

TRADE UNION POLICY ADVOCACY WITH THE G20, 2008-2018

A record and assessment

John Evans, former General Secretary, TUAC

Background

1. Prior to the global economic crisis sparked by the collapse of Lehman brothers in 2008 trade union economic policy advocacy at global level focussed on the G7/G8 annual summits, the OECD, UN, WTO and IFI annual meetings. There was close cooperation between the ITUC and the TUAC in the preparation of these meetings – however the onset of the 2008 crisis and subsequent “great recession” underlined the weaknesses of the system of global economic governance. One aspect was that all the “major players” were not at the table in the G7 or G8; in the early 1990s the G7 countries accounted for 70% of world output but by 2008 this had fallen to 40%. The G20 process was a response by governments. It also led to a reorganisation of the international trade union movement’s mechanisms of policy development and advocacy; this was even before the formal recognition of the Labour 20 (L20).

Lehman’s Crisis and the creation of the G20 Leaders’ Summit process

2. The Lehman crisis broke in September 2008 – the world economy ground to a halt and workers began to be thrown out of work. The ITUC and TUAC agreed to hold a common summit of unions from the main global economies – meanwhile the G20 governments decided to upgrade the G20 – hitherto meeting at Finance Ministers level to a Leaders Summit – called for in Washington DC in November 2008. The ITUC and TUAC co-organised a union summit hosted by the AFL-CIO on the eve of the G20 Summit. The Labour Summit put forward a comprehensive plan to turn around the global economy. Leaders from the main G20 country unions attended and put forward the plan in a series of bilateral meetings to 14 out of the 20 heads of government from the G20 countries as well as the then IMF Managing Director Dominique Strauss-Kahn and World Bank President Robert Zoellick.

3. The plan was published as “the Washington Declaration” it set out four key priorities for action calling on Governments to:

- Initiate a major recovery plan to stabilise global capital markets, move economies rapidly out of recession, stave off the risks of a global depression and get back on the track of creating decent work.
- Ensure that a financial crisis on such a scale never happened again. The quid pro quo for supporting the banking system should be the public accountability of central banks; counter-cyclical asset requirements and public supervision for banks; the regulation of hedge funds and private equity; the reform and control of executive compensation and corporate profit distribution; the reform of the credit rating industry; the ending of offshore tax havens; the taxation of international financial transactions; and proper consumer protection against predatory lending and aggressive banking sales policy.
- Establish a new structure of economic governance for the global economy going beyond financial markets and currency systems to tackle all the imbalances of growth and capital flows that contributed to the crisis. Trade unions should have a “seat at the table”.
- Combat the explosion of inequality in income distribution that lay behind this crisis. The new system of economic governance should tackle the crisis of distributive justice that had blighted the global economy.

4. The ITUC/TUAC evaluation of the outcome of the Summit noted that the G20 declaration stated that the situation called for “urgent and exceptional measures” to support the global economy and that a “broader policy response is needed, based on closer macroeconomic cooperation, to restore growth, avoid negative spill overs and support emerging market economies and developing countries”. However, the unions criticised the text as being almost devoid of detail, providing little indication of how such coordinated action was to be undertaken. It only mentioned “monetary policy support, as deemed appropriate to domestic conditions” and said that the G20 would “[U]se fiscal measures to stimulate domestic demand to rapid effect, as appropriate, while maintaining a policy framework conducive to fiscal sustainability”. The G20 Leaders agreed to reconvene in London six months later in April 2009.

London G20 Summit, April 2009 – focus on financial regulation and growth stimulus

5. The global economy continued to deteriorate over the winter and early spring of 2009. On the eve of the London Summit the OECD published its forecasts for the world economy. These presented a frightening picture of the global economy shrinking by 2.7 per cent and the OECD countries by 4.3 percent in 2009. As a result unemployment was expected to double over the course of the year in some major economies. Against this background trade unions conducted advocacy work in the majority of G20 countries on the jobs issue, including meetings with G20 leaders in the days prior to the Summit and in London itself. Formal consultations were held with the chair of the Summit Prime Minister, Gordon Brown and the majority of other leaders meeting in London. This had its impact. Jobs and social issues moved up the agenda to paragraph 3 in the communiqué of the G20 London Summit by comparison with the November 2008 G20 Summit and with earlier drafts of the G20’s communiqué. The International Labour Organisation (ILO) was mandated to take part in follow-up to the summit, having been asked to assess the actions being taken by the G20 on employment. The Summit also supported further discussion on a “charter” as proposed by Chancellor Merkel and others to achieve a new global consensus on the key values and principles for sustainable economic activity. 1.1 trillion dollars of largely new funding was agreed for major lending facilities, including Special Drawing Rights - the bulk of which will go to the IMF. It agreed to “take whatever action is necessary” to restore growth and called on the IMF to assess the actions taken.

6. The G20 communiqué and its Annex, “Declaration on Strengthening the Financial System” in the view of the trade union evaluation showed clear progress when set against the Action Plan agreed in Washington in November 2008. Alongside the G20 Summit, reports by G20 Working Groups were also published, as were a series of recommendations by the Financial Stability Forum (FSF). Most of the measures agreed in Washington were further developed with a stronger emphasis on restoring public supervision and regulation than on markets and self-regulation. In particular the G20 reached a “breakthrough” agreement on tax havens, claiming that “the era of banking secrecy is over.” The Leaders agreed to meet the following October in Pittsburgh at the invitation of the recently elected US President, Barak Obama.

Pittsburgh G20 Summit October 2009 – fleshing out of growth stimulus and calling of the first G20 Labour and Employment Ministers’ meeting

7. Prior to the Pittsburgh Summit close cooperation took place between the unions, working through the AFL-CIO and the Obama Administration that led to the drafting a section of the communiqué entitled “putting jobs at the heart of the recovery.” The ITUC and TUAC again organised a Summit of affiliates from the G20 countries at the time of the Summit and held a series of bi-lateral meetings with Leaders including an hour long session between a union delegation and President Obama, where the G20 trade union statement was delivered, focussing on the need to protect jobs and maintain the stimulus measures in place. The outcome of the Summit was a communiqué that included important statements on the need to maintain coordinated stimulus actions “until the global economy is restored to full health and hard-working families can find decent jobs” and stated specifically that “We will avoid any premature withdrawal of stimulus”. This was complemented by text in the main statement stating “we must continue to implement our stimulus programmes to support economic activity until recovery clearly has taken hold”.

8. The trade union evaluation of the outcome of the Summit welcomed this and noted that the specific section “Putting Quality Jobs at the Heart of the Recovery” responded to trade union demands for a focus on job creation and job quality (not just workers’ employability as in earlier drafts). The statement called for “recovery plans that support decent work, help preserve employment, and prioritise job growth” and referred to training and income support for the unemployed, particularly those “most at risk”. It was emphasised that recovery should not be sought through attempts to drive down labour costs by removing workers’ rights, with a statement that “current challenges do not provide an excuse to disregard or weaken internationally recognised labour standards” and that “to assure that global growth is broadly beneficial, we should implement policies consistent with ILO fundamental principles and rights at work”.

