



**Statement by Hon. Mr N.M. Sibiya
Deputy Minister of Employment and Labour**

G20 Labour Summit – Panel Discussion

*Session 7: Fighting Inequalities, Fostering Real Wage Growth
and Increasing the Labour Income Share of GDP*

Tuesday, 29 July 2025

Session 7: Fighting inequalities, fostering real wage growth and increasing the labour income share of GDP (16.00-17.40)

The South African G20 Presidency has included addressing inequalities and a declining labour income share of GDP amongst the key priorities of its employment track. Workers have been suffering from declining purchasing power which breeds poverty and inequalities. This session will be an opportunity for the L20 to engage in dialogue with G20 Labour and Employment Ministers to discuss joint approaches to tackle these critical challenges.

Panellists

- *Gilbert F. Houngbo, Director General of the International Labour Organisation*
- *Jomo Ntuthuko Sibiyi, Deputy Minister of Employment & Labour, South African Government.*
- *Alison McGovern, Minister of State Department for Work and Pensions, Government of the United Kingdom of Great Britain and Northern Ireland*
- *Lilian Tschan, Permanent State Secretary in the Federal Ministry of Labour and Social Affairs, Federal Government of Germany*
- *Anousheh Karvar, Delegate of the French Government to the ILO and representative to the G7 and G20 Labour & Employment Tracks (TBC)*

Moderated by Luc Triangle, General Secretary, ITUC

Followed by open discussion

- **Interventions from L20 members** (20 min)
- **Final comments from the panellists** (3 min each)
- **Concluding remarks by Luc Triangle** (3 min)

Dear Chair and Fellow Colleagues;

Our country is honoured to hold the 2025 G20 Presidency. We are deeply encouraged by the resolve demonstrated in this room and across the G20 Employment Track to confront some of the most pressing labour market challenges of our time: namely, deepening inequality, declining real wages, and a shrinking labour income share of GDP.

These issues strike at the very heart of our societies and also manifest in growing hardship for working families, the erosion of social cohesion, as well as a pervasive sense among workers that growth is no longer working for them. Across many G20 countries, and especially in the Global South, the value of labour has been steadily diminishing. Productivity has risen, but workers, particularly those at the lower end of the wage distribution, have not shared in those gains. The disconnect between the creation of wealth and its distribution is not only unjust but also unsustainable.

South Africa's G20 Presidency has placed these concerns at the forefront. Our employment track has been anchored in four overarching priorities:

- First, promoting inclusive growth and youth employment to ensure that every young person has a fair chance at a decent job.
- Second, accelerating gender equality in the workforce by addressing systemic barriers to women's full and equal participation.
- Third, reversing the decline in labour income share, so that workers regain a dignified and fair share of the value they help generate.
- And fourth, harnessing digitalisation to create an inclusive future of work, rather than deepening digital divides.

Nonetheless, these priorities are anchored in two historic targets that reflect our shared resolve, namely the Nelson Mandela Bay G20 Youth Target and the Brisbane-eThekweni Goal. Taken together, these milestones reflect our shared recognition that equity in the labour market is the cornerstone of resilient and sustainable economies.

These outcomes are not set in stone. As our anticipated Declaration emphasises, genuine economic growth is closely tied to decent work. This calls for us to actively shape policies and institutions to achieve fair labour market results. It necessitates establishing wage systems, whether through legislation or collective bargaining, that assure a living wage, alongside investments in social protection for lifelong income security and strengthened social dialogue to empower both workers and employers.

South Africa's own experience offers important lessons, but also reflects the urgency of coordinated global action. We face high levels of inequality and unemployment. But we also know that progress is possible when policies are coherent and inclusive. Our national minimum wage, adjusted annually, has helped raise earnings for millions, especially women and informal workers. Sectoral determinations have provided wage floors in vulnerable industries. And social partners continue to play a vital role in shaping labour market reforms, even amid structural constraints.

But our work is far from over. We must recommit to social justice in our economic strategies. We need to bolster institutions that ensure fair income and opportunity for everyone. And we must debunk the myth that competitiveness and fairness can't coexist. Let us be clear: fair wages, decent work, and strong social protection are not barriers to growth, but they are the foundations of resilient, future-ready economies.

The anticipated Declaration lays the groundwork for these efforts. It recognises that full and productive employment, the adequacy and sustainability of social protection systems, and wage-setting mechanisms grounded in rights and fairness, are essential to building just and inclusive societies. It calls on us to tackle low pay, expand formalisation, and reverse the decoupling of wages from productivity.

In particular, we welcome the impending Declaration's recognition of:

- The urgent need to improve wage-setting mechanisms and address the root causes of low pay, including through the implementation of living wage frameworks.
- The foundational role of freedom of association, collective bargaining, and tripartite social dialogue in achieving equitable labour outcomes;
- And the importance of strengthening labour institutions and social protection systems to support transitions and improve income security, especially for vulnerable groups.

We also support the call for the ILO and OECD to provide evidence-based monitoring and policy guidance, and for G20 members to share knowledge through platforms like the G20 Social Policy Portal.

Chair and Colleagues,

We must be unwavering in our resolve. Restoring labour's share is not merely an economic imperative; it is a social and moral one. It is about recognising the dignity of work, the rights of workers and the social contract that binds us all.

As we look ahead to the G20 Leaders' Summit in Johannesburg later this year, we will send a clear and united message: that we stand together for solidarity, for equality, and sustainability, and that we will leave no worker behind in the global transition toward a fairer, more inclusive world of work.

I thank you.