



**Ten years on:  
The G20 Employment Process—  
Successes, Challenges and Impacts**  
September 2018



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# Introduction

Just as financial markets were roiled by the crisis that began in 2008, so too were labor markets. Employment, skills and job creation have therefore been a priority for the G20 from the very beginning. Whereas in 2008, the G20 Summit in Washington DC, focused almost exclusively on the financial system, half a year later in London, G20 leaders acknowledged the role of employment in achieving a sustained recovery. Since then, jobs and skills became a focus of every G20 Leader's Declaration. G20 employment and labor ministers have met periodically to define strategies and exchange best practices to address persistently high unemployment rates and related G20 labor market challenges. A G20 Task Force on Employment was set up in Cannes in 2011 to support the G20 labor ministerial process, which was then transformed to a standing Employment Working Group in 2014.

Over the last ten years between 2007 and 2017, implementation of the G20 employment-related commitments and targets has received growing attention in the G20 process. Recognizing that the credibility of the G20 rests in its ability to create real and tangible impact, G20 governments as well as Business 20 (B20) and Labour 20 (L20) increasingly focused on measures to strengthen transparency and accountability with regard to national follow-up. For this reason, the International Organisation of Employers (IOE), jointly with the Business at OECD (BIAC), launched in 2014 a first G20 Monitoring Report<sup>1</sup>, assessing national implementation of G20 commitments. The 2014 Monitoring Report revealed mixed results. On the positive side, the report showed that many governments followed up on the 2013 Moscow G20 Labour Ministers' Declaration, and developed initiatives to implement the commitments. On the down side, even in areas where most initiatives were taken-up, 25 percent of countries did not follow up on their commitments. Of more concern was that, in some important areas, the situation was even worse. For example, in four countries, government action had actually limited the possibility of using multiple forms of work, despite the clear commitment by the labor ministers to promote such forms of work.

In 2015, IOE, Deloitte and BIAC launched a joint study on "The youth employment opportunity - Understanding labor market policies across the G20 and beyond<sup>2</sup>." The study looked at youth employment policies in connection with the strategies on youth employment agreed at the G20. The study found that there was a range of policies being implemented across the G20, with new policies in the pipeline, but what was working and why did not appear to be clear.

IOE, Deloitte and BIAC continued their monitoring activities and published in 2017 a further G20 Monitoring Report ("Youth. Women. Entrepreneurship. Understanding labor market policies across the G20")<sup>3</sup>, focusing specifically on outcomes on youth and female employment. The findings indicated that there was some, albeit insufficient, implementation of G20 commitments at the national level. Efforts targeted reducing the gender gap in wages and increasing the participation rates of women in the workforce. Other efforts included steps to improve youth employment outcomes through the promotion of apprenticeships and entrepreneurship. The study showed that the implemented policies did not meet the intended targets. Significantly, in important areas such as the reduction of non-wage labor costs, the situation had actually worsened.

Feedback to IOE and BIAC suggests that one important reason for the lack of results was also that these efforts were not ambitious enough and do not address the primary challenge of structural change in G20 labor markets.

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<sup>1</sup> IOE-BIAC Monitoring Report on the Implementation of G20 Commitments, September 2014

<sup>2</sup> IOE-Deloitte-BIAC: The youth employment opportunity - Understanding labor market policies across the G20 and beyond, September 2015

<sup>3</sup> IOE-Deloitte-BIAC: Youth. Women. Entrepreneurship. Understanding labor market policies across the G20, July 2017

Ten years after the launch of the G20 process in its current form, IOE, Deloitte and BIAC again take stock of the impact, the effectiveness and efficiency of the G20 employment process. This Monitoring Report looks at a) how labor markets in the G20 economies have fared in the intervening decade, with a focus on women and young people in the workforce; and b). it elaborates on:

- **The uptake of B20 recommendations by G20 Leaders and G20 labor ministers.**

- **The quality and implementation of G20 National Employment Plans.**

- **The involvement of social partners at a national level in the implementation.**

