



## **Employment Working Group**

### **Issue Note**



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## Priority themes and proposed agenda

During the 1980s and 1990s, as the process of economic globalization deepened, the need to increase international competitiveness often led companies and even countries to believe that the mere reduction of labor costs could be a comparative advantage. This short-term view has led to a spiral of insecurity in the world of employment and widened the inequality gap within countries and on a global scale.

The concern to seek comprehensive answers to these imbalances was among the founding factors of the G20. Over the past few years, the G20 and its Employment Working Group (EWG) have contributed to promoting a vision of public policies necessary to correct these inequalities, as can be seen in the Labor and Employment Ministerial Declarations of Melbourne (2014), Ankara (2015) and Mendoza (2018), among others.

There is a widespread perception that wealthier and fairer nations are precisely those where wages represent a larger share of their gross domestic products (GDP). The experience of these countries validates the perception that the generation of formal quality jobs and the promotion of decent work have the potential not only to generate consumption capacity, in a processes that feeds itself back (the so-called “virtuous cycle”), but also to increase the contribution base of social security and tax collection systems, thus increasing the ability of governments to implement better public policies.

Executing effective public policies to eradicate poverty, in a context of growing global inequality, is arguably the most significant challenge governments around the world are facing (Oxfam). Development policies and economic growth must be truly inclusive if we are to honor our commitment to leave no one behind. Specific policies should address both those historically excluded (women, youth, blacks, people with disabilities, indigenous peoples, the LGBTQIA+ community, people with health problems, including mental health, migrant workers, refugees, workers in the informal economy and undocumented workers, among other groups), as well as those at risk of exclusion as a result of ongoing transformations in the world of employment, whether due to digital transformation or energy transitions (workers in traditional industries, workers in the fossil fuel production chain, etc.).



The generation of formal jobs and the promotion of decent work are the most powerful social tools for inclusion and wealth distribution. Governments should build and support active inclusion policies, with the aim of inducing economic growth on a distributive and sustainable basis, increasing purchasing power and the share of labor income in national wealth. Such policies should also be guided by the imperative of a just transition, through sustainable industrial development and measures aimed at the formalization of jobs, employment regulation carried out through digital platforms, the increase in the minimum wage and the promotion of social dialogue and collective bargaining.

### **The role of the G20 Employment Working Group**

G20 countries play a significant role in the world of employment due to their economic influence and global prominence. These countries, consisting of developed and emerging economies, face challenges and share common interests in this field.

The recognition of this communion regarding challenges and interests corresponds to the need for G20 countries to contribute, in a coordinated manner, to the promotion of labor relations guided by principles of social justice, in line with commitments already established in previous Labor and Employment Ministerial Declarations (LEM), and as a result of discussions and studies promoted by the Employment Working Group (EWG).

This task involves ensuring fair wages, decent working conditions and equal opportunities for all workers, regardless of race, gender, ethnicity, nationality, sexual orientation or any other socioeconomic condition.

A similar purpose is at the heart of an initiative that should be launched by the ILO in 2024, called the Global Coalition for Social Justice, which may contribute to raising the value granted to social justice as a guiding principle of international governance.

By focusing on social inclusion policies and targeted support for vulnerable groups and people, G20 countries will be able to ensure that everyone has access to decent work and can enjoy their fundamental rights.



The G20 can also play a crucial role in upholding global labor standards and promoting responsible business practices. Its members can use their collective influence to encourage compliance with international labor conventions, such as those dedicated to combating forced labor, child labor and other forms of exploitation. G20 members can also promote corporate social responsibility in value chains affected by these practices. By setting a positive example and encouraging other countries and groups to do the same, the G20 can contribute to raising labor standards and protecting workers' rights globally.

### **Current challenges in the world of employment**

According to a renowned Brazilian researcher, we are not living in an era of change, but rather a change of era. Although the world has faced several disruptions and changes before, what differentiates our historical moment is the speed in which these have been occurring. Changes that before would have taken years and even generations, are now developing very quickly. This applies to technological and scientific developments, shifts imposed by climate change and other crises on a global scale, which affect everyone, with an even heavier impact on poor and more vulnerable segments of the population.

