must urgently work towards a **Just Transition to secure the future and livelihoods of workers and their communities** in the transition to a low-carbon economy. G7 members must develop ambitious plans to protect workers and guarantee the creation of decent jobs, in line with the guidelines developed by the ILO.

We welcome the announcement of an agreement at COP27 to finance loss and damage and we urge G7 Leaders to translate that commitment into a concrete and ambitious mechanism with the full involvement of affected countries and their trade unions. We also welcome the agreement reached by the G7 and the V20 on a Global Shield against Climate Risks. While these are steps in the right direction, there is a need to focus more on the implementation of **universal social protection systems to increase resilience in vulnerable countries**.

G7 members should deliver on the Copenhagen commitment to raise USD 100 billion each year to support developing countries' climate efforts. Following up on the commitments made last year, G7 Leaders must also provide **enhanced financial and political support to the UN Global Accelerator on Jobs and Social Protection for Just Transitions**. It will be critical to engage all relevant actors, including International Financial Institutions, in a transition and a transformative agenda that truly leaves no-one behind and promotes social progress and decent work for all.

The fast changes in the labour market due to the digital and green transitions and the emerging new forms of work require a commitment to create quality jobs in order to guarantee good and stable living and working conditions as well as revenue for public welfare systems. We call on the G7 to take action to foster universal access to social protection, access to minimum income schemes to guarantee decent living conditions and protection against poverty, and to ensure decent pensions for young people in the future. The G7 must contribute to **increasing the level and coordination of the multilateral system's efforts to help countries create decent jobs**, including through investment in green jobs and in the care economy.

² [Press release: Governments Approve Proposal for International Tax Cooperation at United Nations - Global Tax Justice](#)

Digitalisation has brought about benefits, but these benefits are not broadly shared. Digitalisation has also modernised old forms of precarious work and has become a tool in the hands of a few powerful corporations that promote informality and labour exploitation.

A new digital ethos is key to a just transition and a better world of work. We call on G7 leaders to ensure that technological developments are human-centred and for the benefit of all. G7 leaders must develop regulation and guidance, as well as provide support for the involvement of social partners in the development, procurement, and application of technologies at work. G7 Leaders should guarantee platform workers' fundamental rights at work regardless of their employment status. The rapidly developing fields of artificial intelligence, quantum computing and virtual reality have created a new urgency for the G7 to act.

Policy coherence/financial and trade architecture

The G7 should take immediate steps to avert a debt crisis, including by scaling up the Common Framework for Debt Treatment and **establishing a global debt restructuring mechanism**. The G7 should create new sources of finance including through reallocating IMF Special Drawing Rights, increasing IMF and development banks' funds. The G7 should fulfil their Official Development Assistance commitments (sustained at or above 0.7 per cent of GDP) with a specific focus on food security, poverty reduction and the strengthening of social protection systems.

To **foster policy coherence and respect for workers' fundamental rights**, the G7 should take all appropriate measures to ensure that, under the UN leadership and coordination, International Financial Institutions and their macroeconomic conditionalities support countries' ability to fulfil their human rights obligations and do not undermine the rule of law and democratic processes. G7 Leaders should urge the IMF, the World Bank and multilateral development banks to coordinate with other relevant international organisations, in particular the ILO and UNCTAD, when designing and implementing country programs.

G7 Leaders should further ensure that the **global trading system puts development, equity, sustainability, and human rights first**. In particular, WTO rules should promote free access to quality public services and affordable medicines, ensure food security and domestic development in the Global South, protect workers' data and require countries to uphold all fundamental ILO conventions. G7 Leaders should ensure that all trade policies and agreements involve trade unions and foster respect for fundamental principles and rights at work, including through their dispute settlement mechanisms.

Global Supply chains and fundamental principles and rights at work

We welcome the commitments made last year by G7 Leaders to work towards an international consensus on **business and human rights** and strengthen compliance with international standards in global supply chains, including through mandatory measures. G7 Leaders should pursue their efforts towards internationally accepted, binding human rights due diligence standards.

The G7 should promote the adoption of an **ILO Convention on Decent Work in Global Supply Chains**, support the UN negotiations on the Binding Treaty on Transnational Corporations and Other Business Enterprises, and incorporate the UN Guiding Principles into national law. This is essential to ensure respect for workers' rights, including the right to freedom of association and collective bargaining, but also the right to non-discrimination and to a safe and healthy working environment.

In this regard, we call upon G7 members to **ratify all ILO fundamental conventions**, including Convention (n°155) on Occupational Safety and Health, which has not been ratified by any G7 countries so far, as well as Convention (n°187) on the Promotional Framework for Occupation Safety and Health. We also urge G7 countries to take concrete action to ensure gender equality and to prevent violence against women and girls, including by ratifying ILO landmark Convention (n°190) on the elimination of Violence and Harassment in the World of Work.

Racism and migration

The L7 believes that poverty, underdevelopment, marginalisation, social exclusion and economic disparities are closely associated with racism and racial discrimination and contribute to the persistence of racist attitudes and practices, generating more poverty. Racial disparities laid bare the levels of marginalisation in the exposure of workers to Covid-19 as well as gaps in access to social protection.

The G7 must take urgent action to eliminate racial discrimination, including against migrants and migrant workers, and ensure that their treatment complies with international human rights instruments, including in relation to fundamental issues such as employment and access to justice. G7 members should **ratify all relevant international instruments**, including ILO fundamental Convention (n°111) on Equal Treatment and Non-Discrimination, as well as Convention (n°143) on Migrant Workers.

Trade unions and workers call on G7 Leaders to take bold action to address the challenges facing our planet. We urge Leaders to prioritise a Just Transition to a zero-carbon economy centred on the needs and rights of workers and communities. We call on the G7 to commit to social justice and the promotion of human rights. These issues should be at the forefront of G7 action. Together we can build a more sustainable and equitable future for all.