- **The impact of the G20 at a national level in the last ten years.**

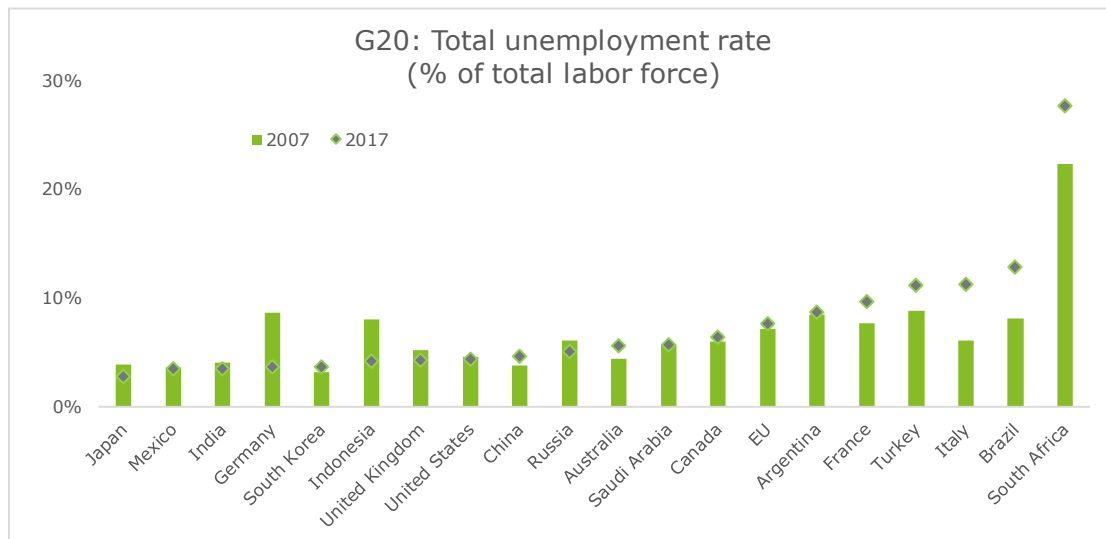
IOE and BIAC surveyed their members, the national representative employers' and business federations, in G20 countries for this purpose, to get first-hand information on the quality of the National Employment Plans, the involvement of social partners and the impact of the G20 process itself from a business perspective. Eighteen federations from G20 countries responded to the survey, plus the Spanish member as Spain is a permanent guest at the G20, yielding 19 responses in total.

This Monitoring Report is a call for action to governments: to live up to their commitments and improve implementation, to build on successes of the G20 employment process achieved in the last ten years, and to tackle the challenges G20 countries face, particularly in youth and female employment, with more determination. We all must better harness the opportunities the G20 process offers for job creation, skills building and development.

# G20 labor markets 10 years after the financial crisis

Ten years after the beginning of the global financial crisis, only half of the G20 nations had returned to pre-crisis unemployment levels.<sup>4</sup> The other half continues to be challenged by a variety of headwinds that keep unemployment high, and in some cases, such as for Italy, Brazil, and South Africa, much higher than it was in 2007 (see figure 1).

Figure 1. G20 countries: Unemployment rates have been going up for a few nations



Source: World Bank data, sourced from Haver Analytics, May 2018.

However, the unemployment rate is only one aspect of the story. For instance, although a majority of countries reported a rise in the “work and salary” employment among female and male workers, the proportion of workers in this category has remained extremely low for almost all developing G20 nations.<sup>5</sup> In these developing countries, a majority of workers still fall into the “vulnerable” worker category – that is, for instance, contributing family workers as opposed to workers in a more formal wage and salary arrangement.<sup>6</sup>

Another dimension of the changing G20 employment situation is the shift to service sector jobs from industrial jobs, which is occurring at a varied pace overall and between the female and male populations specifically. Educational attainment of the population is another factor that differentiates the G20 countries’ workforces and, for many, the educational attainment of men is significantly higher than that of women.

<sup>4</sup> G20 member countries are Australia, Canada, Saudi Arabia, United States, India, Russia, South Africa, Turkey, Argentina, Brazil, Mexico, France, Germany, Italy, United Kingdom, China, Indonesia, Japan, South Korea.

