

L20 Contributions to Finance Track – G20

July 2024

Trade unions play a crucial role in the economic structure. They do more than just protect workers' rights, they also actively collaborate in the formation of important public policies. We need to urgently promote these priorities on the building of a just and sustainable planet:

- Promote decent jobs with rights and living wages, and addressing informality
- Advance towards universal social protection
- Ensure a Just Transition, negotiated with the social partners

Guaranteeing coherence across G20 tracks for the implementation of these priorities will be fundamental to ensure successful outcomes.

The reform of global governance institutions and of the international financial architecture is crucial to ensuring the necessary political and financial support for the above mentioned priorities. A reinvigorated multilateralism with the UN at the centre and with a stronger role for developing countries will contribute to a just world.

Unions consider that the first priority of this reform needs to be international taxation. A more equitable and progressive taxation system and a strong and fair multilateral corporate tax architecture need to be adopted. The G20 should strongly support for the UN framework tax treaty and promote greater collaboration between the UN and the OECD on tax matters.

The G20 should promote taxation frameworks that include taxes on outstanding profits and wealth, and support the implementation of a financial transaction tax. Further efforts need to be mobilised to fight tax evasion, tax avoidance and profit shifting and to stop illicit financial flows.

Rising debt levels are a key challenge to fiscal space in developing countries. To ensure the necessary fiscal space to finance climate policies and development needs, a fundamental reform of our inadequate system for resolving sovereign debt crises should be undertaken. And Increased Official Development Assistance (ODA) commitments from development cooperation donors are also urgently needed.

The G20 should further advance work towards increasing funding from multilateral, regional and national development banks. A reform of the voting system of Multilateral Development Banks and the IMF is urgently needed to move away from the current share-holding system to a more democratic and participatory approach that is independent of the size of the economy or participation in world trade.

Clear labour safeguards and decent work need to be promoted in G20 development finance. Public and private sector projects financed by development institutions must be aligned with the SDGs and support developing countries to move up in value addition in global supply chains through the promotion of decent climate-friendly jobs, labour rights and fair wages. International labour standards and responsible business conduct instruments must be applied across all investments. The G20 should pursue efforts to promote the adoption of a UN binding treaty on business and human rights.

The G20 also needs to promote a reform of the international trading system and the WTO with a strong developmental dimension and an enhanced role for the ILO in recognition of labour rights and the imperatives of a Just Transition in trade policies. Supply chain regulation and strong labour and environmental standards must be key aspects of the international trading system, while building in mechanisms that will support a green industrial transformation of developing countries.