



G7 Social Ministers' Meeting Thursday 6 and Friday 7 June 2019

> Ministry of Labour 127 rue de Grenelle – 75007 Paris

G7 Social Communiqué

The reduction of inequalities is essential to realize the ILO's mandate, based on its 1919 Constitution.

On the eve of the International Labour Organization's Centenary, we, G7 Labour and Employment Ministers and the EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, met in Paris on 6 and 7 June 2019 for the G7 Social to take stock of the transformations in the world of work and commit to take concrete actions to reduce inequalities in a global world.

Conscious that we must pursue our efforts to respond to citizens' aspirations for the reduction of inequalities worldwide, we underline the fundamental importance of strengthening policy coherence by further integrating international labour standards into the multilateral system. We have therefore adopted the following *Call for a Multilateral Dialogue and Coordination for the Reduction of Inequalities (A.I)*.

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Recognizing that businesses and multinational enterprises are key actors of globalization and play an instrumental role in promoting decent work, we have therefore made the following *Commitments to Promote Responsible Business Conduct in Global Supply Chains (A.II)*.

To make sure that globalization works for all and that no one is left behind, we must bring a humancentered response to the challenges of the world of work. Conscious that more than half of the global population, most of them working in the informal economy, are still left uncovered by any form of social protection, we underline the importance of designing inclusive, adaptive, responsive and sustainable social protection systems. We have therefore made the following *Commitments in Favour of Universal Access to Social Protection in a Changing World of Work (B)*.

## 2.

To shape the future of work, we must harness the full potential of current changes and act individually and collectively to provide a comprehensive response, with a view to protecting, empowering and giving a voice to individuals. We have therefore adopted the following *Commitments to Empower Individuals for the Future of Work (C)* by promoting decent work in the platform economy and investing in digital skills and qualifications.

## **7**.

Gender inequalities remain a major expression of social injustice. While important measures have been taken, the pace of progress remains too slow and women continue to experience discrimination, violence and harassment in the world of work, as well as persistent gender gaps as regards employment, inclusion and pay. We have therefore adopted the following *Commitments to Ensure Gender Equality in the World of Work (D)* to further our efforts towards effective gender equality.

## 8.

Finally, we recall our commitment to social dialogue and tripartism. Convinced that such dialogue contributes to the overall cohesion of societies and is a key tool to promote sustainable and inclusive growth and decent work, we have adopted a *G7 Social Tripartite Declaration*.



## A. CALL TO ACTION FOR THE REDUCTION OF INEQUALITIES IN A GLOBAL WORLD

1.

An increasing number of international organizations and institutions recognize that **inequalities can pose** a risk to global growth and to the achievement of the Sustainable Development Goals (SDGs).

#### 2.

Further integration of international labour standards is key to decent work and reducing inequalities in a global world. For progress to be made, there is a need for **more cooperation, coherence and coordination** among institutions whose work has relevance to these issues.

## 3.

Many initiatives have been undertaken in the past to improve the integration, coherence and coordination of actions carried out by international organizations to implement decisions and guidance provided by their constituents. On the eve of the International Labour Organization's Centenary, we must now strengthen our efforts.

In the context of the reform of the UN development system and the 2030 Agenda for Sustainable Development, concrete measures should be taken to ensure **reinforced dialogue and closer collaboration** among and between relevant international organizations, notably the ILO and OECD, to reduce inequalities.

Other stakeholders play a key role in fostering decent work, particularly businesses and **Multinational Enterprises (MNEs)**. To achieve sustainable and inclusive growth, joint efforts are required to foster responsible business conduct in global supply chains, thereby promoting the positive and proactive role that enterprises can play.

#### I. A Multilateral Dialogue and Coordination for the Reduction of Inequalities

6.

We call for regular dialogue and coordination among relevant international organizations, notably the ILO and OECD, to **further integrate international labour standards** and allow them to better coordinate their actions, in line with their organizational mandates and the guidelines set out by their decision-making bodies for the promotion of decent work and the reduction of inequalities.

# In this regard, we welcome **the organization of a high-level thematic discussion on "multilateralism for an equitable future of work" during the ILO Centenary** at the International Labour Conference of 10 to 21 June 2019, with a view to identifying opportunities to jointly address the most pressing global challenges. This discussion could help advance a common understanding to seek solutions and explore concrete measures to support joint action to reduce inequalities.

