

WORKERS COUNT

A Trade Union Perspective on Means of
Implementation, Accountability and Global Governance

The trade union efforts towards the Post-2015 development agenda are driven by our firm belief that sustainable development cannot be achieved without quality jobs and decent work. It builds upon the origins and purpose of the trade union movement as a whole to provide workers and their families a voice, to protect workers' rights and to build for a fair and just world.

Our governments are negotiating a framework to deliver sustainable development to every corner of the globe at a crucial time. Precarious or informal work is increasingly the norm; inequalities threaten the stability of our societies; human and trade union rights are being violated; financial markets reign supreme with inadequate regulation, even less accountability and still even less connection to the real economy; trade is unbalanced, tax justice is far from a reality; public services continue to be stripped away and environmental challenges, including climate change, threaten the survival of our communities. There are far too many instances of governments abrogating their responsibility. All workers and their families should have access to a decent life and decent work in safe and healthy environments, while securing the needs and ensuring opportunity for future generations.

We are asking governments to fulfill their primary obligation **to Full and Productive Employment and Decent Work for all and Universal Social Protection**. We have asked for commitments the human right to **Water and Sanitation** and the right to **Sustainable Energy for All** while ensuring that human activity respects planetary boundaries. We also ask for commitments to ensure access to **Universal Free Quality Education**, to **Health care for all**, to **Gender Equality** and to reducing **Income Inequality**. We have highlighted the importance of **Environmental Protection**, and **Access for All, healthy and nutritious food**. We have elaborated our demands in a paper *Working for Our Future - Trade Unions on the Move for People, Planet and Prosperity - The Workers and Trade Unions Major Group's Vision & Priorities for the Sustainable Development Goals and the Post-2015 Development Agenda*¹.

The proposed set of Sustainable Development Goals (SDGs) lays the foundation of a transformative agenda, provided that these goals are supported by a robust Framework for

¹ http://www.stakeholderforum.org/fileadmin/files/SD2015_Position_Paper_Workers&TradeUnions.pdf

their implementation, monitoring and review, and which is built upon a Human Rights Based Approach to development.

We can only meet the aspirations set out in the SDGs if we take the necessary measures to ensure all actors are working towards the common objectives laid out in the goals and targets. *This means building a framework around the SDGs that provides the appropriate means, both financial and non-financial, to see the goals and targets successfully implemented; that a system of accountability set against universal standards and which goes beyond being 'voluntary in character', is put in place; and that we institute governance at a global level which provides the infrastructure to respond collectively and effectively to challenges as they emerge.*

Means of Implementation to deliver goals and targets

With the exercise to agree a set of goals and targets, the SDGs, of a Post 2015 Framework by and large complete and agreed, there is now a critical focus on how to deliver a corresponding level of ambition to actually achieve what has been set out. For the trade union movement there are serious gaps to be filled when it comes to the means of implementation and the financing required to meet the SDGs objectives. In trying to meet the SDGs governments will need to significantly change their course both at an international level and in practice at home.

Addressing the macro and systemic issues

Change must happen on a macro scale. The drivers of our current economic system have continued to deepen inequality both within and between countries. International economic and financial policies need to be set against an overall objective of delivering social justice and decent livelihoods for all. The depth and range of the goals and targets contained in the SDGs requires a Post 2015 Framework that fundamentally changes how economies function and interact, and significantly increases the relative importance of progressive social and environmental policies.

A Post 2015 Development Framework must make a commitment to effective taxation of profit-making and capital accumulation, with a view to driving trillions of dollars into productive investment, including in greening the economy and towards public services, and ensuring a “just transition” to green and decent jobs for workers. All tax evasion and avoidance practices, including transfer (mis)pricing must be addressed in order to guarantee that taxes are paid where profits and value added are generated. In addition to the governments who see their income decrease, the real losers are the workers of the Multinational companies which practice this aggressive tax planning. Workers don’t receive don’t receive a fair compensation for their efforts and productivity nor a share company’s profits to which they are entitled, since it is taken before it can be redistributed. The days of self-reporting and self-assessment by financial institutions must come to an end and should be replaced by country by country reporting. Moreover, measures have to be taken to enable all countries to participate at an equal footing in international cooperation on tax matters; the aim must be an international UN tax convention.

Together with ensuring fair and progressive taxation, a global framework must address the behaviour of financial markets, for example, through the implementation of the G20 commitment to “ending too-big-to-fail groups”² by taking structural measures to shield retail commercial banking activities from volatile investment banking and market trading. Action should be taken to implement the G20/Financial Stability Board Action Plan regarding regulating “Over the Counter” derivatives trading, shadow banking and the implementation of resolution frameworks. Furthermore, global taxation (Financial Transactions Tax and bank levies) on short term transactions is needed so as to prevent speculative behaviour and raise new sources of finance for a greener economy.