Several challenges are happening simultaneously, globally, with far-reaching implications for individuals, communities and economies. Not long ago, the WHO declared an end to the public emergency brought on by the COVID-19 pandemic, which created unprecedented – and still unresolved – challenges that destabilized global supply chains, triggered an overwhelming loss of jobs, and forced many businesses to permanently close. The crisis also accentuated pre-existing inequalities, disproportionately affecting marginalized groups and low-income workers, with particular emphasis on black people, women, youth, indigenous and tribal peoples.

Another challenge faced by the G20 countries is how to address the impact of climate change on the world of employment. The transition to a sustainable and low-carbon economy requires investments in public policies aimed at the use and diffusion of sustainable technologies, as well as renewable energy sources, in addition to the creation of green jobs. Balancing environmental sustainability with job creation and ensuring a just transition for workers from still carbon-intensive industries are critical aspects of the G20 agenda.



According to recent ILO reports, the transition to neutral and circular economies has the potential to generate approximately 100 million additional jobs by 2030. However, it is estimated that around 80 million jobs could be lost during this transformation. Countries must be prepared to improve and reskill workers for new jobs and to accommodate those who will be affected by energy and digital transformations to their labor and social security policies, without reproducing or exacerbating pre-existing inequalities.

Technology has always had and will always have a significant impact on the employment world. The spread of digital platforms and the “gig economy” is a prominent symptom of this impact. G20 members understand the importance of acting to regulate this sector, so much so that the topic has been discussed repeatedly since the presidency of Argentina in 2018.

While platforms provide workers with apparent flexibility and the ability to choose when and where to work, opening up new opportunities and expanding access to alternative sources of income, there are concerns about workers' rights and protections, often lacking in social and labor protection, and facing uncertainties about the classification of the relationships they maintain with these platforms.

While technological progress can potentially increase productivity, there are also concerns about job loss and the need for reskilling. For G20 countries, striking a balance between flexibility and safeguards for workers, while preparing for the impact of emerging technologies, is essential to create a world where the future of work is fair and inclusive for all.

G20 members recognize the importance of responding to these challenges and during India's presidency in 2023 the EWG discussed and produced material on worker qualification and social protection. For 2024, Brazil's presidency is willing to work further on these priorities and propose concrete deliverables.

### **Priorities and deliverables set for the EWG during the Brazilian presidency**

In view of the challenges outlined above, the Brazilian presidency wishes to set the following priorities to the G20 EWG:



1. The creation of quality jobs and the promotion of decent work, as a way to ensure social inclusion and eliminate poverty;
2. The imperative of a just transition in the face of digital and energy transformations;
3. The use of technologies as a means of improving everyone's quality of life;
4. Gender equity and the promotion of diversity in the world of employment.

Likewise, the Brazilian presidency will act to promote the following deliverables:

1. The constitution, under the ILO, of a repository of public policies that promote social inclusion aimed at the world of employment;
2. Support for the constitution and implementation, by the G20, of actions that may be included in the scope of the ILO Global Coalition for Social Justice;
3. The promotion of the accession, by the G20 countries, to the Equal Pay International Coalition by ILO, UN-Women and OECD.
4. Restoring the Labour Income Share and Inequalities Subgroup to provide recommendations to the EWG on how the G20 can tackle inequalities, taking into account the decreasing share of labor income and its impacts on employment, macroeconomic performance and living standards.

These deliverables will be detailed in specific documentation, which will serve as input for discussions and contributions that may be offered by the delegations of the countries participating in EWG-G20 meetings, throughout 2024.

### **1. Creating quality employment and promoting decent labor to ensure social inclusion and to eliminate poverty**

In general terms, quality jobs can be defined as those that provide fair wages, good working conditions, social protection and opportunities for personal and professional growth. Quality employment also addresses “labor poverty” around the world, as many employed people live in households that are below a poverty threshold.

While poverty in the developed world is often associated with unemployment, the extreme poverty that exists in much of the developing world is largely a problem faced by people who are employed or work precariously in these societies. In this context, the importance of an

economic development model with strategies that not only generate employment opportunities, but also guarantee the rights and dignity of workers is evident. By focusing on the quality and not just the quantity of jobs created, societies can more effectively address the double challenge of poverty and social exclusion.