We encourage all relevant international organizations, notably the ILO and OECD, to pursue their efforts and meet on a regular basis with a view to assessing and reporting on progress made towards policy coherence in the three following key areas of action.

#### **1.** Promoting the social sustainability of international financial programmes

Efforts have been made to **better coordinate the actions** of relevant international organizations, notably the ILO and OECD. While noting the distinct nature of each of these organizations' mandates, there are opportunities to improve coordination of their activities and cooperation, and therefore improve their efficiency and the effectiveness of their action in the field.





On the eve of the ILO Centenary, and just after marking the 70<sup>th</sup> anniversary of the Universal Declaration of Human Rights, we call upon these international organizations to **work together**, within their respective mandates, to foster a viable economic order and the social sustainability of international financial programmes.

## 11.

We acknowledge the importance of the recent adoption by the IMF of a strategic framework on social spending which will better set out the conditions for the IMF's commitment to social protection spending in its financial and structural adjustment agendas and facilitate its engagement alongside relevant international organizations including the ILO, the OECD and the World Bank.

### 12.

In this regard, we call for **regular high-level discussions** on the employment and social implications of international financial programmes. These discussions could explore opportunities for collaboration between relevant international organizations, notably the ILO and OECD, particularly in the area of social protection, through joint research programmes and joint technical assistance to countries. They could draw, where appropriate, on the **Social Protection Inter-Agency Cooperation Board (SPIAC-B)**.

## 13.

This collaboration should aim to promote fundamental principles and rights at work and nondegradation of social protection systems, particularly social protection floors, in the context of structural adjustment programmes, including through enhanced cooperation on the basis of the ILO Recommendation No. 202 and the creation of joint field projects.

#### 2. Promoting international labour standards in a global and open economy

## 14.

**Bilateral and regional trade agreements containing labour provisions** have multiplied over the last 20 years. Many such trade agreements include references to international standards. Exchanges of best practices between G7 members highlight the important role that **international labour standards**, such as the 1998 Declaration on Fundamental Principles and Rights at Work, can play in such trade agreements for greater policy coherence.

## 15.

Through enhanced collaboration and dialogue and by relying on the work carried out by the UN, the OECD, the ILO and other relevant organizations, we encourage **continued exchanges**, underlining the potential complementarity of the different approaches and references to international labour standards, as well as ways to involve **social partners**. In particular, we underline growing references to tools relevant to **Responsible Business Conduct** in bilateral and regional trade agreements.

## This collaboration should aim to foster respect for fundamental principles and rights at work and contribute to establishing **a level playing field** by highlighting the ties between trade, development and labour standards.

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16.

In this regard, we call for continued coordinated dialogue between relevant international organizations on labour standards. This dialogue could allow the identification of potential areas of **joint research**, offer an **exchange of good practices** between countries and facilitate the provision of **technical assistance** built on existing practices. We recall, in this regard, the expertise of the ILO on the implementation of labour standards.



#### 3. Promoting a sustainable and inclusive future of work

## 18.

The world of work is undergoing **major changes**, bringing a broad variety of opportunities which can contribute positively to the public good in many areas but can also generate risks, such as increased inequalities. We note that **a broad range of actors** (including international organizations, social partners, academic institutions, think tanks and private companies) are working on **various initiatives and projects** related to the future of work. We particularly welcome the publication of the OECD Employment Outlook 2019 – "The Future of Work" – and the report of the ILO Global Commission on the Future of Work – "Work for a Brighter Future" –, which sets the stage for a far-reaching Centenary Declaration on the future of work in June 2019.

In this regard, we call for regular dialogue and coordination in order to provide an opportunity for relevant international organizations and other actors from the private and public sectors to share perspectives and, where appropriate, decide to take joint actions to promote **a human-centered approach to the future of work**.

## 20.

This collaboration should aim to supplement and inspire the work done at the ILO and other international organizations on the future of work. In particular, they could jointly develop ways to empower individuals through access to social protection and skills development, to foster gender equality, and to promote decent work in the digital economy, as well as ensuring a just transition.

