

# **DRAFT**

## **IOE/BIAC – ITUC/TUAC Statement to the G20 Labour Ministerial, 12 and 13 July 2016**

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### **A Common Message for Innovation, Growth, Jobs and Decent Work**

In September 2015, the B20 and L20 called on G20 governments to fully unleash the potential of the G20 as an engine for change and global policy coordination with the aim of bringing more people into work, stimulating growth, and improving working conditions.

The B20 and L20 have engaged and jointly addressed G20 Labour Ministers and G20 Heads of States and Governments in this regard since the G20 French Presidency in 2011. However, uptake and follow-up action on these joint recommendations have been modest. It is for this reason that the IOE/BIAC and ITUC/TUAC reinforce the joint B20-L20 messages of 2015 which we feel to be of particular pertinence given the failure of G20 economies to recover from the Great Recession and the elusive nature of global growth.

We also recognise that potential for a new industrial revolution based upon innovation and the digital economy must be seized so as to generate new sources of growth as well as to ensure equitable distribution of costs and benefits, to reinforce social cohesion, and to create new quality jobs. As this requires a broad set of well-coordinated public policies, we therefore call on G20 Leaders to:

#### **1) Develop a policy framework for better technology diffusion through:**

- Proactive and inclusive policy measures fostering innovation that involve the social partners and commit to developing transition pathways for those whose jobs are at risk from industrial restructuring and digitilisation, through active labour market policies and up-skilling programmes;
- Policies that support the diffusion of productivity gains to the broader economy and population, including new internet-based applications, and that correspond with an appropriate legal framework for businesses, workers and consumers in domestic and global markets;
- Ensuring that workers will have appropriate protection and security in the change process and that the benefits of higher productivity are fairly distributed among workers and the general population;

- A Digital Skills Strategy for life-long learning entailing up- and re-skilling programmes and targeted on-the-job training to enhance advanced and/ or basic ICT skills, and increased funding and training for teachers and education professionals from the secondary to the tertiary education level, including in VET programmes, to enable education systems to take full advantage of new digital tools;
- A coherent set of policies to increase technological diffusion including to the 50% of the world's population who do not have internet access, so as to bridge digital divides.

## **2) Determinedly tackle youth unemployment through:**

- Using the benefits of digitization in addressing information asymmetries so as to achieve a better matching of job vacancies to young job seekers;
- Supporting dynamic labour markets by targeting job creation, incentive and employment schemes for young people to ensure a smooth transition from school to work and the transition from informal to formal work;
- Promotion of youth entrepreneurship;
- Supporting education and training systems in cooperation with social partners in view of the impacts of ever-changing demands concerning skills requirements and ensuring quality jobs and career paths for young people;
- Applying the B20-L20 joint understanding on key elements of quality apprenticeships, through tripartite agreements<sup>1</sup>.
- Setting ambitious national and regional targets with concrete, realistic and traceable Key Performance Indicators (KPIs) for youth employment<sup>2</sup>.

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<sup>1</sup> A joint IOE/BIAC-ITUC/TUAC survey in 2014 found that national vocational education and training (VET) systems in many countries are not in line with the principles and do not meet the needs of apprentices and companies. The B20's Global Apprenticeship Network and L20 initiatives are seeking to apply the principles. The L20 and B20 expect more determined efforts on the part of governments to implement these principles through comprehensive reforms concerning the national apprenticeships systems in consultation with national social partners;

<sup>2</sup> It is important to have concrete measures in order to address youth unemployment issues globally. This is true for the private sector, as well as for governments. Targets and traceable KPIs are therefore not only fundamental to trigger government action, but also to increase accountability and transparency. National Social Partners need to be fully involved in the development of the targets, as well as of KPIs.

### **3) Pursue macro-economic policies that promote employment:**

Raising growth rates in both the short and medium term so as to break out of current stagnation and working to ensure that the benefits of growth are more equitably shared are essential. The IOE/BIAC and ITUC/TUAC were encouraged by the agreement of G20 leaders in Brisbane in 2014 to significantly lift G20 GDP by 2018. However, as growth is sliding back to the lowest level since the recession year of 2009, these targets are far from being met. Most importantly, macro-economic policies must become supportive of growth and investment and fiscal policy must support job creation, whilst ensuring fiscal sustainability over the longer term. ITUC/TUAC and IOE/BIAC call on G20 governments to reinvigorate physical and social infrastructure investment and private investment in the real economy through their national investment plans, and at the same time increase investment in human capital for the future of skills demand and job matching, OECD research has shown that these investments pay for themselves. In the longer term, action to stimulate innovation, entrepreneurship and productivity growth are indispensable. IOE/BIAC and ITUC/TUAC regard the action points listed below particularly important for the stimulation of growth that leads to quality job creation:

