



Building a just world and a sustainable planet through a New Social Contract

L20 statement to the G20, 2024

Workers are dealing with the impact of multiple crises, vulnerabilities and inequalities which are further hampering the recovery from the ravages of the Covid-19 pandemic. Wars and conflicts continue to cause loss of lives and livelihoods, and impact food and energy supplies, driving a cost-of-living crisis for workers already facing a significant drop in their purchasing power. Rising interest rates have placed an increased number of countries under serious debt stress. Record-breaking temperatures in 2023 again highlighted the urgent need for accelerating the fight against climate change to preserve a liveable planet. Social cohesion is challenged, and polarisation is growing while the very foundations of democracy are under severe stress.

In order to build a just world and a sustainable planet with equality and social justice at the centre **we need a New Social Contract** based on institutionalised social dialogue and renewed multilateralism, that includes **decent climate friendly jobs with a Just Transition, a labour protection floor, minimum living wages, universal social protection, equality and inclusion**.

The world needs to be freed from wars and conflicts. Peace and nuclear disarmament must be promoted and the respect for international humanitarian law and human rights needs to be safeguarded, while stopping the rush for military spending at the expense of social spending.

The L20 welcomes the three priorities put forward by the Brazilian Presidency of the G20:

- (i) Social inclusion and the fight against hunger and poverty.
- (ii) Sustainable development and energy transitions.
- (iii) Reform of global governance institutions.

These are in line with workers' demands for a New Social Contract and must lead to concrete action by G20 countries. Making the priorities of the Brazilian Presidency a reality will require increasing investments in decent climate-friendly jobs, ensuring living wages, strengthening social protection and implementing a Just Transition, through a renewed and fairer international financial architecture that guarantees the funding required to meet these priorities.

The L20 recalls the need for the G20 to deliver on previous commitments

to promote collective bargaining, minimum wages, the realignment of wage growth with productivity growth, social dialogue, universal social protection, quality jobs and formalisation, job security and safe workplaces. These commitments are key to address income inequality and wealth distribution. To achieve greater equality, an increased focus on G20 commitments to improve the quality of women's employment, guarantee equal pay for work of equal value, and increase women's participation in the labour market is needed. Delivering on

these commitments will be fundamental to advance towards a just world and sustainable planet.

Social inclusion and the fight against hunger and poverty

Promoting equality, inclusion and social justice are top priorities for unions. **L20 call on G20 leaders to:**

- **Promote a green and decent job-led growth that aims to create 575 million new, quality jobs and formalise at least one billion informal jobs by 2030.** This will require investments in decent jobs in climate-friendly industries and sectors, including infrastructure development, care and the green economy, and should consider up-skilling and re-skilling of the workforce.
- **Ensure a labour protection floor for all workers** that includes maximum hours of work and respect for ILO fundamental labour standards, including the right to a safe and healthy working environment, freedom of association and the right to collective bargaining. Protecting and enabling fundamental labour rights requires respect for the right to strike which must be ensured by governments. G20 countries must ratify and implement all ILO fundamental conventions and ensure that rights are respected and protected in all countries, and that global supply chains are free from exploitation, precariousness, violence and harassment, informality, forced labour and child labour.
- **Establish minimum living wages and foster wage increases** through statutory processes and collective bargaining that promote equal pay for work of equal value.
- **Strengthen investment in public goods and services** and uphold their role in realising human rights, achieving macro-economic and social stability, and reducing inequalities. Public services, including health and education, must be improved and made accessible to all, including migrants and refugees, with a decisive and guaranteeing role for governments. Care work must be recognised as a public good.
- **Guarantee universal social protection** extending coverage and benefit schemes to all workers, including migrants and refugees. Investment in social protection needs to be increased and ringfenced against austerity cuts. The implementation of social protection floors in the poorest countries needs to be upheld through increased international cooperation for a **Global Social Protection Fund**, and with the support of increased Official Development Assistance (ODA) to social protection, reaching 7 per cent of aid funds by 2030. **Active political and financial support to the UN Global Accelerator on Jobs and Social Protection for Just Transitions** is needed.
- **Remove legal and practical obstacles to freedom of association and the right to organise** and implement policies



that strengthen representative workers' organisations and ensure their active participation in tripartite social dialogue and collective bargaining processes. This will lead to more effective and sustainable policies.

A Just Transition to promote sustainable development and tackle energy and digital transformations

The urgency of the climate crisis requires large scale actions aimed at preventing and mitigating the impact of climate change on workers and their communities. Just Transition needs to be at the centre of the climate agenda to promote a sustainable development model that upholds the economic, social and environmental dimensions leading to decarbonisation. A Just Transition, as defined by the ILO, means that trade unions are at the table, that investment in clean jobs is robust and accountable, and that social protection and active labour market policies ensure that no one is left behind. Promoting inclusive, clean energy transitions is a starting point for a Just Transition in all workplaces and sectors.