Then, countries with high levels of income and competitiveness are able to open up to global trade, attract investment and expand to markets where they can export. However, opening trade must not impede a country’s capacity to add value or entrap the country in low-end processing. Countries and regions that are unable to withstand global competition, because industries and markets are yet matured, are ill-advised to liberalise trade in the

² G20 Leaders Declaration, September 2013: https://g20.org/wp-content/uploads/2014/12/Saint_Petersburg_Declaration_ENG_0.pdf

pace of developed countries. Measures taken by ‘success story’ countries included, among others, controlling investment with requirements to joint ventures, foreign ownership ceilings and local content requirements; they used lax regimes for the protection of intellectual property and forced technology transfers; they built up state owned enterprises and conglomerates in order to create competitive products; and they maintained a higher level of tariffs compared to developed countries. Countries, including developing countries, and most importantly developing regions, must avoid giving up these national tools for structural transformation.

Maintaining policy space is one thing, making use of policies is another. Countries, including developing countries need to create partnerships, including with business, labour, academia and policy-makers, in order define policies that would generate state income, create decent work and promote investment—both public and private—in different economic sectors. Partnerships should follow standards and regulations defined by the public sector; the responsibility for planning, regulating and monitoring any partnership lies with the state. Policies should target all economic activity ranging from extraction and agriculture to value added manufacturing and services. Structural transformation policies should aim at diversifying production, increasing intellectual content of goods and services (increasing value added) while at the same time guaranteeing constant improvement of energy efficiency as well as sustainable energy generation.

Labour standards are gravely affected by global trade and investment patterns. Therefore, seeking to create fair trade, international trade and investment treaties and agreements should guarantee the enforceability of national labour laws and internationally recognised core labour standards based on stronger follow up and sanction mechanisms in case of violation of ILO standards. The treaties and agreements could also include clear and enforceable responsibilities for foreign investors that apply along supply chains. Therefore, governments need to take measures to protect freedom of association as well as reinforce social partnership/dialogue structures with a view to establishing/expanding collective bargaining, linking wages to productivity and determining/increasing minimum wages. The respect and application of ILO core labour standards should be a minimum for workers everywhere and states should provide the conditions for workers to join and form trade

unions. Together with the implementation of social protection floors, strengthening labour institutions would raise sustainable aggregate demand and would create new jobs.

Migration patterns are also deeply influenced by the push and pull factors of the global economy. In this respect, it is important to highlight that Decent Work makes migration a *choice* for workers and they are not forced to migrate out of necessity. Linked to this, quality education policies should be complemented by policies which mitigate the risk and impact of brain drain. Then, governments should avoid policies which encourage or incentivize migration in reason of remittances income and should rather focus on improving opportunities and access to decent work at home. Finally, it is critical to recognize and ensure the portability of the social rights of the person. Social protection rights should be related to the person not to the country of residence (portability of pre-evident funds paid, pensions, educational qualifications should be recognized, etc.).

A final point with respect to macro-policy is the strong economic case for wage-led economic growth, to support aggregate demand and build stronger and more resilient economies. The evidence is indisputable that labour's share of national income has been on a steady decline since well before the Millennium Development Goals came into being and has not been limited only to developing countries, as evidence shows declines in the majority of OECD countries as well. Productivity gains meanwhile have been on an uptick according to ILO's 2012-2013 Global Wage Report³. For the labour movement these trends are a natural corollary of the systematic and deliberate efforts to erode labour market institutions like the minimum wage, collective bargaining, employment protections, and trade unions. Instead an over-reliance on exports and consumer borrowing for economic growth combined with the "financialization" of the global economy has proven to be unsustainable and led to the recent economic recession. On the contrary, to achieve a meaningful economic recovery, countries need to increase domestic demand based on rising wages and a more equal distribution of income. Labour market institutions are part of this solution.

³ http://www.ilo.org/global/research/global-reports/global-wage-report/2012/WCMS_194843/lang--en/index.htm

Creating more equal societies through Decent Work, Quality Education and Quality Public Services

A sustained focus on employment and decent work, in all its dimensions, requires complementarity across economic and social policies and regulatory frameworks. This must be supported by adequate investment in quality public education and training, human resource development, and income-generating activities and decent work, including for women, as well as the provision of quality public services as a foundation of decent livelihoods for all.

