



Speech of Sharan Burrow, General Secretary of the International Trade Union Confederation (ITUC), at the United Nations ECOSOC meeting, New York, Tuesday 31 March 2015

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Mr Vice President, Jan Eliason, Guy Ryder, Daniel Funes, distinguished government leaders and UN officials, delegates;

The world needs a New Business model.

Slow growth, unemployment, precarious work, inequality, low wages and for 75% of people no or inadequate social protection. That's the world for working people and their families and for too many, closing democratic spaces with attacks on fundamental rights that construct walls of fear.

The factors explaining the current slow growth that led the IMF to revise downwards several earlier forecasts have not changed. Economies around the world are affected by stagnant demand and high sovereign and private debts, whose weight will only increase if inflation falls further as a result of lower oil prices. In January 2015, 23 of the 28 European Union countries, which is the region most affected by economic stagnation, were already in price deflation compared to a year earlier. In addition, economies dependent on exports of oil or other commodities are particularly vulnerable and the possibility of increased interest rates in the United States is not without risk of further instability.

The forthcoming IFI's meeting should seize the opportunity created by lower oil prices to encourage the rapid adoption of carbon taxes, and use the revenues to finance energy-efficient infrastructures and other needed public services to tackle climate change and create jobs.

Jobs, wages and social protection remain the central issues for people and for their economies. The ILO's 2015 World Employment and Social Outlook - Trends 2015, shows that five years after the global recession unemployment remains well above the pre-crisis level of 2007 and for young people and women it carries too much hopelessness with jobs gap made even more acute by substantially lower labour force participation levels. The jobs crisis that arose during the global crisis and recession of 2008-2009 is far from resolved. In some euro-zone countries where a quarter of the workforce is unemployed because the imposition of austerity policies and in the developing world ever more stark social despair and tension is visible.

Then the global wage share has fallen and inequality is rising - the relationship is obvious and a risk to people's capacity to survive but also to demand and growth.

The global workforce is very vulnerable. Of the 60% who hold a formal job the majority face increasing precarious employment arrangements. The 40% who struggle to survive with no social protection, no minimum wage and no contract of employment or labour rights do matter. And then we have around 30 million workers in forced labour - modern day slavery. This is not a world of work we accept.

The Sustainable Development Goals (SDG's) must include 'full employment and decent work' along with universal social protection - including establishing social protection floors where they do not exist. The nations who are 'friends of decent work' need to raise their voices to ensure both these goals remain, along with the most relevant indicators to measure progress. Two indicators per goal is an impossibility but if the ILO was charged with reporting on detailed progress for employment, rights, wages, women, young people, people with disabilities, migrants and skills within the broader UN outcomes it would better allow for policy advice and targeted investment. The ILO project on Decent Work Indicators provides a foundation for this work.

With the dominant global model of trade now contracted through supply chains we see a relentless business model of low wages, unsafe and insecure work with no guarantee of rights and increasingly the inclusion of informal and forced labour - this must change.

The G7 and the G20 have jobs and supply chains on their agenda, they have jobs, young people and women's participation on the agenda and we expect serious investment in infrastructure, the care economy and climate action backed by the IFI's and the UN to drive millions of jobs. But so too must all intergovernmental groups and the UN work with the ILO to tackle inequality with social protection and wages - minimum living wages and collective bargaining.

And when the business model of the 21st century assumes that wage rates are a market issue alone we need to remind them that earning a living wage is a human right.

The United Nations Universal Declaration of Human Rights (Article 23/3) states: "Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection." In other words: minimum living wages are a basic human right. And respecting basic human rights should be non-negotiable.

Indeed this is also reflected in both the ILO Declaration of Philadelphia and the Social Justice Declaration of the ILO.

The UN Guiding Principles for Business and Human Rights provide a framework that clearly establishes business responsibility. Wages, minimum living wages and collective bargaining are rights and are central to the dignity of labour.

Global sustainability must have the solid foundations of jobs - safe and secure jobs with labour rights, just wages, and social protection - decent work. This is the centrality of the dignity of labour. Union members fight every day for just this and we expect the UN and its member states to stand right alongside us.

Sharan Burrow
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