



INDIA 2023

# LABOUR20 STATEMENT

Adopted in Patna, 22nd-23rd June, 2023



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# LABOUR 20 SUMMIT

21<sup>st</sup>- 23<sup>rd</sup> June 2023

## L20 STATEMENT

**ADOPTED IN THE PATNA SUMMIT (dated 23.06.2023)**

The ‘Labour20’ Summit held in Patna on June 21st-23rd, 2023, resolved a multilateral mechanism among G20 member states and other associated countries on the portability of social security benefits. The Summit noted that most countries currently allow portability under bilateral agreements between sending and recipient countries while discussing in detail the task force report on ‘International Migration: Portability of Social Security Funds’.

The inception meeting of L20 held in Amritsar on March 18th-20th, 2023, had formed 5 task forces related to burning issues in the world of work, namely: 1) Universal Social Security, 2) Women And Future of Work, 3) International Migration: Portability of Social Security Benefits, 4) Changing World of Work: New Employment Opportunities and Challenges in G20 Countries, and 5) Skill Development: Roles and Responsibilities of Stakeholders.

The task force report on ‘**International Migration: Portability of Social Security Funds**’ recommended that the data on the susceptibilities and needs of migrants should be collected and analysed to improve the efficiency of social protection systems across international borders. Disaggregation of national data pertaining to social safety schemes, considering citizenship and residency status as reliable indicators of migrant status.

This would facilitate the computation of the potential financial ramifications of transferable benefits and estimate the migrant workers’ effective or de facto social protection coverage. Private and social partnerships should be considered to implement the portability of benefits.

The Summit proposed post extensive deliberations resulting in a multilateral agreement among important migrant-receiving and migrant-sending countries guaranteeing totalisation and exportability, thereby providing social security benefits to migrant workers. However, concerns were expressed about delays due to negotiations in the manifestation of the agreements.

In a fast-moving world, the world of work is facing unforeseen and significant changes. The Summit acknowledged the critical influence and rapid changes in the labour and employment sector due to technological development, digital transformation and green transition. This also brings new employment opportunities and new avenues of livelihoods. In the current digital era, when new forms of employment opportunities are emerging, it brings mixed impacts on workers. Labour intensive sectors like plantation, fisheries and others, especially those with more concentration of women workers, should be protected from the onslaughts of indiscriminate imports and new technology.

The task force report on **‘Changing World of Work: New Employment Opportunities in G20 Countries’** proposed a roadmap to address the issues. The task force recommended that the trade unions must prioritise the issues faced by workers engaged in new forms of work. Skill development is crucial to leverage emerging opportunities and should be prioritised to enable individuals to harness emerging opportunities in this sector. Labour sector policies must be designed to promote re-entry into employment, and the legal obstacles that hinder re-entering employment should be removed. A rethinking of technological innovation with Research & Development policies for sustainable human development to reduce inequalities is required. The care economy holds significant job potential, and regulations should be in place to protect workers. Considering this, the Summit emphasised the significance of both direct and indirect care work. To ensure the well-being of workers, the state needs to encourage actions that support care activities and establish clear regulations for worker protection within the care economy.

It is alarming that there is an increase in inequality and the digital divide. The widespread use of Artificial Intelligence (AI) has been extensively discussed, highlighting its positive impacts, such as increased labour productivity, income growth, and improved living standards. However, addressing the negative consequences arising from AI’s asymmetrical effects is crucial, which can lead to socio-economic and power inequalities.

Harmonising technological innovation with sustainable and just transitions is a key aspect that needs to be thoroughly examined and integrated into policy frameworks. Technology and globalisation share an intimate relationship, with technological advancements often driving and shaping globalisation processes. The structural dynamics and powers at work create ‘good’ or decent jobs only for a limited number of high-skilled people, producing increasingly unequal societies with extremely rich people and many extremely poor people.

Technology innovation follows the logic of profit and not enough of the logic of people and workers’ well-being. There is a need to build up higher values in the world of work for

sustainable human development and justice rather than only profits. Governments play a crucial role in providing social protection and basic social services to mitigate the potential adverse effects of technological advancements and globalisation on workers. Trade unions and worker associations should actively engage with and prioritise the concerns of workers engaged in emerging forms of work, ensuring their rights and well-being are protected. State and other institutions have to control innovation and power concentration. The world of work needs decentralisation and not the centralisation of wealth to result from the changes taking place. Changes should not be left to the market control. As a social institution, the state has a major role. Jobs created should be green jobs in harmony with nature. *Let harmony be the mantra of human progress.*

Collaboration and exchange of best practices can help create a fair and equitable environment for workers in the global economy. Implementing a social security legislation that covers all workers, including gig and platform workers, is also essential, complemented by specific laws tailored to their unique needs. Establishing a tripartite board, consisting of representatives from the government, aggregator companies, and trade unions, can facilitate effective decision-making and policy formulation fostering a more balanced and inclusive work environment moving towards a human-centred perspective that respects the planet. Moreover, a levy or contribution to a social security board should be implemented at each transition, providing beneficiaries with access to specific services with inclusive availability of digital public goods that cater to their individual requirements and circumstances.

The Summit noted that women are always the worst affected in any crisis that may emerge. Gender imbalance affects the soul of national life. This was apparent during the COVID pandemic crisis. Women find it most difficult to adjust to the changing world of work. The **‘Purple Economy’** concept brings a new vision of economics that recognises the importance of care work, empowerment and autonomy of women in the functioning of the economies, the well-being of societies and the sustainability of life.

