

## INTERNATIONAL TRADE UNION CONFEDERATION ITUC OnLine

Jobs and wage concerns top G20 Labour Ministers' agenda, G20 leaders must drive action

L20 Response to G20 Labour and Employment Ministerial Meeting Declaration

13 July, Beijing (ITUC OnLine): G20 Labour Ministers meeting in Beijing committed to better align wages with productivity and reduce the wage gap – which has been widening across G20 economies. Ministers also committed to strengthen compliance with and coverage of minimum wages and promote collective bargaining. They reiterated past commitments to reduce gender and youth employment gaps.

Sharan Burrow, General Secretary, International Trade Union Confederation, said the G20 has recognised that the economic outlook is bleak for working people and acknowledged the need for job creation. However, its decision to give top visibility to an entrepreneurship plan with a weak mandate puts economic growth at risk.

“With the combination of austerity and a global model of trade that impoverishes both working families in too many nations, business-as-usual policies by governments won't work. International institutions including the OECD agree that wages need to rise.”

Rising inequality was acknowledged by labour ministers, and a minimum wage identified as a key instrument to address inequality. However, the Beijing meeting was a missed opportunity to deliver practical policies to meet G20 commitments agreed in 2015 to address “labour income share and inequalities”.

“Inequality is an economic issue, it's a labour issue and it's a social justice issue. With that comes a need for the G20 to put in place policies to reduce inequality both within and between countries. Reducing inequality needs to be part of the international economic agenda,” said Sharan Burrow.

G20 Labour Ministers recognised the importance of the social partners – trade unions and employers – and made commitments to:

- better align wage setting mechanisms with productivity trends;
- reduce the gender gap in labour market participation;
- reduce youth unemployment;
- expand coverage of social protection systems; and
- support skills development and quality apprenticeships.

“Today's commitment to reduce the wage-productivity gap offers a basis upon which G20 governments can give substance to an inclusive growth model. These commitments by labour ministers need the full and explicit support at the G20 Leaders meeting in Hangzhou in September, and they need to be mainstreamed throughout the many G20 work streams,” said John Evans, General Secretary of the Trade Union Advisory Committee to the OECD.

The G20 Labour Ministers have provided a solid foundation for Germany's presidency of the G20 in 2017 to

- ensure labour rights in global value chains and due diligence of multi-national companies;

- realise an increase in women's participation in the labour market and reduce the gender pay gap;
- integrate immigrants and refugees into the labour market with equal treatment; and
- consider the future of work and the rights and conditions of workers in the digital economy.

"We have started to work on these issues with the German government and the employers in a good spirit of social dialogue and social partnership. Shaping change with trade unions at the table will provide decent work for old and new jobs alike and fight unemployment, notably youth unemployment. We are looking forward to welcoming the global labour movement to the L20 Summit in Berlin in May 2017," said Reiner Hoffmann, President of the German Confederation of Trade Unions DGB, in Berlin.

G20 leaders meeting at the Hangzhou summit in September must endorse the new principles on sustainable wages in an annex to the ministerial declaration, and effectively implement the G20 principles on labour income share and income inequality.

To read Sharan Burrow's speech to the G20 Labour and Employment Ministerial Meeting, Beijing China:

<http://www.ituc-csi.org/remarks-to-g20-labour-and>

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