<sup>5</sup> Wages and salaried employment or paid employment jobs are defined as workers with jobs with an explicit (written or oral) or implicit employment contracts and a basic remuneration that is not directly dependent upon the revenue of the unit for which they work. (Definition sourced from United Nations, Department of Economic and Social Affairs, [Proportion of migrants employed in vulnerable employment, by sex.](#))

<sup>6</sup> Vulnerable employment is defined as the sum of the employment status groups of own account workers and contributing family workers. They are less likely to have formal work arrangements and are therefore more likely to lack decent working conditions, adequate social security and “voice” through effective representation by trade unions and similar organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity, and difficult conditions of work that undermine workers’ fundamental rights. (Definition sourced from United Nations, Department of economic and social affairs, [Proportion of migrants employed in vulnerable employment, by sex.](#))

At the 2014 G20 Summit in Brisbane, G20 Leaders committed to reduce the gender gap in labor force participation by 25 percent by 2025 (the 25-25 target); G20 labor ministers agreed on a set of key policy principles to improve the quality of women's employment. Over the past several years, governments of quite a few G20 nations have implemented policies, such as laws mandating non-discrimination and ensuring equal pay for equal work. These efforts may have contributed to improving gender participation and the proportion of women in formal work arrangements, but the quality of women's employment (in terms of pay, employment arrangements, working schedules, skill upgrade, and social protection) remains a concern. That said, such policies may foster an inclusive labor market for the future and could go a long way in empowering women to get more education and better jobs.

The goal to provide young people with a better start in the world of work has been one of the priorities of many G20 countries' political agendas over the decade. Unfortunately, no group was more adversely affected by the financial crisis than younger workers, and their situation has been much slower to improve. Ten years after the onset of the crisis, unemployment rates for young people is two to three times higher than for the total labor force in most of the G20 countries. Interestingly, while fewer nations witnessed their youth unemployment rates rising faster in the young female labor force versus the young male labor force, three-fourths of the G20 nations had a higher proportion of female youth population not in education, training or employment. This could be indicative that more female youth were being employed primarily in low-skilled or informal jobs, which does not bode well for the quality of women's employment going forward.

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<sup>7</sup> ILO, OECD, IMF, and World Bank, [Women at work in G20 countries: A background paper](#), December 2016.

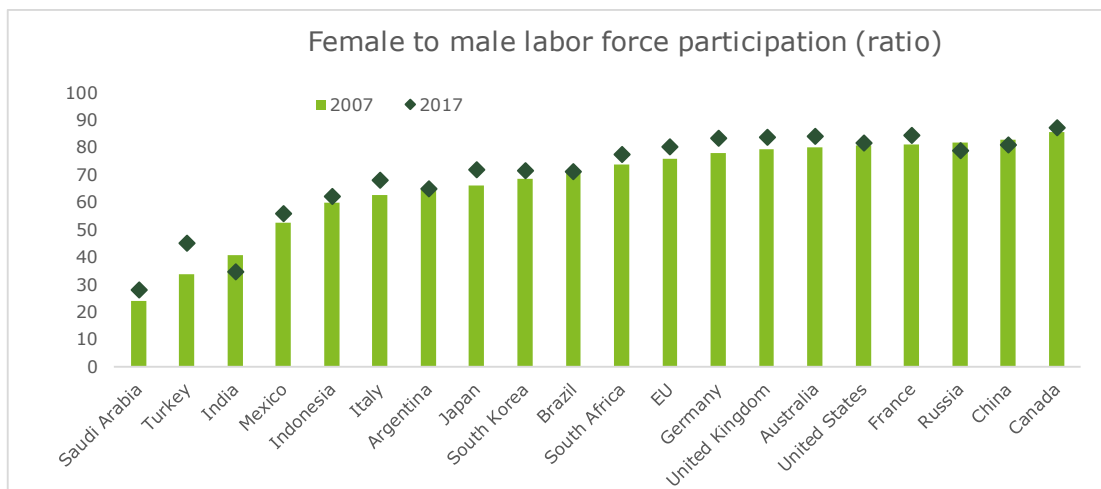
<sup>8</sup> Ibid.

<sup>9</sup> OECD, [The challenge of promoting youth employment in the G20 countries](#), May 2012.

# Gender disparity in the labor force and employment arrangements continues

The labor force participation of women relative to men has not changed substantially over the past 10 years in the G20, with Turkey being the only nation where the relative female participation has grown noticeably and India the only nation with a noticeable decline (figure 2). Female participation remains low in Saudi Arabia, Turkey, and India.