The Summit discussed the task force report on **‘Women and Future of Work’** in detail. The task force proposed to increase the participation of women in the private sector and promote their leadership roles; for this purpose, it is crucial to provide incentives and create a supportive environment. This can be achieved by implementing measures such as remote working arrangements and flexible working hours, enabling women to balance their personal and professional responsibilities effectively. Additionally, subsidised childcare facilities are essential to ensure women’s job sustainability, as it eases the burden of childcare responsibilities. Gender sensitisation programs for management will foster an inclusive and respectful work environment.

Furthermore, women can explore promising opportunities in newly emerging sectors like gig and platform work and in areas such as caregiving, pet care, and education.

Encouraging women's entrepreneurship and providing skill-building opportunities are also key factors. Offering mentors, increased funding options and other forms of support can empower women entrepreneurs. Additionally, expanding free networking platforms for working women and leveraging social media to showcase their skills and establish a strong online presence can further enhance their visibility and career prospects. Through these comprehensive initiatives, we can create a more diverse and inclusive private sector with increased representation and leadership of women. We affirm that women led development should be at the core of effort for inclusive growth and sustainable development.

The Summit identified three important issues related to the implementation of social security, viz., universalisation, financing and portability. Many a time, the policy-making process confuses the terms social security, social insurance, social assistance and social protection. Governments must move from mere social protection and social assistance towards social security and social insurance. The task force recorded that the global workforce faces significant challenges in accessing social security, with 61% of workers in the informal sector lacking such coverage. Most Governments have provisions for social assistance for their citizens and social protection for the poorer section. But mainly, the informal workers are without social insurance; they especially lack old age pensions, death/disability insurance and maternity benefits. The Summit unanimously expressed its commitment towards universalising social security during the deliberations on the task force report on '**Universal Social Security**'.

Wages and social security are two important constituents of decent work. Implementing social security up to the last person is a critical challenge in the world of work. Social security needs an integral and not compartmental approach. No worker should be left behind, no matter where he or she works. Social insurance should strive to protect all groups of workers.

All the tripartite constituents, viz., workers, employers and governments, have to endeavour unitedly to achieve the last-mile connectivity of social security benefits and policies.

There are mainly three models to finance social insurance for workers: contributory, non-contributory (mainly from general tax revenues) and combined. All the models have to be adopted to expand access to social insurance. For this purpose, it is crucial to envision the third model of financing social security that combines elements from both contributory and non-contributory systems. Social insurance should become a priority for the G20 countries. Barriers to social security include exclusion due to legal frameworks, lack of awareness among

workers and engagement in unregistered micro, small, and medium enterprises (MSMEs) due to high operational costs. Governments need to address each of these barriers through legal and policy measures. Financing of social security funds needs to be expanded by budget allocations which many governments are shying away from. Tax revenues have grown with the rising of per capita incomes over a century. Fiscal space has to be expanded by measures such as increasing contributory and tax revenues, eliminating illicit financial flows, reallocating public expenditure, allocating greater resources, managing sovereign debt, and adopting a more accommodative macroeconomic framework.

The growing influence of AI, technology and digitisation in the job sector has further marginalised workers, emphasising the need for a human-centric approach to social security. Involving society through methods like donated pensions can also enhance social security coverage.

The terms formality and informality must be redefined and tailored to specific regions and countries. Addressing low wages is crucial as it directly affects the amount of contributions and budget resources allocated to social security. Increasing wages and improving job quality through direct investments or measures to stimulate employers are essential components of reducing workers' dependence on social benefits. Identifying and eliminating loopholes in legislation, contracts, and insurance practices are necessary through a system of tripartism and social partnership.

The changing forms of work demand new skills and skill upgradation. The workers should be able to easily access training and skill development, especially for the youth and adults. The task force report on '**Skill Development: Roles and Responsibilities of Stakeholders**' strongly recommended creating a comprehensive global skills data management information system. It will enable well-informed and evidence-based policy formulation and strengthen international collaboration on different initiatives and projects across G20 countries, including monitoring skills supply and demand using existing data sets on skills and country-level generation of data. The report enumerated multiple pathways of addressing the skill gap via a partnership with multiple stakeholders such as trade unions, industry and industry associations, government, education and training providers, development partners and the natural environment. Identifying current and future skills needs (e.g., green skills, innovation and entrepreneurship skills) is important to establish enabling policies and practices to bridge the skills gap and mismatch and prepare the youth and adults for the rapid changes in the world of work.

Educational and training systems should be strengthened within the lifelong learning framework (e.g., reskilling, upskilling, adult learning, recognition of prior learning), including short-term courses leading to micro-credentials and stackable degrees.

The task force recommended that skill training curricula should incorporate digital and green skills to address the global skill gap. To ensure that skills acquired in one country are recognised in another, there is a need for a common qualification framework. This framework would ensure that skills obtained in the source country are acknowledged and valued in the destination country. Additionally, it is proposed that a global skill Management Information System (MIS) should be developed. Instead of solely focusing on workers without skill certificates, there should be a greater emphasis on Recognising Prior Learning (RPL). It also reiterated the need to create jobs in both formal and informal sectors as critical influences on required skills.

The delegates and task force members have expressed their interest and commitment to continue deliberation on the above task forces. The Summit also took note of the deliberations that have taken place in the employment working group attempting employment generation. The Summit also discussed labour-related issues that emerged in the Civil20, Women20, Youth20 and Science20 meetings. The Summit discussed the feasibility of a joint statement between Labour20 and Business20 in the presence of representatives from Business20.

The Summit was attended by trade union leaders and experts on labour from 29 countries, along with representatives from Indian trade unions and employer organisations. The deliberations instilled a new vision and hope to move collectively towards the goal of achieving one earth, one family, one future.

The Summit decided to convey the concerns expressed by the participants to the ensuing Labour and Employment Minister's Meeting (LEMM) in July and the G20 Leaders' Summit to be held in September 2023.

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