ILO's Decent Work Agenda provides a comprehensive framework for countries to promote social inclusion and poverty reduction through the promotion of productive employment, labor rights, social protection and social dialogue. As members of the ILO and signatories of the main commitments that form part of the organization's normative framework, G20 countries understand the fundamental role of creating quality jobs and of promoting decent work in achieving social inclusion and combating poverty (including "labor poverty"), through sustainable and equitable economic development. Such efforts encompass the eradication of modern slavery, forced labor, human trafficking, and all forms of child labor.

Effective social dialogue between governments, employers and workers is a cornerstone of promoting decent work and social inclusion. ILO supports tripartite cooperation as a means of establishing fair and inclusive labor policies. This dialogue helps to design policies that respond to the specific needs of different groups, ensuring that the benefits of economic development are distributed equitably.

### **1.1. Decent work: the role of social dialogue and collective bargaining**

Social dialogue and collective bargaining, together with full respect for freedom of association, play a key role in promoting the Decent Work Agenda, as underlined by the ILO. These instruments provide a platform for collaboration between employers, workers and governments, to address work-related challenges, promote fair working conditions and ensure the well-being of all stakeholders.

ILO's most recent publication on wages and collective bargaining (ILO, 2023) or "Review of Wage Setting through Collective Bargaining" analyzed 109 collective agreements, mostly between 2017 and 2022. The analysis was based on studies of 14 countries (six highly industrialized economies and eight emerging economies). According to the publication, collective bargaining contributes to the expansion of knowledge about the wage-related





components of collective bargaining in selected countries, as well as the dynamics of the wage bargaining process itself.

It becomes clear then that social dialogue promotes a sense of ownership and inclusion in decision-making processes, allowing the formulation of policies that respond to the needs and aspirations of workers.

Collective bargaining, a fundamental right, allows workers and their representatives to negotiate employment terms and conditions, contributing to the equitable distribution of resources and the reduction of disparities in the workplace.

As tools that promote open communication, understanding and consensus-building, social dialogue and collective bargaining uphold the principles of social justice and help create an environment where the interests of workers, employers and society are balanced, thereby increasing productivity while reducing inequalities.

## **1.2. Social Security and the Decent Work Agenda**

Social Security plays a key role in advancing the Decent Work Agenda, as emphasized by ILO and the International Social Security Association (ISSA). Decent work encompasses a range of principles, including fair wages, job security, social protection, and the promotion of social dialogue. Social security systems make a significant contribution to achieving these goals by providing a safety net for workers, promoting their well-being and a more inclusive and equitable society, as widely discussed during the presidencies of India, Indonesia and Italy.

It is well established that Social Security guarantees adequate income to workers and their families via benefits in the event of unemployment, disability and retirement. It also protects individuals from the effects of diminishing economic cycles and other uncertainties, preventing them from falling into poverty.

In addition, Social Security provides a safety net that allows workers to transition between jobs and industries, which is important given the pace of changes in labor markets caused by technological advances that change the nature of the work.

Another vital aspect of social security systems is that they uphold workers' dignity and rights by providing access to essential health services, maternity benefits, and protection from workplace accidents and illness. This fosters a sense of inclusion and respect within the workforce, fostering an environment where workers can participate in decision-making processes and engage in collective bargaining without fear of losing their livelihoods due to health-related challenges or other unforeseen circumstances. Maintaining a minimum income level is critical, especially in the face of cyclical adversity, as demonstrated during the COVID-19 pandemic, because by maintaining a minimum level of consumption, economies can continue to operate.

## **2. The imperative of a just transition in the face of digital and energy transformations**

In the contemporary scenario of rapid digitization and change to cleaner and more sustainable energy sources, the concept of a just transition has gained importance, according to recent reports by the International Labor Organization (ILO). A just transition refers to a comprehensive and equitable process of addressing the social, economic and environmental challenges of these transformations, ensuring that no one is left behind, while pursuing the sustainable development goals.

