

# REPORT

## First BRICS Employment Working Group Johannesburg, South Africa 21-24 February 2023

### 1. Introduction

1.1. The First BRICS Employment Working Group (EWG) meeting under the South African Presidency was convened from 21-24 February 2023 at the Misty Hills Country Hotel Conference Centre & Spa, Johannesburg, South Africa. In attendance were representatives from the BRICS Member States, International Organisations (ILO, AU, ARLAC and ISSA (who joined the meeting virtually) and guests from the Governments of Eswatini, Malawi, Namibia and Zimbabwe. Also in attendance were the representatives from the academia and national social partners from organised business and organised labour.

1.2. Chaired by the Director-General of the Department of Employment and Labour, Mr Thobile Lamati, the gathering was the first of a series of meetings organised for the BRICS labour and employment stream throughout the year. The discussions of the EWG meetings provide the necessary building blocks for adopting the ministerial declaration during the BRICS LEMM.

1.3. The EWG was graced during its official opening by the presence of the Deputy Minister of the Department of Employment and Labour, Ms Boitumelo Moloi and the Gauteng Member of the Executive Committee for Economic Development, Ms Tasneem Motara. Ms Motara welcomed the delegates to the host province and encouraged the BRICS countries to continue investing in sectors such as tourism, finance and manufacturing. Deputy Minister Moloi delivered the keynote address and noted the South African Government's assumption of the BRICS chairship for 2023.

### 2. Discussion: First BRICS Employment Working Group (EWG) Meeting

2.1. Deputy Minister Moloi outlined that the world was grappling with multiple challenges, such as volatile geopolitics, socio-economic challenges, climate change etc. In addition, the world was facing a series of interrelated crises, from economic stagnation and joblessness to energy price increases and persistent poverty. She then encouraged the BRICS members to look critically at how to build sustainable enterprises, spur innovation, and enhance productivity while promoting labour rights and reducing decent work deficits.

2.2. Deputy Minister Moloi also presented the theme for the labour and employment stream: Ensuring decent work, dignity and respect for all! She stated that the South African Presidency was keen to achieve this goal through the following priorities, i.e., building sustainable enterprises, including new forms of employment and increasing productivity; promoting labour rights and decreasing decent work deficits in the context of the recovery; universal social protection and ensuring minimum basic income; and promoting decent work by closing skills gaps in the informal economy.

2.3. From the above, the EWG only covered the two priorities concerning (a) building sustainable enterprises, including new forms of employment and increasing productivity, and (b) promoting labour rights and decreasing decent work deficits in the context of the recovery.

□ **Building sustainable enterprises, including new forms of employment and increasing productivity**

2.4. With this priority, the South African presidency suggested that the BRICS member countries needed to explore how they can optimise the relationship between productivity and decent work to boost economic and social outcomes, including economic growth, innovation, sustainable enterprises, skills development, job creation and poverty reduction across macro-economic, sectorial and enterprise levels. Furthermore, the countries were encouraged to create policy environments that enhance and promote productivity in types of enterprises and economic sectors. The long-term goal is to address pervasive low productivity and poor working conditions in general while simultaneously attempting to develop a skilled workforce and productive economies. Productivity measures the amount of value created for each hour that is worked in society.

2.5. The ILO presented a background paper on the relationship between productivity and decent job creation with a view to the situation in the BRICS countries. In this regard, seven out of ten workers are employed in small economic units in BRICS. Also, Low productivity and decent work deficits are more pronounced in small enterprises. This is due to both external and internal reasons. The external reasons include difficulties accessing finance, credit and markets and the complexity of navigating regulatory frameworks. The internal factors identified are below-average management capacity, limited access to resources, skills and markets, and lower economies of scale. On the other hand, weak social dialogue and collective bargaining functions can impede job quality gains.

- 2.6. Several elements, such as education, infrastructure, social services, governance, wage and per capita income growth, demand growth, public revenue growth and private investment growth, were provided as the macroeconomic drivers of productivity growth. Productivity growth can benefit both workers and enterprises. The reality in some BRICS countries is that informal work is pervasive, and productivity gains are linked to transitions to formality and better working conditions. However, with slowing growth in BRICS and globally, the relationship between productivity and decent work becomes more strained. To create a positive correlation between productivity and decent work, it is necessary to extend social protection to uncovered groups, close skills gaps in the informal economy, and promote opportunities for men and women.
- 2.7. Owing to the reality of micro, small and medium enterprises (MSMEs) and the informal sector in the BRICS member countries, each member state shared its experiences in promoting productivity and decent work and presented interventions such as policy and practices that are in place in this regard. They also suggested how the labour market sector can contribute to achieving productivity growth and decent work throughout the economy. Overall, there was broad endorsement and commitment of the BRICS Member States to promote sustainable enterprises and the clear link between productivity and decent work. Furthermore, the Member States expressed the need to continuously improve our knowledge of the link between productivity, national employment and sectoral policies, social protection, skills development, and workplace collaboration. In short, this emphasises linkages between macro, meso and micro levels within the productivity ecosystem concept.
- 2.8. Another important point related to the promotion of sustainable enterprises concerns how the factors like globalisation, technology, artificial intelligence and climate change are reshaping the world of work. They also present a reality of enterprises, especially SMEs, as well as the future employment prospects for many workers. This implies that Member States must therefore accelerate the formulation of agile and responsive policies to ensure that workers who lose their jobs have new employment opportunities in other occupations as well as opportunities for re-skilling and up-skilling and in any temporary unemployment process. They must also ensure that workers and entrepreneurs have access to social protection measures such as unemployment insurance mechanisms. Equally, enterprises and – especially MSMEs – must have access to new opportunities, particularly financing and a skilled workforce where workers are better equipped with skills for future jobs and access to technology to achieve high productivity.