9. Nevertheless, overall the trade union evaluation of the outcome was guarded. It recognised that the results of the Summit represented advance on the outcome of the April Summit in London but noted that progress was slow in some crucial areas. The role agreed for the ILO was seen as important but key questions remained, notably concerning the International Monetary Fund (IMF) and financial regulation. While G20 Leaders as noted above gave far more attention to employment and labour rights, and agreed that the G20 would implement new mechanisms to reduce imbalances in the global economy it did so by reinforcing the IMF’s role in tackling the crisis despite few signs that its underlying conservative positions including its imposition of “pro-cyclical” policies were in any way changed.

10. Several “procedural” innovations were made at Pittsburgh that had lasting implications on the global economic governance. The first was the decision by the G20 leaders to continue to focus on employment policy and in the light of which they mandated the Labor Secretary of the US “to invite our Employment and Labour Ministers to meet as a group in early 2010 consulting with labour and business.” This set in train for the first time the G20 Labour and Employment Ministers’ meetings where as prior to that the only G20 Ministerial meetings had been of Finance Ministers. The second innovation was the statement by Leaders declaring “the G20 to be the premier forum for our international economic cooperation”. This gave a degree of permanence to the G20 Leaders meetings. The following three Summits were announced to take place in Canada in June 2010 (concurrently with the Canadian G8), Korea in November 2010 and France in mid-2011, with the intention expressed to meet annually thereafter. Thirdly the G20 established a “peer review” process in the hands of finance ministry officials as part of a new “G20 Framework for Strong, Sustainable, and Balanced Growth.”

Washington G20 Labour and Employment Ministers’ Meeting April 2010 – social partners consultation process begun and support for collective bargaining.

11. The Labour and Employment Ministers’ Meeting opened with a consultation session between the Ministers and the Social Partners. On the trade union side this was organised through the ITUC and the TUAC reflecting the G20 members of the Workers’ Group at the ILO and so participation was extended to go beyond direct affiliates – notably to the All-China Federation of Trade Unions. In the event the eruption of an Icelandic volcano stopped many delegations from participating, but the consultation went ahead and formed the model for future LEMM social partner consultations with around six worker and employer representatives taking part on each side.

12. The Ministers noted in their final communiqué that the ILO had estimated that government action saved or created 21 million jobs worldwide in 2009-2010; however the trade unions underlined, that global unemployment has risen by 34 million since the crisis began and many millions more workers had fallen out of the recorded labour force. They expressed concern at the pressures rising from some quarters to cut back on recovery programmes and reduce public deficits with the risk is that premature “exit strategies” could tip the global economy back into a recession with catastrophic results. The risk would be that mass unemployment could become “the new normal”. The unions also called for a permanent G20 Working Group on Employment to be established which was not reacted to by the Ministers.

October 2018

13. Nevertheless the ITUC and the TUAC recognised the potentially significant recommendations in the Ministers' conclusions. In particular those that committed to:

- Strengthening of social dialogue and collective bargaining
 - Establishing and strengthening adequate social protection systems
 - Ensuring employment generation for vulnerable groups
 - Implementing the Global Jobs Pact that had been negotiated by worker and employers in the ILO.
- The Ministers also mandated the ILO, working with the OECD to develop a G20 "Training Strategy."

14. The union evaluation urged that these commitments be endorsed and taken forward by the Leaders meeting two months later in Toronto but also said that the G20 must go further with regard to action to ensure a "job rich" recovery that they warned risked being thwarted by a shift to short term deficit reduction by governments.

Toronto G20 Summit June 2010 – pivot away from stimulus towards deficit reduction and austerity

15. These concerns proved founded and the Toronto Summit represented a pivot in post crisis policy away from support for the recovery process to a focus on deficit reduction and austerity policies. The trade union evaluation expressed concern that the outcome of the Toronto G20 Summit stalled progress in the G20 collective action to tackle the jobs crisis. It was clear from the letters of different Heads of State sent and published before the Summit that governments were divided on the question of whether to give priority to recovery and jobs or the early reduction of public deficits. Germany, the UK with the newly formed Conservative led coalition government and Canada had lobbied for the "exit" from economic stimulus measures, whilst the U.S. together with some emerging economies called for continuing support for growth. This split was intensified by the explosion of the sovereign bond market crisis in Europe in May 2010. The messages given in the Communiqué on ensuring strong job growth were in contradiction to the calls for early reduction in public deficits and the actions already underway in a number of G20 countries. A number of governments had already started to implement measures to scale back spending on public works schemes, labour market policy and benefits, as well as wider cuts in public expenditure. The unions warned that the austerity measures on the table in many European economies risked tipping Europe into a sustained period of low growth. These warnings proved to be justified.

16. There was no commitment in the Declaration to holding further Labour Ministers' Meetings, although the German Chancellor Angela Merkel, in a meeting with a trade union delegation in Toronto on 26 June 2010, said that Germany would work to ensure this would happen. France subsequently announced its intention to hold a second G20 Labour Ministerial during its G20 Presidency in 2011. The trade union delegation, at the invitation of the CLC met with the Canadian Prime Minister, Brian Mulroney, in Toronto on the eve of the Summit, however there is no reference in the Communiqué to broader consultation with trade unions or other civil society organisations. Meanwhile business increased its influence on the G20, as shown by the Canadian governments' inclusion of a "B-20" group of business leaders in the government delegations to the Summit and the announcement of the intention to organise a meeting with 100 business leaders at the Seoul G20 Summit to be held in November 2010.

Seoul G20 Summit November 2010 – development focus but continuing drift to austerity policies

17. The ITUC and TUAC met with the Korean President together with both Korean affiliates – the FKTU and KCTU on the eve of the Summit. However they noted the continuing shift in G20 priorities towards cutting public deficits and away from coordinated action to support demand and employment. Despite this, as a result of trade union advocacy with governments and international institutions in Seoul the Leaders' Declaration includes positive language on employment. The Leaders state: "We recognise the importance of addressing the concerns of the most vulnerable. To this end, we are determined to put jobs at the heart of the recovery, to provide social protection, decent work and also to ensure accelerated growth in low income countries (LIC's)" (#5). However the "Seoul Action Plan" on country measures adopted by the Summit refers to employment objectives only in the context of structural "reform" policies that were much the same as those advocated before the crisis broke in 2008.

