



## Future of Labor, the Workforce and Workers' Rights

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The global COVID-19 pandemic and financial crisis that has ensued in its wake is a magnifying glass—amplifying the vulnerabilities and inequalities experienced by workers across the globe. Workers in unstable employment, with no employment security and minimal if any labor rights protections, quickly reached zero balance in the early stages of the pandemic. With more than 4.1 billion people across the globe entirely excluded from social protection, economic free fall precipitated widespread humanitarian crisis with all too many working families pushed below the poverty line, unsure how they would afford their next meal. And we are not out of the woods: economic crises in Sri Lanka, Pakistan, and Bangladesh are a bellwether of the impact of global inflation—rising food, fuel, and import prices—on economies already hard-hit by COVID-19 and workers who depleted their financial reserves to weather the employment uncertainties of the last two years. These livelihood shocks, experienced by workers across the globe, are deeply rooted in supply chain production and flexible employment models wherein lead firms reap financial benefits by extracting labor from workers at the lowest possible costs.

How can labor groups advance responses to changes in the global market that address the underlying architecture of labor exploitation and exclusion? In order to address labor market and economic inequalities, local and international labor groups should advance strategies that:

- Examine how power relations are interconnected with race, caste, gender, indigeneity, disability, and other axes of exclusion;
  - Include informal sector workers and address wage stagnation through progressive informalization;
  - And rebuild the social safety net.
- Such an approach addresses the inextricable entanglement of global monopsony capitalism, on one hand; and race, caste, gender, indigenous, migration, and disability politics, on the other. These economic, political, and social forces are not only bound together as pillars of worker exploitation in the global economy, but also by their mutual reliance on frameworks of legal exclusion.
- First, we must interrogate labor exploitation at the base of supply chains, a product of how global supply chains are structured in contemporary capitalism. Large transnational corporations determine where our products come from, how they are produced, and where and in what forms we can buy them. Unilaterally setting prices and delivery schedules and capturing an overwhelming share of the financial gains of value chains, lead firms maximize their profits by forcing downstream producers to cut costs. Producers, in turn, meet these demands by paying workers exceedingly low wages for extended hours of physical labor without providing employment or social security. The systematic exploitation of workers at the base of supply chains is a form of structural violence that takes a heavy toll on the health and wellbeing of workers and

their families.

Human rights due diligence refers to the requirement that companies identify, prevent, mitigate, and communicate risks to human rights. Binding due diligence, then, refers to legal regulation in the home country of lead firms that requires corporations to take these steps. While to date, transparency-focused laws have been limited in their impact, new legislation with more robust due diligence standards is emerging in Europe, including in France, Germany, and the European Union. These mechanisms will only be effective, however, if states take an active role in oversight and enforcement—including by establishing regulatory mechanisms to ensure that human rights disclosures and due diligence processes are undertaken in good faith; imposing sanctions for compliance failures; and holding lead firms liable for downstream rights violations. Once established, it will be important to set up robust protocols and standards for conducting human rights due diligence—including identifying, preventing, mitigating, and communicating risks to human rights.

An increasingly important mechanism through which trade unions, labor rights non-governmental organizations, and global corporations have sought to establish labor rights accountability on global supply chains has been the negotiation of legally binding, enforceable agreements between lead firms and trade unions that cover labor rights in the operations of downstream suppliers. These enforceable brand agreements (EBAs) are an avenue to raise the bar for labor rights protection. They are an important corrective to voluntary corporate social responsibility programs, whose private audit systems have consistently failed to

end abuses in supply chains, replacing voluntary compliance and private audits with legally enforceable obligations and independent factory monitoring.

Second, multifaceted discrimination organizes the global workforce hierarchically, reflecting and reinforcing social discrimination on the basis of race, caste, gender, indigeneity, or migration status. Since the structural exploitation of workers maps onto the broader social structure of inequality, their exploitation is naturalized and entrenched—an interaction between unequal social structures and perception that has been referred to as symbolic violence. The exploitation of workers at the base of supply chains across the globe directs attention to how systems of social hierarchy are reproduced and maintained in relationship to supply chains and transnational circuits of labor migration. This is because in locally specific ways, lead firms and employers rely on hierarchical social relations to ensure access to a low-wage workforce, and to exert control over this workforce.

For labor organizations to intervene in multifaceted discrimination, they must take conscious measures to disrupt hierarchical power relationships at the intersection of class, race, caste, gender, and indigeneity. Here, initiatives for racial justice in the United States provide an instructive model for addressing conjugated oppression. In California, AFSCME 3299—a union of 24,000 patient care and service worker on University of California campuses—took proactive measures to address attacks on their members based on race and nationality. Notably, half of AFSCME 3299's members are Latinx. The union formed a racial justice working group where workers

shared their own experiences with racism and police violence. This group raised the visibility of racial injustice in the workplace and community, leading to demands for an end to labor outsourcing, improved job security, benefits, increased wages, and training programs to improve working conditions for people of color. AFSCME 3299's approach in addressing racial injustice head on lends insight into the importance of positioning marginalized workers through their trade unions at the center of negotiating EBAs.

Third, linking multifaceted discrimination with labor exploitation, legal exclusion of workers from labor rights, or the withdrawal of the protection of the state, not only leaves the structural violence of supply chain and flexible employment models unchecked, but also enacts symbolic violence by reinforcing the status of certain categories of workers as unworthy of legal protection. It does this by withholding labor rights protection or informalizing workers who face discrimination on the basis of race, caste, gender, indigeneity, or migration status. Labor organizations at various levels can address these exclusions in the global economy by taking strategic action to include informal sector workers in collective bargaining agreements and emerging legal frameworks, and ensuring that wage fights address wage stagnation through progressive informalization.

Moreover, various domains of informality typically converge within particular locations, especially urban industrial areas and other production hubs. Within these zones, exclusions in distinct regulatory arenas—such as housing and work, for instance—not only interact to escalate the impact of each set of exclusions, but they also interact with other legal and

procedural pathways to determine access to rights and entitlements. Such an integrated understanding is critical to gauging the real impact of exclusions on informal sector workers—including a high density of internal and international migrant workers.

Finally, social protections frameworks have been systematically eroded around the world. In product supply chains, lead firms sidestep accountability for upholding working standards and contributing to social protection frameworks by locating production in free trade zones and paying wage standards that fall below the cost of living. These longstanding business practices erode both personal and social safety nets. They leave workers living paycheck-to-paycheck with no breathing room to accrue personal savings, and transfer the onus of maintaining social protection to the countries where production is based.

Freedom of association, collective bargaining, and trade union engagement are critical to addressing this extreme deficit in social protection. Where social protection floors exist today, they were won through lengthy struggles by trade unions and by social dialogue, where trade unions played a pivotal role. Trade unions can also play a critical role in monitoring and managing social protection systems through ongoing engagement in advisory boards and working groups. Social protection and the right to social security have been integral elements of the International Labour Organization (ILO) mandate since its creation in 1919. The right to social security has been articulated in the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the more recent Social Floors Recommendation, 2012 (No. 202). These

longstanding commitments are particularly urgent in our contemporary context of rising global inequality and in the aftermath of COVID-19. They have also gained increasing traction in global initiatives including the United Nations' Sustainable Development Goals and the ILO Future of Work, which emphasizes the importance of investing in people's capabilities, including by strengthening social protection.