#### II. G7 Social's Commitments to Promote Responsible Business Conduct in Global Supply Chains

21.

Persistent decent work deficits, including failure to respect fundamental principles and rights at work, and the challenges and opportunities brought by work and employment transformations, require the mobilization of all actors, including governments, international organizations, social partners, civil society and businesses. The G7 has been at the forefront of promoting responsible business conduct (RBC) and human rights due diligence in global supply chains to address the downsides of globalization and enhance the positive contribution of businesses to sustainable development.

We acknowledge that **G7** governments have a crucial role to play in engaging all actors to work towards achieving sustainability, inclusiveness and decent work in global supply chains. This involves taking action to strengthen the implementation of RBC building on the ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (MNE Declaration), the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the UN Guiding Principles on Business and Human Rights.

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## 23.

**Governments should also consider RBC practices in their role as economic actors** through public procurement, export credits and international cooperation financing and, where applicable, as owners of enterprises.

## 24.

We commit to stepping up our efforts to strengthen mechanisms providing access to remedies, including the National Contact Points (NCPs) for RBC established under the OECD Guidelines. We will ensure that our own NCPs enjoy the support and visibility needed within our governments to operate effectively and assess, where appropriate, the amount of financial and human resources available to them. We also welcome the new OECD Action Plan to strengthen NCPs (2019-2021) and call upon adhering governments that have not yet volunteered for a peer review of their NCP to do so.

We fully support existing initiatives in global supply chains, such as **Alliance 8.7** on the elimination of child labour, forced labour and modern slavery, **the Inter-Agency Coordination Group against Trafficking in Persons (ICAT), and the Vision Zero Fund (VZF) initiative** established under the German G7 Presidency to prevent work related deaths, injuries and diseases in global supply chains. We also recall the related commitments made by G7 Security Ministers in Toronto last year.

## 26.

We will promote as appropriate the key contribution of **cross-border social dialogue and transnational company agreements** to foster decent work in global supply chains. We recognize the important role that **the ILO** can play in this regard.

## 27.

We call upon **businesses operating in and from G7 territories to identify, address and mitigate any adverse effects on people, the environment and society of their operations, products and services.** For this purpose, we commit to promoting the MNE Declaration, the OECD Guidelines, including the OECD Due Diligence Guidance for Responsible Business Conduct, and the UN Guiding Principles on Business and Human Rights. We will support their implementation, through measures which may include incentives, enabling policies or regulation. A specific focus should be placed on **high-risk sectors**, and particular consideration should be given to multi-stakeholder dialogue, sectoral initiatives and the specific needs of **small and medium-sized enterprises**.

#### B. G<sub>7</sub> SOCIAL'S COMMITMENTS IN FAVOUR OF UNIVERSAL ACCESS TO SOCIAL PROTECTION IN A CHANGING WORLD OF WORK

1.

**Social protection is essential** to reduce labour market insecurity, promote inclusive growth and reduce inequalities. It is instrumental in shaping the future of work.

## Yet, despite significant progress in the extension of social protection in many parts of the world, 55% of the global population – as many as 4 billion people, most of them working in the informal economy – remains uncovered by any form of social protection.

In the face of ongoing transformations, we need adaptive and **responsive social protection systems** that help individuals navigate the changing world of work. This would enhance human capabilities and development as well as the sustainability of enterprises by bolstering both productivity and investment in productive assets. For societies and economies as a whole, social protection serves as a stabilizer that increases **resilience to crises**.

Ongoing transformations in the world of work require **inclusive social protection systems**, founded on the principles set out in ILO Social Protection Floors Recommendation No. 202, including the **principles of universality and solidarity**. Such systems should provide **adequate access and support to meet people's needs over their life cycles**, including by extending social protection to all regardless of the type of employment and work arrangements, in accordance with nationally defined social protection schemes.

These social protection systems should be implemented through **sustainable and equitable financing**, **using a blend of contributions and taxes**, beginning with the establishment of nationally defined social protection floors and seeking to gradually increase benefit levels. They should be designed in each country with **the participation of citizens and social partners**.

#### I. G7 members

We commit to pursuing our efforts to **enhance adaptive, responsive, inclusive and sustainable social protection systems for all**, including social protection floors in our countries.

