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LABOUR STANDARDS SHOULD NOT BE USED FOR PROTECTIONIST TRADE PURPOSES, SAYS MALLIKARJUN KHARGE MINISTER OF LABOUR AND EMPLOYMENT ADDRESSING THE MEETING OF G-20 LABOUR & EMPLOYMENT MINISTERS ON THE SIDELINES OF THE 100th ILC AT GENEVA

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“We do not accept linking trade with labour standards.....the ILO Declaration on Social Justice for a Fair Globalization explicitly states that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes,” **Shri Mallikarjun Kharge, Minister of Labour and Employment (LEM)** said in the G-20 Meeting of Labour & Employment Ministers on the sidelines of the 100th International Labour Conference on 14th June 2011 in Geneva.

Shri Kharge said that the employment challenges in coming years are immense and expressed concerns about making employment opportunities accessible to the poor and weaker sections of our society. He further said that India has formulated its National Skill Development Policy to meet the challenges of skill development through a three tier institutional structure consisting of Prime Minister’s National Council on Skill Development, Skill Development Co-ordination Board and National Skill Development Corporation. A new scheme, MODULAR EMPLOYABLE SKILLS under our Skill Development Initiative Scheme was started in the year 2007 with an objective to train one million persons in short term modular courses in five years and then one million every year thereafter, particularly in the unorganized sector.

On social protection, Shri Kharge told that various kinds of social security schemes are already in operation for workers in organized sector and that Government has taken several initiatives to safeguard the interest of unorganized sector workers. An important recent initiative to safeguard the interest of unorganized workers has been enactment of the Unorganized Workers’ Social Security Act, 2008 and establishment of a National Social Security Fund. He further told that while we support that a Social Protection Floor should be there, we strongly feel that the level should be decided by each member country. We are not in favour of a uniform social security floor prescribed for all countries. Each country should develop its own Social Security Floor based on its resources, requirements and socio-economic realities. We strongly feel that Social Protection Floor (SPF) should not be used as a non-tariff barrier to Trade.

On Fundamental Rights at Work, Shri Kharge said that the Constitution of India guarantees equality of opportunity to all citizens in matters relating to employment and prohibits discrimination on any ground. India has also ratified ILO Conventions C-100 and C-111 on

Equal Remuneration and Discrimination respectively. He stressed that respect for Fundamental Rights goes much beyond ratification and we are more concerned with implementation of these principles at the ground level. He emphasized that though India respects labour standard issues, at the same time we do not want to link it with issues such as Trade and non-tariff barriers.

LEM also underlined the need for enhancing coherence between international organizations and governments on complementary issues. The specific area on which coherence is sought at international as well as national levels needs to be spelled out clearly. He strongly insisted that trade should not be linked with labour standards and coherence should not be used for generating non-tariff barriers. He expressed that the global community should come forward with more focused and coordinated policies in the process of economic recovery by creating more employment opportunities, skill upgradation, enhancing social protection and providing decent working condition and that there is enormous potential for us to learn from each other.

LEM concluded by stating that a global coordinated effort will make a strong contribution to the G20 Framework for Strong, Sustainable and Balanced Growth for the Global economy.

Text of the Speech of LEM on G-20 Meeting of Labour & Employment Ministers on the sideline of the 100th ILC, 14th June 2011, Geneva follows:

Mr. Chairman,

It gives me immense pleasure to address the G-20 Meeting of Labour & Employment Ministers on the sideline of the 100th ILC in Geneva. I am hopeful that this meeting will help in promoting as well as in formulating coordinated measures on the four issues being highlighted in the current G20, Paris.

2. In our country, the **employment** challenges in coming years are immense which range from generating productive employment at an accelerated rate to improving the quality of employment through skill development. Generation of Productive Employment and decent working conditions is crucial for inclusive growth. India has a large percentage, 58% of population in the working age group (15-59 years). We are concerned about making employment opportunities accessible to the poor and weaker sections of our society. We have initiated many schemes and are working to provide skills and training to our vast labour force which is largely in the unorganized sector. However, in India we have more of structural unemployment which is more prevalent in developing countries whereas the developed countries have more of cyclical unemployment. It has to be discussed as to how we can have a coordinated policy on employment because though our objectives are the same but the action plan adopted to promote full employment and quality jobs may have to be different. We strongly support international efforts to encourage and facilitate mobility of labour. India strongly feels that over emphasis on indicators/standards/Policy recommendation should not appear in the G-20 prescription to the developing countries/ and to Least Industrialized Countries (LICs) lest it should result in protectionism.