To fulfil the SDGs objective of achieving decent work for all, comprehensive national employment policy frameworks must be adopted and implemented. These frameworks should be developed through tripartite consultations, and built upon the idea of policy coherence for development (in particular decent work), in order to ensure that pro-employment macroeconomic policies are supported by trade, industrial, tax, infrastructure and sectoral policies as well as investments in education and skills development.

Within the macro frameworks there is a need to ensure strong and functioning labour market policies and institutions. Specifically, appropriately designed wage policies, including minimum wages; collective bargaining; labour inspection; strong employment services; unemployment benefits with strong links to social protection programs; targeted measures to increase labour market participation of women and under-represented groups; as well as, measures to help low-income households to escape poverty and access freely chosen employment.

At the same time, a transformative shift towards sustainable development, including a greener economy and a just transition for workers, requires significant and equitable investment in education, training and lifelong learning. With a particular focus on the ambition to increase decent work opportunities for youth there will need to be comprehensive activation strategies to facilitate young people's school-to-work transition, in line with the ILO 2012 Call for action and the Global Strategy on Youth Employment

Finally, and perhaps most significantly governments will need to take extensive measures to ensure the adherence to and respect for ILOs core labour standards. This is particularly

important in the formulation, implementation and monitoring of sustainable development policies, and governments will need to take measures to enhance social dialogue and participation of the social partners including through compliance with relevant ILO conventions on Labour Inspection (C081 and C129).

Implementing social protection floors

All countries should be capable, within national budgets, of providing income security for all and universal access to essential public goods and services, like healthcare, education, housing, and water and sanitation, through nationally defined and designed social protection floors. However, social protection floors will need to be tailored to specific country contexts and supported by the necessary technical expertise to see that they are implemented effectively and equitable.

Governments should ratify and implement ILO Convention 102 on social security, and ILO Recommendation No 202 on social protection floors.

Adequate resources are needed to finance social protection floors. SPFs can be implemented in all country contexts⁴ and within existing budgets by:

- Re-allocating public expenditures.
- Increasing tax revenues through measures described above.
- Reducing of debt or debt servicing.
- Adopting a more accommodative macroeconomic framework and fighting illicit financial flows.
- Increasing social security contributions.

⁴ Joint research by the IMF and ILO suggests that social protection floors can be implemented within all national budget contexts - http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_sec soc_30810.pdf

Meanwhile the international community should aim to ensure that there is adequate technical support and in certain instances, financial assistance to developing countries to successfully design and implement of social protection floors.

Standards based accountability

The Post 2015 Development Framework presents the international development community with an opportunity to really boost policy coherence between development promotion and standards based commitments in areas of human rights, labour standards and environmental standards. Proposals have been put forward in this regard, with the aim of building on existing reporting mechanisms at international level, such as the Economic and Social Council's annual voluntary ministerial review process, as well as, the Universal Periodic review of the Human Rights Council. It is argued by the Office of the High Commissioner for Human Rights that "states should streamline their post 2015 and international human rights reporting obligations, ensuring that their respective national reporting processes and accountability mechanisms reinforce one other".⁵

Importantly, accountability mechanisms should be based on fundamental principles, such as: "mutual accountability", "democratic ownership", "*social dialogue*" (*i.e. tripartite structure of the ILO*) and "inclusive partnerships". Thus, the success of an accountability mechanism will depend on the capacity of the process, at all levels, to convene different actors, on equal ground to contribute in a genuine and fully participatory manner to the review and implementation. Governments must not shy away from honest assessments and should accurately report progress—this is the only way to generate the necessary action to see that commitments will be fulfilled.

Global accountability in particular is crucial to ensure fairer and more equitable governance in development, which ensures better policy coherence for development. Governments need to raise the level of ambition on the issue of global accountability by pushing for a system based on binding commitments and monitoring mechanisms, as opposed to the current voluntary approach. Complementary to this, commitments in monitoring must be

⁵ OHCHR 2013 - <http://www.ohchr.org/Documents/Publications/WhoWillBeAccountable.pdf>

rooted in a Human Rights Based Approach and the Right to Development—and based on universal standards. This is why as the trade union movement we have argued regularly that ILO labour standards and other human rights standards feature in all aspects of the agenda. Standards based accountability mechanisms built on existing agreements is a minimum of what is needed to ensure broad accountability.

At the national level the review processes must be fully and genuinely participatory of the key actors in development and society at large. While they must reflect the global commitments and be tailored to national contexts, they must also apply universally agreed standards. So again they must be in line with the right to development and international human rights commitments and ILO labour standards.