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### **7**•

In this regard, we underline the importance of identifying **innovative approaches** for ensuring social protection for all through **exchanges of best practices**, with a focus on fostering the broadest possible coverage and portability of rights and entitlements. We will share our reforms and innovative practices and approaches through **the G7 Future of Work Forum** that was created under the Italian G7 Presidency and launched under the Canadian G7 Presidency and is hosted by the OECD.

#### We believe that the policy directions on social protection proposed in **the ILO Global Commission on the Future of Work report and the OECD Employment Outlook 2019** open up promising policy options for tackling challenges in the future of work and gaps in income support.

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#### II. Worldwide

## **9**.

Social protection should prevent and **reduce poverty, vulnerability and social exclusion**, while providing income security over the life cycle. We therefore support the implementation of nationally appropriate social protection schemes and programmes that provide **universal access to social protection**.

#### 10.

Based on the principles of non-discrimination, gender equality, equity, sensitivity to special needs and social and economic inclusion, these programmes and schemes should provide substantial and adequate coverage of broad categories of the global population by 2030.

#### Mindful of the key issues associated with social protection within globalized and interconnected economies, we recognize the importance of **international initiatives aimed at advancing policy coherence**, **coordination and knowledge-sharing**, such as the Social Protection Inter-Agency Cooperation Board (SPIAC-B) co-chaired by the World Bank Group and the ILO.

We also highlight the Call to Action launched in Geneva on 5 February 2019 by **the Global Partnership for Universal Social Protection (USP2030)**, which is coordinated by the ILO and the World Bank and driven by several countries.

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## 13.

We encourage all stakeholders, including social partners and multinational enterprises, to pursue their efforts to use available mechanisms, such as transnational company agreements, in particular those that help provide all employees worldwide with additional social protection schemes, supplementing or strengthening the national social protection floors and schemes.

### C. G<sub>7</sub> SOCIAL'S COMMITMENTS TO EMPOWER INDIVIDUALS FOR THE FUTURE OF WORK

1.

Whether brought about by globalization, by technological, demographic or environmental transformations, or by evolving business models and workers' preferences, changes in the world of work are reshaping the labour market, creating **job opportunities** and enhancing **productivity**. In this respect, new technologies including automation and artificial intelligence, in addition to the emergence of digital platforms, may provide new sources of income and access to the labour market to many individuals in the world, as well as offering greater flexibility for many firms and workers.

However, such phenomena also contribute to **labour market transformations and displacement**, and may put downward pressure on working and employment conditions, thereby undermining the quality of the jobs created. **The low-skilled, as well as some other groups of workers, including in the emerging platform and "click" economy**, may be disproportionately at risk of experiencing poor working conditions, uncertain opportunities for advancement, limited access to social protection and training opportunities, and a lack of adequate representation and social dialogue.

#### 3.

To shape the future of work, we underline the importance of **harnessing the potential of current changes to create high quality jobs for all**. We will act collectively and individually to provide a humancentered response, with a view to protecting, empowering and giving a voice to workers in the digital economy.

We further support **a human-centered approach to artificial intelligence**, taking into account jobs, sectors and professions undergoing transformation or replacement as a result of using artificial intelligence, as well as the most vulnerable groups and regions affected. In this context, we welcome the OECD Council Recommendation on Artificial Intelligence that put forward key policy principles on how to promote this human-centered approach.

#### I. Promoting Decent Work in the Platform Economy

5.

We underline the need to adapt labour market support and institutions to provide decent working conditions for all platform workers. Ensuring the clarity of status and individual rights is, in this respect, a key first step to providing enhanced access to labour and social protections, lifelong learning and collective bargaining. If needed, we will also review where rights and protections may be extended to vulnerable workers and self-employed who are not or insufficiently covered, and clarify responsibilities of the different actors in the complex relationships in the platform economy.

## As new forms of work in the platform economy across international jurisdictions may challenge the effective application of labour laws, we stress **the need to explore common and appropriate responses** to such challenges in order to provide those who are engaged in this work with adequate coverage.

