International Labour Organization

TMDRS/2023/10

Note on the proceedings

Technical Meeting on Digitalization in the Retail Sector as an Engine for Economic Recovery and Decent Work
(Geneva, 25–29 September 2023)

Sectoral Policies Department
Geneva, 2023

Contents

▶ Introduction

1. At its 346th Session (October–November 2022), the Governing Body of the International Labour Office endorsed the convening of a technical meeting on digitalization in the retail sector as an engine for economic recovery and decent work. The purpose of the meeting would be to discuss current and emerging issues in the context of digitalization and the future of work in the retail sector. Furthermore, it would focus on policies, strategies and good practices for ensuring that digitalization contributed to a human-centred sustainable development and a future of work with full and productive employment and decent work for all.

2. The Technical Meeting on Digitalization in the Retail Sector as an Engine for Economic Recovery and Decent Work was held in Geneva, from 25 to 29 September 2023. At its first sitting, the Meeting adopted its timetable (TMDRS/2023/2) and points for discussion (TMDRS/2023/1). The Meeting held six plenary sittings, including three devoted to the discussion of the points for discussion.

3. In accordance with article 6 of the Standing Orders for technical meetings, the Chairperson of the Meeting was Mr R. Muñoz Castro (Government, Colombia). At its first sitting, the Meeting elected three Vice-Chairpersons as follows:

Government group	
Vice-Chairperson:	Ms M. Bimbayi Hanga (Government, Zimbabwe)
Employers' group	
Vice-Chairperson:	Ms Ewa Staworzynska (United States of America)
Assisted by:	Mr L.R. Morales Vélez (International Organisation of Employers) (IOE) Ms N. Privee Boudeguer (IOE)
Workers' group	
Vice-Chairperson:	Mr D. Bliss (Australia)
Assisted by:	Ms M. Llanos (International Trade Union Confederation) (ITUC) Mr M. Bolton (UNI Global Union)

4. The Secretary-General of the Meeting was Ms Y. Arai (Deputy Director and Officer-in-Charge of the Sectoral Policies Department). The Executive Secretary was Ms M. Licata, and Mr O. Liang (Head of Private and Public Services Sectors Unit) provided overall guidance and support during the Meeting. The coordinator of secretariat services was Ms M.M. Than Tun. The representative of the Office of the Legal Adviser was Mr T. Geckeler.

5. The Meeting was attended by 99 participants (TMDRS/2023/2), including 39 Government representatives and advisers (from 27 Member States), together with 15 Government observers (from 12 Member States), as well as 8 Employer and 8 Worker representatives and advisers and observers, and 2 observers from intergovernmental organizations (IGOs) and invited international non-governmental organizations. Women represented 45 per cent of the participants.

Consideration of the agenda items

I. Opening speeches

6. The Chairperson opened the Technical Meeting on Digitalization in the Retail Sector as an Engine for Economic Recovery and Decent Work and welcomed all participants, both in person and online. The Meeting would provide the opportunity to share experiences and practices, as well as analyse lessons learned on a sector which had undergone major transformations before and during the COVID-19 pandemic. Those transformations, mainly driven by digitalization, had allowed the sector to survive, but the outcomes had been uneven between regions, enterprises and segments of the retail sector. The Meeting constituted a unique opportunity to discuss with renewed commitment the challenges and opportunities for the promotion of decent work in the retail sector in the context of digitalization and the interconnected drivers of change. Likewise, the Meeting would examine how best to harness the full potential of digitalization to ensure a fair sharing of the benefits of such a transformation, which should include the promotion of labour protection, a safe and healthy work environment, fundamental principles and rights at work and access to digital infrastructure and skills for all.

7. Digitalization was playing a thoroughly transforming role in the retail sector, which was predominantly labour-intensive and a major employer worldwide. The new opportunities and challenges it faced had been accelerated by the COVID-19 pandemic and subsequent crises, which had further affected employment and working conditions. To preserve the sector's key role in fostering economic growth and creating decent jobs through the profound digital transformations, it was imperative to strengthen social dialogue in all its forms, thus ensuring the sustainability and resilience of the sector in favour of its 420.4 million workers. In order to achieve this goal, it was necessary to discuss how policies, measures and practices could ensure retail workers and enterprises benefited from decent employment and business development opportunities. Likewise, it would be essential to equip the industry's actors with the adequate skills, training and working conditions adapted to the digital transformation.

8. The Secretary-General of the Meeting recalled that the Meeting would be discussing opportunities and challenges relating to decent work and a desirable future of work in the retail sector. It would analyse how to harness the full potential of digitalization and e-commerce in favour of a human-centred recovery, the sector's sustainable development and inclusive growth. The Meeting would also discuss how to develop and implement effective policies, regulations, and initiatives that generated more and better jobs, thus promoting the International Labour Organization's (ILO) constitutional mandate of advancing social justice through the promotion of decent work. The retail sector was strategic for the global economy, providing employment opportunities to more than 420.4 million people worldwide. The overall share of women in retail employment stood at 46.4 per cent, with higher numbers in Africa, Europe and Central Asia. Hence, the Meeting would also be a platform to discuss ways to advance gender issues in the sector. Furthermore, the retail sector consisted of a diverse ecosystem of enterprise sizes and business models. The digital transformation trend that had been accelerated during the COVID-19 pandemic would become a longer-term reality. This transformation was shaping new business models which affected the quantity and quality of employment generated as well as employment relations and working conditions. The new dynamics encompassed informal retail in developing countries, which had started to use digital platforms to connect with consumers and increase their business opportunities. At the same time, changes in business models brought about changes in the organization of work, which had an impact on lives and jobs. The retail sector was also committed to accelerating a shift to environmentally sustainable business models. It had a major influence on production, sales and consumption. Circular economy approaches were at the forefront of the shift to environmental sustainability in the retail sector. The shift from a manufacturing to a service-led economy, innovation and digital applications were driving the growth of those new retail business models. The Office hoped that the Meeting would adopt conclusions and recommendations to guide ILO constituents and the ILO in the years to come.

9. The Executive Secretary provided an overview of the report (TMDRS/2023) prepared by the Office as a basis for discussions. The report analysed the effects that the COVID-19 pandemic and ensuing crises had had on this sector. The pandemic had brought to light the diversity of the sector and impacted its distinct parts differently. Digitalization had accelerated during the COVID-19 pandemic, which had changed the sector's business and distribution models. Since that trend had become permanent, it should be seen as an opportunity to promote the sector's recovery, resilience and its adherence to decent work standards. The speaker then highlighted some of the topics covered in the report. Technological changes had historically characterized the retail sector. However, its current digital transformation was different: the digital and physical spheres were merging, artificial intelligence (AI) was gaining ground and some manual processes were being automated. E-commerce and social media commerce were also driving the economy. Data management was progressively being entrusted to AI systems. The digital divide between countries and companies was also an important topic. The report made it clear that digitalization could not be analysed in isolation from other mega-trends. Globalization was creating a link between producers and customers across borders and bringing medium-sized enterprises to global markets. There had been a major increase in mergers and acquisitions of major retail chains. Demographic shifts were also apparent, as was the fact that evolving consumer behaviour and urbanization were shaping, and were being shaped by, digitalization. With regards to environmental sustainability, the sector had the potential to facilitate more sustainable consumption behaviours. In this regard, the circular economy was also covered in the report, as it presented an opportunity for micro, small and medium-sized enterprises (MSMEs) to enter the sector, helped by digitalization.

10. Some of the challenges analysed in the report included job transformations (the emergence of new job profiles, short-term job displacements and skills shortages). This also favoured the creation of low-skilled jobs. Retail was still characterized by a high-incidence of informal work, with many retail workers having transitioned into informality during the COVID-19 pandemic. However, from a broader perspective, digitalization in conjunction with labour and social policies could in fact support the formalization of work in retail. Social dialogue had experienced a revival during the COVID-19 pandemic in order to ensure the sector's business continuity. This could be seen as an opportunity to address the major challenges of digitalization. However, challenges remained regarding freedom of association and collective bargaining. Many retailers were using diverse contracts which made unionization more difficult. Specific countries and jobs had seen anti-union actions, whilst the pandemic had brought about increasing labour unrest and frequent collective action. Lastly, gender equality, persons with disabilities, migrant workers, and non-discrimination measures were also examined in the report, as were the working conditions in retail. The latter included occupational safety and health (OSH) risks as well as access to social protection.

11. The Employer Vice-Chairperson stated that digitalization in the retail sector could contribute to a human-centred sustainable development and a future of work with productive employment in a context of decent work for all. It was necessary to ensure that the right actions and policy measures were taken to optimize economic growth and decent job creation. The retail sector was indeed a source of decent employment opportunities, particularly for women and young people, and played a critical role in driving a resilient, fair, and sustainable recovery. The report underscored critical areas that required attention, such as leveraging innovation, technology, and skill development strategies to harness the potential for decent employment creation while minimizing the disruptions caused by the rapid transformations that were taking place in the sector. She wished to make three comments in that regard. Firstly, she referred to the need to promote an enabling environment for sustainable enterprises in the sector to weather crises and thrive in unpredictable situations. Secondly, she recalled that the retail sector consisted of a diverse ecosystem of business models, enterprise sizes, and specialized segments, with the crisis having considerable and varied implications for enterprises and workers across the different spectrums. The sector also employed workers with varying degrees of skills. The Meeting's conclusions needed to be observant of that diversity to ensure that all sector components were addressed, while allowing for regional and national policies to regulate the industry considering nuances in economic and social realities. Thirdly, a wide-range application of digital technology and policies that adequately supported technological uptakes were essential for the resilience and survival of enterprises and for safeguarding employment during the COVID-19 pandemic. As technological innovations continued to create new job opportunities and transform work, ways of navigating the transition to a more digital environment should be examined. A successful transition would require skills development. Tripartite partners should collaborate to develop adequate curricula to close skills gaps in the digital retail sector through skilling, upskilling, and reskilling of the workforce. Coherent and coordinated policies were needed to create enabling conditions for enterprises and workers to remain relevant for economic and social development. Such policies need to be informed by diagnostic analysis of each country's capabilities, priorities, opportunities and challenges. Identifying such priorities and policies would guide ILO action. She noted that the report for discussion exceeded by over almost 50 per cent the length suggested by the Standing Orders for technical meetings, which could make it difficult for the Meeting to analyse and address all the themes covered in just one week. Lastly, she called on the Office to present the Meeting with short, balanced and concrete draft conclusions.