The incorporation of technology in production and in the economy has an impact on the whole of society. A Just Transition framework is needed to ensure that digital transformations guarantee access to decent work and promote a fair distribution of benefits from increased profits and productivity. Addressing new challenges that arise from the digitalisation of

the economy and the incorporation of artificial intelligence into work environments and society is fundamental. This must be done in a way that protects workers' rights, while tackling the emerging challenges of digitalisation, including digital divides, and personal data and privacy protection.

The L20 calls on G20 leaders to ensure a Just Transition by:

- Including workers in all negotiations related to climate policy and upholding human and labour rights. Energy transitions need to be negotiated through social dialogue so that they respond to the needs of workers and their communities, to enhance the ownership of climate policies.
- Promoting a Just Transition framework based on institutionalised tripartite social dialogue and collective bargaining to protect workers' rights and ensure a fair distribution of opportunities and benefits, while guaranteeing anticipation and management of change. A Just Transition framework should include monitoring and forecasting tools.
- Investing in the expansion of public social protection systems to address and reduce the social risks related to climate change and deliver on mitigation and adaptation needs.
- Creating quality climate-friendly jobs, backed by Just Transition measures to enhance mitigation ambitions. Governments should put forward national



jobs plans negotiated with social partners. This will guarantee support in society for the ambitious climate policies that are urgently needed.

- **Designing and implementing public vocational education and training policies** to ensure the retraining of workers to support their active participation in the labour market, while addressing countries' digital divides.
- **Increasing international cooperation and climate finance for adaptation and mitigation and ensuring the necessary funding for the Loss and Damage facility and investments in Just Transition.**
- **Increasing investments in educational, scientific and technological development.**

Reform of global governance institutions

The L20 strongly supports the call by the Brazilian Presidency of the G20 to reform global governance institutions. We need a strong and reinvigorated multilateral system that favours diplomatic solutions, prevents conflicts and builds lasting and just peace, to respond to the challenges that lie ahead and avoid a polarised and fragmented world. The role of the UN needs to be strengthened and the Bretton Woods institutions and the World Trade Organisation (WTO) reformed. The views of developing countries must be taken into account in all future negotiations and policy implementation in these institutions. Policy

coherence must be enhanced and the ILO's role in global governance must be reasserted to foster social justice, accelerate progress towards the Sustainable Development Goals (SDG) and develop a New Social Contract in line with the UN Common Agenda.

The reform of global governance institutions needs to be accompanied by a reform of the International Financial Architecture that will guarantee the necessary funding to build a resilient world.

The L20 calls on G20 governments to endorse the ILO Global Coalition for Social Justice and promote:

- **A reinvigorated multilateralism with the UN at the centre** and with a stronger role for developing countries.
- **A reform of the international trading system and the WTO** with a strong developmental dimension and an enhanced role for the ILO in recognition of labour rights and the imperatives of a Just Transition in trade policies. Supply chain regulation and strong labour and environmental standards must be key aspects of the international trading system.
- **A more equitable and progressive taxation system and a strong and fair multilateral corporate tax architecture**, supporting the UN framework tax treaty and strengthening collaboration between the UN and the OECD on tax matters. Taxation frameworks should include taxes on outstanding profits and wealth, and a

financial transaction tax, and contribute to fighting illicit financial flows, tax evasion, tax avoidance and profit shifting. **The L20 strongly supports the Brazilian Presidency's G20 initiative for a global minimum tax on billionaires.**

- **An accelerated process for delivering sufficient levels of debt relief** to countries in urgent need, **including debt cancellation** where required, with the only conditionality of investment in the SDGs; and a fundamental reform of our inadequate system for resolving sovereign debt crises.
- **Increased funding from multilateral, regional and national development banks to finance climate policies and development needs while promoting equitable growth, and a reform of the voting system of Multilateral Development Banks** from the current share-holding system to a more participatory approach that is independent of the size of the economy or participation in world trade.
- **Increased ODA commitments to reach 0.7 per cent of donors' Gross National Income.**

- **Clear labour safeguards and decent work in development finance.** Public and private sector projects financed by development institutions must be aligned with the SDGs and support developing countries to move up in value addition in global supply chains through the promotion of decent climate-friendly jobs, labour rights and fair wages. International labour standards and responsible business conduct instruments must be applied across all investments. The G20 should pursue efforts to promote the adoption of a UN binding treaty on business and human rights.

We urge the G20 to take action that will put social justice, sustainable development, equality and inclusion at the centre through a New Social Contract. We call on the leadership of the G20 in 2024 to propose and implement robust policies that provide a targeted response to multiple global shocks that have unfairly impacted workers and led to increasingly unstable economic conditions.