- Macro-economic policies to bring forward infrastructure investment that can also ensure transition to a low-carbon economy.
- Structural policies that strengthen private investment, job creation and promote investment in workforce skills to encourage growth that fuels demand for work and further employment creation;
- Active labour market policies that promote employment-friendly work arrangements, better skills matching and better retraining/education schemes so as also to respond to the employment implications of the imperatives of tackling climate change;
- Support for social dialogue, including collective bargaining systems in line with national law and practice;
- Support for the SMEs with a focus on entrepreneurship as a means of engendering decent and sustainable jobs;
- Support efforts to strengthen the multilateral trading system, reap the benefits of regional economic integration in line with multilateral rules, address and redress protectionist barriers to trade and investment, and ensure that global supply chains are inclusive. Strengthen the implementation of international commitments such as the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises as called for by the G7 in 2015 and the UN Guiding Principles on Business and Human Rights so as to ensure that global supply chains contribute to jobs, growth, and decent work.

#### **4) Make a reality of the 2014 Brisbane target of reducing by 25% the gender gap in employment by 2025:**

A fresh approach to gender equality is needed. Governments should:

- Recognize the vital contribution of social partners to promote female labour market participation, remove all gender bias, and ensure equal pay for the female labour force;
- Focus on gender equality in education and skills training from an early age and ensure lifelong learning in areas of study linked to key economic sectors including but not limited to Science, Technology, Engineering and Mathematics (STEM);
- Promote gender equality in employment through programs that raise awareness of the benefits of full female labour participation for productive economies both at national and global levels, and ensure the effective implementation of relevant ILO Conventions;
- Focus on the quality of jobs for women, including opportunities for life-long learning, and equal pay;
- Encourage women entrepreneurship and the participation of women at board and management levels by providing incentives for female-run start-ups and the mentoring of women;
- Enhance investment and job creation in the care sector and ensure access to affordable child and elder care, also to ensure greater work-life balance for both men and women.

#### **5) Promote formality and implement the recommendation on informality adopted by the 2015 International Labour Conference:<sup>3)</sup>**

The transition from informal to formal employment is important for economic growth and development, for the quality of employment, for the sound financing of public budgets, and for the quality of the lives of all citizens. Progress being made in the transition from informal to formal employment is far too slow. In many countries informal work is still the biggest part of the economy. With the ILO Recommendation adopted in 2015, governments have an up-to-date tool which enjoys widespread tripartite consensus. The B20 and L20 call on G20 governments to fully implement the ILO Recommendation and to regularly discuss progress and the continuing challenges in G20 forums.

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<sup>3</sup> ILO, *The Transition from the Informal Economy to the Formal Economy*, ILO 104<sup>th</sup> Session, 2015 available at [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/--relconf/documents/meetingdocument/wcms\\_302539.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/--relconf/documents/meetingdocument/wcms_302539.pdf)

## **6) Business and labour play a key role in the shaping of economic and social policy:**

Effective communication between business and labour, and more specifically social dialogue, is of paramount importance for an efficient structuring of labour markets and working conditions. The L20 and B20 call on G20 governments to promote and support social dialogue in line with national law and practice as a means to achieve economic and social progress and fair wages. Freedom of association and the effective recognition of the right to collective bargaining are key in this regard. The engagement and dialogue of employees and employers is fundamental for the effective use of new technology, ensuring access to opportunities, the mobility of labour, and for improvements in the quality of jobs.

IOE/BIAC and ITUC/TUAC support efforts to enable refugees to participate in labour markets. Recognizing the fundamental human right for the protection of refugees, labour market demands and the demographic development in many economies can support positive outcomes for the integration of refugees into our economies and societies.

IOE/BIAC and ITUC/TUAC are fully committed to contributing to the success of the G20, and in a broader context the attainment of the Sustainable Development Goals. We are jointly working to deepen our joint understanding of the effects of technological change on growth, employment, and skills, and we will offer continuing advice to governments and the G20 on these and related issues. Moreover, we fully endorse the following projects currently being undertaken:

- Promoting the joint understanding on key elements of quality apprenticeships in national seminars to foster their implementation;
- Strengthening Occupational Safety and Health (OHS) through supporting better implementation of standards, as well as the capacity building of social partners on prevention and modern OSH frameworks and the creation of a best practice data base.

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