18. The Summit adopted "the Seoul Development Consensus for Shared Growth" reflecting the transfer of the development agenda from the G8 to the G20. This included lengthy annexes on achieving development and commitments to make progress on climate change and eliminating fossil fuel subsidies, however there is no reference to new ways of raising revenue such as a financial transactions tax. The "reformed" IMF was seen as the main servicing institution for the G20. One significant development in the Seoul Summit document was the reference to engaging trade unions and other groups in the G20 process for the first time, even if more attention is given to the B-20 business sector consultations - an asymmetry that the unions said needed to be remedied by future G20 meetings.

Paris G20 Labour and Employment Ministers Meeting, September 2011 – stalling of the Recovery

19. The austerity policies in place in the majority of G20 countries a negative impact on the global recovery over the course of 2011 and led to the first of many downward revisions in the growth forecasts from the ILO, OECD and IMF. These pointed to collapsing economic growth and the risk of a renewed rise in unemployment as the crisis moved into its next, dangerous phase. A joint ILO-OECD statement issued at the meeting called for the G20 to "provide leadership and give a clear sense of commitment to address the jobs crisis". The ILO-OECD background analysis for the meeting showed that there was an annual shortfall of 21 million in the jobs needed to return G20 countries to pre-crisis unemployment levels by 2015. Absorbing that shortfall would require 1.3 percent employment growth per year over the subsequent three years. By comparison, for G7 countries, the OECD estimated that employment was likely to grow at an annualised rate of only 0.2 percent in the final quarter of 2011.

20. Against this worsening background the Labour and Employment Ministers showed a rare sense of urgency in their conclusions, warning of "a risk of new crisis, and serious consequences for labour markets". They "committed to urgently renew our efforts to promote creation of decent jobs and support workers and their families affected by unemployment and precarious employment". In their recommendations to the Heads of Government they called "on our Leaders to re-emphasise employment as a key objective of economic policy". The Chair of the Cannes G20 Summit, President Sarkozy, addressing the Ministers, said that employment "must be at the heart of our priorities" and that "the G20 will only maintain its legitimacy if it is able to show its effectiveness for growth and employment".

21. The conclusions of the Ministerial also stressed "the essential role of social dialogue" and, with reference to consultations held with the social partners at the outset of the meeting, stated that "we share the sense of urgency they expressed with respect to the situation of the world economy and its social implications, especially as regards to long-term and youth unemployment". They also "noted" that the "Labour 20" (L20) and "Business 20" (B20) were to meet alongside the G20 Summit in Cannes.

Cannes G20 Summit November 2011- dominated by the Eurozone crisis but also formal recognition of the L20 and first B20-L20 joint statement

22. A series of meetings took place between the French Presidency, the ITUC, the TUAC and the French affiliates in the run up to the Cannes Summit that resulted in an agreement to formalise the Trade union summits and input to the G20 processes the L20, as heralded at the Labour and Employment Ministers' meeting. Negotiations also took place between the B20 and the trade unions that resulted in the conclusion for the first time of a B20- L20 statement that was released in Cannes at a joint press conference. The G20 Cannes Summit was however dominated by the Euro-zone sovereign debt crisis. The ITUC-TUAC evaluation depicted Cannes as "a tale of two summits". On the one hand there was a "Euro-zone Summit" that dominated the Leaders' discussions as well as the press headlines. This was almost totally focused on the Greek sovereign debt crisis and its potential contagion to Italy and other countries. The policy outcomes of this Summit imply still more austerity policies and budget cuts for much of the Euro-zone. On the other hand there was the background agenda of the Summit covering growth and jobs, monetary reform, food prices, social protection and development where, on some issues, progress was registered on paper at least. This included an "institutionalisation" of social partner participation in the G20 process, through the formal recognition of the L20. The Summit also set up a G20 Task Force on Employment, long called for by the unions with a focus on youth employment and mandated the ILO, OECD, IMF and World Bank to report to G20 Finance Ministers on the global employment outlook and the employment impact of the G20 Framework.

23. In the event these outcomes were overshadowed by the events that unfolded in the days immediately following the Summit. The Greek and Italian governments resigned and were replaced by "technocrat" administrators with the expressed aim of "reforming" public finance in order to stabilise the bond markets. The unions said that it was clear that there was a direct contradiction between the positive language on employment, growth and social issues in the Summit outcome documents and the further announcements of austerity measures in European countries that followed the Summit.

The Mexican G20 residency and first meeting of the G20 Task Force on Employment, Mexico City December 2011

24. The Mexican Presidency of the G20 had a front loaded timetable in view of the Mexican Presidential elections that were scheduled for July 2012. In view of this the ITUC and TUAC issued a set of trade union priorities for the Mexican Presidency – a practice that has been followed in subsequent years. These set out five priorities:

- Creating jobs as the basis of preventing recession
- Restoring the financial regulation agenda and raising resources through fair taxation
- Development and the Social Protection Floor
- Creating green jobs as a basis for sustainable growth
- Improving the governance of the G20

So as to achieve maximum coherence between economic and employment policies, the unions called for there to be a joint conference between G20 Finance Ministers and G20 Labour and Employment Ministers (LEMM).

25. The first meeting of the Employment Task Force was opened with Social partner consultations in Mexico City already in December 2011. This gave the Task Force a mandate to present proposals for reducing youth unemployment to the third G20 LEMM scheduled for May 2012.

26. The ITUC and TUAC made several subsequent inputs to the work of the Task Force and called for:

- Creating a G20 Youth Jobs Pact to ensure young people receive quality employment or a training place once they have completed their formal education;

October 2018

- Setting national commitments on social dialogue to develop further vocational education and training for youth, whether full-time or associated with employment, resulting in qualifications;
- Establishing national commitments on apprenticeship and quality internship programmes: trade unions are ready to work with employers' organisations to develop a template for quality apprenticeship systems. G20 governments should support this as a direct and practical follow-up to the Task Force conclusions
- Implementing active labour market programmes oriented towards young workers;
- Ensuring that young workers are protected at the workplace and paid fairly;
- Designing social security safety nets specifically targeted at young people so that they have adequate income support.

The conclusions finalised in the spring of 2012 broadly reflected union recommendations.

Guadalajara 20 Labour and Employment Ministers' Meeting, May 2012

27. The Task Force recommendations also formed a substantial part of the background documentation for the Third G20 LEMM held in Guadalajara in May. Joint consultations took place between Social Partners and the Ministers at the opening of the meeting. The L20 statement however also focussed on the continuation of austerity policies and noted that in the eighteen months following the onset of the crisis in 2008, the G20 had demonstrated its effectiveness with governments taking coordinated action to stabilise global demand and agreeing on proposals for financial regulation. But momentum had been lost as governments have shifted to austerity, without putting in place an employment-centred growth plan to increase demand and reduce debt in the medium term.

