



L20

SOUTH AFRICA 2025

Fostering Solidarity, Equality and Sustainability through a New Social Contract

L20 STATEMENT TO THE G20 2025

This year marks an important turning point in the G20, after a full cycle of Presidencies comes to an end in a challenging world context. Geopolitical tensions are on the rise, giving way to irresponsible trade measures with serious consequences on people; and wars continue destroying countries and devastating the environment, while the multilateral system is constantly being eroded. Workers are under increased pressure as labour rights are continuously undermined, and vulnerability persists with strong gaps in social protection, high levels of working poverty and informality, and a fall in purchasing power as wages lag behind inflation. Increased digitalisation and the unfettered rise of artificial intelligence (AI) is challenging jobs, rights and privacy, while environmental disasters and record-breaking temperatures over the last two years are yet another strong signal for the need for urgent action to tackle climate change.

Wars, once again an instrument of politics, lead to an exponential increase in military spending, taking resources away from welfare policies and funds to fight world poverty. On the 80th anniversary of the nuclear bombings of Hiroshima and Nagasaki, we urge all G20 governments to express concerns about the risks posed by nuclear weapons, and to take urgent steps towards their universal prohibition, supporting the ratification of the Treaty on the Prohibition of Nuclear Weapons.

In today's uncertain world context, the Labour 20 (L20) insists on the importance of a New Social Contract to stabilise countries and societies, and realise social justice. The South African G20

Presidency presents an important opportunity to consolidate the progress made throughout the Brazilian Presidency and deliver on past G20 commitments on wage growth, social dialogue, collective bargaining, quality jobs and formalisation, job security, occupational health and safety, and universal social protection. This year's review of the work of the G20 should thoughtfully investigate the necessary actions to advance these commitments and propose a roadmap for implementation.

The L20 strongly welcomes the South African Presidency's focus on Solidarity, Equality and Sustainability, which are fundamental pillars of the international trade union movement, and asserts that a New Social Contract that brings jobs, rights, living wages, social protection, equality and inclusion is the most effective path to advance these priorities. South Africa's long-standing traditions of social dialogue and collective bargaining point to the key strategy to move these issues forward. The L20 further hopes that this year's G20 can deliver a strengthened multilateralism that can ease international tensions and put people, peace, common security, and the respect for international law at the centre.

Reducing inequality by strengthening decent work

High levels of employment and decent jobs that guarantee a decent living are crucial to advance more equal and just societies. To reduce poverty and inequalities the G20 must put a strong focus on net job creation and the

promotion of decent work, addressing job precarity and ensuring the respect of labour rights, reinforcing collective bargaining and social dialogue, implementing minimum living wages, with gender equality and the inclusion of youth and vulnerable groups at the centre. Ensuring gender-responsive, accessible quality public services and universal social protection must be prioritised by G20 Leaders, and concrete policies for the formalisation of the informal economy and the extension of rights to all workers need to be put forward. Rights at work must be respected for all workers, regardless of their legal status. A special focus should be placed on protecting and respecting the rights of migrant workers and asylum-seekers, rejecting attempts to divide workers based on their legal status.

Workers' around the world continue to face exploitation, precarity, unsafe working conditions and restrictions to their fundamental rights, showing an urgent need to address labour rights violations globally and within G20 countries. G20 members must therefore ratify and effectively implement all core ILO Conventions, and should ensure adherence to and effective implementation, in law and practice, of fundamental labour standards through international trade agreements and investment treaties. This would help avoid the race to the bottom triggered by short-sighted trade policies. G20 governments must act to protect employment in industries that are threatened by the trade wars currently being waged.

G20 leaders should also support progress towards a UN binding treaty on business and human rights and a reconfiguration of global value chains to ensure that they deliver decent jobs including green jobs, embed respect for labour rights and enhance the productive capacity of countries. In embedding labour rights, human rights due diligence and impact assessment measures must be carried out on entire supply chains. The G20 must moreover urgently take action to strengthen wage adequacy, increase real living wages, promote income policies, as well as deliver on its commitments to address the decline in the labour income share through putting forward concrete commitments to increase minimum wages towards living wages, and promoting social dialogue and collective bargaining as wage setting and wage updating mechanisms, in line with the 2024 ILO agreement on wage policy.

The L20 supports the G20's ambitions in renewing and strengthening commitments toward youth inclusion and gender equality in the world of work. It urges for the adoption of ambitious targets to drive meaningful progress, ensuring equal opportunities and fair treatment for all workers and proactive measures to address all forms of discrimination and disadvantage experienced by women, youth, and vulnerable groups. The L20 further considers that to advance decent work and ensure continuity across presidencies, the G20 should adopt other specific deliverables such

as decent job creation targets, roadmaps for the establishment and enforcement of strong collective bargaining frameworks, minimum living wages and a timeline for the ratification and effective implementation of all fundamental ILO Conventions in G20 countries.

Tripartite and institutionalised social dialogue is a fundamental tool to address both structural and emerging challenges in the world of work. To be truly effective, social dialogue must overcome institutional weaknesses prevalent in many countries, move beyond a merely informative approach, and be institutionalised as a state policy that transcends political administrations. It should prioritise coordinated responses through consensual, transformative, effective and sustainable public policies. The full recognition and active promotion of the right to freedom of association - including the right to strike - and the right to collective bargaining are essential to consolidate social dialogue, tripartism and democracy.