12. The Worker Vice-Chairperson said that, over the last decade, the acceleration in digitalization had redefined the manner, place and time in which work was performed. Hence the importance of reconvening to ensure that social dialogue translated into concrete improvements for workers worldwide. Digitalization was threatening working conditions and job security. A global army of workers was at the mercy of an application or digital platform, lacking employment rights and entitlements. Precarious forms of work were at the source of this. He quoted the Declaration of Philadelphia as a sound base for the Meeting's discussions: "labour is not a commodity". Digitalization must be consistent with the Declaration of Philadelphia, and an engine for decent work. At a recent meeting, retail unions had gathered to promote strong, binding, regulatory frameworks to protect safe and decent work in the digital age. Workers must benefit from technology and its productivity gains. At the outset of the Meeting, his group wished to highlight five points in the context of digitalization: the recognition and protection of all forms of work, ensuring minimum working rights are not artificially hampered to narrow and diminish classes of workers; a fair and just transition which was gender responsive, addressed upskilling, was transparent and foresaw the right to disconnect; the definition of decent work in the context of the UN Sustainable Development Goals (SDGs); OSH standards; and the respect for freedom of association and collective bargaining rights.

13. The Government Vice-Chairperson underscored the importance of the retail sector in driving the economy and creating jobs. During the COVID-19 pandemic, many enterprises and workers in key retail businesses provided food and essential goods to the population and ensured basic needs were met. Governments had witnessed forced closures and subsequent declines in demand and sales, with severe consequences for enterprises, particularly for MSMEs. To counter that, governments had put in place policy measures such as tax reliefs, loans, interest rate reductions and job retention schemes, which contributed to supporting retailers in many countries. The pandemic had highlighted the disparities among countries and exacerbated the digital divide. It was necessary to address gaps in digital adoption, invest in digital infrastructure and ensure cross-regional technology transfers. The speaker recognized the importance of digitalization in ensuring business continuity and enterprise development. Digitalization was the new normal and would continue to transform the retail sector, its jobs and its business models. It was important to have a shared vision and mission to expand digitalization for MSMEs, which would be key to scale up sustainable enterprise development in the long term. This should go hand in hand with a digital transition in education and broadband expansion. She believed that further action was needed in support of the sector's enterprises and workers, and to ensure a just digital transformation. Countries had tried to address and promote a safe and healthy working environment, as well as to ensure adequate working conditions, by adapting their normative frameworks. The retail sector was key in the transition to environmental sustainability because of its influence on the consumption of goods and resources. It was necessary to discuss sustainability and the future of work of the sector in the context of the industry's potential for sustainable consumption and production. Technological changes could also contribute to sustainability, including through circular business models of repair, re-use and recycle.

14. The Government representative of Honduras recognized the pivotal role of digitalization in fostering economic recovery and decent work in the retail sector. Honduras' commitment to embracing digitalization in the retail sector was deeply intertwined with the broader national strategy for economic growth and development. His country had promoted digitalization within the Government in recent years. Likewise, they had streamlined administrative processes to facilitate the growth of small enterprises. He provided an example of ongoing tax reforms aimed at supporting economic recovery. He underscored the need for strategic measures to stimulate economic growth, foster decent work, and ensure that fiscal reforms benefited all segments of society. Digitalization was a fundamental driver of economic prosperity and social progress. Honduras was committed to creating an environment where enterprises of all sizes could harness the benefits of digital technologies.

15. The Government representative of Thailand explained that the COVID-19 pandemic had impacted workers in various ways, including an increase in remote work, the growth of e-commerce and a shift towards gig jobs and automation. The changes brough about by digitalization could be approached through workforce upskilling, reskilling and science, technology, engineering and mathematics (STEM) education. Recognizing that further action was needed, the Government of Thailand was providing training and seeking to extend social protection coverage to informal workers. Many lessons had been learnt from the impact of the COVID-19 pandemic and were related to OSH, the applicability of labour laws to platform workers, and the accessibility and portability of social protection, especially for migrant workers. The high levels of informality in the sector as well as an ageing population called for a culture of lifelong learning.

16. The Government representative of Malawi highlighted that the COVID-19 pandemic had resulted in job losses and exposed the digital divide between developed and developing economies, and between rural and urban areas. Better inclusion of rural and informal enterprises in the digital economy was needed. Digitalization had opened new opportunities and created new jobs, new skills requirements, and new forms of employment. However, most opportunities had come about in the informal sector and were associated with various challenges, such as the realization of fundamental principles and rights at work. Malawi had been striving to improve the policy and regulatory frameworks to govern the digital economy, including through its Digitalization Policy, the Malawi Digital Economy Strategy, and other measures. The future of economic growth and the creation of decent jobs lay in digital platforms, but policy and regulatory frameworks were needed, alongside investment in the digital economy.

17. The Government representative of the Philippines said that the sector was currently home to half a million MSMEs, employed more than 2 million workers, and accounted for approximately 20 per cent of the national gross domestic product. The country had implemented a cohesive programme to enable MSMEs, including those engaged with and displaced by technology, to benefit from productivity trainings, upskilling programmes and livelihood packages. Technical advice was available for micro, small and medium-sized enterprises regarding OSH and labour standards. The Philippines would continue to engage with the stakeholders concerned to maximize the opportunities presented by digitalization.

18. The Worker Vice-Chairperson recalled that only a short time ago retail workers had been the heroes of the pandemic: while most people were safely working from home, they got out of bed, travelled to work, put on hand sanitizer and kept the community fed and clothed. With digitalization accelerating in the wake of the pandemic, many of them felt forgotten, faced increasing levels of abuse, violence, mental health issues and suicide. Thus, it was critical to keep workers and their rights at the heart of the debate.

19. The Employer Vice-Chairperson welcomed the recognition of the retail sector's extreme value and contribution. The implementation of the right policies would harness many opportunities for decent work.

II. Point by point discussion

Discussion of point 1

What are the opportunities and challenges for decent work in the retail sector in light of the rapid expansion of digitalization and e-commerce during the COVID-19 pandemic in particular, as well as other drivers of change and key developments?

20. The Worker Vice-Chairperson highlighted that digitalization had meant displacement for many workers. Self-employed contractors and service providers had emerged, and those workers were denied their basic rights. Many of the new jobs created did not classify as decent work. The recent growth of e-commerce and massive expansion of the last mile delivery services introduced a new form of quick commerce in the retail landscape, with dark stores or micro fulfilment centres. Workers employed in those dark stores suffered from heavy workloads, unhealthy working conditions and environmental OSH issues and limited access to union representation and collective bargaining. Moreover, delivery drivers were increasingly in precarious employment situations. All of those workers were alarmingly vulnerable to occupational accidents caused by unreasonable targets. Digitalization also had a huge impact on retail workers employed in brick-and-mortar stores, including changing roles and job descriptions, the overuse of AI and increasing surveillance. A recent report by Uni Europa had also shed light on emerging issues, such as job transformation or redesign due to AI use, changing skills demand due to occupational restructuring, reduced incomes and hours of work, displaced workers due to automation, more frequent periods of unemployment, job polarization and rising inequality, lack of social dialogue, loss of employee voice and social dialogue due to workforce fragmentation and increased aggregate unemployment. The speaker deferred to a Worker representative from Chile and a Worker representative from South Africa.

21. A Worker representative from Chile said thousands of workers were out of work because of digitalization, despite the efforts they had made during the pandemic. Collective bargaining agreements were diminishing in number and were not respected. People were losing access to fair wages. Many companies did not respect labour law and pursued their policies in spite of the job losses. Employers were not sufficiently retraining or upskilling workers, despite the large earnings many had benefited from during the pandemic. Furthermore, many workers in the sector and their families had been ill or died during the pandemic. Decent work meant respecting minimum labour standards nationally and internationally, including those in existing Conventions. Forms of labour which benefited companies to the detriment of workers needed to be avoided.

22. A Worker representative from South Africa spoke of irregular working hours in the sector, as many retail shops were open until late at night. Despite this, employers did not provide much-needed safe and reliable transport for workers heading home after a late shift.

23. The Worker Vice-Chairperson resumed his intervention by saying that work quality and quantity needed to be at the heart of the discussion. Digitalization had largely diminished job quality. His group hoped to reach a common agreement with the Employers on training. Workers, employers and governments should all concern themselves with access to tripartite arrangements in favour of lifelong learning and upskilling.

24. The Employer Vice-Chairperson stated that the retail sector was a pivotal contributor to the economy, especially in emerging markets. Quoting the report, she recalled that technological disruption in the retail sector was not a new phenomenon. The most successful approach would be to embrace changes whilst applying the right policy measures. Her group could see the following six opportunities to be seized at a macroeconomic level. Firstly, digitalization held the potential to favour formalization. Digital tools could help governments better target their effort, including in favour of affiliation to social security schemes. Her group counted on governments to further simplify business registration. Secondly, digitalization brought unprecedented market opportunities for small and medium-sized enterprises, especially in developing countries. Thirdly, the retail sector and its digitalization could benefit the industry and workers through new job opportunities and job creation for both low and high-skilled workers, as well as the more vulnerable groups. Fourthly, the links between online and physical commerce could foster exchanges between these two forms of retail and create new jobs. Fifthly, digitalization could contribute to just transitions and more sustainable job creation. The extensive data analysis and algorithms available could foster more sustainable production and retail models. A sixth opportunity came in the field of inclusivity in the labour market for women, youth and people in vulnerable situations. On a microeconomic level, digitalization could increase productivity as daily task completion was simplified by technology. MSMEs had easier financial management systems which enabled them to comply with tax obligations. This would promote an enabling environment for sustainable enterprises and create more fiscal space for governments. Flexibility and increased OSH were two further spheres which could benefit from the new and improved use of technology.

25. The Government Vice-Chairperson outlined several opportunities for decent work in the retail sector in light of the rapid expansion of digitalization and e-commerce. Digitalization could foster formalization and the adoption of digital technologies could promote exports. However, skills development, upskilling, reskilling, and STEM education were needed to take advantage of digitalization in the retail sector. Likewise, there was a need for knowledge transfer regarding digital technologies, both between countries and between rural and urban communities. Large enterprises should play their role and support small enterprises so they could access global markets. Likewise, governments should play an active role in creating opportunities and an enabling environment for MSMEs. Digitalization in retail also provided opportunities for women and youth to participate in the sector, and could leverage the demographic dividend.