Los Cabos G20 Summit, July 2012

28. With growth still stalled the L20 Summit meeting in Los Cabos called on the G20 Leaders to reassert their relevance and commitment to fighting recession and building sustainable growth. Against this background, it the language of the G20 Los Cabos Declaration marked some shift from talk of austerity and deficit cutting to growth and job creation. This shift was particularly noticeable when compared to the Language of the 2010 G20 Summit Declarations of Seoul and Toronto. The first substantive sentence of the Declaration stated that "we are united in our resolve to promote growth and jobs". This was followed up with a reference to the need "to strengthen demand and restore confidence" to create "high quality jobs." The second substantive section of the Declaration focussed on Employment and Social Protection. Despite the priority given to "quality jobs" the ITUC-TUAC evaluation questioned as to whether there would be effective follow-up action to reduce unemployment.

29. At Los Cabos, trade union leaders maintained their practice of active engagement in bilateral meetings with G20 Leaders. However in a significant first joint meeting, hosted by the Mexican President Calderon, the L20 and the B20 (B20) leaders engaged in an informal discussion with over half the G20 Leaders, in order to discuss the social partners' priority recommendations for the G20. The B20 and L20 Involvement was recognised and welcomed in the G20 Leaders' Declaration. Immediately prior to that, the B20 and L20 held their own second joint meeting and reached an agreement on the need to prioritise investment in infrastructure (especially enabling green investment to create jobs), inclusion of young people by dramatically scaling-up quality apprenticeships, and working to reduce informality in the labour Force.

30. The G20 Leaders endorsed the Conclusions of the G20 Labour and Employment Ministers' Meeting in Guadalajara and extended the mandate of the G20 Task Force on Employment for an additional year. The ITUC-TUAC evaluation of the outcome noted that following Los Cabos, there now existed several tracks for unions to advance their during the Russian Presidency in 2013 including through their bilateral links to G20 governments; the G20 Task Force on Employment; the B20-L20 process; and, with the FNPR, directly through the Russian Presidency.

Russian G20 Presidency 2013 - first joint G20 Labour and Finance Ministers' Meeting and L20-B20 session at the Saint Petersburg Summit

31. The Russian Presidency created a series of other G20 outreach groups in addition to the L20 and B20 – notably the C20, purported to represent civil society but with a Government appointed Chair and the T20 bringing together “think tanks” from G20 countries. The G20 Employment Task Force (ETF) continued to work and received direct input from the L20 and B20 at each meeting. Moreover after direct representation from the Russian Trade union centre – the FNPR and in consultation with the ITUC and TUAC – the Russian Presidency agreed to hold the first joint G20 Labour and Finance Ministers' meeting back to back with the fourth LEMM in June 2013. In the light of this the L20 Summit was held in Moscow on the eve of these meetings and consultations took place with the Labour Ministers and the Social Partners in a half-day session. Trade Union representatives welcomed the broader messages of the G20 Joint Labour and Employment and Finance Ministers' Communiqué and the Labour and Employment Ministers' Declaration with regard to the support for aggregate demand, investment in jobs and social policies, social protection, minimum wages, and collective bargaining "to reinforce the links between productivity, wages and employment." In particular the Labour and Finance Ministers committed to “labour market and social investment policies that support aggregate demand and reduce inequality, such as broad-based increases in productivity, targeted social protection, appropriately set minimum wages with respect to national wage-setting systems, national collective bargaining arrangements, and other policies to reinforce the links between productivity, wages, and employment.”

32. However, the unions urged that this commitment needed to be followed up with strong policy action, including a comprehensive G20 Jobs Plan, at the St. Petersburg G20 Leaders' Summit to be held in September. Moreover they noted that these messages were in sharp contrast to the continuation of austerity policies and labour market deregulation that undermined collective bargaining, especially promoted by the Troika in the European Union. The L20 delegation to the social partner consultations with Labour Ministers raised these concerns and conveyed its key messages. In a separate initiative the B20 and L20 released a Joint Statement and Letter to Ministers, which urged governments to scale-up quality apprenticeships.

33. The G20 Employment Task Force was given a renewed mandate to continue its monitoring work in collaboration with the social partners. This was described as a “pivotal decision” by the ITUC and TUAC evaluation; however the unions regretted that there was no proposal for collaboration between the ETF and the G20 Finance Track, and no commitment to holding a joint Labour and Finance Ministers' meeting under the Australian G20 Presidency in 2014.

34. The G20 Leaders meeting in Saint Petersburg had jobs and growth as one of the three main items on their agenda. However, the G20 focus on jobs was overshadowed by events in Syria. Nevertheless, several important items from the Finance and Labour Ministers meeting in July on quality jobs, collective bargaining, and rights at work found their way into the Leaders' Declaration. The Summit also made potentially important steps forward in the fight against global tax evasion, mandating the OECD to report back to the G20 on Base Erosion and Profit Shifting (BEPS). The Declaration recognised that the “most urgent need is to increase the momentum of the global recovery, generate higher growth and better jobs.” Despite mentioning the need to strengthen demand and wage bargaining including national wage setting systems, the Summit's recommendations mostly feature long term solutions with only few proposals for immediate action.

35. On process, progress was made at Saint Petersburg in developing social dialogue at the G20 level. The L20 took part in a joint session with B20 representatives and 12 of the 19 G20 Leaders on the second day of the Summit. In their declaration the Leaders appreciated “the contribution of the B20 and the L20 and acknowledge[d] the crucial role of social dialogue as a means to achieve the G20 objectives of fostering growth, employment, and social cohesion”.

The 2014 Australian G20 Presidency and the Finance Ministers' 2% growth target

36. The outgoing Australian Labour government formally constituted the L20 in September 2013 to be coordinated by the Australian Council of Trade Unions (ACTU), working closely with ITUC and TUAC. By the time the Australian G20 Presidency was launched in December 2013 at the time of the Sherpas' meeting in Sydney a Liberal Government was in place that made it clear that it would give priority to the B20 participation in G20 events and down-played the L20. It also made clear that they would not hold a joint Labour and Finance Ministers' meeting but a Labour and Employment Ministers' meeting was announced to be held in Melbourne in September 2014. In the light of this the L20 reverted to holding the main L20 "Summit" on the eve of the G20 Brisbane Summit in November 2014.

37. The G20 Finance Ministers and Central Bank Governors met in Sydney in February 2014 against the continuing background of stalled recovery. Investment and output growth in the G20 countries remained far below longer-term trends and pre-crisis levels. In only four G20 countries had unemployment fallen or returned to pre-2008 levels, whilst in several countries unemployment continued to rise. The ILO estimated that the global "jobs gap" had risen to 62 million and was forecast to widen to an estimated 81 million by 2018. Faced with this the Finance Ministers in a much publicised move committed to raise G20 GDP "by more than 2% above the trajectory implied by current policies over the coming five years." The OECD was given the task of evaluating country measures taken to achieve this objective that would then be fed into the IMF forecasting model. Whilst welcoming the setting of a growth target the L20 pointed to the flaws in the process in that the actions were fed into a supply-side model that assumed full-employment and did not recognise any demand deficiency but in the face of austerity policies in many OECD economies the main break on growth was insufficient demand.

