

#### BRICS LABOUR AND EMPLOYMENT MINISTERS' DECLARATION

Chongqing, China July 27, 2017

#### Introduction

- 1. We, the Ministers of Labour and Employment from the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, met in Chongqing on 26-27 July, for the third BRICS Labour and Employment Ministers' Meeting to strengthen intra-BRICS coordination, enhance information sharing, discuss and agree upon specific areas of cooperation in our endeavour to address labour, employment and social security challengescommon to the BRICS countries.
- 2. The BRICS countries have achieved progress in several labour and social areas while still facing a number of arduous tasks, including improving labour force participation rates, tackling persistent informality, and reducing inequality. At the same time, ongoing structural transformation is leading to strong employment creation in services and increased demand for high-skilled labour, raising both opportunities and challenges for BRICS labour markets.
- 3. The 2030 Agenda for Sustainable Development sets ambitious social and labour market goals including ending poverty in all its forms and implementing universal social security systems. We are committed to its implementation collectively and nationally to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- 4. We recognize that Labour and Employment Ministers of BRICS countries can collectively play an important role to inject new impetus into deepening the BRICS partnership and opening up a brighter future under the theme and the cooperation priorities of the 2017 BRICS Summit presidency.
- 5. In line with the theme of the 2017 BRICS Summit, we focus our discussions on issues of common interest to EWG with respect to governance in the future of work, skills development, social protection, and share best practices.
- 6. The BRICS countries continue to focus on and share experiences in the areas of employment generation, skills development, formalization of labour markets and social protection. Following our agreements under the Indian Presidency, we discussed these issues this year, with an emphasis on their implications for the 2030 Agenda for Sustainable Development and the Future of Work.
- 7. We recognize that the BRICS Employment Working Group (EWG) established during the Russian Presidency continues to provide an important mechanism for facilitating our joint deliberations on the common policy challenges. We have collaborated successfully in the International Labour Organization (ILO) Governing Body and the International Labour Conference on specific issues of common interest and we pledge to strengthen this collaboration to further promote common objectives in international fora.

#### Governance in the Future of Work

8. The world of work has undergone profound transformations over the past several decades bringing opportunities and posing challenges for governance and attainment of decent work for all. We believe that the future of work will offer promising economic opportunities for BRICS, provided that the appropriate policies are harnessed to advance social progress and inclusive development.

- 9. We need to proactively promote pro-employment development with innovation and entrepreneurship, establish a more reasonable and effective labour governance system, make economic development and employment growth mutually reinforcing, continuously improve the employment quality and push forward the achievement of decent work and social justice.
- 10. The emerging new forms of employment is an important labour market trend calling for actions to address it. We stress the need to improve the governance of work including improving national labour law systems, strengthening labour dispute resolution mechanisms, reinforcing labour law compliance and enforcement systems and adapting social insurance systems to the new situation. We will contribute to the improvement of international labour standards and their implementation in line with the new changes that would affect world of work in future, taking into account the different national conditions of BRICS countries.
- 11. We recognize the significance of ongoing dialogue initiated by ILO on the future of work, and we have achieved synergy and common positions on these issues (Annex 1 "The BRICS Common Position on Governance in the Future of Work"). We will coordinate our actions in this global endeavour.

#### Skills for Development

- 12. We are resolved to achieve the 2030 Sustainable Development Goals on poverty alleviation as a considerable share of the BRICS countries populations remain in poverty. Skills development measures have huge potential in fostering inclusive growth, poverty alleviation and employability of women and men, including young people, older workers, job seekers, those at the risk of lay-offs, and people from poor rural and urban areas.
- 13. We therefore support measures for better access to vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies. These measures need to be part of comprehensive employment policy approaches that combine skills development with other policy measures. For our coordinated efforts and

collective action, we adopt the BRICS Action Plan for Poverty Alleviation and Reduction through Skills (Annex 2).

- 14. Better quality and more relevant training requires coordination across ministries and sectors as well as systematic solutions for dialogue between the worlds of work and training. In this respect, we recognize the vital importance of demand-driven skills development strategies, based on forward-looking approaches and informed by labour market intelligence. We subscribe to the policy recommendations proposed by the G20 Initiative to Promote Quality Apprenticeship to further facilitate the Enterprise-based quality apprenticeship training and sectoral approaches accompanied by measures that improve the status of vocational training.
- 15. We also note the importance of fostering strong labour market information systems as a tool to identify priority areas for policy formulation and to enable monitoring of progress for our shared goal of poverty reduction. Ensuring comprehensive, timely and comparable labour market information across BRICS countries is critical in this respect.