Nevertheless, this would require regulation and investments in infrastructure and digital skills. Digitalization allowed small enterprises to leverage social media platforms to increase their marketing and enhance market entry.

26. With respect to the challenges facing the retail sector, the sector was characterized by high levels of informality and weak regulation of e-commerce, especially in developing countries. There had been poor infrastructure development in most developing countries, characterized by low internet access and speed, and electronic network capacity. This digital divide existed between countries as much as between urban and rural areas. There were gaps in e-commerce with respect to OSH and labour law compliance. Stronger privacy, data protection and cyber security measures were needed. Gig workers lacked social security, especially in developing countries. A step-by-step approach was needed to address social security shortages taking national realities into account. Rural economies had not been well-integrated into the mainstream economy and could suffer from risks linked to digitalization. Challenges remained with regards to discrimination against women, as well as rights and access to benefits for young people. Furthermore, many enterprises had been pushed into the informal economy by the pandemic. Lastly, she referred to low digital literacy, a lack of continuity in business strategies leading to digital disruptions, and environmental challenges. In concluding her remarks, the speaker emphasized that governments had experienced challenges with social dialogue and the other pillars of the ILO's Decent Work Agenda, which were not always easy to realize in the sector.

27. The Government representative of South Africa said uneven development had brought more challenges to Africa than elsewhere. Since enterprises could now be based anywhere in the world and have access to global markets, retailers in Africa had been closing down their enterprises. This had resulted in unemployment and the undermining of local government jurisdiction.

28. The Worker Vice-Chairperson recalled that the purpose of the Meeting was to approach digitalization as an engine for decent work and discuss how technological changes were impacting workers. The conversation regarding digitalization creating value belonged to other fora. He felt the Employer Vice-Chairperson's comments had been somewhat one-sided and needed to be more nuanced. He recognized that digitalization could contribute to formalization, but efforts to prevent informalization still needed to be displayed. As far as inclusivity was concerned, the gendered effects of digitalization needed to be looked at. To many women working in retail, digitalization had meant a deterioration of working conditions. Access to childcare and government support that women would be entitled to had become problematic because of some effects of digitalization. With regards to productivity, he questioned to what effect workers had benefited from productivity increases brought about by digitalization. Such gains needed to be redistributed on a societal basis, instead of simply among capital owners. Lastly, it was important to remember that in certain cases digitalization had also eroded workers safety, health and well-being.

29. The Employer Vice-Chairperson said the group welcomed the alignment witnessed in the room with regards to the challenges and opportunities: formalization, the need to invest in skills development, opportunities for MSMEs, and an increase in global trade. Those ought to be harnessed to promote decent work.

30. A Worker representative from Uruguay confirmed that digitalization created opportunities, but it also generated a lot of difficulties in terms of workers' health. Uruguay had witnessed increases in anxiety, stress and suicide rates because of the multi-tasking brought about by digitalization. It was necessary to regulate labour platforms, which generated high levels of stress for workers. Attention should also be paid to the new conditions in which workers were performing their tasks. Call centre workers required good soundproofing, and Uruguayan workers in the sector had found themselves hiding from family members in their own homes in order to adequately perform their duties. Adequate heating and ergonomics were also a concern. Lastly, studies in Latin America had proven that men had more opportunities to telework than women. Although digitalization had created more jobs for women, they remained relegated in terms of wages and functions.

Discussion of point 2

Which policies, measures and practices have worked, which have not worked, and what more needs to be done to ensure that digitalization in the retail sector contributes to a human-centred sustainable development and to a future of work in retail with full and productive employment and decent work for all?

31. The Employer Vice-Chairperson said that digitalization was the new normal, so the sector needed to optimize the opportunities it offered. Enabling frameworks must take into account the wide diversity of local contexts and business models within the retail sector. Policy solutions which did not tackle root causes were ineffective. Instead, policies should be evidence-based and effectively address root causes to create long-term, sustainable solutions. She recalled the following six good practices which had brought about positive changes. Firstly, the simplification of legal and administrative frameworks could facilitate formalization as well as access to digital environments, innovation and entrepreneurship. Secondly, investment in skills development and lifelong learning promoted workers' employability and fulfilled skills gaps for enterprises. Effective programmes for both workers and employers should be based on continued skills gap monitoring, regular updates to curricula and tailored educational and training programmes. Educational programmes should be inclusive and gender-responsive and keep in mind vulnerable groups such as migrants and persons with disabilities. Public–private partnerships were crucial in this regard. Her group would also welcome further efforts to promote quality apprenticeships, which were key for early skills development and smooth labour market entry. Thirdly, better access to finance and support from regional and national governments was crucial, especially for small enterprises and entrepreneurs. Such support could take the form of fiscal incentives, subsidies, loans and guarantees available directly to companies. Fourthly, she stressed the role that employers' and business organizations had played in providing training and disseminating best practices, even if the latter two should remain a primary responsibility of the governments. The fifth element she highlighted was the importance of access to social protection. Designing, progressively extending, and strengthening social protection schemes in a fiscally sustainable manner could help protect the sector's workers and support decent work. This was also the overall and primary responsibility of governments, in line with ILO standards. A sixth critical measure to be taken was the continued promotion of social dialogue on the challenges and opportunities digitalization offered. It would also allow for continuous needs assessments. The ILO should monitor and compile information on best practices, their impact on the labour market, as well as promote cooperation between countries.

32. The Worker Vice-Chairperson asked for the contents of the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169) and other instruments listed in the report to be reflected in the annex of the Meeting's draft conclusions. He recalled some of the issues brought about by digitalization which had been examined the previous day: work had become more precarious and less safe, transnational platforms acted as barriers to freedom of association, work–life balance had been blurred for workers, intensified work was pushing workers into independent contracting arrangements to avoid liability for minimum employment rights, etc. More transparency was needed in the management of the data collected on workers. Unions needed to have a seat at the table and not be playing catch-up. Employers must share productivity gains and contribute towards the cost of reskilling workers and lifelong learning. A modern and responsive regulatory framework was needed in the sector. The Meeting should also support the principle of the right to disconnect. Digital tools were blurring the lines between work and personal life, with electronic tools keeping workers tethered to their devices during and after work. Additional measures should be taken so that responsiveness out of office hours was not used to reward or discriminate among workers. He asked the Chairperson for permission to have his colleagues from Chile, Spain and Singapore share some of their own points of view.

33. A Worker representative from Chile said that since workers were obliged to use their phones for work, those should be provided by employers and their use should be limited to working hours, as digitalization was resulting in an invasion of workers' private lives. Furthermore, the coverage of collective bargaining agreements should be expanded. Human work needed to be further valued. When workers were dismissed without any possibility to retrain, they became unemployable. He shared the good practices of certain Chilean enterprises which were retraining employees instead of dismissing them, as well as granting them the right to disconnect outside of their working hours.

34. A Worker representative from Spain shared some positive results of collective bargaining in the textile, commerce and fashion industries, where the effects of digitalization were having the quickest impact. Social dialogue forums had been created in Spain to deal with the impact of digitalization, and many positive agreements had been reached on decent salaries and reskilling.

35. A Worker representative from Singapore said tripartism was strong in his country. Tripartite industry actors had started working on forthcoming challenges they had foreseen in the industry since 2016. The country was now reaping the fruit of that labour. Currently, Singaporean workers benefited from good protective frameworks and the possibility to progress professionally as they acquired new skills.

36. The Worker Vice-Chairperson took the floor again to refer to some of the measures which had not been successful. Elaborated surveillance systems were being used to monitor workers and set productivity targets. However, studies had shown this had a negative impact on workers' physical and mental health. Certain companies were also denying trade union rights. Furthermore, digitalization had not always been good for diversity. On the contrary, it had exacerbated pre-existing fault lines for workers with care responsibilities – primarily for women – who were struggling to balance work and care duties. Further research had shown retail workers lacked genuine choice about their working times and childcare arrangements. Better support structures were needed to ensure they could meet their work and care responsibilities. Rostering and pay were too strongly based around profitability and cost minimization.

37. The Government Vice-Chairperson provided a number of country-specific good practices on how digitalization in the retail sector had contributed to decent work and productive employment. Several countries had invested in digital infrastructure and enacted legislation and policies, including on enhancing internet access and speed. Further measures were needed to increasingly regulate e-commerce. She outlined several measures taken by countries, including finance for small enterprises, use of mobile money, cashless transactions, and measures related to data and cyber protection. Other measures were related to training for young workers, the introduction and promotion of STEM education for girls, and awareness-raising on the topic of digitalization in primary education. Good practices also extended to promoting collective bargaining in the retail sector and supporting formalization. Regarding areas for further work, the speaker encouraged awareness-raising campaigns for consumers to be better informed of their rights. She also noted the importance of promoting trade agreements. Furthermore, there was a need to foster digital inclusivity, to promote internet access for all, and to tighten cyber security laws. The establishment of technical or innovation hubs was needed to assist entrepreneurs in accessing digital platforms. Another area that called for further work was access to social security, especially in relation to the informal economy. Lastly, the speaker highlighted that the establishment of the four pillars of the Decent Work Agenda in national jurisdictions remained a challenge for developing countries.

38. The Government representative of Algeria said traditional industrial and manufacturing sectors could no longer provide sustained growth. It was necessary to diversify the economy into more sustainable sectors and to increase employment opportunities. Programmes in favour of the digital transformation were implemented in recent years. A ministerial department had been set up to deal with digitalization. Digital activities were no longer seen as subsidiary activities, but rather as a sine qua non for future development. The spread of digital payment options and fourth generation mobile technology underpinned the Algerian Government's efforts in recent years. Legislation on e-commerce was also progressing well. The digital revolution could be beneficial for economic development in the future. Hence, the Government was investing in infrastructure to boost the country's productive capacity and invest in high value-added sectors, such as the digital sector.

39. The Government representative of Honduras explained that there was a dedicated Government unit to support small and medium-sized enterprises since 2009. Since 2022, the new Government had turned towards an alternative model of economic development based on solidarity and the reduction of extreme poverty. The model focused on the poorest and most vulnerable, and included technical assistance with digitalization. The Government continued to support formalization through loans and accessible credit, identification of local and international markets, and training in business negotiation and marketing techniques. The Government was focused on promoting solid foundations for the promotion of digitalization in the country, including by bringing internet access to rural areas.