Figure 2. G20 countries: Female to male labor force participation rate has increased for a majority of the countries between 2007 and 2017



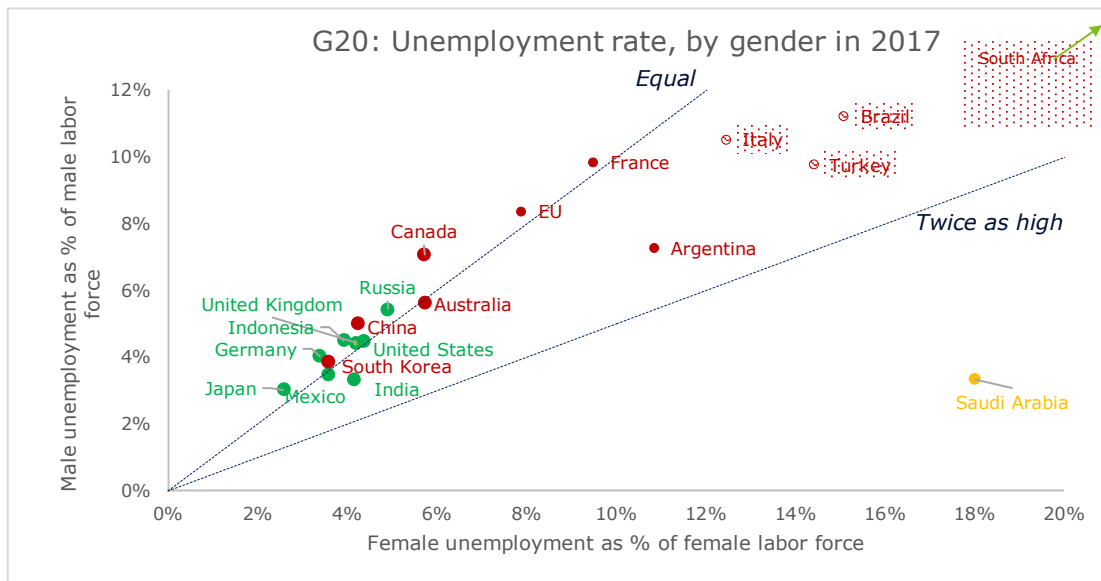
Source: World Bank data, sourced from Haver Analytics, May 2018.

The unemployment rates for both genders were more or less the same for more than two-thirds of the G20 nations in 2017. Among the remaining one-third, four nations had a female unemployment rate about one-and-a-half times more than the male unemployment rate. Saudi Arabia had the highest disparity in the female-to-male unemployment rate, while South Africa had the highest unemployment rate for both genders (31 percent among females and 26 percent among males – see figure 3).

Over the decade, Italy, Brazil, and South Africa saw a rise in unemployment rates of over 5 percentage points for both the genders. Turkey, Saudi Arabia, Brazil, and South Africa also witnessed a rising disparity in the unemployment rates within the genders as more women lost jobs than men. Saudi Arabia was the only nation where the female unemployment rate increased while the male unemployment rate fell.



Figure 3. G20 countries: Almost two-thirds of the nations had a similar unemployment rate for both the genders in 2017



Note:  
 1. Red indicates an increase in unemployment in both genders between 2007 and 2017.  
 2. Red and dotted indicate the increase in unemployment was more than 3 percentage points for either female or both genders between 2007 and 2017.  
 3. Yellow indicates that unemployment increased for women over 3 percentage points, but fell for men between 2007 and 2017.

Source: World Bank data; International Labour Organization, ILOSTAT database; both sourced from Haver Analytics, May 2018.

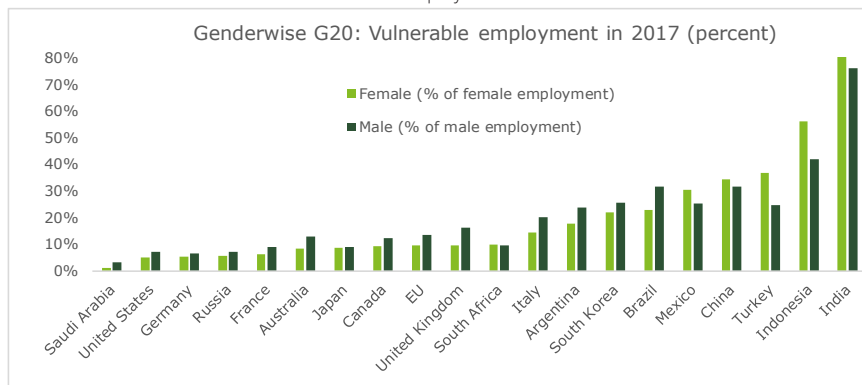
The diversification of employment arrangements varied across G20 nations and within genders, although a majority of the nations reported a fall in vulnerable employment (in terms of proportion of both female and male workforce) and a higher proportion of women worked as paid employees over the decade.<sup>10</sup> Not surprisingly, developing G20 nations fared much worse relative to the developed nations in 2017, with respect to the nature of and gender disparity in employment arrangements (figure 4).