#### Universal and Sustainable Social Security Systems

16. We recognize the important role of universal and sustainable social security systems, including social protection floors, for inclusive growth, decent and productive employment, gender equality and social inclusion. Despite significant progress in our countries, sizeable gaps in coverage and level of benefits as well as sustaining social security systems remain challenges for economic development and social justice. Furthermore these are likely to pose additional challenges in the future due to profound socio-demographic, economic and technological changes. It is particularly important to ensure adequate social security coverage for workers across different contractual arrangements including non-standard forms of employment, supporting the mobility of workers, complementing effective and efficient contributory social insurance schemes with non-contributory schemes, rationally set and adjust the benefit levels while maintaining adequacy of benefits, preserving and further reinforcing the financial basis of the social security systems, including social security funds, and adapting administrative procedures to facilitate compliance.

- 17. We stay committed to the 2030 Agenda for Sustainable Development through implementing comprehensive social security systems that are effective, equitable, economically sustainable to address the needs of our societies. In doing so, we are guided by international social security standards, which find expression in the ILO Convention No. 102 and Recommendation No. 202. We are also guided by professional standards for governance and administration, including the International Social Security Association (ISSA) guidelines for social security administration.
- 18. Consistent with the previous Declarations of BRICS Summits and BRICS Labour and Employment Ministers' Meetings, we commit to deepening social security cooperation among ourselves, and with other countries, with the support of the ILO and the ISSA. In this endeavour, we endorse the BRICS Social Security Cooperation Framework (Annex 3) which outlines principles, objectives, areas and methods of our cooperation. We believe the Framework would contribute to the future negotiation process on social security agreements and cooperation on social security administration in the BRICS countries. In relation to paragraph 26 of the Ufa Labour and Employment Ministers Declaration, we reaffirm the commitment to the development of a Memorandum of Understanding between our Ministries regarding cooperation in the social and labour sphere. This Framework will become a part of this Memorandum as soon as it is developed.

#### The BRICS Labour Research Network

19. Following our agreement during the Indian Presidency, we have taken steps to establish the BRICS Network of Labour Research Institutes, which aims to facilitate capacity building and information exchange, including good practices among BRICS countries. Reaffirming the importance of evidence-based research in social dialogue and policy decisions in our countries, we endorse the BRICS Network of Labour Research Institutes: Terms of Reference (Annex 4), which specify essential details of the Network and request the ILO's support for this.

20. We encourage the BRICS Network of Labour Research Institutes to develop cooperation with Entrepreneurship Research Centre on G20 Economies with a view to exchanging information and sharing best practices, such as promoting entrepreneurship, innovation and skills development.

#### The way forward

- 21. We will present this Declaration to the BRICS Summit in Xiamen for our leaders' consideration as they strive to deepen cooperation to promote development and strengthen global governance to jointly address our common challenges.
- 22. We thank our social partners for their valuable contributions in addressing labour and employment challenges, and we commit to strengthening tripartite social dialogue processes for advancing labour market development and improving labour market outcomes.
- 23. We thank the ILO, ISSA and national organizations for their contributions in supporting BRICS cooperation. We will continue our close cooperation with these and other international organizations.
- 24. We thank the Chinese Presidency for organizing the Employment Working Group meeting at Yuxi in April, 2017 and the Labour and Employment Ministers' Meeting at Chongqing in July, 2017. We look forward to our next meeting under the Presidency of South Africa.

# The BRICS Common Position on Governance in the Future of Work

New trends such as globalization,technological transformation, demographic and climate changes are profoundly influencing the world of work. With some traditional jobs declining, informal employment continuously expanding and new forms of employment emerging, the BRICS countries need to develop collective plans of governance in the future of work in order to seize new opportunities and address emerging challenges.

With a view to improving the labour law system and international labour governance system, protecting labour rights and interests and making economic growth and decent work mutually reinforcing, the BRICS countries have adopted the following common position on governance in the future of work:

#### I. Deal with the future opportunities and challenges in the world of work with employment as the priority objective of economic and social development

- 1. Strengthen coordination between employment policy and macroeconomic policy and strive to achieve full and productive employment and decent work.
- 2. Take advantage of the deeply integrated global industrialization and digitalisation, seize the opportunity of a new round of technological advances, make innovation as an important driving force for economic development and employment growth, encourage innovation and entrepreneurship and create more quality jobs.

## II. Improve the labour law system and law implementation mechanism in order to deal with the challenges brought by informal employment and new forms of employment

1. With a focus on new forms of employment including non-standard employment and starting from the perspective of top-level system design and law implementation, make

adjustments to labour benchmark systems, labour contract systems, social insurance and other parts of social protection systems.

