



2026

“Addressing global imbalances through social justice”

Global imbalances have never been more acute – or more dangerous. Since G7 leaders last met in Kananaskis, war has engulfed the Middle East, killing thousands of civilians, threatening global peace and severely disrupting global trade.

The war in Ukraine, now entering its fifth year, continues to exact a devastating human and economic toll. These crises – and the many other armed conflicts unfolding across the globe – are straining the multilateral system and rules-based international order to breaking point.

The Labour 7 (L7), representing workers and unions across G7 countries and the European Union, reaffirms the founding values of the labour movement: peace, democracy, human rights, respect for the rule of law, and international solidarity. We stand in solidarity with all those affected by armed conflict and ***urge G7 leaders to take immediate action to bring these wars to an end, uphold international humanitarian law, and promote peace and respect for the principles enshrined in the UN Charter.***

Workers are on the front lines of today’s upheavals, bearing the brunt of the consequences of deepening inequalities, accelerating climate change, and an economic model that is failing them.

These global imbalances are not merely financial or trade-related distortions: they are the result of structural inequalities in income and wealth distribution, gaps in fiscal, environmental, social and labour standards, and power asymmetries within the global economy. ***Addressing these imbalances requires a concerted approach that puts respect for international law, social justice and the reduction of inequality at its core.***

Facing the inequality crisis

Inequality both within the OECD and globally is at extremely high levels, undermining social cohesion while hindering sustainable development. Across OECD countries, the average income of the 10% of households at the top end of the income distribution is nine times higher than that of the 10% of households at the bottom. Wealth inequality is even more pronounced, and has risen markedly in recent years: the top 10% own about 75% of global wealth, while the bottom 50% own only about 2%. The climate crisis is both the result and the accelerator of these disparities: the countries and people that emit the least are often the most exposed and vulnerable to its effects. The current economic model underpinning digitalisation and the rapid advancement of Artificial Intelligence also contributes to the widening of inequalities and further increases pressure towards lower social, environmental and governance standards.

The drive for deregulation and the decentralisation of labour markets risks exacerbating inequalities and deepening precarity. G7 members must uphold rights-based regulations that promote decent and secure working conditions with strong labour protections.

Tax systems that fail to ensure the wealthiest pay their fair share deprive countries of resources for essential investments in education, healthcare, and climate action, while undermining trust in democracy, tax systems and social cohesion. Workers across G7 countries share a common interest in decent work, fair wages, and strong public services. Far-right parties seek to undermine this solidarity by scapegoating migrant and minority workers for economic failures that demand collective, not divisive, responses. ***The L7 urges G7 members to ensure fair and progressive taxation of both multinational corporations and high net worth individuals, including by working towards a tax on windfall profits and a coordinated minimum effective tax on the ultra-wealthy. We call on the G7 to engage meaningfully in the ongoing process towards a UN Framework Convention on Tax, which aims to strengthen international cooperation. We moreover call on them to support the establishment of an International Panel on Inequality, in line with the proposal made at the G20 last year, that will inform policy decisions and help ensure that the reduction of inequality lies at the heart of the activities of the multilateral system, including international financial institutions. We also call on the G7 and its members to accelerate climate action and promote a just transition to green economies through social dialogue.***

Putting decent work at the core of international cooperation

Over 800 million people live in extreme poverty and more than a billion face acute poverty. The majority of them are in work – but in exploitative conditions, with inadequate access to housing, electricity, health or education.

Many Global South countries are prevented from investing in green jobs, public services or social protection as they are burdened by very high debts to Global North countries and private creditors. Loans from the World Bank and IMF to Global South countries are also conditional on countries deregulating labour markets, making severe cuts to public sector spending including wages for public sector workers. Current debt restructuring initiatives such as the G20 Common Framework have been slow, insufficient and failed to include private creditors in restructuring efforts.