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Given the specific cross-border nature of the platform economy, but also the variety of solutions in national contexts in this domain, we encourage the sharing of national experiences and exploring of possible international responses consistent with fundamental principles and rights at work. We stress the importance of decent working conditions for platform workers. In this respect, we believe that the vulnerability of platform workers is a key factor to take into consideration in order to ensure decent working conditions. We also suggest that statistical research on the platform economy should be an area of continued attention. In this regard, we welcome the work by the ILO and the OECD to identify decent work gaps in the platform economy, including the e-networking and "click" economy, and to recommend possible policy responses.

## 8.

We further welcome **the development of innovative tools such as voluntary codes of conduct that could serve as incentives for firms in the platform economy to promote decent work**. This would constitute first steps towards coordinated responses to decent work gaps in new forms of work.

### 9.

To reduce inequalities while promoting legal security for both global employers and workers in new forms of work, we acknowledge that **innovative social dialogue mechanisms** could enhance the representation of workers and employers and address changing business models.

#### **II. Investing in Digital Skills and Qualifications**

#### 10.

In the face of accelerated change and employment transitions in the digital economy, we share the ambition of **investing in lifelong learning to foster human capabilities and adapt to new and evolving job requirements**. Effective skills policies are essential to ensure equal opportunities for all. Our priority in this context is to provide access for **the most vulnerable groups**, **especially low-skilled workers and those impacted by automation**, to digital literacy qualifications, numeracy and soft skills.

#### 11.

To fulfil these commitments, as compiled in the G7 Responses to Tackle the Digital Skills Gap, G7 members have undertaken unprecedented investment in workers' reskilling and upskilling and efforts to equip workers with the tools needed to successfully navigate a rapidly-changing technological landscape:

- **by empowering young people** through skills development and adapted education systems and apprenticeship programmes;
- **by ensuring access to reskilling, upskilling and lifelong learning** for those already in employment through improved continuous education and training systems, for example by creating new opportunities for individuals to access training regardless of their employment status;
- by developing and evaluating training and retraining programs for vulnerable groups, especially low-skilled workers and those impacted by automation, including as part of labour market activation policies.

## 12.

Mindful that **a comprehensive strategy** is needed to anticipate and provide the required skills, we will work on developing and implementing the mapping of future needs, and the use of that information by all stakeholders in guiding investments in skills.

To pursue our efforts, the G<sub>7</sub> Employment Task Force will continue to **foster understanding of the prospects offered by digitalization, automation, robotics and artificial intelligence.** 

## D. G7 SOCIAL'S COMMITMENTS TO ENSURE GENDER EQUALITY IN THE WORLD OF WORK

#### 1.

Gender equality is fundamental to the full and equal enjoyment of all human rights. It is also a necessary foundation for a peaceful, prosperous and sustainable world. While the world has achieved progress towards gender equality and the empowerment of women and girls in recent years, they continue to experience discrimination, violence and harassment in the world of work, as well as persistent gender gaps in employment, participation and pay.

#### 2.

**Equal pay and work-life balance remain among the greatest challenges** in G7 economies. According to the ILO, in G7 countries, the proportion of unpaid care work performed by women still ranges between 60% and 77%. The gender hourly pay gap ranges between 8% and 23%. Despite legal and institutional measures to prohibit discrimination and promote equal treatment and opportunity, **effective progress remains too slow.** 

Achieving gender equality requires a collaborative and transformative agenda through a systemic approach involving all stakeholders. To put principle into practice, we must all join forces: governments, social partners, civil society and international organizations. In this regard, we note the valuable contribution of the G7 Gender Equality Advisory Council, particularly on matters related to the world of work.

## 4.

We, G7 members, are at the forefront of the fight for gender equality and have taken innovative and ambitious measures to promote gender equality in the labour market. We must share our good practices to inspire ongoing efforts and promote further action within G7 members and beyond.

### 5.

We commit to strengthening our efforts to **enhance the effective implementation of legislative and policy measures** to promote gender equality in the world of work, particularly by pursuing our exchange of best practices on ways to effectively close the gender gaps in employment, participation and pay.