38. The deterioration of the international political climate in the spring of 2014 had an impact on the international economic governance structures and following the annexation of the Crimea, Russia ceased to be a member of the G8 which effectively became the G7.

Melbourne G20 Labour and Employment Ministers' meeting September 2014

33. The L20 submission to the fourth G20 LEMM meeting in Melbourne in September 2014 was that the Labour Ministers must act as a catalyst for action. The L20 noted that in the months following the Finance Ministers' "2% commitment", it had become clear that the G20 was off-target. Global growth projections from the main international institutions had been revised downwards, not upwards for 2014. Growth in many economies was constrained due to fiscal austerity and stagnant incomes of working families.

39. To support the L20 submission the ITUC and TUAC worked with Greenwich University in the UK to undertake research that indicated the positive impact on growth and employment of raising incomes and public investment. The research showed that reversing the decline in the wage share in national income by between one and five percentage points of GDP in G20 countries could raise growth by close to 2% over the five years. Moreover by increasing public investment in social and physical infrastructure both to expand growth in the short term and bring about the structural transformation of economies needed to counter climate change the estimates suggested that expansion of public infrastructure investment by 1% of GDP across the G20 could create up to 3.8% more growth over five years compared to current policies. These policies would go beyond the structural reforms behind the G20 2% growth agenda.

October 2018

40. The L20 submission also noted the shift in thinking in the international economic institutions to see growing inequality as an economic as well as a social problem. Yet the L20 argued that many of the policy recommendations of the IMF and the OECD, and most notably of the Troika in Europe still pointed in the opposite direction and advocated the weakening of labour market institutions, including collective bargaining, so as to bring about internal wage devaluation and to reduce labour and wage costs. This not only provoked deflation in the short term – it was destroying the possibility for coordinated bargaining and social dialogue in the future. Joint Social partner consultations were held with the LEMM – however for the first time other outreach groups were invited – reducing the time for the L20 (and B20) submissions. The LEMM in a new area of policy included declaration on safe work places with action to both tackle the risks in global supply chains and in domestic occupational health and safety (OHS) as a reflection of the outrage at the Raina Plaza disaster in April 2014.

41. The B20 were hostile to the inclusion of health and safety and supply chain issues in the G20 agenda. However some agreement was reached with the B20 on the need to expand infrastructure investment. The L20 pointed to the decline in public investment since the halting of expansion in 2010. However the L20 also noted that some infrastructure projects are suitable for financing by long-term institutional investors, such as pension funds. The G20/OECD High Level Principles on Long-term Investment by Institutional Investors should provide guidance in this regard and fair and transparent risk sharing arrangements should prevail, when public and private financing was mixed. A joint letter was submitted to the Brisbane Summit.

Brisbane G20 Summit November 2014

42. The G20 Brisbane Summit 2014 outcomes were marked by the Australian host government continuing to hail the commitment to raise growth by 2.1% as a major achievement that will create “millions of new jobs”. The L20 again pointed out that the OECD and IMF models on which the claims were based, assumed full employment as a starting point and ignored the apparent shortages of demand. When challenged on growth commitments, while presenting the communiqué, Tony Abbott, the host Prime Minister, claimed that the involvement of the Business B20 was the major innovation of the Summit and would deliver “confidence to business” and this would deliver growth and jobs. Attention would now shift to the Brisbane Action Plan that contained over 800 national commitments to increase growth through “structural reforms”. The L20 Summit was excluded from meeting the Leaders collectively but pointed out that if there was not action to raise purchasing power of those on low incomes and stimulate demand, and then structural reforms were likely to destroy, not create jobs.

43. Overall the ITUC TUAC evaluation of the Summit outcome concluded that “inequality and inclusive growth were left aside in favour of business interests, who were put ahead of those of working people. Turkey, the Summit host in 2015 had already announced that its focus would be on inclusive growth and inequality, which the L20 noted, if put into concrete policy proposals, represented a substantial change to the Australian G20 focus. One positive outcome from the Brisbane communiqué on inclusion was to set a target “of reducing the gap in participation rates between men and women in our countries by 25% by 2025”. Positive steps were also made by the G20 on tax evasion and avoidance through the BEPS Action Plan. In significant procedural decision – the Employment Task Force – was transformed into the Employment Working Party – giving the treatment of employment issues a degree of continuity in the G20 process.

The Turkish 2015 G20 Presidency

44. The Turkish Presidency announced its priorities for 2015 as: “Inclusion”, “Implementation” and “Investment”. The Turkish L20 was launched in February 2015, hosted by TURK-IS in association with the DISK and HAK-IS and at the international level with the ITUC and TUAC. The transformation of the Employment Task Force into a Working Group (EWG) led to a more structured and medium term programme – where the G20 agreed to include reversing the decline of the labour share in income as one of the major priorities for the work in 2015 as part of the “inclusion” theme.

45. In a submission to the EWG in April the L20 called for increased coherence between different G20 policy tracks, strengthening the link between growth and quality employment, reporting and implementing employment plans (including following up the 25/25 gender commitment), tackling the decline in the labour share in national income and reversing the rise in income inequality, reducing the unacceptable levels of youth unemployment and achieving global action to create safe workplaces as the central concerns of the L20. To break out of this vicious circle, the L20 called for comprehensive measures to boost aggregate demand and reduce inequality. The L20 welcomed in particular two decisions by the Turkish Presidency – the priority given to Inclusiveness in the G20 agenda and the decision to hold again a Joint G20 Labour and Finance Ministers Meeting in September 2015.

46. One change in 2015 was a more committed approach to the B20-L20 dialogue with a series of meetings taking place in which the Chair of the EWG also took part and committed to include any joint agreements in the inputs to the LEMM and from that also to seek to include them in the recommendations going forward to the Antalya Summit in November 2015. This gave some sense of urgency to the negotiations and the joint L20-B20 statement that was agreed included language calling on governments to give: “Support for systems of social dialogue and collective bargaining as a means to promote fair wages.” Commenting on the agreement the ITUC General Secretary said if followed up on, it has the potential to be the strongest agreement since the B20 and the L20 began working together as social partners with the G20. “The agreement is based on the need for employment and the dignity of decent work. If you don’t have workers with income, who buy products, you have nothing. It underpins workers’ rights and the ILO declaration on core labour standards which were negotiated by business, labour and governments. It is based on support for social protection, which is essential to society, and underpins demand with which to grow jobs and incomes,”

47. An additional significant development in 2015 was the attention given to social and employment issues in the parallel German Presidency of what since 2014 had become the G7. The development of decent work in global supply chains was included as one of the G7’s central priorities. This resulted in three practical initiatives: – to set up a “vision zero” fund hosted by the ILO to help prevent industrial accidents; to give impetus to work in international organisations (notably the OECD) to develop guidance on “human rights due diligence;” and to strengthen the enforcement mechanisms of the OECD Guidelines on Multinational Enterprises by ensuring functioning National Contact Points in the G7 countries. On the L20 side it was hoped that this could create a platform for the development of the agenda on Supply Chains in the G20.