The L7 urges G7 members to advance comprehensive debt relief measures that ensure the full participation of both official and private creditors, alongside the provision of adequate financing that prioritises the creation of decent, quality jobs. We call on G7 members to support a reform of the World Bank and IMF debt sustainability framework, shifting towards an approach that promotes progressive domestic resource mobilisation, long-term sustainable growth, and enables productive investment rather than a reliance on counter-productive austerity policies. We further call on G7 members to ensure structured and meaningful trade union engagement in discussions between governments and the international financial institutions on the design and implementation of loan programmes, so that workers' perspectives are effectively reflected in economic policymaking.

The L7 urges G7 members to live up to their commitment to dedicate 0.7% of their gross national income (GNI) to Official Development Assistance (ODA), and to prioritise the creation of decent work, strong collective bargaining and respect for fundamental labour rights. We also call on the G7 to support the G20 Global Alliance Against Poverty and Hunger and the implementation of minimum living wages, in line with the international definition agreed at the ILO in 2024, which underlines the role of social partners and collective bargaining, including by integrating this standard into development cooperation projects and establishing an international platform for the eradication of in-work poverty, gathering all stakeholders, including unions, civil society, development agencies and business organisations.

The Second United Nations World Summit for Social Development, held in November 2025, highlighted dramatic setbacks in development. Informal employment remains widespread, with around two billion people – 57.8% of the global workforce – living in the informal economy. The majority of the world’s population still lack any form of social protection. Respect for fundamental labour rights is in steady and alarming decline, including freedom of association, the right to collective bargaining and the right to strike, while child and forced labour continue to claim staggering numbers of victims. Discrimination against women remains the most entrenched form of inequality, affecting access to decent jobs, wages, essential services, and exposure to climate and work-related hazards. Youth unemployment continues to cause major concern, with rates often nearly three times higher than those for adults.

To address global imbalances, the G7 must uphold a level playing field by promoting responsible business conduct and ensuring the ratification and effective implementation of all ILO fundamental conventions. G7 members should adopt and enforce binding due diligence frameworks for companies, to ensure accountability across global supply chains and prevent social dumping, including by fostering workers' participation on boards. We call on G7 members to use all available policy levers – including public procurement, industrial, and trade policies – and a reshaping of World Trade Organisation rules to promote decent work in G7 countries, enhance climate action and uphold labour rights globally. We also urge G7 members to provide adequate financial and political support to the International Labour Organization to fulfil its mandate.

Towards a fair and sustainable trade model

Trade imbalances reveal structural characteristics, in both surplus and deficit countries. Persistent trade surpluses can be partly explained by a lack of domestic demand resulting from suppressed wages (relative to levels of labour productivity) and below-average domestic consumption, which, in a vicious circle, becomes both an unfair comparative advantage and a means of maintaining external competitiveness whilst compensating for weak domestic demand.

These dynamics put pressure on workers on both sides of the equation: whether through efforts to remain competitive or to regain competitiveness, countries across the spectrum have implemented measures leading to wage restraint, labour market flexibilisation, and declining collective bargaining coverage. ***To address these issues, G7 members must strengthen labour market institutions, promote collective bargaining and higher minimum wages, curb the use of non-standard forms of work, and ensure that wages keep pace with productivity.***

The L7 urges the G7 to work towards the adoption of a G7 Action Plan on “Trade and Decent Jobs” to promote a new, fair and sustainable trade model. Trade agreements must promote a decent-jobs led industrialisation and require the effective implementation of the ILO’s core conventions as a condition for market access and tariff liberalisation, accompanied by adequate monitoring, capacity building and technical assistance, enforcement mechanisms and sanctions. Labour clauses are indispensable not only to combat child and forced labour, but also to strengthen collective bargaining and guarantee the fundamental right to organise and ensure trade creates and supports decent jobs.

Without action on global imbalances, the fractures driving today’s conflicts and political instability will only deepen. The Labour 7 is keen to work with G7 governments and international partners to build a more just, peaceful, and sustainable global economy – one that places workers, democracy, and the planet at its centre.