
Sustainable growth, decent work and social cohesion in the digital economy

A common message

Globalization and digitization, coupled with broader technological change and innovation, have created a wealth of opportunities. However, many G20 economies are failing to recover from recession and global growth remains elusive. In many countries in the global economy high levels of unemployment, limited inclusion of women and youth, inequality, poverty and human rights violations persist. Parts of the population feel that, whereas others have gained despite an economic slowdown, they have lost out and feel more insecure about their future. G20 governments and social partners need to work together to address these concerns in order to safeguard and strengthen the multilateral system.

Since the G20 French Presidency in 2011 the B20 and L20 have jointly addressed G20 Heads of States and Governments and G20 Labor Ministers, urging action on joint recommendations to stimulate global growth and job creation and ensure social progress. We feel that these recommendations remain highly relevant and if acted on by governments in association with the social partners would help significantly to reinforce the trust in institutions and governments.

Global governance is important to ensure that the benefits of both existing global economic activity along with emerging opportunities are shared. The B20 and L20 are committed to the Sustainable Development Goals, particularly SDG 8, which calls for “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. This calls for global governance reform and we call on the G20 leaders to:

1. Re-affirm their commitment to promote the UN Guiding Principles on Business & Human Rights with all its 3 pillars and implement National Action Plans
2. Promote the tripartite MNE declaration of the ILO as well as the OECD Guidelines on MNEs and their outreach;
3. Strengthen the social dimension of globalization including global governance. As a first step consideration should be given to a tri-partite Summit linked with the Argentinian G20 Presidency.

The B20 and L20 recognize that the potential for a new industrial revolution, innovation and digitalization must be seized so as to generate new sources of growth as well as to ensure equitable distribution of costs and benefits and reinforce social cohesion. The outcomes of technological change can be shaped and influenced by public policy and the actions of the social partners.

New technologies have significantly changed production and service delivery systems and thus the workplace and workforce by transforming the types and availability of jobs as well as the ways in which businesses plan, design and organize work. The B20 and L20 have jointly addressed the impact of technological change on employment starting with the Turkish G20 Presidency in 2015. Governments and international organizations, particularly ILO and OECD, are also deeply engaged in this topic. The B20 and L20 are supporting these endeavors and call on governments and international organizations to pursue and deepen these efforts so as to better prepare and shape change as well as to ensure a better follow-up and implementation of identified policy measures. In order to make the best use of the opportunities digitalization and in particular the digital economy offers, more comprehensive strategies are needed to generate growth and employment as well as to reinforce social cohesion. The B20 and L20 therefore call jointly on G20 Leaders to develop:

- 1) Comprehensive strategies on digitization that maximize opportunities for employment creation and minimize adverse effects on employment and working conditions. This includes developing fair and just transition strategies including active labor market policies as well as re- and up-skilling programs so that no one is left behind.
- 2) Policies that optimize the use of digitization. This requires public investment in broadband, fiber networks and hard infrastructure and innovation strategies that encourage private investment in digital technologies and infrastructure as well as competition policies, which prevent distortions of competition and maximize digital uptake.
- 3) Agile business environments that offer opportunities for entrepreneurs and society to innovate, start and finance new businesses in the formal economy, so as to ensure that technological innovation raises productivity and job quality. The G20 SMART innovation initiative from 2016 is an important initiative in this regard and needs now to be implemented effectively.
- 4) Legal frameworks which promote formally registered business, complying with the law and support different forms of employment required by evolving business

models, which fully reflect the provisions of the relevant and ratified International Labor Standards and the ILO Declaration on Fundamental Principles and Rights at Work. Global competition and the growth of digital platform work must not lead to an erosion of wages and social standards. We welcome the ILO Centenary Initiative on the Future of Work and call on the G20 to engage with ILO on such issues as employee data protection, the compatibility of family and work, and working time in the digital economy. The Social partners can play an important role in shaping these forms of employment.

- 5) A fresh approach to education and learning, which ensures that already pre-school and school education lay the foundations and provide children with the necessary cognitive capacities including reading, writing, logical thinking, problem solving and communication skills as well as STEM skills so as to enable them to shape and master digital technologies, adapt to technological change and develop capacities for innovation and problem solving.
- 6) Vocational education and training (VET) and higher education institutions, must take into account labor market needs, whilst fulfilling their mandates to provide quality general and specialist education for the long term and thereby avoid skill mismatches. This means ensuring that apprenticeship systems respond to the development of new skill sets, that VET institutions are equipped with up-to-date learning tools and that the social partners are fully involved in the establishment, development and management of these systems. The B20-L20 joint understanding on key elements of quality apprenticeships, the G20 Skills strategy as well as the G20 apprenticeships initiative have a key role to play in the modernization of training systems.
- 7) Policies to promote lifelong learning. Bearing in mind the rapidly changing technological knowledge in the digital economy, it is necessary to support businesses in offering workers life-long learning and on-the-job learning experiences that provide them with up to date knowledge and skills, and to encourage workers to make own commitments to training and qualification – reflecting the potential benefit to the individual.

Business and labor have a key role in shaping policies which ensure that the digitization of economies leads to more and better employment opportunities, greater social coherence and stronger and more sustainable growth. G20 Governments should take into account the above mentioned policy recommendations in the national G20 employment plans and fully

engage national social partners in the establishment and monitoring of the implementation of these plans. The B20 and L20 are fully committed to contributing to the success of the G20 employment process. We are jointly working to further deepen our understanding of the effects of technological change on growth, jobs and skills, and we will offer continuing advice to governments and the G20 on these and related issues. We also jointly support a better integration of the social dimension into the current multilateral system for greater coherence and efficiency.

May 17, 2017
Bad Neuenahr, Germany

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