It should also be noted that this transition is, indeed, imperative. Climate crises will affect the lives of workers one way or another. Many farmers and fishermen in Brazil today have lost their livelihoods due to lack of rainfall. Due to excess rain in other regions, others have lost their homes. Still in Latin America, Argentina's recent drought deepened the economic crisis.

On the African continent, where the agricultural sector accounts for more than 35% of the gross domestic product (GDP) and supports the livelihoods of over 50% of the continent's population (ISSA, 2023), adverse weather conditions can mean a significant increase in food insecurity.

More recently, these reports underscore that the imperatives of a just transition lie at the intersection of environmental sustainability, decent work and social inclusion. The digital revolution and the transition to renewable energy sources hold immense potential to increase productivity, mitigate climate change and improve living standards in general. However, they



can also cause disruptions such as job losses, changes in labor demand and potential disruptions in more traditional sectors of the labor market.

One of the central aspects of a just transition is to ensure that workers and communities dependent on carbon-intensive industries are not adversely affected. The shift to renewable energy sources and green technologies could lead to the phasing out of fossil fuel-based jobs. ILO therefore stresses the importance of facilitating reskilling and up-skilling programs for workers, enabling them to transition to new sustainable employment opportunities.

The governments of G20 countries could focus their efforts and policies on sectors with decent job creation potential (such as the green, blue, digital, orange and care economies), adopting a perspective that encompasses the entirety of the working life with regard to possible labor market transitions.

The world is experiencing a climate emergency, with increasingly severe and frequent extreme weather events. Therefore, measures should be taken to try to combat global warming, in line with the goals of COP 21 (“Paris Agreement”).

The concept of a just transition is intrinsically linked to social inclusion. Economic and environmental change often disproportionately affects vulnerable groups, such as low-skilled workers, women, and marginalized communities. By providing targeted support, including access to education, training and social protection, a just transition ensures that these groups can benefit from new opportunities and actively participate in emerging sectors of the economy.

Moreover, there is no one-size-fits-all approach. National circumstances, economic structures and labor market dynamics vary widely. Therefore, strategies must be adapted to the context of each country, considering its challenges and opportunities.

### **3. Technologies as a means to improve the quality of life for all**

Technologies have immense potential to improve everyone's quality of life. They can drive efficiency, productivity, and innovation across industries. Investment in technological infrastructure could – and was expected to – facilitate access to services and promote digital



literacy in order to expand access to employment and income opportunities. However, we still perceive an unfair distribution of this precious resource, which could be used to reduce inequalities and promote fairer and more sustainable development.

Experts and international organizations have already established that technology can catalyze job creation through various mechanisms. Automation and digitalization can lead to the creation of entirely new industries, due to the need for a skilled workforce to design, develop and maintain these technologies. In addition, technology-driven innovations can lead to productivity gains in pre-existing industries, resulting in increased demand for skilled labor. For example, the growth of the digital economy has led to the emergence of new jobs, such as data analysts, software developers, and digital marketing professionals.

Still, technology is a double-edged sword for the world of employment, as it can both empower and harm workers, depending on its implementation. Technological advances have revolutionized industries, enabling more efficient processes and remote work opportunities, but have also been used as tools for overloading and surveillance. It is not uncommon to use digital monitoring systems to closely monitor employee activities, blurring the line between work and personal life and undermining privacy.

In addition, algorithms and automated systems often reinforce discriminatory practices, perpetuating bias in hiring and promotions. Furthermore, the technology-enabled gig or platform economy often deprives workers of job security and fair pay. Thus, while technology can potentially improve the work experience, it also poses a formidable challenge to safeguarding workers' rights and well-being in the digital age.

G20 countries have significant knowledge, influence and resources, which makes them essential actors in defining the normative landscape applied to the use of technologies and their effects on the world of employment. These nations could collaborate to establish comprehensive laws and regulations to protect workers in an increasingly digitized world.

Moreover, G20 economies could work together to establish ethical guidelines on the use of artificial intelligence and automation in the workplace, focusing on preventing discrimination and ensuring the transparency of algorithms. By pooling their knowledge and resources, these

nations could create a robust and harmonized regulatory framework that safeguards workers' rights while promoting technological innovation.