## 6.

With a view to inspiring ongoing efforts and further action, the **G7 Responses to Ensure Effective Gender Equality include comprehensive and cross-cutting policies** and measures to:

- identify barriers women face in the labour market, remove these obstacles and combat gender segregation in the labour market;
- invest in skills and apprenticeship programmes to increase women's employability;
- increase women's access to highly paid and good-quality jobs, including through incentives for orienting girls towards science, technology, engineering, and mathematics (STEM) education and jobs;
- **fight gender stereotypes**, enhancing women's entrepreneurship and encouraging better sharing of household and care responsibilities between men and women;
- address the gender gaps in employment, participation and pay through policies to promote a better work-life balance through the availability of quality public childcare services, as well as paid paternity leave and family-friendly working arrangements;
- close the gender pay gap for women returning to work after maternity or parental leave;
- encourage specific measures to enhance social dialogue for more gender-equal workplaces;
- foster enterprises' wage transparency and gender equality self-assessments to identify the factors explaining possible gender pay gaps, and possible actions to reduce them;
- strengthen access to women's representation on corporate boards and in decision-making positions in both public and private sectors ;
- implement systematic evaluation of gender gaps in companies, and where appropriate, with incentives and sanctions to close these gaps.

### **7**.

We underline **the crucial role played by the social partners** in promoting gender equality in the world of work, as well as **the instrumental role of the business community** in putting principle into practice.

## In this regard, we welcome **the development of self-assessment and business-driven tools** designed to help companies worldwide to assess gender equality performance across the workplace, such as the Women's Empowerment Gender Gap Analysis Tool promoted by the UN Global Compact, UN Women, and the Inter-American Development Bank (IDB) Invest and IDB Lab.

8.

#### 9.

We acknowledge that to **foster businesses' promotion of equal opportunity**, it is important to **combine self-assessment and compliance tools with an adequate mix of incentives and enforcement measures.** We also stress the importance of creating market incentives for all companies to excel in gender equality by enabling investors, customers and suppliers to make informed decisions through a gender lens.

#### 10.

We recognize that policies should be designed to take into account the specific needs of small and medium-sized companies.

Moreover, to further our efforts towards gender equality in the world of work, **coordination is key**. We welcome innovative methodologies to better measure the gender pay gap, such as the one developed by the ILO to eliminate distortions due to the differences in gender representation across the wage scale.

We note that further to the publication of **the UN Women's Empowerment Principles** and the World Bank's **Women, Business and the Law** report, a number of global standards on gender equality, including legislation, have emerged. We welcome the important work by the OECD to identify a common set of key indicators on the gender balance and equal pay for equal work or work of equal value.

## 13.

We will pursue our efforts to promote gender equality in line with the OECD Council Recommendation on Gender Equality in Education, Employment and Entrepreneurship and Public Life.

## 14.

We also welcome inter-agency initiatives such as the **Equal Pay International Coalition (EPIC)** led by the ILO, UN Women and the OECD and driven by governments, employers' and workers' organizations and companies committed to reducing the gender pay gap and making equal pay for equal work or work of equal value a reality across all countries and sectors.

Finally, we reiterate the fundamental importance of **eliminating violence and harassment in the world of work,** including gender-based violence and harassment. We commit to developing and promoting policies that prevent violence and harassment, responding effectively to violence and harassment, and supporting those affected.

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## 16.

We therefore welcome **the discussion of new international instruments** at the 108<sup>th</sup> session of the International Labour Conference on the occasion of the ILO Centenary (June 2019) to end violence and harassment in the world of work.

#### <u>Canada</u>

M. Graham Flack, Deputy Minister, Employment and Social Development

#### European Union

Ms Marianne Thyssen, Commissioner for Employment, Social Affairs and Labour Mobility

<u>France</u> Mrs Muriel Pénicaud, Minister of Labour

<u>Germany</u> Mr Hubertus Heil, Federal Minister of Labour and Social Affairs

#### **Italy**

Mr Claudio Cominardi, Undersecretary of State for Labour and Social Affairs

<u>Japan</u>

Mr Akira Miyakawa, Vice-Minister for Policy Coordination, Ministry of Health, Labour and Welfare

<u>United Kingdom</u> Baroness Buscombe, Minister for Work and Pensions in the House of Lords

> <u>United States</u> Mr Alexander Acosta, Secretary of Labour