In this light, the social dialogue, bringing together the social partners, employers and workers organizations, is an excellent example of how to ensure ownership of policy processes at the national level and should inform and actually set an example of how the review processes are carried out. At national level the presence of social dialogue is critical for ensuring social cohesion, social peace through greater accountability. As earlier mentioned there are fundamental requirements or prerequisites that need to be in place for the social dialogue to function effectively, including the respect for freedom of association and collective bargaining, independent unions and employer's organizations and the institutional capacity of governments to support such a process.

In terms of an existing best practice of accountability it is important to highlight the ILO framework as a 'living' example on how accountability mechanisms can work at global level through to the national level. The ILO supervisory mechanism is a unique international mechanism of accountability that should be replicated, or at the very least inform the global accountability mechanism and national review systems of the international development agenda.

The ILO supervisory mechanism is in place to ensure and support ILO member states in their efforts to implement and uphold the conventions that they have ratified in law and practice (a binding legal framework). The system includes a permanent multistakeholder monitoring function that requires member states to report at regular intervals on the status

of different conventions (a tripartite structure with recognized stakeholders). It also offers technical support so as to improve the implementation of the commitments take. Perhaps most importantly, the supervisory mechanism has a procedure of ‘complaints’ which aims to ensure that member states are accountable to the conventions they ratify. The ‘complaint’ procedure has been used successfully in the past when member states have been unable to uphold different conventions (a complaints and remedy mechanism).

However, a holistic approach defining the integration of development and human rights in one normative and binding instrument seems to be by far the best option. The International Labour Organisation (ILO) framework and its standards based tripartite accountability mechanisms constitute a long-standing example of how relevant and effective this can be.

Global Governance and the Right to Development

If the High Level Political Forum (HLPF) is meant to be the Global Governance body of the Post 2015 Framework it must be built upon and adhere to the same principles that underpin the SDGS as a whole, and must be explicitly linked to the system of accountability. The Global Governance of the Post 2015 framework should reaffirm the spirit of the 1986 UN Declaration on the Right to Development⁶.

In 1986 the UN Declaration on the Right to Development recognized that “The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized”. Moreover, according to the Declaration, “States have the duty to co-operate with each other in ensuring development and eliminating obstacles to development. States should realize their rights and fulfil their duties in such a manner as to promote a new international economic order based on sovereign equality, interdependence, mutual interest and co-operation among all States, as well as to encourage the observance and realization of human rights”.

⁶ <http://www.un.org/documents/ga/res/41/a41r128.htm>

At the heart of the duty to cooperate is the shift from individual state responsibilities (concerning the relationship between the State and the people under its jurisdiction) towards a broader concept of extraterritorial responsibility/obligations of states beyond their borders. Consequently, states (duty bearers) are accountable for a wider range of external policies, like trade, debt, and finance in particular, that could undermine other aspects of the sustainable development agenda. This requires national-level regulation that prevents the extraterritorial infringement of human rights by business/private sector.

The Millennium Declaration already recognized the principle of shared responsibility, calling for greater policy coherence and coordination at international level. However, the accountability deficit of MDG 8: Developing a global partnership for development- is self-evident. It should be clearly established that given the shift in the global development settings, the issue of shared responsibility should not be limited to state entities only but should pertain to ‘non-state actors’ as well, such as private business and multilateral organisations, whose actions directly impact on development processes and human rights. In this respect, instruments like the OECDs Guidelines for Multi National Enterprises⁷ and the UN Guiding Principles on Business and Human Rights⁸ are very useful and pertinent. The concept of shared responsibility necessitates a clarification of the roles and duties of non-state actors as well as effective means to make them explicitly accountable

The “Transformative” shift

The Post-2015 Sustainable Development Agenda provides an opportunity to frame the future of UN actions on the ground under a new direction—one that delivers equality, social inclusion, decent work and sustainable livelihoods for working people while protecting our environment. However, it starts first with the recognition that the economic paradigm governing our societies is unsustainable. This will require ambition from the world’s leaders. A Post-2015 Sustainable Development agenda will only be effective if it is relevant for working people.

⁷ <http://www.oecd.org/investment/mne/48004323.pdf>

⁸ http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

The SDGs have set an acceptable level of ambition in terms of the goals and targets set out, but the framework that houses the SDGs is equally if not more important. The current situation, whether economically, socially, environmentally and eventually politically, in many corners of the globe is not tenable. Meeting the SDGs will require a massive shift in the economic and financial principles that currently drive economies and the political appetite to get there.