40. The Government representative of Brazil said a tripartite round-table discussion had been established to address digitalization matters through the most effective approach: social dialogue. This had led, among other important outcomes, to the introduction of mandatory insurance for autonomous workers in the private sector. Other actions being discussed at the round table included further extending social security benefits and recognizing the right to disconnect. There was a need to enhance and create new models of labour inspection, as well as to engage with social partners to find effective solutions. Additionally, it was important to counter misinformation, clarifying that the Government's intent was not to ban e-commerce or the digital economy, but to protect workers.

41. The Worker Vice-Chairperson acknowledged that valuable contributions regarding actions to be taken by governments and employers had been made. However, he reminded participants that the focus of the Meeting should remain on decent work. Although topics such as access to finance and the role of business organizations might have value, they ought not to be the focus of the final report. The speaker encouraged discussions on investment in skills, where delegates could make valuable contributions to the benefit of workers, enterprises, and society as a whole.

42. The Employer Vice-Chairperson responded to the implication made by the Workers that digitalization had exacerbated work intensity. Digitalization and new technologies had improved productivity and efficiency in warehouses. Work had become easier and more accessible as a result, which had positive multiplier effects for inclusivity in the retail sector. She underlined the importance of social dialogue and highlighted that there were many collective agreements in place. The right policies would allow digitalization to foster decent job creation and fight decent work deficits, including through formalization. With regards to AI management, algorithms were part of various business models and did not necessarily impact labour relations directly. The retail sector offered many opportunities for women, with digitalization and new technologies making work more accommodating, including for pregnant women. Moreover, digital wage payments had a positive impact on workers, facilitated financial record-keeping for enterprises, and fostered formalization processes.

43. The Government Vice-Chairperson thanked the social partners' spokespersons for their contributions and welcomed the emerging consensus on the importance of social dialogue.

44. The Worker Vice-Chairperson appreciated that digitalization had provided workers with the opportunity to travel shorter distances within warehouses. However, this did not account for increased workload brought about by those changes, and inherent tasks such as meeting targets and productivity requirements. On the notion that work had become easier, he recalled there were other concerns for many workers, such as women's access to maternity leave, lactation time or flexible working hours. Regarding the impact of digitalization on workers, while digital innovations could result in positive developments for some workers, they could adversely impact others, as in the case of job displacement. The root problem was not just formalization, but also the rights of workers in formal working arrangements and their access to decent work.

45. The Employer Vice-Chairperson indicated that Workers and Employers agreed on the importance of flexible working hours enabled by digitalization, as well as on the need for investing in skills, including digital skills. The speaker called upon the Office to ensure that the draft conclusions of the Meeting were evidence-based. She praised the great efforts made by governments and encouraged all to further harness the opportunities presented by digitalization in the sector.

46. The Worker Vice-Chairperson clarified that there was no agreement with the Employers that flexibility, in and of itself, universally benefited all workers. It had been emphasized that flexibility had both positive and negative aspects. For many workers, flexibility was an option primarily available to employers rather than a realistic option for themselves. The speaker referred to the right of pregnant women to have flexible working arrangements upon their return to work and clarified that this should not be misconstrued as a broad-based agreement on the fact that flexibility was necessarily always positive.

47. The Employer Vice-Chairperson underscored that with the right policy frameworks in place, flexibility could be very positive and contribute to a better work–life balance.

48. The Worker Vice-Chairperson noted that the issue of flexible working hours was highly contested. He reiterated that flexibility for one person did not necessarily mean a good thing for another.

49. The Employer Vice-Chairperson noted that many different contract types were available to workers in the retail sector.

50. The Government representative of Cameroon emphasized that different definitions were used for the retail sector, and that this was an issue worth addressing. The retail sector in developing countries was significantly different compared to the retail sector in other places, with over 80 per cent of workers in the sector being in informal employment or self-employed. It was important that this was taken into account when discussing digitalization in the sector. In order to improve decent work in the sector, there was a need to rethink the real problems and lived experiences, including in developing countries. The speaker hoped to see those different perspectives reflected in the draft conclusions and recommendations.

Discussion of point 3

What recommendations should be made for future action by the ILO and its Members (governments, and employers' and workers' organizations) to promote decent and sustainable work in order to shape the recovery and restore growth in the retail sector beyond the COVID-19 pandemic, and through a digital transition that is just and inclusive?

51. The Worker Vice-Chairperson underlined the collective duty to keep a focus on two key aspects of the discussion: (i) the promotion of decent and sustainable work; and (ii) a digital transition that is just and inclusive. While the digital transformation delivered more choice, convenience, productivity and profit, it did not deliver on the promise of the four pillars of decent work and was not human-centred. All governments should observe, learn from, apply and extend the practices of those governments bridging gaps in the social safety nets for workers in both the informal and formal sectors. Social dialogue could bring a better understanding of the issues at stake. The speaker referred to some of the principles and commitments in the resolution adopted at the 6th World Congress of UNI Global Union, including the importance of organized labour, of strong and binding regulatory frameworks to protect decent work in the digital age, of workers sharing in the benefits brought about by technology and its productivity gains, of upskilling and reskilling workers as jobs developed, of evaluating and verifying algorithms and digital processes with trade unions, of a transparent management of data collection and surveillance, of balancing algorithmic management with collective negotiations to ensure fairness, of subjecting remote work agreements to collective bargaining, and of extending sectoral collective agreements to digital platforms.

52. The speaker made the following recommendations for adoption by the Meeting: fundamental principles and rights at work should be applied broadly, regardless of the type of employment relation; the ILO should provide technical assistance with regards to the ILO Declaration on Multinational Enterprises (MNE Declaration); the ILO should produce policy guidelines on collective bargaining for the introduction of new technology in line with the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Employment Policy Convention, 1964 (No. 122), and the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169); the ILO should play an active role in e-commerce negotiations with the World Trade Organization (WTO) and United Nations Conference on Trade and Development (UNCTAD); it should support a new ILO Convention to address challenges and promote decent work in e-commerce; it should ensure a fair share among workers of the results of productivity increases stemming from digitalization; support the development of a new action plan to address the growing OSH risks; support the regulation of AI, monitoring and surveillance; provide tripartite support and joint funding of training, upskilling, and reskilling; conduct Office-led regional meetings and workshops on the topic of decent work in the sector in light of its digitalization. All of the above should be put into practice with a strong gender equality perspective.

53. The Employer Vice-Chairperson said that it was important to embrace technology and the digitalization of the retail sector, and to make it work for everyone. Her group wished to make a few recommendations on the following areas for action. With the ILO's technical assistance, governments had an important role to play in ensuring appropriate regulatory frameworks, effective implementation of policies, solid institutions and an enabling environment for sustainable enterprises, all of which would facilitate a transition to the formal economy. Governments should ensure effective and inclusive access to adequate and advanced education systems, with social partners identifying needs and tailoring education systems. Inclusive, targeted labour market policies needed to be developed. Governments should secure appropriate funding for industry-led skills development initiatives, vocational training and apprenticeships for retraining or upskilling workers in the sector. The ILO should support the design and implementation of skills, reskilling, apprenticeships and lifelong learning schemes. Governments must ensure equitable access to digital tools and technologies, particularly for marginalized communities. They should provide incentives to enterprises to invest in digital infrastructure and technologies to facilitate an inclusive digital transition benefiting all. Employers were committed to share best practices on cybersecurity, an issue that affected everyone. The ILO should provide policy guidance aimed at harnessing the full potential of digitalization, especially for MSMEs. The Office should support Member States in designing, extending and strengthening social protection schemes in a fiscally sustainable manner. Social dialogue remained key to achieve adequate labour protection. The Office should build the capacity of constituents to engage in effective social dialogue. Governments, in cooperation with employers' and workers' organizations, should develop an enabling policy environment which would promote productivity whilst improving labour conditions. The Office and the social partners should continue to promote gender equality and labour market inclusion for people with disabilities and other disadvantaged groups. Her group asked the Office to prepare a compilation of good practices shared at the Meeting, so that effective solutions could be further promoted. The ILO and its Members could play a pivotal role in ensuring that the digital transition in the retail sector would be inclusive, and conducive to the promotion of decent work. She called on the Meeting conclusions to be short, consensus-oriented and mindful of national realities.

54. The Government Vice-Chairperson outlined recommendations for future government action. Governments should enact legislation on digitalization, e-commerce, taxation, and data protection, while ensuring enforcement, harmonization of regulations and policy coherence. Governments should also ratify the ILO fundamental Conventions and adhere to the ILO Declaration on Fundamental Principles and Rights at Work (1998), as amended in 2022. The speaker called upon the Office to include other relevant ILO policy documents as an annex to the draft conclusions and recommendations of the Meeting, including the Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient, as adopted during the 109th Session of the International Labour Conference in 2021; the Violence and Harassment Convention, 2019 (No. 190), the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), and Conventions related to the protection of migrant workers. Governments should invest in infrastructure development, especially in developing countries. They should also promote the establishment of social dialogue platforms and strengthen collective bargaining. Developing policies to promote the transition from the informal to the formal economy was another area for action, as was the need to extend social protection coverage to workers in the informal economy. Furthermore, governments should develop and implement policies to create an enabling environment for enterprises. Trade agreements should be encouraged. Governments should develop regulatory systems to reach out to family enterprises and informal retailers. Governments should offer incentives to small enterprises and promote the use of digital economies, including in rural areas. The establishment of innovation hubs and South–South cooperation was important. Governments should invest in training, development and research, as a basis for policy formulation. Other recommendations pertained to addressing IP rights and copyright issues, promoting STEM education, strengthening labour inspections, promoting greater access to finance for MSMEs, and investing in digital solutions for the promotion of decent work and facilitating access to global markets.

55. Regarding recommendations for employers and workers, it was key that they recognized their responsibility to work with governments on the points outlined above. Employers should invest in skills development, reskilling and upskilling, and workers should undertake skills development courses to avoid redundancy. The speaker called upon employers and workers to engage in collective bargaining at the sectoral and shop-floor level.

56. With respect to recommendations for the Office, there was a need for technical assistance for capacity building, as well as for the promotion of lifelong learning. Taking into account the high number of women working in the retail sector, the Office should come up with appropriate programmes to promote gender equality. Furthermore, the Office should strengthen cooperation on the issue in order to harmonize regulatory frameworks on digitalization and data protection. There was a need to promote South–South cooperation. The Office should conduct a study on the new forms of employment arising from digitalization in the retail sector to inform policy formulation. Lastly, the Office should support regional agendas for the promotion of digitalization in the retail sector.

