



## Youth. Women. Entrepreneurship.

Understanding labor market policies across the G20

### Executive Summary

- Combining the findings of Deloitte research and that of the International Organisation of Employers (IOE) and Business at OECD, it appears that at the national level, some progress is being made towards implementing the G20 commitments on youth, women and entrepreneurship. Many governments have followed up on the Melbourne, Ankara and Hangzhou G20 Labor Ministers' Declarations and have developed initiatives to implement the commitments.
- A poignant finding was that of all the responses outlining what countries are doing to implement the G20 commitments on employment and labor issues for women, youth and entrepreneurs, only a couple reached 100 percent. This of itself tells a story that more can and must be done. It appears that most progress has been made in the areas of entrepreneurship and vocational education and training, with programs supporting female workforce participation not as widespread across respondent countries.

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- In many markets, program development and implementation happens at both a national and subnational level, making it difficult to know exactly what programs are in place, let alone understanding their impact. Addressing the inability to capture all programs and their outputs is also needed to enable the sharing of best practices across markets.

## **Youth**

- Youth unemployment is being addressed through structural reforms, promoting mobility, enabling entrepreneurship while addressing informality, and increasing the quality and availability of apprenticeships and traineeships (VOCED). Improving awareness features across programs, as VOCED is an unappreciated yet legitimate and credible pathway for young people to enter the workforce.
- The G20 has an ambitious target of reducing the workforce gender gap participation rate 25 percent by 2025. The majority of countries (72 percent) have plans to address this, with the majority having a documented strategy as well as programs specifically targeting women. Gender targets against programs were reported in very few cases (13 percent).

## **Women**

- Programs are in place to support women in the workforce but the responses suggest a lot more needs to be done:
- Accessibility remains a challenge and based on the survey findings, it is likely to remain so. Affordability of childcare is one of the biggest barriers to women entering the workforce. When asked if affordability is being addressed (e.g. through caps to percentage of income) only 27 percent of countries said it was, while 60 percent said it was not.
- On a positive note, parental leave is statutory in most markets (80 percent). Some studies suggest that despite this, cultural change needs to occur for this to be impactful. A recent Deloitte U.S. report showed that many men do not take this leave or feel uncomfortable doing so<sup>1</sup>. Flexible work policies are statutory in only 60 percent of respondent countries.
- For markets where women are in the workforce, discriminatory practices are not allowed in relation to pay and career progression (80+ percent). Having said, that the Deloitte BIAC report, *Putting All our minds to work*<sup>2</sup>, and others, highlights the challenges facing women to achieve senior leadership positions within business. This is not surprising when just over half of the respondents (53 percent) said that there were laws supporting female share of executive positions in the public and private sector.

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<sup>1</sup> Deloitte Parental leave Survey, 2016. <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-survey-parental-leave.html>

<sup>2</sup> Business at OECD Deloitte. Putting All our minds to work: An Assessment 2014. <http://BusinessatOECD.org/wp-content/uploads/2015/02/FINAL-8798482-Deloitte-BIAC-Gender-reportFF.pdf>

- In an effort to support self-employment and female entrepreneurs, a small majority of respondent countries (67 percent) have government-led financial literacy programs available to both men and women, with 40 percent having government-led programs specifically for women. 73 percent reported having skills development programs available to women, and tailored labor market (53 percent) and employment services (73 percent) for women. These programs can help women access and remain in the labor market.



## **Entrepreneurship**

- Under the Chinese presidency, the G20 agreed on the Entrepreneurship Action Plan in an effort to combat unemployment and under-employment, and to support a more innovative approach to inclusive economic growth. Entrepreneurship is an important driver of innovation, job creation and growth, and needs to be supported through initiatives that provide access to finance and markets, social protection coverage, and capacity-building for labor law compliance.
- Entrepreneurship starts with helping current and future workers understand entrepreneurship. To this end, entrepreneurship seems to be included in curricula, although this varies across educational sectors. It is most prevalent in the vocational sector (73 percent) and is not really seen in primary school (approximately 10 percent). Further, it does not feature into teacher training. The latter is an area of potential improvement.
- The majority of the countries (87 percent) responded that their government provides formal programs or initiatives that target small and medium-sized enterprise (SME) development, initiatives to offer business development services to new entrepreneurs, support business incubators, either directly or through funding to other businesses to provide incubators, as well as funding to new entrepreneurs to develop ideas into products or services. Many have also taken steps (73 percent) to simplify business registration processes.
- Despite being a recent commitment, more than half of the countries (60 percent) said that their government has taken steps to establish an entrepreneurship exchange platform as committed to by G20 China.
- The ongoing credibility of the G20 process depends on the G20 governments implementing their jointly adopted strategies at the national level. The majority of G20 governments have put in place documented strategies and programs in order to meet the G20 commitments on improving both youth and female employment outcomes and entrepreneurship. The *2017 IOE-Business at OECD Monitoring Report* (in Appendix) also attests to some degree of implementation of G20 commitments at the national level. This is encouraging.
- Data and further analysis is needed to evaluate the impact of these programs and strategies at the national level; that is to verify if these policies achieve the intended objectives of the G20 commitments. The *2017 IOE-Business at OECD Monitoring Report* demonstrates that a majority of G20 employers' organizations argue that often the

implemented policies do not meet the intended targets, nor deliver positive results. This is concerning and requires a call to action.

- The G20's commitment on employment and education calls for coordinated action between governments, business and other social partners. The private sector is critical to job creation. Thus, it is of crucial importance that businesses are closely involved in the establishment and subsequent implementation of policies to meet the identified G20 commitments and targets. Strengthening national employment plans by fully including business, including employers' federations, in their development and revision can allow for better coordination and facilitate an increased exchange of experiences on their implementation at the national level.

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## About

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