#### **4. Gender equity and promoting diversity in the world of employment**

Gender equity and the promotion of diversity in the world of employment are critical imperatives for promoting inclusive and sustainable economic growth, as documented by dedicated international organizations and academic research (name a few).

As a group, the G20-EWG has worked on documents and initiatives that reinforce the importance of gender equity in eradicating disparities between men and women in the workforce. As acknowledged by the latest statements of G20 Labor Ministers, it is necessary to eliminate these disparities and ensure equal opportunities for all, regardless of gender, as addressing inequalities in the labor market is a crucial step towards social inclusion. One example is the establishment of the Brisbane Targets, which aim to reduce gender gaps in workforce participation by 25% by 2025.

Despite the latest efforts and measures, gender inequality remains a significant challenge for many countries in the group, as it does globally, with women often facing wage disparities, limited access to quality jobs, and occupational segregation.

According to the most recent report on the Brisbane target (ILO and OECD, 2023), for the G20 economies the decline in the gender gap since 2012 is close to (within half a percentage point) or higher than the decline needed to meet the Brisbane target. However, gender disparities in incomes and the incidence of low wages remain substantial in several countries in the group. These disparities tend to increase when adjusted to differences between men and women regarding employment by education level.

Also according to the report, part-time and temporary jobs, as well as underemployment, are typically prevalent among working women when compared to working men in almost all G20 countries where data is available.

In addition, women, who often face discrimination and unequal access to opportunities, are disproportionately affected by poverty, climate change and health emergencies.

Diversity, on the other hand, goes beyond gender and encompasses multiple dimensions such as race, ethnicity, age, disability, and other conditions. In this regard, recent studies have established that workplaces benefit from a diverse workforce, something that promotes creativity, the exchange of different perspectives and innovation. Embracing diversity can lead to better problem-solving and decision-making processes as individuals from diverse backgrounds bring unique insights to their organizations.

G20 countries should encourage these organizations to prioritize recruiting and retaining employees from diverse backgrounds, ensuring that their work cultures are inclusive and respectful. Organizations can tap into a broader talent pool, providing equal opportunities for development and career progression, contributing to their long-term success.

Still on inclusion and diversity, G20 governments could benefit from the experience of partner research organizations in providing technical assistance on these topics and in implementing development cooperation projects, including South-South and triangular cooperation.

#### **4.1. Social security and gender equity: the role of parental leave**

Public social security policies are crucial to addressing gender disparities, ensuring equal access to protection, benefits and opportunities for all workers. Equal paternity and parental leave is essential to promoting gender equity and work-family balance.

Recent ISSA publications highlight that gender disparities in the workforce often result from unequal caregiving responsibilities, particularly related to childbirth and raising/caring for children and family members. Traditionally, women have been disproportionately burdened with these responsibilities, leading to career interruptions, limited employment opportunities, and the perpetuation of the gender pay gap.

In these cases, the provision of paternity and parental leave could play a transformative role in overcoming anachronistic cultural norms, as well as in promoting gender equality. In addition, parental leave, which covers both maternity leave and paternity leave, has broader implications on diversity as it includes same-sex couples and all types of families.



Many experts and international organizations have pointed out that families can make more flexible decisions about the modalities of caregiving when both parents have access to paid parental leave. Here, the world's twenty largest economies could also lead in breaking down gender stereotypes around caregiving roles, encouraging parental leave and family participation in caregiving on equal bases.

### **Final considerations**

By proposing these themes and deliverables to the G20 Employment Working Group, the Brazilian presidency seeks to foster collaboration among member countries and harness the group's influence to improve the world of employment for all.

The main objective is to encourage widespread adherence to international conventions, thus ensuring the protection of workers and safeguarding existing rights, as well as those that need to be established or reinforced, such as the right to be cared for, the right to access information and technologies, and the rights related to coping with the impacts of climate change.

The proposals also underline the importance of international cooperation in the defense of labor norms. The Brazilian presidency believes that member countries can play a key role in establishing a repository of comprehensive policies. Through joint efforts, they can create a framework that promotes compliance with international conventions and improves the well-being of workers, promoting economic stability and prosperity in all nations. At the highest level, social justice is the basis for universal and lasting peace, as stated in the ILO Constitution.