57. The Worker Vice-Chairperson welcomed the Governments' recommendation on collective and shop-floor bargaining as a key driver to improve workers' lives and working conditions. He agreed with the Employers that there was convergence on the capacity of digitalization to create jobs. However, disruptions brought about by digitalization in the retail sector had also resulted in job losses, jobs displacement and more precarious work. It was necessary to recognize both its benefits and adverse impacts. Discussions around skills development were welcome, but workers were often overlooked in the development of curricula and training programmes. The speaker further welcomed commentary by the Employers on the importance of social dialogue in all its forms and expressed his hope that this meant there was an emerging consensus on collective bargaining as a key driver of social dialogue. Discussing job creation opportunities was also important, as long as this was in the context of advancing decent work.

58. A Worker representative from Argentina emphasized the importance of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). He noted that those were the bedrock of social dialogue.

59. The Employer Vice-Chairperson stated that there seemed to be consensus in the room on many items. She reminded the Meeting that it was important to remember that there was a body of updated applicable international labour standards which should be effectively promoted and implemented at the national level. There were many policy recommendations that the Meeting seemed aligned on. She highlighted the Government recommendations on fostering an enabling environment for enterprises, taking advantage of digital opportunities in the digital economy, especially for rural areas, establishing innovation hubs, investing in skills and supporting social dialogue in all its forms. She encouraged the Office to present short and concise draft conclusions that would help all to fully harness the opportunities of digitalization in the retail sector.

▶ Consideration and adoption of the draft conclusions and recommendations

60. In accordance with the provisions of article 13 of the Standing Orders for technical meetings, the Meeting nominated representatives and advisers to take part in a Working Party on Conclusions, which met on 27 and 28 September 2023, to examine the draft conclusions as drawn up by the Office on the basis of discussions held over the previous days (TMDRS/2023/7).

61. The Working Party on Conclusions was chaired by the Chairperson, Mr R. Muñoz Castro, and was composed of the following members:

Government members

Zimbabwe	Ms Monica Bimbayi Hanga (Vice-Chairperson Ms Chiedza Prais Mabhiya (Adviser)
Spain	Ms Arantxa Varcácel Alonso (adviser)
Jamaica	Mr Oral Shaw
The Philippines	Ms Pia Charmane O. de Jesus Ms Maria Luisa Khristina C. Oliveros (adviser)

Employer members

Representatives:	Ms Ewa Staworzynska (Vice-Chairperson) Ms Gail-Ann King Mr Nikolas Sotiriou Mr Farouk Sheikh
Secretariat:	Mr Luis Rodrigo Morales (IOE) Ms Natalia Privee Boudeguer (IOE)

Worker members

Representatives:	Mr David Bliss (Vice-Chairperson) Mr Ruben Cortina Ms Maria Angeles Rodriguez Bonillo Mr Surash Raman Mukundan
Secretariat:	Ms María Teresa Llanos (ITUC) Mr Mathias Bolton (UNI Global Union) Mr Onur Bakir (UNI Commerce)

62. The draft conclusions on digitalization in the retail sector as an engine for economic recovery and decent work, as revised by the Working Party on Conclusions, were submitted to the Meeting for consideration and adoption on 29 September 2023.

Digitalization in the retail sector as an engine for economic recovery and decent work

Opportunities and challenges to decent work in the retail sector in the context of digitalization and interlinked drivers of change and a human-centred COVID-19 recovery

Proposed paragraph 1

63. Paragraph 1 was adopted as amended.

Proposed paragraph 2

64. Paragraph 2 was adopted as amended.

Proposed paragraph 3

65. Paragraph 3 was adopted as amended.

Proposed new paragraph after paragraph 3

66. This new paragraph was the result of a discussion in the Working Party, where the Worker Vice-Chairperson had proposed a new paragraph 3 bis to individually address the topic of OSH risks, as was previously included in proposed paragraph 4.

67. Paragraph 3 bis was adopted as amended.

Proposed paragraph 4

68. Paragraph 4 was adopted as amended.

Proposed paragraph 5

69. Paragraph 5 was adopted as amended.

Proposed paragraph 6

70. Paragraph 6 was adopted as amended.

Proposed paragraph 7

71. The Employer Vice-Chairperson agreed to the Workers' request in the Working Party to replace "can" with "may", so long as "job transformations" was used instead of "work displacements".

72. The Worker Vice-Chairperson said the word "transformations" did not reflect workers' reality, which was one of the "displacements".

73. The Government Vice-Chairperson expressed her group's preference to reflect the realities on the ground. Therefore, they preferred to maintain the term "job displacements", as had been originally proposed by the Office.

74. The Employer Vice-Chairperson asked the Office to provide its definition of "jobs displacement". She asked if the Government group could support the proposal her group had made in the Working Party regarding "skills mismatches".

75. The Government Vice-Chairperson said her group could accept the Employers' addition regarding "skills mismatches", so long as "job displacements" was also mentioned.

76. The Head of the Private and Public Services Sectors Unit explained that the term "jobs displacement" was not used in the report submitted to the Meeting, although it had been mentioned in the 2023 World Employment and Social Outlook report and in an ILO guide on workers displacement (2009) where such terminology was defined.

77. Following a short break for informal consultations held by representatives from the three groups, the Government Vice-Chairperson presented their joint agreement on proposed paragraph 7, which was adopted as amended.

Proposed paragraph 8

78. The Employer Vice-Chairperson suggested an editorial correction to avoid duplication of the word "and" in the second sentence.

79. Paragraph 8 was adopted, reflecting the editorial correction, as amended.

Harnessing the fullest employment potential of retail sector through a digitalization that contributes to a human-centred sustainable development and to a decent future of work

Proposed paragraph 9

80. Paragraph 9 was adopted as amended.

Proposed paragraph 10

81. Paragraph 10 was adopted as amended.

Proposed paragraph 11

82. Paragraph 11 was adopted as amended.

Proposed paragraph 12

83. Paragraph 12 was adopted as amended.

Proposed paragraph 13

84. Paragraph 13 was adopted as amended.

Proposed paragraph 14

85. The Worker Vice-Chairperson said there had been no agreement on the text that came after "tax regimes reducing unnecessary bureaucratic measures/burdens". Regarding the end of the paragraph, his group supported the text the Office had proposed, but could not align with the Employers' suggestion for that section.

86. The Employer Vice-Chairperson explained the issue of sustainable enterprises was a core one for her group. Since her group and the Government group had originally agreed with the text on adding "reducing unnecessary regulatory burdens", they could withdraw their proposal of "bureaucratic measures". This was especially important to enterprises, in particular in developing countries.

87. The Government Vice-Chairperson maintained that the Government group preferred a more general language on "Development and implementation of regulations" and on the need to "minimize bureaucratic processes", as bureaucracy was part of the government role so they would not agree on using double negative language on "reducing unnecessary regulatory burdens". The Worker Vice-Chairperson said his group could agree with the Governments' proposal.

88. The Employer Vice-Chairperson said her group could agree with the Governments' proposal in order to reach a consensus. However, she asked that it be put on record that the issue of "unnecessary bureaucratic burdens" was very important to the Employers in the context of ensuring sustainable enterprises and for business formalization; furthermore it was taken from the Conclusions on sustainable enterprises 2007, so they could not understand why there was resistance from both groups to delete it.

89. Paragraph 14 was adopted as amended.

Proposed paragraph 15

90. Paragraph 15 was adopted.

Recommendations for future action by the ILO and its Members

Proposed paragraph 16

91. The Government Vice-Chairperson had suggested to refer to the ILO Constitution instead of using the phrase "other international labour standards", as this language was confusing to some members of her group.

92. The Employer Vice-Chairperson accepted the Government group's proposal referring to the ILO Constitution.

93. The Worker Vice-Chairperson agreed, based on the Office's assurances that the language was satisfactory with regard to obligations under the ILO Constitution.

94. The Employer Vice-Chairperson asked for clarification on whether the order of the legal documents as referenced in the paragraph was correct.

95. The Secretary-General of the Meeting replied that the replacement of the phrase "taking into account their obligations under other international labour standards" by "taking into account their obligations under the ILO Constitution" does not have any legal implications, as verified by the Legal Adviser.

96. Paragraph 16 was adopted as amended, taking into account the explanation as provided by the Secretary-General of the Meeting.

Proposed paragraph 17

Proposed subparagraph 17(a)

97. The Meeting continued the discussion on proposed subparagraph 17(a).

98. The Employer Vice-Chairperson had suggested to split this subparagraph into three separate subparagraphs due to the different issues that it dealt with. The new subparagraphs after subparagraph 17(a) would be reflected individually below.

99. The Worker Vice-Chairperson proposed alternative language for the first two sentences of subparagraph 17(a), to read as follows: "Strengthen, develop and harmonize regulatory frameworks at the national level, ensure policy coherence and consider clearly defining the conditions applied for determining the existence of an employment relationship and to combat disguised employment relationships." He noted that the proposed language was a significant departure from their previous position, in an effort to achieve consensus.

100. The Government Vice-Chairperson agreed to the proposal.

101. The Employer Vice-Chairperson appreciated the Workers' group's efforts but indicated that her group needed some more time to reflect on the proposal. She requested to put the discussion on subparagraph 17(a) on hold, and continue the assessment of the other subparagraphs.

102. The Worker Vice-Chairperson clarified that the Workers' group was not in a position to adopt individual subparagraphs until all matters regarding paragraph 17 had been settled, for it to be considered and adopted as one. He suggested to continue, on the basis that the discussions were contingent upon these matters being solved.

103. The Government Vice-Chairperson asked the Employer Vice-Chairperson about any remaining difficulties with the proposed language.

104. The Employer Vice-Chairperson noted that her group would like to check on the legal implications of the proposal, as the phrasing as initially put forward was verbatim from the Employer Relationship Recommendation, 2006 (No. 198).

First new subparagraph after subparagraph 17(a)

105. The Meeting continued the discussion on the first new subparagraph after subparagraph 17(a), resulting from its division into additional subparagraphs.