Second joint G20 Labour and Finance Ministers’ Meeting

48. This took place in Ankara in September 2015 and for the first time in a Finance Ministers’ environment a consultation session took place with the Social Partners where the joint B20-L20 statement was presented. One of the significant outcomes of the LEMM that preceded the joint meeting was the strong impetus given to action to increase the labour income share. The LEMM declaration stated: “In order to address rising inequalities and declining labour income shares, we agree to undertake a mix of policies appropriate to our national circumstances including improving wage-setting mechanisms, institutions for social dialogue, social protection systems and employment services.” The Ministers endorsed an annexed set of “G20 Policy Priorities on Labour Income Share and Inequalities” that gave support to collective bargaining systems. The two intimal commitments of the Principles were: “Strengthening labour market institutions (social dialogue, collective bargaining, wage setting mechanisms, labour legislation) based on respect for the Fundamental Principles and Rights at Work; and Reducing wage inequality, through policy tools such as minimum wages and the promotion and coverage of collective agreements, ensuring fair wage scales and that work pays.”

Antalya G20 Summit November 2015

49. The G20 Leaders' Summit in Antalya took place against the background of terrorist attacks in Paris. At the same time, the economic forecasts of the OECD and the IMF published on the eve of the Summit confirmed the fragility of global growth, leaving the G20 "2%" growth aspirations in jeopardy. L20 representatives met at the L20 Summit two days ahead of the Leaders meeting to discuss priorities including coordinated action for quality jobs and youth employment, the need for a public investment plan, income inequality youth and women's employment, climate action and the refugee crisis. They called on G20 governments to meet their employment targets and to reduce inequality with social protection, increased minimum wages and collective bargaining. Two significant developments at the Summit were the extensive references to the need to reduce inequality and the target to reduce the number of young people excluded from jobs or training by 15% by 2025.

50. The ITUC- TUAC evaluation of the Summit outcome welcomed the endorsement of the Labour Ministers' policy principles on Labour Share and inequalities but noted that one year after the 800 new commitments to enhance growth were made at the Brisbane Summit and embedded in national policy strategies, they have not yet delivered policy changes that would result in stable growth prospects. The L20 undertook for the first time a tracking exercise – whereby L20 unions were asked to evaluate the follow up by governments of policy commitments and their impact on policy. The broad assessment was that union felt that governments were delivering most on commitments that had a little or negative impact on labour and far less on those that supported workers and their trade unions. The unions also welcomed the fact that the Communiqué recognised "that social dialogue is essential to advance our goals, we welcome the B20 and L20 joint statement on jobs, growth and decent work." The L20 called for a continuation and expansion of the social partners' involvement in G20 working groups and Sherpa meetings with a view to the 2016 Chinese G20 Presidency.

The Chinese 2016 G20 Presidency

51. The Chinese government designated the state controlled investment promotion agency to be the official organiser of the B20 for the 2016 Presidency and All China Federation of Trade Union (ACFTU) to be the organiser of the L20. Although not an ITUC or TUAC affiliate the ACFTU had participated in the L20 Summits since the 2012 and the launch of the L20 for 2016 was organised jointly by the ACFTU, ITUC and TUAC in Beijing in February. The G20 presidency had proposed a theme of "an innovative, invigorated, interconnected and inclusive global economy" for the 2016 G20, yet the L20 warned that in the short term the global economy needed to be pulled back from the risk of renewed recession. It also noted that while international policies for climate and the sustainable development were given a boost in 2015 with the Paris Climate Agreement and the UN Sustainable Development Goals, rising inequality, low wages and increasing numbers of unemployed people will test global agreements.

52. The L20 policy priorities published at the launch called on G20 leaders to:

- invest in infrastructure and jobs to stimulate growth
- reduce income inequality
- support sustainable development goals
- re-regulate financial markets
- include social dialogue with unions

October 2018

53. L20 representatives took part in consultations with the G20 Employment Working Group, and the G20 fifth Labour and Employment Ministers Meeting in July. Of concern was that the L20 interventions were primarily restricted to inputs to the “Labour track” of the G20 which itself was subsumed under the development track that reduced the impact on the work of the Sherpas and the preparation of the Leaders’ Summit itself. It was also not possible to reach an agreement with the Chinese B20 which lacked the authority to undertake negotiations and so the international components of the B20 and L20 – the ITUC and TUAC and the IOE and BIAC issued their own joint statement that was presented to Labour Ministers at a dinner hosted by the Social Partners on the eve of the LEMM in July. The joint statement repeated the main proposals of that presented to the G20 in 2015 but developed proposals for responding to the challenge of digitalisation and broader technological change.

54. The B20 held its summit back to back with the Leaders meeting in Hangzhou in September and although the TUAC/ITUC was invited to speak as a panellist on behalf of the L20 it also reflected the greater attention paid to business interest. The L20 statement to the Summit published in August noted that the meeting was taking place at a moment of contracted growth and a persistent social crisis. G20 Leaders need to take action to raise growth and jobs through expansionary demand-side policies. They needed to commit to a refocused structural policy agenda that rebuilds strong labour market institutions to create quality jobs and to reduce income inequality. The G20’s pledge to ensure inclusive growth required firm commitments to address youth unemployment, gender inequality, integration of refugees and migrants, while taking action for the upcoming digital transformation and the need for a Just Transition to a low-carbon economy. It required a trade and investment system that worked for all, not just international investors, and that raises the bar by ensuring that sustainability and decent work standards are met in global supply chains.

55. In the event the Hangzhou Summit closed with the release of its final Communiqué and Action Plans. Despite negative interest rates, Brexit, stagnant growth in the Eurozone, with a strong chance of further monetary easing by the ECB, and fragile growth in the G20’s emerging economies, the text was upbeat and focused more on structural reforms and long-term gains from innovation. The ITUC TUAC reaction noted that despite important outcomes of the G20 Labour Ministers Meeting in July, the issue of employment gaps and persistent low wages were only treated in one out of 48 paragraphs. The Labour Ministers “Sustainable Wage Principles” were endorsed along with commitments on apprenticeships and employability but there was no link made to G20 growth strategies, and follow-up action. The Leaders were notably silent on the 2% growth target set in Brisbane. The Leaders also remained silent on responsible business conduct and human rights in global value chains, while pushing for more trade liberalisation.