3. India has formulated its National Skill Development Policy to meet the challenges of skill development. A three tier institutional structure consisting of Prime Minister's National Council

on Skill Development, Skill Development Co-ordination Board and National Skill Development Corporation has been set up to take forward the skill development agenda. We have also taken various steps for upgradation of Government Industrial Training Institutes (ITIs). A new scheme, MODULAR EMPLOYABLE SKILLS under our Skill Development Initiative Scheme was started in the year 2007 with an objective to train one million persons in short term modular courses in five years and then one million every year thereafter, particularly in the unorganized sector.

4. Providing **social protection** to workers is an important component of social policy in India. Various kinds of social security schemes are already in operation for workers in organised sector. These facilities for organised sector workers vary from adequate paid leave to health insurance and pension schemes. However, unorganised sector workers lack facilities of such schemes. Recognising the need to address this limitation, Government has taken several initiatives to safeguard the interest of unorganised sector workers. An important recent initiative to safeguard the interest of unorganised workers has been enactment of the Unorganised Workers' Social Security Act, 2008 and establishment of a National Social Security Fund.

5. We recognize the benefits of social protection because only when our citizens enjoy health and prosperity, can the economy prosper and we can achieve a more equitable and balanced growth. While we support that a Social Protection Floor should be there, we strongly feel that the level should be decided by each member country. We are not in favour of a uniform social security floor prescribed for all countries. Social Protection Programmes need to be country driven and one size does not fit all. Each country should develop its own Social Security Floor based on its resources, requirements and socio-economic realities. We strongly feel that Social Protection Floor (SPF) should not be used as a non-tariff barrier to Trade.

6. We have deep respect for **Fundamental Rights at Work** and the Constitution of India guarantees equality of opportunity to all citizens in matters relating to employment and prohibits discrimination on any ground. India has also ratified ILO Conventions C-100 and C-111 on Equal Remuneration and Discrimination respectively. We have not ratified ILO Conventions 87 and 98 on Freedom of Association and Collective Bargaining purely due to technical reasons concerning Government Servants only. We are in favour of progressively upgrading legislations and procedural guarantees in keeping with Socio-Economic realities. We believe that respect for Fundamental Rights goes much beyond ratification and we are more concerned with implementation of these principles at the ground level. We do not accept linking trade with labour standards and quoting the ILO Declaration on Social Justice for a Fair Globalization which explicitly states 'that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes', we reiterate that though India respects labour standard issues, at the same time we do not want to link it with issues such as Trade and non-tariff barriers.

7. Enhancing **coherence** between international organizations and governments on complementary issues is important. However, achieving **Policy Coherence** beyond words requires a concrete framework of policy actions. Policy Coherence at times can entail co-ordination among various institutions with different perspectives involving a number of

overlapping areas. Hence it needs to be further defined. The specific area on which coherence is sought at international as well as national levels needs to be spelled out clearly. Policy Coherence is very difficult to achieve even at national level where at times different ministries and different organizations hold conflicting view on overlapping subjects. Components and modalities of Policy Coherence therefore need to be further elaborated. We strongly insist that trade should not be linked with labour standards and coherence should not be used for generating non-tariff barriers.

8. We feel that the global community should come forward with more focused and coordinated policies in the process of economic recovery by creating more employment opportunities, skill upgradation, enhancing social protection and providing decent working condition. There is a need to achieve greater coordination and putting across our common view point on labour and employment issues at the global forum. There is enormous potential for us to learn from each other. India has adopted some innovative and quick policy responses to the economic slowdown and these experiences provide replicable model for evolving a policy measure for a more stable and sustainable growth and are particularly effective during the time of crisis. G-20 Countries should come together for improving labour skills to increase employability of workforce in the post-crisis period. The last few decades have demonstrated that global economies are truly interdependent and are becoming increasingly integrated. Globally integrated economies require globally integrated societies.

Mr. Chairman,

We hope that the G20 Meeting of Labour & Employment Ministers will examine what further measures are needed to ensure that employment recovers quickly. We look forward to having a global coordinated effort to address a number of challenges that had been building even before the crisis. We believe that a coordinated effort will make a strong contribution to the G20 Framework for Strong, Sustainable and Balanced Growth for the Global economy.

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