106. The Employer Vice-Chairperson agreed to this new subparagraph.

107. The Worker Vice-Chairperson agreed, in the understanding that the phrase "Ensure access to" had been agreed upon.

108. The Chairperson indicated that it had been.

Second new subparagraph after subparagraph 17(a)

109. The Meeting continued the discussion on the second new subparagraph after subparagraph 17(a).

110. The Employer Vice-Chairperson noted that she could not agree to the proposal of the Workers' group, as there had been no tripartite agreement on the issue of living wages.

111. The Worker Vice-Chairperson stated that he was willing to withdraw the proposed language on living wages, but only if the proposed amendment in subparagraph 17(a) would be agreed upon.

112. The Employer Vice-Chairperson explained that the issues in subparagraph 17(a) and the second new subparagraph under discussion were quite distinct, and asked for the Government group's perspective on the proposal made by the Worker Vice-Chairperson.

113. The Government Vice-Chairperson agreed with the proposal of the Worker Vice-Chairperson, following further clarifications.

114. The Employer Vice-Chairperson appreciated all efforts made. She reiterated that she could not agree to subparagraph 17(a) at the moment and requested more time to reflect. She suggested to continue with the other subparagraphs.

115. Following informal consultations held by representatives from the three groups towards the end of the Meeting to resolve the remaining issues, the Government Vice-Chairperson presented their joint agreement regarding subparagraph 17(a). She noted that agreement was found on subparagraph (a), for the text to read as follows: "Strengthen, develop and harmonize regulatory frameworks at the national level, ensure policy coherence and consider clearly defining the conditions applied for determining the existence of an employment relationship and to combat disguised employment relationships." The suggested subparagraph 17(a) was agreed as amended. The two new subparagraphs following subparagraph 17(a) were agreed upon reflecting the original text as proposed and without any amendments.

Proposed subparagraph 17(b)

116. The Meeting continued the discussion on the proposed subparagraph 17(b).

117. The Employer Vice-Chairperson had suggested to split this subparagraph into two separate subparagraphs, with subparagraph 17(b) reflecting the labour protection framework and the new subparagraph after subparagraph 17(b) reflecting working conditions and the right to disconnect.

118. The Worker Vice-Chairperson confirmed that the only remaining problem of the subparagraph was related to the word "ratified". He reiterated that there were recommendations that were not necessarily ratified international labour standards. He stated agreement to the text under the condition that the Employers' group was willing to drop the word "ratified".

119. The Employer Vice-Chairperson requested the Office to confirm that the word "compliance" pertains to ratified international labour standards.

120. The Secretary-General of the Meeting stated that the wording "in full compliance with international labour standards" referred to the obligation of ILO Member States to comply with a Convention after its ratification. She proposed the following alternative wording: "in line with international labour standards".

121. The Worker Vice-Chairperson supported the Office proposal.

122. The Employer Vice-Chairperson asked for clarification on whether the Office wording still presupposed ratification.

123. The Government Vice-Chairperson explained that international labour standards related to both Conventions and Recommendations. While States were obliged to give effect to ratified Conventions, they were only encouraged to give effect to the non-binding Recommendations. She also supported the Office suggestion.

124. The Employer Vice-Chairperson agreed with the Office suggestion in the spirit of compromise, and following the explanations provided.

New subparagraph after subparagraph 17(b)

125. The Meeting continued the discussion on the new subparagraph, related to working conditions and the right to disconnect, following subparagraph 17(b).

126. The Worker Vice-Chairperson stated that the unresolved issue remained the language on the "right to disconnect", which he explained was a well-understood term that should be reflected in the conclusions.

127. The Employer Vice-Chairperson noted that the right to disconnect was not agreed at the global level but rather handled at national level based on national legislation. The alternative proposal tabled by her group contained previously agreed language and could constitute a compromise.

128. The Government Vice-Chairperson supported the proposed alternative wording. There was no consensus on the right to disconnect within her group, since in some places the concept was still completely new.

129. The Worker Vice-Chairperson reluctantly agreed, observing that the right to disconnect would continue to be an important issue for workers.

Proposed subparagraph 17(c)

130. The Meeting continued the discussion on proposed subparagraph 17(c).

131. The Worker Vice-Chairperson noted that his group had suggested deleting the term "business" before "enabling environment" because an enabling environment was not only reserved for business but also for other stakeholders including workers. At the same time, the Employers' group had proposed to delete the phrase linking the development of an enabling business environment with the adequate protection for all workers. In light of the foregoing, he suggested to keep the original wording as proposed by the Office.

132. The Government Vice-Chairperson supported the compromise proposal made by the Worker Vice-Chairperson.

133. The Employer Vice-Chairperson suggested adjusting the language to align more closely with the concepts from the ILO Centenary Declaration for the Future of Work (2019). She proposed subparagraph 17(c) to read as follows: "Develop an enabling business environment in retail to promote productivity growth, decent and sustainable jobs, and harness the potential of digitalization to facilitate the transition to formality and ensure adequate protection for all workers." She hoped this revision would accommodate the request from the Workers' group and better reflect the agreed-upon concepts. She clarified that the proposed language was not verbatim from the ILO Centenary Declaration for the Future of Work (2019).

134. The Worker Vice-Chairperson expressed reservations about adding language related to productivity growth, as there were sufficient references elsewhere. Nonetheless, he indicated that the proposal was acceptable to the Workers' group.

135. The Government Vice-Chairperson concurred.

New subparagraph after proposed subparagraph 17(c)

136. The Meeting continued the discussion on the new subparagraph after proposed subparagraph 17(c), as was suggested by the Government group.

137. The Worker Vice-Chairperson and the Employer Vice-Chairperson voiced their support for this new subparagraph.

138. Paragraph 17 was adopted as amended, reflecting the agreement reached following informal consultations held by representatives from the three groups.

Proposed paragraph 18

Proposed subparagraph 18(a)

139. The Meeting continued the discussion on proposed subparagraph 18(a).

140. The Employer Vice-Chairperson did not see a need for additional language as proposed by the Workers' group, as the original text was already encompassing. She did agree with the Government group's suggestion to delete the word "sustainable".

141. The Worker Vice-Chairperson acknowledged the importance of global framework agreements (GFAs) in improving working conditions in multinational companies. He expressed disappointment about not reaching an agreement on specific language and reiterated that collective bargaining was the best way to improve working conditions. He indicated a willingness to withdraw their proposals and maintain the original language, provided the additional changes to delete the word "sustainable", as was proposed by the Government group, and to change the word "ensuring" into "ensure", as was proposed by the Employers' group.

142. The Government Vice-Chairperson agreed.

Proposed subparagraph 18(b)

143. Proposed subparagraph 18(b) was adopted without further discussion.

Proposed subparagraph 18(c)

144. The Meeting continued the discussion on proposed subparagraph 18(c).

145. The Worker Vice-Chairperson highlighted areas of agreement, except on the addition of the phrase "trade unions", as proposed by the Workers' group. He suggested considering favourably the reference to trade unions to achieve agreement on this paragraph.

146. The Government Vice-Chairperson explained her reluctance to include a separate reference to trade unions, as paragraph 18 emphasizes recommendations for governments, and employers' and workers' organizations, which implies that trade unions are already part of the equation.

147. The Worker Vice-Chairperson clarified that trade unions are not only taking part in training, but often provide training themselves. Providing further clarification, he suggested to change his earlier proposal to read "trade union training centres".

148. The Government Vice-Chairperson agreed.

149. The Employer Vice-Chairperson agreed with the amended proposal to include reference to "trade union training centres".

150. Paragraph 18 was adopted as amended.

Proposed paragraph 19

151. The Worker Vice-Chairperson proposed changing the phrase "are invited to" to "should" to convey a stronger call for action.

152. The Employer Vice-Chairperson supported this proposal.

153. The Government Vice-Chairperson agreed to the proposal.

154. Paragraph 19 was adopted as amended.

Proposed paragraph 20

Proposed subparagraph 20(a)

155. Proposed subparagraph 20(a) was adopted without further discussion.

Proposed subparagraph 20(b)

156. The Meeting continued the discussion on proposed subparagraph 20(b).

157. The Worker Vice-Chairperson and the Government Vice-Chairperson expressed their support for the changes as proposed by the Employers' group.

Proposed subparagraph 20(c)

158. The Meeting continued the discussion on proposed subparagraph 20(c).

159. The Worker Vice-Chairperson emphasized the importance of retaining the word "inequalities". He agreed to the deletion of the phrase "and sustainable", as was agreed before, and supported the inclusion of the word "constituents".

160. The Employer Vice-Chairperson indicated that it was necessary to be flexible when referring to inequalities, but noted that the word itself did not represent an objective category, which the other items in this subparagraph did. She emphasized that it would be more appropriate to refer to national contexts, which she said would also include inequalities.

161. The Government Vice-Chairperson supported keeping the word "inequalities" and agreed to the additional phrase inserted at the end of the subparagraph, as was proposed by the social partners.

162. The Employer Vice-Chairperson agreed to retain the word "inequalities" in the spirit of compromise.

Proposed subparagraph 20(d)

163. The Meeting continued the discussion on proposed subparagraph 20(d).

164. The Worker Vice Chairperson noted the agreement among all parties to expand the language to include regional organizations. However, there had been no agreement on deleting the last part of the sentence, as was proposed by the Employers' group. In order to bridge this gap, he suggested to delete the phrase "including UNCTAD and the WTO, to promote international labour standards and their principles in their work", but to retain the phrase at the end of the sentence, reading "in relation to commerce and retail".

165. The Employer Vice-Chairperson agreed with the proposal and emphasized the importance of not imposing mandates on other entities.

166. The Government Vice-Chairperson agreed to the proposal.

Proposed subparagraph 20(e)

167. The Meeting continued the discussion on proposed subparagraph 20(e).

168. The Worker Vice-Chairperson emphasized the importance of including a reference to capacity-building in addition to regional meetings.

169. The Government Vice-Chairperson supported the proposal as long as there were references to regional meetings and workshops, as they reflect the differences within and across regions.

170. The Employer Vice-Chairperson agreed.

171. The Meeting continued the discussion on proposed bullet point (ii) of proposed subparagraph 20(e).

172. The Worker Vice-Chairperson stated that different views persisted on the inclusion of bullet point (ii) of subparagraph 20(e) regarding data protection and the impact of automated decisions on labour rights.

173. The Employer Vice-Chairperson reiterated her position to delete bullet point (ii) of subparagraph 20(e), due to the upcoming assessment and examination on AI and algorithms during a forthcoming session of the ILO Governing Body. She explained that this issue should be discussed in that context.