- 2. Continue to push forward the transition from the informal to the formal economy, strengthen policy support and supervision for small and micro enterprises, and provide equal protection for informal workers including but not limited to part-time workers, on-call workers, temporary workers and agency workers.
- 3. In response to the new and future changes in the world of work, we commit to optimize the labour dispute resolution mechanism, innovate on the law enforcement concept and practices for labour inspection, adopt holistic approach to ensure full respect of the fundamental principles and rights at work.

### III. Strengthen cooperation among BRICS countries in terms of governance of the world of work and jointly improve the international labour governance system

- 1. Take an active part in the ILO Standard Review Mechanism (SRM) process with a view to improve the international labour standards in line with the new changes in the future world of work and the different national conditions of BRICS countries.
- 2. Encourage the multilateral and bilateral exchange and cooperation among the labour law implementation agencies in BRICS countries, and explore the establishment of information communication and law enforcement cooperation system.
- 3. Utilize the BRICS research institutes network, carry out research cooperation, coordinate positions, and forge new consensus and plans on the governance in the future of work.

# The BRICS Action Plan for Poverty Alleviation and Reduction through Skills

The 2030 Agenda for Sustainable Development sets an important target to "end poverty in all its forms everywhere". Today, there are still over 800 million people in the world who are living under the poverty line and there is still a heavy task and a long way to go to reduce poverty around the globe. With large populations and a sizeable share of the world's poor, the BRICS countries have set national priority to eradicate poverty in the near future. Skills development is a critical part of national development strategies to eliminate poverty. The BRICS countries agree to take the following actions to improve the skills level and employability of individuals especially the poor through vocational training in order to achieve poverty reduction and elimination.

#### I. Policy recommendation

In line with their national situations and priorities, BRICS countries formulate and implement relevant policies and measures to provide assistance for vulnerable groups including people in poor areas, the urban poor and laid-off workers from sunset industries. This is done in order to help them improve their skills and employability in an effective and efficient manner with a view to achieving stable employment in the near future. Policies and measures include but are not limited to the following aspects:

- 1. Integrate groups including the poor into the overall national plan for vocational training and set up training plans and programs according to the characteristics and needs of various groups.
- 2. Establish and improve lifelong vocational training and learning system for individuals of varying employment status and different career development stages.

- 3. Provide vocational training allowances or free training for individuals who participate in vocational training, especially people from poor areas, the urban poor and laid-off workers from sunset industries.
- 4. Encourage training providers to strengthen research on skill needs of various jobs, develop training courses, enrich training curricula and expand the coverage of vocational training services through new technologies and other innovative services to provide more flexible and convenient training modalities for the general public especially people from poor areas and laid-off workers from sunset industries.
- 5. Strengthen cooperation between governments, sectors and enterprises to conduct joint research and establish regional and sectoral strategies in order to improve the capacity of the economy to absorb unemployed people. Encourage enterprises especially those with difficulties in the process of restructuring to carry out various forms of skills upgrading training or new skills training in order to promote stable employment or re-employment in new areas.
- 6. Promote high-quality apprenticeship systems and encourage enterprises to provide training after recruitment and provide sound working conditions for apprentices including proper wages, labour contracts and social security as well as occupational health and safety.

#### II. Implementation modalities

- 1. Under the framework of the action plan, each country may, in line with their respective national situations, integrate vocational training into national employment plans, formulate concrete policies and measures and provide progress reports through BRICS Network of Labour Research Institutes.
- 2. In line with national situations and priorities, strengthen cooperation with stakeholders in the process of implementing the action plan for poverty alleviation and reduction through skills development, including cooperation between relevant government agencies, social partners, vocational training providers, economic sectors and enterprises.

3. Explore and establish the BRICS vocational training providers alliance, carry out mutual visits of trainers and trainees, exchange experiences in terms of curriculum design, teaching methods, cooperation between schools and enterprises.

