

17 May 2017

Main Outcomes of IOE-BIAC Survey on Implementation of G20 Commitments

As joint representatives of the global business community, the International Organisation of Employers (IOE) and Business at OECD (BIAC) have been actively engaged in the employment and social policy aspects of the G20/B20 process since its inception.

Obtaining better implementation of G20 commitments has been a continued priority for the IOE and BIAC. Together they have monitored the national follow-up to the 2013 and 2015 G20 Labour Ministerial Declaration as well as the implementation of the 2013 B20-L20 Joint Understanding on Key Elements of Quality Apprenticeships.

The G20 Labour Ministers' meetings in Melbourne (2014), in Ankara (2015) and more recently in Beijing (2016) resulted in Labour Ministers making concrete commitments with regard to employment generally, youth, education, gender, OSH and other policies. Moreover, G20 governments up-dated their National Employment Plans in spring 2016.

To increase accountability, the IOE and BIAC have done a survey of Employers Organisations in G20 countries to monitor the implementation of these commitments as well as the accuracy of national G20 employment plans. In particular, this year's monitoring focuses specifically on two targets on "reducing the gap in participation rates between men and women in G20 countries by 25 percent by 2025, taking into account national circumstances" and "reduce the share of young people who are most at risk of being permanently left behind in the labour market by 15 percent by 2025 in G20 countries, enhancing youth employment capacity". This fact sheet summarizes a number of interim findings:

- A majority of the responses to the survey acknowledge some degree of implementation of the G20 commitments at the national level. The survey responses indicate that many governments have shown to have followed up on the Melbourne, Ankara and Hangzhou G20 Labour Ministers' Declaration and have developed initiatives to implement the commitments at the national level. This is very encouraging.
- However, the picture is far from being perfect. While there have been attempts to implement the G20 commitments at the national level, often the implemented policies do not seem to meet the intended targets, especially when it comes to important areas of the labour market such as the reduction of non-wage labour costs. A majority of responses show that labour costs have instead increased, leading to worsened labour conditions in many of the G20 countries. Reduced non-wage labour costs are a key factor to make employment affordable. Thus, G20 governments should be mindful in living up to their commitment in this regard.
- Responses have been mixed when considering the improvement of public employment and administration services. Half of the responses show that initiatives have been taken to improve the effectiveness of these services, while the other half of the responses show that no initiatives have been taken at all. More push is needed to encourage the G20 countries to follow through their commitments in this area.

- On reducing the gender gap in wages and in participation rates, an overwhelming majority of G20 countries have recognised efforts being made. However, half of the G20 countries indicated that such efforts have not yielded much positive results. One reason for the lack of positive responses has been the time lag between the implementation of initiatives and the resulting responses. Initiatives such as improving access to education for women and introducing diverse work forms in the labour market requires time to be set up, so as to attract more females to enter the labour market. Indeed, such initiatives also require individuals to change their mindsets regarding the role of women in the workforce. The key message here is to ensure that efforts are not one-time-only, but are sustained for a substantial period of time in order for the policies to take effect.
- Responses have been very positive on improving the quality of apprenticeships. A majority of responses revealed that initiatives to improve the quality of apprenticeships have been undertaken with the full engagement of social partners, while a minority showed that no initiatives were undertaken at all. The B20/L20's joint understanding on key elements of quality apprenticeships have served as a good foundation for most of the G20 countries that have implemented some initiatives in raising the quality of apprenticeships in these countries. Notably, the establishment of GAN National Networks in many of these countries have been instrumental in this regard.
- On improving youth employment outcomes, results remain overwhelmingly positive regarding implementation and less optimistic regarding the quality of the implementation. In many G20 countries, youth bulges present a considerable challenge. Though efforts are being taken to offer opportunities such as apprenticeships and entrepreneurship to youths, youths are not optimising these efforts for a variety of reasons: apprenticeships being seen as 'poor' alternatives to jobs and significant hurdles still exist in setting up entrepreneurs leading to many youths being unable to sustain their own businesses in the medium to long run.
- An important reason for the lack of positive results in both female employment and youth employment outcomes is because the efforts of G20 governments are not ambitious enough. Notably, they do not address the most important challenges facing G20 labour markets today, that is, the need for structural reforms. As such, these efforts are inadequate in nature to make a true impact on the ground.
- When asked about national employers' federation's role in National Employment Plan, results have been mixed. Half of them noted that they have been consulted in the development and the revision of these plans, while the other half have not. As such, the priorities and framework of these Plans do not reflect the concerns of the business community, when the national employers' federation is not involved at all in such discussions.
- The meaningful involvement of national employers' federations in the development and revision of the National Employment Plans is key to ensuring that the plans adequately identify and address the main employment challenges at the national level. It is unfortunate that in half of the G20 countries, national employers' federations were not at all involved in the development/revision of these plans.



- The vast majority of the respondents agreed that the National Employment Plans were not adequately implemented, if it was implemented at all. In addition, they reflect a degree of uncertainty as to whether the G20 process has resulted in any major policy changes at the national level. This is of serious concern. The credibility of the G20 process depends on governments being seen to determinedly implement their commitments at national level. This finding corresponds with the opinion of G20 federations that the National Employment Plans are not ambitious enough.
- In conclusion, there seems to be a good degree of follow-up of the G20 commitments at the national level. However, this follow-up remains largely insufficient in addressing the main employment challenges especially structural ones. Furthermore, National Employment Plans seem to be rather ineffective as policymaking tools in many countries. The G20 Employment Process needs to make further efforts in order to truly become an engine for reform at the national level.

Based on these findings, the IOE and BIAC call on G20 Governments to:

- Give a stronger focus in the G20 Employment Process to measures that create conducive environments for growth and job creation. Emphasis should be on structural reforms that can create enabling environments for companies to create jobs and to get people back into work. Structural reforms should also consider introducing dynamism and flexibility in the labour market which supports a diversity of work forms that benefits both youth and women alike.
- Strengthen the National Employment Plans by raising their profile, fully engaging national employers' federations in their development and revision and increase exchange of experiences on their implementation at G20 level with full participation of social partners.
- Improve transparency of where countries stand with regards to the implementation of the Brisbane growth, the Melbourne gender and the Ankara youth target, and to ask the OECD and the ILO to prepare a report on the implementation of G20 commitments on an annual basis.