174. The Worker Vice-Chairperson expressed his opposition to the deletion. Considering the previous discussions and the sensitivity expressed by the Employers' group he proposed to change the phrase "automated decisions" into "automated related decisions" as was agreed upon earlier in the text.

175. The Government Vice-Chairperson said that she looked favourably upon the original text and could support the proposal by the Workers' group.

176. The Employer Vice-Chairperson expressed her appreciation for all efforts to find an agreement. However, she clarified that the language on automated related decisions as agreed earlier in the text was part of a list and ought to be seen in that context. It was not appropriate to take the word out of context and insert it in this subparagraph. She specified that the Employers' group would be happy to consider alternative language.

177. The Worker Vice-Chairperson proposed to look into the language adopted previously and import it into this subparagraph if there was a concern around cherry-picking certain items.

178. The Employer Vice-Chairperson sought clarity from the Government group on why they were comfortable with the proposed language considering the forthcoming session of the ILO Governing Body on AI and algorithms.

179. The Worker Vice-Chairperson intervened and explained that the recommendation was proposed by the Office. He expressed his willingness to accept the text as proposed by the Office, which he regarded as an important issue.

180. The Government Vice-Chairperson said that she agreed with the explanation of the Workers' group and welcomed the recommendation as proposed by the Office. She suggested that the Office could perhaps shed more light on this, if further explanation was required.

181. The Employer Vice-Chairperson stated that she was not ready to agree with the sentence because it was a very sensitive issue. She underlined that the Employers' group was working on alternative language as they were very committed to reach a consensus.

182. The Worker Vice-Chairperson proposed to revise the text as follows, and in line with paragraph 8: "personal data, privacy, cybersecurity, intellectual property and automation and automated related decisions".

183. The Employer Vice-Chairperson said they could not agree and asked for more time to discuss and find different language.

184. Following informal consultations held by representatives from the three groups towards the end of the Meeting to resolve the remaining issues, the Government Vice-Chairperson presented their joint agreement regarding subparagraph 20(e). She indicated that agreement had been reached that proposed bullet point (ii) of subparagraph 20(e) be deleted.

Proposed subparagraph 20(f)

185. The Meeting continued the discussion on proposed subparagraph 20(f).

186. The Worker Vice-Chairperson said that he did not agree with the deletion of bullet point (i) of subparagraph 20(f), as was proposed by the Employers' group. In addition, he proposed to add two new bullet points as was already reflected in the draft conclusions.

187. The Employer Vice-Chairperson emphasized the obligation to use ILO funds effectively. As there were already recent reports on this issue, there was no need to ask for this particular data collection. She further invited the Workers' group to propose an alternative phrasing.

188. The Worker Vice-Chairperson underlined the importance of having evidence-based research in a fast-changing world of work, as had been discussed before. He highlighted that the ILO's role was most effectively used when collecting this information and sharing good practices. He could not agree to a reformulation of the language. He proposed that if the Employers' group could agree to retain bullet point (i), in return he could withdraw his request for the two additional bullet points.

189. The Employer Vice-Chairperson expressed her appreciation for the flexibility shown, but could not agree with the proposal.

190. The Worker Vice-Chairperson informed the Meeting that unfortunately he had to leave and apologized for departing early. He asked the Meeting for permission for his colleague Mr Mathias Bolton to serve in the capacity of spokesperson for the Workers' group.

191. The Government Vice-Chairperson supported the proposed text of the Office. She added that the decision of how to allocate resources for those activities would be made elsewhere but that it was up to the Meeting to suggest recommendations for further research on the challenges identified.

The Government Vice-Chairperson also expressed her support for the proposal of the Workers' group to include the additional bullet points, but suggested to combine them into one, to read as follows: "collective bargaining and social dialogue in the retail sector".

192. The Employer Vice-Chairperson could not agree with this suggestion and asked for more time to look at different language and come up with alternative phrasings.

193. The Chairperson highlighted that the recommendation in subparagraph 20(f) for the Office to share good practices, conduct evidence-based research and collect data was proposed by the Office itself and that this would imply that the Office would have funds available to conduct this work. He asked the Meeting to please take this into account in their deliberations.

194. The Employer Vice-Chairperson thanked the Chairperson for this clarification and requested a short break to discuss alternative wording and solutions for some of the remaining issues.

195. The Chairperson granted the request for a break to resolve some of the remaining issues.

196. Following informal consultations held by representatives from the three groups, the Government Vice-Chairperson presented their joint agreement regarding subparagraph 20(f). She indicated that new language was agreed upon for bullet point (i), which read as follows: "harnessing digitalization to advance formalization and social dialogue in the retail sector". It was also agreed that bullet points (ii) and (iii) were to be kept, and the final two proposed bullet points were deleted.

197. The Chairperson then asked the Vice-Chairpersons whether they could approve the text as amended, with its appendix, and adopt the document as a whole.

198. The Vice-Chairpersons expressed their agreement.

199. The Technical Meeting unanimously adopted the Conclusions on Digitalization in the Retail Sector as an Engine for Economic Recovery and Decent Work, as a whole, as amended.

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Geneva, XX October 2023 *(signed)* Mr R. Muñoz Castro
(Chairperson)

▶ Closure of the Meeting

200. The Secretary-General of the Meeting recognized participants' efforts and commitment to reaching a consensus of the Meeting, as well as everyone's positive spirit of collaboration that led to a positive outcome. She further recognized how respectful all participants had been when taking the floor regarding the diverse views expressed. She thanked the Employer and Worker Vice-Chairpersons for their joint efforts to come to an agreement with respect to the Conclusions, as well as the Chairperson for his leadership. She congratulated all Meeting participants for shaping a common tripartite vision for constructing the future of work that was wanted in the retail sector, commended the secretariat team for the hard work, and concluded by reiterating the Office's willingness to provide Office-wide technical support to the constituents in following up to the Meeting Conclusions.

201. The Employer Vice-Chairperson thanked everyone for the important work achieved and congratulated all participants for the spirit of consensus and compromise which had led to tripartite conclusions for future action by the ILO and its Members. She trusted the Conclusions would prove useful for years to come and guide the Office and its constituents to ensure a sustainable future for the sector. She thanked the Chairperson for his excellent leadership, the Worker Vice-Chairperson for his excellent work and collaboration, as well as the meeting secretariat for all the support they provided.

202. On behalf of the Worker Vice-Chairperson, the representative from UNI Global Union thanked the Chairperson for his able leadership. He thanked the secretariat for their work prior to and during the Meeting. Furthermore, he thanked the Employers' group, as well as the members of his own group, who had travelled long and far to attend the Meeting and make sure that the rights of retail workers around the world were upheld.

203. The Government Vice-Chairperson thanked the Chairperson for the patience and excellence with which he had conducted the proceedings. She thanked her fellow Vice-Chairpersons for their work, as well as the members of her own group for the trust placed in her. Likewise, she thanked all the ILO secretariat and building staff for their support. She looked forward to putting the Meeting Conclusions into action.

204. The Chairperson said it had been an honour for him to perform his duties. He thanked everyone for their dedication and flexibility. It had been his first time chairing an ILO meeting and he had been keen for the Meeting's Conclusions to be adopted. The work done at the ILO was very important, as was the retail sector worldwide.

Conclusions

The Technical meeting on digitalization in the Retail Sector as an Engine for Economic Recovery and Decent Work,

Having met in Geneva from 25-29 September 2023,

Adopts the following conclusions: [1]

Opportunities and challenges to decent work in the retail sector in the context of digitalization and interlinked drivers of change and a human-centred COVID-19 recovery

1. The retail sector is a diverse sector made up of individual traders, traditional shops and on-line sellers; micro, small and medium-sized enterprises (MSMEs) as well as large enterprises, both multinational and national; and includes warehousing and distribution services. It plays a central role in most economies, but inequalities within and between countries can significantly impact its dynamics and contribution to economic growth. The sector provides opportunities for decent work and is a point of entry for many workers into the labour market, especially women and youth. During the COVID-19 pandemic, the retail sector was vital in creating opportunities for greater income, productivity and employment as the demand for online services increased. Workers also provided critical services to the public during the COVID-19 pandemic.
2. Digitalization in the retail sector has the potential to drive economic recovery and to promote decent work. It can also promote the transition to formality and reduce informality in a way that reinforces and strengthens social protection systems for workers. It can provide greater access for MSMEs to reach markets and for traditional retailers to connect their physical operations to digital ones, thereby creating employment both for high and low-skilled workers; it can also allow for MSMEs to collaborate with larger enterprises, thereby enhancing their business development potential. Digitalization in the sector can increase productivity, foster inclusivity, and catalyse environmental sustainability through a more efficient management of production and distribution. Gaps nonetheless remain in understanding how the rapid growth of online retail affects a just transition towards environmentally sustainable economies.
3. Digitalization in retail can create greater flexibility and work–life balance through remote work and flexible hours of work. Digitalization can promote greater occupational safety and health through prevention and reduction of strenuous and hazardous tasks. At the same time such flexibility can also lead to unpredictable and unstable working hours.
4. Occupational safety and health risks, including mental and psychosocial health risks, may have also increased with the rise of new technologies and new business models, and in some cases the intensification of work.
5. In some cases, lack of effective policy, legislative and regulatory frameworks and compliance, in part due to the cross-border nature of digital retail operations, as well as the new forms of

[1] In accordance with established procedures, these conclusions will be submitted to the 350th Session of the Governing Body of the ILO (March 2024) for its consideration.

work organization, production and business models, have exposed gaps in working conditions. New decent work challenges relate to working time, effective application of minimum wages and social protection coverage.

6. Digitalization in the retail sector has also led to an increase in different work arrangements, which can create challenges in the realization of the right to freedom of association and collective bargaining, and the provision of adequate social protection.

7. The existence of informality in the sector, especially in developing economies, poses distinct challenges in ensuring the application of labour law and the provision of universal comprehensive, adequate and sustainable social protection. However, digitalization can contribute to the transition from the informal to the formal economy and to the sustainability of enterprises.

8. While digitalization has created new opportunities for employment, it has also created skills shortages, mismatches and job transitions and in some cases job losses, including in traditional brick-and-mortar enterprises. Skills mismatches can be an obstacle for workers to enter the labour market and maintain jobs, to enterprise development and growth, and may lead to informalization of work, particularly in developing countries and in low-skilled jobs. Many people still do not have access to internet and considerable digital divides still exist between and within countries, and with respect to persons in vulnerable situations. The new digital retail environment requires digital literacy, soft skills and information and communication technology (ICT) skills.