#### **BRICS Social Security Cooperation Framework**

#### I. Background

- 1. Promoting universal social security coverage has become an important priority for all national governments. Goal 1.3 of the 2030 Agenda for Sustainable Development requires all countries to "implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable". The 2012 Social Protection Floors Recommendation (No. 202) of ILO, along with other Conventions and Recommendations, provides guidance to the member states in building comprehensive social security systems by prioritizing the establishment of social protection floors to guarantee access for all in need to at least a basic level of social security. ISSA has formulated a series of ISSA Guidelines based on internationally recognized standards and good practices in core areas of social security administration which play an important role in facilitating the implementation of various laws and policy measures for ensuring progress towards the realization of national and international objectives.
- 2. The Declaration of the BRICS Labour and Employment Ministerial Meeting held in Ufa in January 2016 emphasized on the intensification of social protection for vulnerable groups and unemployed people, inclusion of new-type or non-standard workers into the social protection and integration of continuous expansion of basic social protection into the cooperation agenda of the BRICS countries. The Goa BRICS Summit Declaration in October 2016 proposed to explore the possibility of signing bilateral social security agreements among the BRICS countries, encouraging closer cooperation on social security within the group. The 2016 G20 Labour and Employment Ministerial Meeting held in Beijing also put forward a policy recommendation of promoting a fairer and more sustainable social protection system.
- 3. This cooperation framework is designed to implement the requirements posed by the Declarations of previous BRICS Summits and the commitments of the Declarations of

Labour and Employment Ministerial Meetings, which provide guidance for the BRICS countries to deepen coordination and cooperation in the field of social security.

#### **II. Principles**

1. In order to achieve mutually beneficial outcomes, this cooperation framework shall operate according to the principles of equality, openness, efficiency, mutual trust and benefit as well as consensus built upon consultation.

2. This cooperation framework is pragmatic, open-ended and progressive. Fields of cooperation and concrete plans may be adjusted and enriched in line with the development situation and change of focus in each country, and determined through discussions in the BRICS Labour and Employment Ministerial Meetings.

#### III. Objectives

1. Through bilateral and multilateral exchanges and cooperation, promote the reform and improvement of social security systems in the BRICS countries, expand social security coverage and enhance the sustainability of social security so as to adapt to the ever evolving national and international environment.

2. Promote discussion on the signing of bilateral social security agreements between the BRICS countries.

3. Encourage the BRICS countries to establish a liaison mechanism among the social security administrative agencies to carry out case-based assistance and share information and experiences, so as to promote the improvement of the management and service capacity of administrative agencies and realize good governance and effectively achieve policy objectives.

#### IV. Fields of Cooperation

#### 1. Cooperation on the improvement of social security system

- (i). Leverage the BRICS Network of Labour Research Institutes to carry out joint research on the social security systems of the BRICS countries and exchange on the ways of expanding social security coverage, innovating on management and service modalities and promoting the sustainable development of social security.
- (ii). Conduct communication and exchange on the challenges and experiences of the BRICS countries with a view to improve social security systems, expand social security coverage and enhance system sustainability through activities including seminars, mutual visits and personnel training.

#### 2. Cooperation on social security agreements

- (i). Carry out exchanges among the BRICS countries on employment and social security for cross-border population flows and, in line with respective work priorities, initiate technical consultation on social security agreements between the BRICS countries and explore the feasibility of launching formal negotiations in this regard.
- (ii). Exchange information on practices regarding social security agreements both within and beyond the BRICS countries, and encourage the BRICS countries to initiate consultations on social security agreements in due course.

#### 3. Cooperation on social security administration

- (i). Establish a liaison mechanism among the social security administrative agencies in the BRICS countries to be hosted by the ISSA in collaboration with the ILO and identify the liaison agency, contact person and other relevant information in order to facilitate the communication channels.
- (ii). Encourage the case-based assistance among social security administrative agencies, especially in terms of social insurance issues.

- (iii). Exchange and share the best practices on management and services of administrative agencies through mutual visits and training activities in order to innovate on the modalities of providing services and improve the social security administration capacity.
- (iv). Strengthen cooperation among social security training providers in the BRICS countries.

#### 4. Cooperation in promoting international standards and guidelines

- (i). In carrying out joint activities under this cooperation framework, give due consideration to promoting the ratification and application of the relevant ILO Conventions and Recommendations on social security as well as the implementation of the ISSA guidelines for social security administration.
- (ii). Strengthen cooperation with the ILO and the ISSA, taking into consideration the national situation and the social security development status of the BRICS countries, and push forward the efforts of the BRICS countries through technical consultations, side-events during the International Labour Conferences, BRICS sessions during the World Social Security Forum, seminars and training courses, etc.

#### **5. Implementation Mechanism**

Establish a virtual liaison office for social security cooperation among the BRICS countries to be hosted by the ISSA in collaboration with the ILO and this will be a concrete mechanism for implementation of this framework. The virtual liaison office will work under the guidance and management of the BRICS Employment Working Group and will be responsible for drafting, implementing and monitoring the annual action plans. It will be made up of the officers designated by the Ministers in charge of labour, employment and social security affairs in the BRICS countries, as well as representatives from international organizations such as the ILO and ISSA.