- 2.9. As a result, the need for more integrated policies at the national level and enhanced collaboration between BRICS countries to shape the complex puzzle where productive and sustainable enterprises are also leading to more and better jobs, better social protection, higher gender equality, the transition from the informal to the formal economy and inclusive economies and societies. In other words, a fairer world with social justice.
- 2.10. The BRICS Member States also considered the possibility of a collaborative platform for discussing productivity ecosystems, within the context of the Strategy for BRICS Economic Partnership 2025 or any other mechanism, for facilitating Decent Work in the BRICS countries. As a result, the ILO introduced a programme that aims to address constraints to productivity growth and decent job creation in Ghana, South Africa and Vietnam. However, the focus was on South Africa's project component of the global productivity ecosystem project. The project entails providing technical support to Productivity SA to improve and expand productivity measurement. It also includes support to the auto industry (to promote entrepreneurship and improve productivity); collaboration with the National Association of Automotive Component and Allied Manufacturers (NAACAM) to boost productivity among Tier 2 and Tier 3 suppliers; support to the Department of Small Business Development in policy for MSMEs development and formalisation of informal enterprises; and the support to Department of Employment and Labour in formulating the National Employment Policy. In addition, capacity development of unions, the private sector, and the government is necessary to 'demystify' productivity and gain greater understanding and buy-in for effective project implementation.
- 2.11. The South African Presidency proposes the creation of a collaborative platform for discussing the BRICS Productivity Ecosystems within the context of the Strategy for BRICS Economic Partnership 2025. South Africa plans to launch this initiative during the LEMM in September 2023. The idea seemed to gain traction from the BRICS Member States. As we advance, we will work with the ILO, whom we expect to consult with country offices in our respective countries, to develop a concept note that we will present in May for consideration in the Second EWG.

**Promoting labour rights and decreasing decent work deficits in the context of the recovery**

- 2.12. In a world confronted by multi-layered crises and challenges, the importance of rights and standards in the world of work for establishing social justice and decent work for everyone is more than just a matter of choice but requires a conscious effort to ameliorate the damage to socioeconomic outcomes. Accordingly, the

South African Presidency suggested that the labour and employment sector needed to examine the roles of labour rights-friendly environments and decent work that can contribute towards economic growth and recovery in the current conditions of stagflation, rising energy prices, joblessness and low investments.

- 2.13. The ILO provided an overview of fundamental principles and rights in the five BRICS countries as well as of the legislative and policy frameworks in place in each to protect and promote these rights. It then provides some insights on measures taken to realise FPRWs in the five BRICS countries and some overarching policy considerations. The Centenary Declaration on the Future of Work was adopted in 2019, reaffirming the member countries' commitment to its fundamental principles and rights at work. The declaration outlines four key pillars for action: investing in people's capabilities, institutions for the future of work, decent and sustainable work, and the future of work for the greater good.
- 2.14. This pillar stresses the importance of ensuring that technological advancements and the changing nature of work are harnessed for the benefit of all rather than exacerbating inequalities and exclusion. The Declaration also affirms the importance of the ILO's fundamental principles and rights at work, which include: freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour, and elimination of discrimination in respect of employment and occupation. The ILO Centenary Declaration on the Future of Work serves as a roadmap for ensuring that the world of work evolves in a way that is sustainable, inclusive, and equitable for all.
- 2.15. Creating a conducive and enabling environment for freedom of association and collective bargaining requires a combination of legal and institutional frameworks, strong employers' and workers' organisations and an efficient labour administration providing for labour inspection and professional dispute settlement services. Furthermore, a broad-based approach is necessary to eliminate all forms of forced or compulsory labour. At a practical level, this entails criminal law enforcement, preventing and addressing root causes of forced labour and ensuring protection and remedies for the people already affected by it. Finally, there is a need to intensify efforts in creating a safe and healthy working environment.
- 2.16. Each of the BRICS Member Countries has different labour market conditions, and they have taken different steps to protect labour rights in their respective jurisdictions. At the same time, the challenges facing labour markets in each BRICS member state are complex and varied. These challenges include informal work, insufficient social protection, discrimination, low wages, and lack of job security.

Moreover, incorporating the notion of the FPRW in labour market governance is an ongoing process that requires continued attention and effort. Therefore, promoting labour rights is high on the agenda of the BRICS countries.

- 2.17. The COVID-19 pandemic has disrupted many economic and social processes. To ensure recovery, we all need to pay additional attention and make additional efforts to restore and increase the potential of our economies. To support each other in advancing the Fundamental Principles and Rights at Work, BRICS member states can share best practices and knowledge on labour market governance, especially in making their respective labour markets more resilient against external shocks. This can be achieved by ensuring that workers have access to social security and that MSMEs have access to technologies that will increase productivity.
- 2.18. In pursuit of decent work and emanating from the Durban Call to Action, the Presidency encouraged the Member Countries to scale up action to accelerate multi-stakeholder efforts to prevent and eliminate child labour as well as the application of decent work principles to promote productive workplace practices. Thus, it called on BRICS members to agree to a programme of updating each other on their implementation during their annual meetings.