9. Lastly, the adoption and use of technologies in the retail sector can play a pivotal role in the collection of data to better understand consumer behaviours and preferences and to improve business operations and occupational safety and health. However, there are challenges regarding personal data, privacy, cybersecurity, intellectual property, automation and automated related decisions.

Harnessing the full employment potential of retail sector through a digitalization that contributes to a human-centred sustainable development and to a decent future of work

10. The full realization of the employment creation potential in the retail sector requires comprehensive and evidence-based policies that consider the specificity of the sector and the local context, including the diversity and inequality among countries and regions as well as circumstances of enterprises, to address the root causes of decent work challenges in the context of digitalization, as well as the existing digital divide, ensuring a just sharing of the benefits for all.

11. Adequate policy, legislative and regulatory frameworks are needed to promote an enabling environment for sustainable enterprises, job creation, and workers' rights, which in turn advances improved working conditions in the retail sector; to foster investments in digital infrastructure and digital literacy, including the use of digital payments; and to promote inclusive and gender-responsive skills development and lifelong learning, and skilling, reskilling and upskilling, particularly for women, youth, older persons, persons with disabilities, and persons in vulnerable situations.

12. Social dialogue plays a key role in facilitating a just transition to a digitalized retail sector as well as in addressing the current and future opportunities in relation to costs associated with skills mismatches and shortages in the sector.

13. Effective social dialogue in all its forms, including collective bargaining, is important to harness the fullest potential of technological progress and productivity growth, to achieve decent work and a just transition, and to ensure dignity, self-fulfilment, equity and a just sharing of the benefits for all.

14. Measures should be developed so that flexibility, facilitated by digital transformation, effectively enhances productivity, promotes decent work opportunities for all, promotes strategies that respect limits on working time and overtime, protects workers from emerging safety and health risks, and facilitates work–life balance, in view of the high percentage of women employed in the retail sector.

15. Development and implementation of regulations that create an enabling business environment to support sustainable enterprises should constitute a key part of policies to advance decent work in the sector and to better prepare businesses, including MSMEs, for a digital future of work. This covers policies that enhance business resilience and investment, as well as simplified business regulation and tax regimes that minimize bureaucratic processes and promote formalization. Governments, employers, and workers should promote the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

16. The promotion of decent work in the retail sector also requires adequate investments in digital infrastructure to bridge the digital divide both between and within countries, including rural and urban divides.

Recommendations for future action by the International Labour Organization and its Members

17. Governments have the duty to adopt, implement and effectively enforce national laws and regulations and to ensure that fundamental principles and rights at work, as set out in the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and amended in 2022, and ratified international labour Conventions are applied to all workers in the retail sector, taking into account Member States' obligations under the ILO Constitution.

18. Governments should:

(a) strengthen, develop and harmonize regulatory frameworks at the national level, ensure policy coherence, and consider clearly defining the conditions applied for determining the existence of an employment relationship and to combat disguised employment relationships;

(b) ensure access to adequate, comprehensive and sustainable social protection for retail workers;

(c) ensure adequate minimum wages, statutory or negotiated;

(d) develop and promote the strengthening of labour protection frameworks in line with international labour standards to ensure adequate protection for all workers;

(e) ensure a safe and healthy working environment and adequate working conditions, design and implement policies and strategies to limit working hours and overtime and preserve work–life balance in the sector, including through the promotion of flexible work arrangements and protection for workers' disconnection, according to national regulations and agreements between the parties;

(f) develop an enabling business environment in retail to promote productivity growth, decent and sustainable jobs, and harness the potential of digitalization to facilitate the transition to formality and ensure adequate protection for all workers; and

(g) invest in the provision of broadband infrastructure to improve access to affordable internet and connectivity, particularly in the marginalized areas of developing countries to reduce the digital divide between rural and urban areas.

19. Governments, together with employers' and workers' organizations, should:

(a) engage in effective social dialogue in all its forms, including at sectoral and cross-border levels, to promote decent work in the sector to achieve a digital transition that is just and inclusive; to promote an adequate and effective labour protection for all; and ensure the protection of workers' personal data and their right to privacy;

(b) support efforts towards scaling up public and private investments in the retail sector promoting digital accessibility and inclusivity, equal access to technologies and financial services, especially for women, older persons and youth,; and with due regard to the needs of developing countries and rural areas; and

(c) cooperate to address skills shortages in the sector through the provision of skills development and lifelong learning opportunities, encompassing reskilling and upskilling, taking into account the different digital occupational realities, and investing in technical and vocational education and training (TVET) systems, particularly targeting women, youth and persons in vulnerable situations, through partnerships between education and training institutions as well as with the private sector and trade union training centres; and through supporting women in pursuing education and careers in science, technology, engineering and mathematics (STEM).

20. Governments, employers' and workers' organizations as well as multinational and national enterprises should give effect to the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy to advance decent work in the digital retail sector.

21. The Office should:

(a) promote the ratification and effective implementation of international labour standards and principles, ILO instruments and tools relevant to the retail sector, and strengthen the capacity of constituents to respect, promote and realize the fundamental principles and rights at work;

(b) promote social dialogue in all its forms, including collective bargaining and workplace cooperation, in relation to the introduction of new technology in line with relevant international labour standards, and provide guidance on effective policies aimed at harnessing the potential of technological progress and digitalization in the sector, especially for MSMEs;

(c) provide technical assistance including through the implementation of development cooperation projects to advance decent work in the sector, taking into account the inequalities, diverse circumstances, needs, priorities and levels of development of its Member States, including through expanded South–South and triangular cooperation and the reinforcement of constituents' capacity building through the International Training Centre of the ILO (ITC-ILO);

(d) enhance cooperation between the ILO and social partners with relevant multilateral and regional organizations, in relation to commerce and retail;

(e) build capacity of tripartite constituents, including through regional meetings, workshops, the ITC-ILO, among others, and share best practices to develop strategies for:

  (i) the promotion, implementation and realization of the fundamental principles and rights at work;

  (ii) the transition from the informal to the formal economy in the sector and the prevention of informalization;

  (iii) greater access to affordable financing for MSMEs and investment in digital technologies for enterprises;

  (iv) the provision of universal access to comprehensive, adequate, and sustainable social protection systems for all retail workers; and

  (v) the promotion of skills development programmes, TVET systems, and lifelong learning schemes for the skilling of workers in the retail sector, in particular in relation to digital literacy, soft skills and ICT

(f) share good practices, conduct evidence-based research and collect data on:

  (i) harnessing digitalization to advance formalization and social dialogue in the retail sector;

  (ii) social inclusion in the retail sector, including data on women, youth, older persons, migrants and persons with disabilities; and

  (iii) innovative approaches to address informality and to scale up the transition to formality.

Appendix

Non-exhaustive reference list of ILO declarations, instruments and guidance and other international instruments and guidance for the digitalization in the retail sector as an engine for economic recovery and decent work

International Labour Standards

Fundamental Instruments

- Forced Labour Convention, 1930 (No. 29), its 2014 Protocol, and the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203)
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Equal Remuneration Convention (No. 100) and Recommendation (No. 90), 1951
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Discrimination (Employment and Occupation) Convention (No. 111), and Recommendation (No. 111), 1958
- Minimum Age Convention (No. 138) and Recommendation (No. 146), 1973
- Occupational Safety and Health Convention (No. 155) and Recommendation (No. 164), 1981
- Worst Forms of Child Labour Convention (No. 182) and Recommendation (No. 190), 1999
- Promotional Framework for Occupational Safety and Health Convention (No. 187) and Recommendation (No. 197), 2006

Governance (priority) Instruments

- Labour Inspection Convention (No. 81) and Recommendation (No. 81) 1947
- Employment Policy Convention (No. 122) and Recommendation (No. 122), 1964
- Labour Inspection (Agriculture) Convention (No. 129) and Recommendation (No. 133), 1969
- Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152)

Technical Instruments

- Protection of Wages Convention, 1949 (No. 95)
- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Weekly Rest (Commerce and Offices) Convention (No. 106) and Recommendation (No. 103), 1957
- Hygiene (Commerce and Offices) Convention (No. 120) and Recommendation (No. 120), 1964
- Minimum Wage Fixing Convention, 1970 (No. 131)

- Human Resources Development Convention, 1975 (No. 142) and Recommendation (No. 195)
- Termination of Employment Convention (No. 158) and Recommendation (No. 166), 1982
- Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)
- Part-Time Work Convention (No. 175) and Recommendation (No. 182) 1994
- Home Work Convention (No. 177) and Recommendation (No. 184), 1996
- Private Employment Agencies Convention, 1997 (No. 181)
- Violence and Harassment Convention (No. 190) and Recommendation (No. 206) 2019
- Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)
- Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)
- Promotion of Cooperatives Recommendation, 2002 (No. 193)
- Employment Relationship Recommendation, 2006 (No. 198)
- Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)
- Quality Apprenticeships Recommendation, 2023 (No. 208)

Declarations and Resolutions

- ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted at the 86th Session of the International Labour Conference (1998) and amended at the 110th Session (2022)
- ILO Declaration on Social Justice for a Fair Globalization (2008), as amended in 2022
- ILO Centenary Declaration for the Future of Work (2019)
- ILO, Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, sixth edition, 2022
- ILO, Global Call to Action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (2021)
- ILO, Resolution and conclusions concerning small and medium-sized enterprises and decent and productive employment creation, International Labour Conference, 104th Session, 2015
- ILO, Resolution and conclusions concerning the promotion of sustainable enterprises, International Labour Conference, 96th Session, 2007
- ILO, Resolution and conclusions concerning skills and lifelong learning, ILC.109/Resolution XVII, 2021
- ILO, Resolution and conclusions concerning the second recurrent discussion on labour protection, ILC.111/Resolution IV, 2023
- ILO, Resolution and conclusions concerning a just transition towards environmentally sustainable economies and societies for all, ILC.111/Resolution V, 2023

Guidelines and code of conducts

- ILO code of practice on the protection of workers' personal data (1997)
- ILO, *General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs*, 2019
- ILO, *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, 2015

Other international instruments and guidance

- UN Guiding Principles on Business and Human Rights, 2011
- OECD AI principles, 2019