# BRICS Network of Labour Research Institutes Terms of Reference

#### **Background**

- 1. BRICS countries are major emerging economies representing 43% of the world's population and contributing 37% to global GDP and accounting for 17% of world trade.
- 2. BRICS Labour and Employment Ministers met in Geneva and New Delhi in June and September of 2016 respectively and discussed issues of inclusive development, including employment creation, social security and formalization, and proposed to establish a Network of Labour Research Institutes. The commitment is aptly captured in the New Delhi Declaration of the BRICS Labour and Employment Ministers.
- 3. The establishment of the BRICS Network of Labour Research Institutes aims to realize the outcome of the previous BRICS Labour and Employment Ministers' Meetings. Its main objective is to deepen practical cooperation among BRICS countries, especially focusing on the common challenges of labour and employment faced by BRICS countries and develop possible solutions in order to achieve inclusive growth.

#### Mandate of the Network

- 4. Conduct studies and put forward recommendations to BRICS Employment Working Group on how to address the current and emerging labour, employment and social security issues to accomplish strong, sustainable and inclusive growth.
- 5. Carry out research on important issues on the future of work.
- 6. Undertake research programmes on decent work goals and identify key strategies to push forward the implementation of the 2030 Agenda for Sustainable Development.

#### **Organization and Structure of the Network**

- 7. The leading research institute of the BRICS Presidency acts as the rotating coordinator of the BRICS Network of Labour Research Institute.
- 8. The leading research institute of BRICS Network of Labour Research Institutes is the major research institute of BRICS countries in the field of labour and employment and is recommended by each BRICS country and invites the participation of relevant universities, research institutes and social partners of the country.
- 9. The leading research institutes of BRICS Network of Labour Research Institutes are National Labour Market Observatory of the Ministry of Labour, Brazil, All-Russia Research Institute for Labor of the Ministry of Labor and Social Protection of the Russian Federation, V.V. Giri National Labour Institute of Ministry of Labour & Employment, India, Chinese Academy of Labour and Social Security of Ministry of Human Resources and Social Security, China and the University of Fort Hare, Republic of South Africa. Experts from relevant international organizations would be invited to join the Network. Each country may change the leading research institute during the process of the network operation and inform the rotating coordinator and Employment Working Group accordingly.
- 10. The major responsibilities of the rotating coordinator of the network are: proposing the annual research plan or suggested revisions to the research plan; organizing meetings with the participation of all member institutes; drafting and submitting reports to the Ministers' Meeting after consideration by each member and review by the meeting of the working group.
- 11. According to the research plan, the leading research institutes are responsible for organizing the relevant institutes in their respective countries to participate in joint research and share research outcome, participating in the relevant meetings convened by the rotating coordinator, reviewing and improving the reports that are to be submitted to the Ministers' Meeting.

#### Working mechanism

- 12. A common virtual platform will be established for communication purposes. Each leading institute appoints a focal contact person and the platform would be maintained by the person appointed by the rotating coordinator.
- 13. As required by the actual needs of the work to be undertaken, a meeting of the Network of Labour Research Institutes may be convened in parallel with the meeting of the working group for the BRICS Labour and Employment Ministers' Meeting.
- 14. These Terms of Reference, especially the research priorities may be subject to revisions and such revisions should be submitted to the Employment Working Group for review and adoption.

#### Research priorities in the near future

- 15. With respect to the ILO Centenary Initiative on the Future of Work, the research priorities for the year of 2017 are to carry out research on new forms of employment and entrepreneurship, and put forward policy proposals concerning employment and social security in the context of the current status of economy and labour governance systems.
- 16. In future, one major research field will be defined for each year and proposed by the rotating coordinator and the research will be organized and implemented following the consensus of the EWG meeting. According to the actual situation of BRICS countries, the research priorities for the near future could be as follows:
  - (1) The mutual recognition of occupational qualification certificates among BRICS countries: the feasibility of mutual recognition and the types of occupational qualification certificates to be mutually recognized.
  - (2) Bilateral social security agreements: the feasibility of signing bilateral social security agreements among BRICS countries.
  - (3) The BRICS action plan for poverty alleviation through skills: the outcome of poverty alleviation through skills development of each country and share experiences and best practices including on labour market demand-driven skills development.
  - (4) Youth employment: the challenges and opportunities of youth employment in BRICS countries and possible policy interventions.

- (5) The impact of ageing society on employment and social security: employment and social security in the context of ageing in BRICS.
- (6) Assessing and comparing labour market information systems.
- (7) Other research priorities proposed by BRICS Labour and Employment Ministers' Meeting and the EWG meeting.