German 2017 G20 Presidency

56. The DGB was designated as the national organiser of the L20 in 2017 by the German government; in view of the German elections to be held in September the government embarked on a front-loaded programme of meetings, with a Labour and Employment Ministers meeting announced for May and the Leaders’ Summit to be held in Hamburg in July. The ITUC, TUAC and the DGB issued a statement at the launch of the L20 in December 2016 expressing their high expectations of the German Presidency, seeing it as an opportunity to revive the international coordination of economic and employment policies. The L20 main emphasis was on “fair globalisation, focusing on growth and employment, income distribution and corporate responsibility along supply chains”. Reiner Hoffmann, Chairman of the DGB stated “If the G20 takes its motto ‘Shaping an interconnected world’ seriously, it cannot avoid new rules for a fair globalisation. Germany is in a unique position with its G20 Presidency: Chancellor Angela Merkel has already publicly stated on several occasions – both to the trade unions and at the G7 summit at Schloss Elmau – that she believes companies must take greater responsibility for working conditions along their supply chains. Now she has to act on this demand.”

October 2018

57. A series of procedural advances were made under the German Presidency – the Social Partners were invited to take part in all the major sessions of the Employment Working Group apart from Communiqué drafting sessions. They were similarly invited to attend all the sessions of the Labour and Employment Ministers’ meeting held in Bad Neunhar in May. They had the opportunity to make presentations in all sessions. The German Chancellor Angela Merkel attended a Dialogue Forum with trade unions in Berlin as part of the L20 summit that was held on the eve of the LEMM.

58. The B20 and the L20 also agreed a further joint statement on “Sustainable growth, decent work and social cohesion in the digital economy - a common message” it was hoped to deliver this to the G20 Leaders in a joint session at the Summit in Hamburg. However in the event the Presidency restricted the Summit just to G20 Leaders in view of the difficult negotiations to be pursued between the newly elected US President Trump and the other Leaders given the US decision to withdraw from the Paris Climate Accord shortly before the Summit.

59. The ITUC TUAC assessment of the Summit noted that it was a victory for Chancellor Merkel in securing a majority commitment to the Paris Agreement and that “The G20 has effectively become a G19 on key issues of climate with the Trump Administration isolated and other G20 leaders forced to state that the agreement is irreversible.” The unions concluded that the G20 Leaders Declaration was positive in addressing the abuses of human rights and labour standards in global supply chains. They noted that following the conclusions of the G20 Labour and Employment Ministers’ meeting in May, G20 leaders committed to “. . . fostering the implementation of labour, social and environmental standards and human rights” and underlined “the responsibility of businesses to exercise due diligence.” In a potentially significant step, G20 leaders committed to take “immediate and effective measures to eliminate child labour by 2025, forced labour, human trafficking and all forms of modern slavery.” The G20 leaders stated they will support access to remedy for victims of human rights abuse through mechanisms such as such as the National Contact Points for the OECD MNE Guidelines (NCPs). For the first time, the G20 leaders also committed to encouraging their multinational companies to conclude international framework agreements, which are negotiated with Global Union Federations.

60. However the trade union assessment of the G20 Leaders Declaration found G20 leaders had not taken on board the policy implications from the stunning lack of wage dynamics that is holding back growth across different parts of the world. Indeed, as the OECD warned in its latest Global Economic Outlook from June 2017, a durable upturn in consumption and growth requires stronger wage dynamics than the weak pace of wage growth that is currently observed across the OECD. The L20 argued that to achieve this, the G20 should continue to focus on the objective of reversing the trend of falling labour shares, a commitment to which they subscribed in previous G20 meetings under the leadership of Turkey and China. They also noted a shift on trade, whilst reiterating past commitments to “keep markets open” and to continue to “fight protectionism the G20 also “recognise the role of legitimate trade defence instruments” in addressing “unfair trade practices”. While this recognition is reportedly a concession to the Trump Administration and its unilateralism, the unions argued that it would merit further discussion at the G20 to help advance a new progressive policy agenda on trade and investment agreements, harnessing market openness with the above commitments on global supply chains, and as called upon by the Labour 20. And indeed the G20 “recognise that the benefits of international trade and investment have not been shared widely enough”.

61. The Trade unions also welcomed the attention by the G20 leaders given to African development, but action must be about improving livelihoods for Africa's people, and not about increasing the profits of global corporations. The ITUC General Secretary commented "The promise by all the world's leaders of a zero-poverty zero-carbon world, underscored by global agreements on the sustainable development goals and climate, should be led by the G20 with the major share of global population and wealth. The German Presidency understood the stakes. The test of the G20 under the Argentinian Presidency in 2018 and in Japan in 2019 is to stand firm with these commitments to the planet and to the people, and the hosting of the G20 in Saudi Arabia in 2020 must come with commitments on workers' rights and women's rights."

The Argentinian G20 Presidency

62. G20 Argentina put forth three agenda priorities for the G20 in 2018: "the future of work, infrastructure for development and a sustainable food future". However the return of financial and currency crisis in Argentina over the course of 2018 diverted much of the government's attention. A G20 Labour and Employment Ministers' meeting was held in Mendoza in September 2018 and for the first time at G20 level, a joint Labour and Education Ministers' meeting. The trade union statement to the meetings called for action by Ministers to: address the falling labour income share through minimum wages, collective bargaining and social dialogue; ensure decent work in global supply chains; tackle climate change and ensure just transition to a low carbon economy; ensure decent work in a digitalised economy; ensure gender equality at the workplace; prepare youth for the future of work; address the employment needs of migrants and refugees; and ensure decent work for persons with disabilities. However the overarching message of the L20 was that the G20 Ministers should not lose sight of past commitments and the first priority should be to implement and deepen the work already done in all of these areas. The L20 and the B20 also presented a joint statement to Ministers - "A common message on skills and social protection for inclusive growth." This again called for more active follow up and implementation of past commitments.

63. The Labour Ministers published a declaration on "Fostering opportunities for an inclusive, fair and Sustainable Future of Work" that included annexes on: the future of work; child labour trafficking and modern forms of slavery; and social protection strategies. There was also a joint declaration with Education Ministers that included an annex setting out "guidelines and principles on skills for an inclusive future of work." In the L20 assessment of the outcome of the meetings the unions commented that if collectively implemented the package of measures would help anticipate a number of future employment challenges – social protection, skills, inclusion of women, youth and people with disability, as well as tackling informality. However the unions criticised the failure of G20 governments to honour past commitments to address the fall in the labour share and the rise in inequalities. They concluded that "Action and urgency were missing in Mendoza."

