TRANSCRIPT

Drivers of Economic Inequality

Rohan Hazell:

How decisions are made at the international level and by multilateral institutions have an impact on how countries and businesses balance growth with the wellbeing of the environment and communities.

One area of concern is workers' rights. Despite unprecedented levels of prosperity experienced by many around the world, workers continue to be exploited and marginalised, contributing to ever-increasing global income inequality.

We speak to Sharan Burrow, former General Secretary of the International Trade Union Confederation, the largest trade union confederation in the world, about how trade-offs are grappled with at the international level, and what must guide decision-making at all levels to facilitate better levels of socioeconomic equality.

Sharan Burrow:

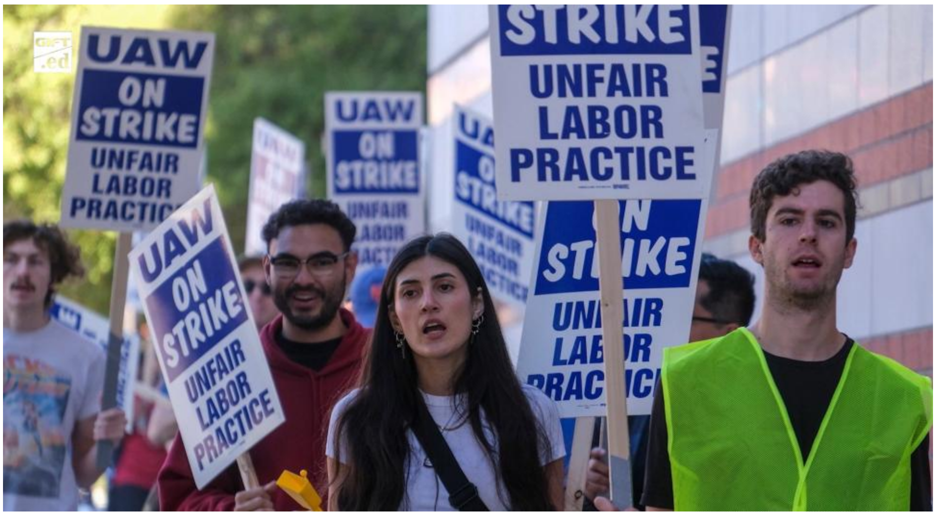
If we're going to reshape a world where people and planet are at the heart of all of the thinking we do government policy and distribution, the business model itself, and of course the way in which society thinks about both its own communities and the nature of work, decent work, because the dignity of decent work is in fact the very purpose for many, many people that keeps them alive, getting up in the day, and contributing.

It is indeed a real question about why we've developed a model of business that is exploitative of labour and is exploitative of the environment so that we take all of the profits and accumulate them in the country of ownership of the corporations and the supply chains that are so dependent on the production and the productivity of workers and so dependent on the resources and the governance of countries who are not actually sharing in the prosperity.

I talked about 94% of workers from our research being a hidden workforce in our supply chains. The CEOs of major companies, many of whom still have no idea of what their supply chain contractual layers look like. They are often shocked when I would take them. Stories of exploitation, poverty, wages, yes, but unsafe work, discriminatory work, work that you wouldn't countenance for ourselves, for our children or grandchildren and yet these are very wealthy companies.

Now, we all understand that business carries risks. But if you are not actually prepared to share the wealth that we make from labour and from profit, then what are we creating it for? For a very few individuals on the planet? And why are we creating on the basis of exploitation, not just the dehumanising exploitation for workers, but actually their communities and their environment?

So that's the challenge. The business model has failed us, whatever you want to label it as trickle-down economics, you know, it has not worked. And the worst thing about this is that it's not just causing despair for the individual, it's causing anger, and that's causing civil unrest. And if we don't do something about it, then it leads to the conflict that we're seeing everywhere in the world because people don't feel secure. There's no sense of common security. And I think we might come back to that.



But my final point about this is the business model. The investment model has also captured governments in a straitjacket because they felt that their only challenge was to collect more and more FDI or foreign direct investment, more and more international investment. And therefore, they had to actually accept the exploitation of their own people with the hope that in fact there would be wealth that would trickle down from this.

That is not an answer to a development model that actually should be leaving skills, increasing, income distribution, a sense of building a nation from a model that works for everybody, whether it's a developing economy, an emerging economy, or the richest nations in the world. So we've got work to do to rethink the economic model that works for everybody.

Business is fundamental to redesigning
an economy that works for all

Business is fundamental. We joined at the hip with business as trade union advocates because jobs are created in the world of business, but we cannot allow the exploitation. It means that people face a dehumanising future not just for themselves, but with no hope of that being better for their children.

Rohan Hazell:

Economic models that underpin exploitative business practices are concentrating wealth in the hands of a few and driving inequality up year on year.

A redesign of business and investment models to include fair distribution of resources, decent work, and common security is therefore needed to enable all people to live with dignity and have access to the basic rights to life.