

## B20 Employment Task Force Advocacy Key Messages:

### Recommendation 1:

Advance business friendly environment to create employment opportunities.

#### Key Messages:

1. Improved business environment and labor markets lead to increases in employment and decreases in unemployment
2. Given the bleak outlook for global employment in the coming five years as portrayed by the ILO's 2015 World Employment and Social Outlook Report, G20 countries will need to prepare the market environment for fostering employment creation and entrepreneurship. Improved business environment and labor markets have the potential to significantly increase employment and decrease unemployment.
3. Actions suggested to improve business friendly environment are;
  - a. *Reduce restrictions on diverse forms of contractual arrangements, such as part-time and flexible hour contracts, and use of temporary agency work.*
  - b. *Bring migration and temporary worker movement policies in line with labor market needs and improve cross-country recognition of qualifications and training.*
  - c. *Reduce high non-wage labor costs such as payroll taxes, provide incentives for employment creation, create an enabling environment to provide transition from informal to formal economy and, ensure that safety nets promote employability and the motivation to work.*
  - d. *Adjust retirement policies in line with demographic dynamics of the labor market without damaging youth employment.*

#### KPI

% Long term unemployment  
% Labor force participation  
Tax wedge (total, % of labor cost)

#### Proposed targets to G20 governments

Annual improvement

## B20 Employment Task Force Advocacy Key Messages:

### Recommendation 2:

Increase youth and women labor force participation by making labor markets more dynamic and inclusive.

#### Key Messages:

1. Dynamic and inclusive labor markets lead to increases in participation rates and decreases in unemployment, propel economic growth, and promote equality
2. Inclusiveness is a systemic and crucial matter to be addressed. It is imperative for all stakeholders to take necessary actions to address these issues as these are common to almost all countries and should be addressed to prevent higher adverse social effects.
3. Two main issues to be addressed under inclusiveness are Youth employment (Unemployment) and women's participation to workforce.
  - a. *The youth unemployment rate is projected to reach 13.1% globally and increase in many countries. This rate is almost three times higher than the adult unemployment rate of 4.5% and this trend persists despite the gains in educational attainment. Rate of youth who are not in employment, education or training (NEET) indicates an even larger group at risk of marginalization from the labor market. This stands at an average of 18.2% in OECD countries, with more than one-fifth of all youth being in this situation in individual G20 nations.*
  - b. *Male employment-to-population ratio stood at 72.2 per cent, while the ratio for females was 47.1 per cent in 2013. Overall, women continue to suffer from higher rates of unemployment, are less likely to participate in the labor force and face higher risks of vulnerable employment.*
4. Combined, policies for building dynamic and inclusive labor markets for women and youth have the potential to significantly increase labor force participation, employment and economic growth while also addressing the issues of inequality and social tensions.
5. Actions Suggested:
  - a. *Develop counseling, job-search assistance and placement service programs for young workers*
  - b. *Improve supportive mechanisms such as day-cares and elderly care and introduce leave schemes in diverse forms for work/family balance*
  - c. *Advance education of women through reducing the opportunity cost of schooling for girls, training teachers on gender issues and establishing the mechanisms for the ones who have no chance to return back to the formal education system*
  - d. *Consider increasing the representation of women on executive level positions through diverse tools and measures, which might include voluntary initiatives and commitments; suggested targets; disclosure provisions; and other measures*

**KPI**

% Youth employment

% Decrease in % of youth neither in employment nor in education or training (NEET)

World Economic Forum Gender Gap Index

% Decrease in gap between male and female labor-force participation rates

**Proposed targets to G20 governments**

Annual improvement

25% decrease in % of youth neither in employment nor in education or training (NEET) by 2025

**Brisbane targets of G20 governments**

25% decrease in gap between male and female labor-force participation rates by 2025

## B20 Employment Task Force Advocacy Key Messages:

### Recommendation 3:

Develop and finance programs aimed at reducing skills mismatches in an era of rapid changes in technology and innovation.

#### Key Messages:

1. A strategic approach to combat skills mismatches through well-designed programs and enhance employability by facilitating skills trainings, with a specific emphasis on SMEs (small and medium-sized enterprises) and start-ups (both financially and advisory), and development of transferrable skills is necessary in this era of rapid changes
2. Scenarios for the medium term are pointing out to the continuation of multiple disruptive changes that affect understanding of markets and business models today.
3. There is almost a global consensus that pace of transformation across today's G20 markets and beyond will even further accelerate.
4. Within this environment, skills mismatches are on the agenda of many countries in the world.
5. In facing the challenges presented by the widening gap, governments and businesses are both expected to take on responsibilities in steering the focus of skills development, as well as facilitating and financing skills development initiatives. Improving national education and skills development policies present a significant economic potential.
6. With forward-looking and flexibility oriented policies, and by facilitating learning across countries, G20 governments could unlock this potential and preemptively address the social ramifications of skills mismatches.
7. To achieve these, suggested actions are;
  - a. *Ensure alignment and collaboration among government, business enterprises and academic institutions through regular workshops for establishing a national skills strategy,*
  - b. *Review in collaboration with the business the national education plan to enable development of life-long learners and to ensure national education provides versatile and transferrable skills vital for the new technological and business realities,*
  - c. *Establish a problem-solving and practice focused STEM education approach in collaboration with the business to prevent the expected skills shortage in STEM jobs,*
  - d. *Compose national apprenticeship strategies in collaboration with the business and modernize apprenticeship systems based on skill gaps to promote learning and skill formation,*
  - e. *Develop effectively coordinated re-skilling and up-skilling programs to address skills linked to employability and ensure general access to and good quality of education,*
  - f. *Support the creation of "skill ecosystems" through facilitating regional networks, providing appropriate policy context and supervising initiatives by the central and local government,*

- g. Assign international organizations such as OECD and World Bank to develop a comparable Skills Mismatch Index and keep and monitor periodic data on widely accepted KPIs in skill mismatches as part of the national skills strategy to reduce the current data unavailability problem,*
- h. Commission a study to OECD, ILO and the World Bank for structure of Global Skills Accelerator to serve as a best practices sharing platform and to ensure global cooperation in skills development.*

**KPI**

% Decrease in % of skill mismatch of employed (total share of underskilled and over-skilled)

% of employers with re-training programs

% of workforce with high level of proficiency (Level 2 or 3) on the problem solving in technology-rich environments

**Proposed targets to G20 governments**

%50 decrease in % of skill mismatch of employed by 2025

Annual improvement

75% of workforce with high level of proficiency on the problem solving in technology-rich environments by 2025