CONCLUSIONS AND INTERIM ASSESSMENT

64. Ten years after the first G20 Leaders meeting, the initial priorities of the international labour movement set out in the 2008 “Washington Declaration” namely: Support jobs and stimulate growth; Reduce income inequality; Support development; Re-regulate financial markets; and have unions at the table, remain just as relevant moving into the second post-Lehman decade and the next cycle of G20 meetings to be chaired in 2019 by Japan. On paper at least progress has been made in attaining several of these objectives, but as often stated by the L20 on the ground the situation is perceived by working people as getting worse. This is one of the central factors in the “popular backlash” against trade, investment and migration that was reflected in the 2016 Brexit referendum result in the UK, the US 2016 Presidential elections, the 2018 Brazilian Presidential election as well as in many European election campaigns. The “backlash” and the “geography of discontent” have become central issues in the policy debates during 2018. The changed political environment and in particular the attitude of the current US Administration to multilateral cooperation and associated structures in general pose major questions. In the words of a former US Sherpa “the G20 used to have a delivery problem, now it has an existential problem.” The implications of the Brazilian presidential elections can also only pose a further uncertainty as to the immediate prospects for achieving progress in the G20.

65. Below is a brief assessment of what the achievements and challenges of the unions under each of the objectives:

Support jobs and stimulate growth

66. The G20 was at its most effective when it brought together in 2008 and 2009 national stimulus programmes to respond to the collapse of growth as agreed at the London and Pittsburgh Summits. The initial fall in global industrial output in the twelve months from April 2008 was more than 13 per cent – more than the 12 per cent fall over the equivalent twelve months period after the wall street crash in 1929. However in large part due to the G20 policy response, the “great recession” of 2009 did not mutate into a “great depression” as happened in the 1930s. The ILO was expecting global unemployment to double in 2009. In fact as a result of the policy decisions it rose by half the amount – so jobs were saved. However the premature pivot to austerity in the light of the sovereign debt crisis in 2010 led to a stalling of global growth and job creation. The Toronto G20 Summit in June 2010 reflected this political and ideological shift away from supporting global demand and back to supply side measures. It became accepted in much of the media that public deficits were the cause of the crisis – rather than the result of collapsed growth and bailing out the banks. The failure of structural reforms to bring about growth and the undershooting of the 2% growth target of Brisbane are now evident. Employment was initially a subsidiary issue – not treated by the first G20 meetings – this has shifted with the regular LEMM meetings and the institutionalisation of the Employment Working Group. However there remains a problem of coordination between the finance and labour tracks and only two joint Labour and Finance Ministerial meetings have been held. These also reflect the lack of close cooperation between the EWG and the Finance Track Framework Group. Overall however the Keynesian consensus of 2009 evaporated with the political changes of 2010. With the absence of agreement to use fiscal policy to counter the recession – the US and European central banks shifted to “unorthodox monetary policy” to support growth – pumping money into asset prices rather than the real economy.

Reduce income inequality

67. The rise over three decades prior to 2008 of income inequality in most industrialised countries and several other G20 countries was dubbed by the ILO in 2009 as “the crisis before the crisis.” The traditional view of much of the economics profession and the international institutions until the early 2000s was that income inequality was a normative issue about which economists could say little. This shifted with a series of OECD publications – notably “Growing Unequal” in 2008 and “Divided We Stand” in 2011. A series of studies from the IMF research department as well as the OECD went further in identifying the negative economic impact of rising income inequality and also found that the fall in unionisation was responsible for half the rise in income inequality in advanced economies over the past 25 years. This was also reflected in the issue of income inequality and the decline in the wage share becoming part of the G20 agenda – notably in 2015 under the Turkish Presidency with the adoption of G20 Policy Priorities on Labour Income Share and Inequalities” that gave support to collective bargaining systems. There has been a recognition of the need to raise wages as part of the response to stalled growth as evidenced by several Labour and Employment Ministers’ conclusions that show some impact of the L20 wage share modelling in 2014. However despite the growing evidence of the risk of wage stagnation policy recommendations of the OECD or IFIs have not adjusted and in the case of the IMF – policy has continued to insist on the dismantling of collective bargaining and wage setting machinery.

Support development

68. Developing and emerging countries were less initially affected by the 2008 crisis than the industrialised countries in part due to less exposure to the toxic parts of the international banking system and in part due to effective initial crisis responses by several of the BRICs – most notably China. This changed as the crisis had its impact on commodity prices in the second half of the period. On the L20 side – the increased integration of major emerging and developing union centres and the ITUC regions in the preparation of inputs to the G20 helped ensure that there was a global union voice. This can be seen as one of the positive institutional development on the union side that initially led to expansion of the membership of the then TUAC Economic Policy Working Group that prepared the L20 statements and that also led to a MOU between the ITUC and TUAC in 2013. Initially there were fears by some that the upgrading of the G20 in 2009 would be at the expense of more “legitimate” structures in the UN. The ITUC and TUAC made input to a report prepared by Joe Stiglitz in 2009 that made series of proposals on how to better link the G20 to UN structures. Following 2011 the G20 invited a series of countries outside the G20 with broader represented roles, such as the African Union to subsequent Summits and their preparation.

Re-Regulate Financial Markets

69. Actions to re-regulate financial markets in the light of the Lehmans collapse were a central demand of the trade unions in their advocacy at the G20 and a central part of G20 work with the creation of the Financial Stability Board in 2009. The assessment of this work has not been developed in the present paper as it would require a separate report to do the work justice. Similarly the G20 agreements on Base Erosion and Profit Shifting that have been developed in the context of the OECD have been one of the more practical outcomes of the Summit process, but have not been reported here. Both these areas are now under challenge in the light of the de-regulatory agenda of the Trump Administration.

October 2018

Unions at the Table

70. Union advocacy at the G20 has clearly forced access to the G20 process that initially began as a closed finance ministers' dominated process. The predecessor of the L20 were a series of bilateral lobbying of G20 leaders at Summits and before and working with in particular the unions of host countries to influence communiqués and agendas. The ILO became to be invited to the Summits alongside the OECD and the IFIs. Subsequently the L20 was formally recognised in 2011 under the French presidency; Labour and Employment Ministers meetings initially had social partner consultation session but as of 2017 have included the L20 alongside the B20 in all the sessions of the Ministerial meetings as well as the Employment Working Group. Finally the negotiations with the B20 and on most occasions since 2012 the conclusion of joint statements have increased impact on issues where agreement is possible – though there remain many areas of disagreement.

The Future

71. The future cycle of G20 Presidencies – Japan in 2019 and Saudi Arabia in 2020 both present their own challenges. The Japanese presidency can be expected to involve meticulous preparations of which the Japanese trade unions will be a part, but is likely to focus on a series of important yet secondary issues such as demographics and ageing, but it remains questionable if it has the ambition to re launch broad base multilateral coordination. Saudi Arabia lacks a free trade union movement and has shown itself to be ruthless dictatorship ready to kill perceived critics. Moreover, as was already quoted, given the position of the US Administration on many issues and now with the Brazilian political shift, in the immediate term the G20 will have to function as a G19 or even G18. Against this back ground it is more important than ever that the L20 remains strongly united.