Responding to the challenges of sustainability and the future of work

The climate crisis calls for urgent measures to respond to climate change and its negative social impacts. These need to be implemented through a Just Transition involving social partners. The L20 accordingly calls on G20 governments to put forward measures to ensure the retention and protection of employment impacted by climate change; the creation of decent jobs

in the green economy and other climate-friendly sectors such as the care economy; the advance and protection of labour rights for everyone; support for upskilling and reskilling, strengthening education and vocational training systems, and removing barriers that hinder people's access to training; and increased income protection, including through strengthened and universal social protection systems. Such efforts must be grounded in tripartite institutionalised social dialogue, and should be included in governments' Nationally Determined Contributions (NDCs) that are due this year. They should also be underpinned by appropriate financial support to developing countries, recognising countries' development asymmetries and the principle of common but differentiated responsibilities.

The L20 further insists that in the context of Just Transition, international trade rules should allow countries the policy and fiscal space to develop and implement green industrialisation strategies that will create decent green jobs, build countries' industrial and productive capacities and help them move up in value production. Environmental trade measures must be fair and just, and must factor-in the consequences on employment, and the revenues that result from these measures should contribute to promoting green industrialisation of impacted countries. Work must be the pivot for reshaping the economy to serve the needs of humanity, in harmony with the planet, and to promote and consolidate human rights, peace and common security.

To advance sustainability the G20 must also promote an inclusive future of work in which technology is at the service of people instead of profit. This requires strong rights-based regulatory frameworks for artificial intelligence (AI) that ensure respect of workers' rights, security and privacy. In this context, G20 countries should coordinate to make sure that the International Labour Conference standard setting discussion on Decent Work in the Platform Economy ensues in a strong ILO Convention supplemented by a Recommendation that will protect all platform workers, contain protections from algorithmic management and prevent employment status misclassification. The G20 should also respond to the gaps in digital infrastructure that many countries are facing and promote strengthened digital skills and AI literacy at all levels. Social dialogue and collective bargaining must be central to the governance of AI at work. Workers and their unions must be able to influence the development, implementation and use of AI at work, and the environmental impacts of AI must be considered.

Increasing fiscal space to invest in people

In order for countries to make the necessary investments in their people, they must ensure adequate fiscal space. Amid a looming debt crisis, the L20 calls on G20 leaders to advance a strong reform of the international financial architecture with a stronger voice for developing countries, debt justice, greater accountability to the multilateral system, and expanded fiscal

space, especially for developing countries. The L20 strongly rejects IMF imposed austerity policies, particularly for countries in debt crisis. G20 leaders also need to take the lead in achieving greater coordination, articulation and coherence between the international financial institutions and the UN system, in particular with the ILO.

The G20 must prioritise the promotion of progressive taxation systems, including taxes on wealth and outstanding profits and windfall taxes, and strengthen international tax coordination through strong support for an ambitious UN Framework Convention on Tax. The G20 must also strengthen the fight against tax evasion, tax avoidance, customs fraud, profit shifting, and illicit financial flows. The L20 emphatically supported last year's G20 proposal for a tax on high net worth individuals and urges the G20 to now ensure its implementation. This initiative needs to be complemented with the adoption of a financial transactions tax that will put limits to the endless expansion of finance capital.

Solidarity should be at the centre of the international financial system's response to the debt crisis. Debt servicing, conditions and delays the development potential of least developed countries and emerging economies. The L20 urges G20 leaders to advance a fundamental reform of the inadequate system for resolving sovereign debt crises, with a key role for the UN in the improvement of the debt architecture. It further welcomes the establishment of a G20 Cost of Capital Commission, and urges for a

strong response that will tamper the negative impacts of credit rating agencies on developing countries, facilitate their access to capital and reduce the excessive interest that they are paying.

The G20 should also ensure an effective implementation of its Roadmap towards Better, Bigger, and More Effective Multilateral Development Banks. It should not only seek to expand lending capacity, but also to ensure that the banks can meet long-term development needs by removing harmful conditionalities, guaranteeing robust and well-implemented safeguard policies to protect the fundamental rights of workers on MDB projects, strengthening responsiveness to crises, and securing financial support for Global public goods instead of brokering their privatisation.

We are currently seeing worrying cuts to Official Development Assistance (ODA), often in favour of increased military spending, fueling an arms race that is challenging world peace. To increase global security and stability there is an

urgent need to advance international solidarity for development, and limit the likelihood of war. The L20 recalls developed countries' commitments to dedicate 0.7 percent of Gross National Income to development aid, which G20 members must meet without further delay. There is moreover a need to better align ODA with national development priorities, including the expansion of social protection systems. In this regard, G20 members should support ongoing international discussions for the establishment of an international financing instrument, or 'Global Fund' for social protection.

Democracy, peace and human rights are at stake. The G20 must lead in establishing a robust multilateral system rooted in social justice, with a strengthened UN at its core, to promote dialogue over aggression, assert the role of decent work as the cornerstone for social justice, peacebuilding and common security, and drive progress on the Sustainable Development Goals.