Gender disparity was the highest in Turkey, Indonesia, and India, where a greater proportion of employed women belonged to the vulnerable employment category in 2017. This was despite the fact that the employment situation for women improved in all G20 nations since 2007, especially in those countries that started with a very small proportion of the employed female labor force falling under the “wage and salaried” class (such as India, Indonesia, Turkey, and China – see figure 5).<sup>11</sup> India topped the chart with over 80 percent of the total employed women working in informal employment arrangements. Despite the gender disparity, however, the employment arrangements for men in these countries did not fare much better either (figure 4). For example, in India, the proportion of working men in informal work situations equaled 76 percent of the total employed males in 2017.

<sup>10</sup> Based on data from the World Bank and International Labor Organization, ILOSTAT database, sourced from Haver Analytics, May 2018.  
<sup>11</sup> Ibid.

What is interesting is that a greater proportion of working males in developed G20 nations fell under the vulnerable employment category than working females, exactly the reverse of developing G20 nations, albeit on a much smaller scale. Canada, the United Kingdom, and France witnessed a slight fall in the proportion of females employed with paid jobs since 2007.<sup>12</sup>

Figure 4. G20 countries: Developing nations fared much worse in terms of vulnerable employment in 2017



Note: Vulnerable employment is the sum of the employment status groups of own account workers and contributing family workers as a percentage of total employment. They are less likely to have formal work arrangements, and are therefore more likely to lack decent working conditions, adequate social security, and “voice” through effective representation by trade unions and similar organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity, and difficult conditions of work that undermine workers’ fundamental rights. (See United Nations, [Department of Economic and Social Affairs](#).)

Source: World Bank data; International Labor Organization, ILOSTAT database, May 2018.

Figure 5. G20 countries: Female workers belonging to the wage and salaried class



Note: Wage and salaried workers (employees) are those workers who hold jobs defined as “paid employment jobs,” where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.

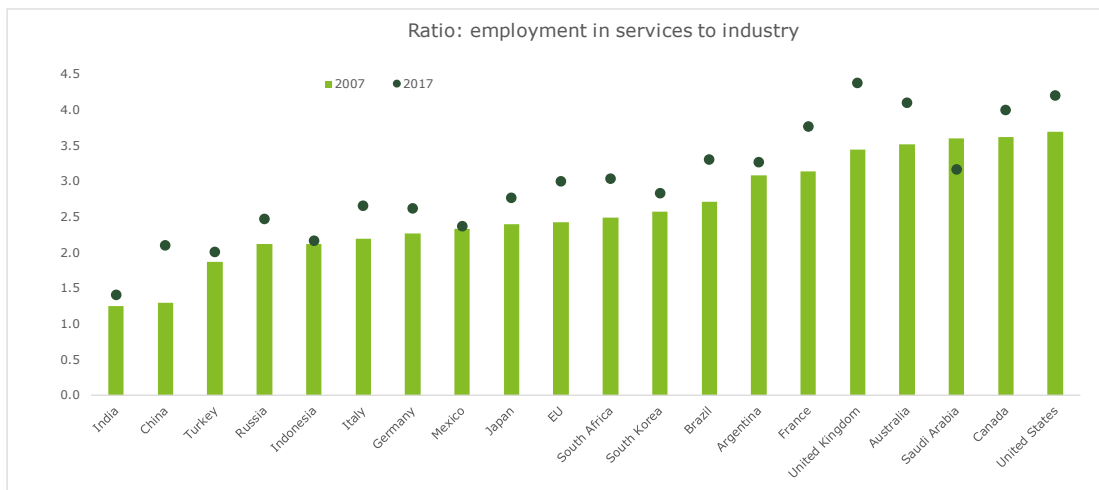
Source: World Bank data; International Labour Organization, ILOSTAT database, May 2018.

<sup>12</sup> Ibid.

# Sectoral differences - the industry composition of employment has changed

Over the past decade, globally, workforce distribution across the three traditional sectors has changed significantly, with the services sector employing a larger proportion of workers over time. Among the G20, employment in the services sector has increased in all countries, except for Saudi Arabia. However, the extent of this shift has varied across these nations. While China and the United Kingdom saw the largest jump in employment in the services sector between 2007 and 2017, a few of the major developing economies such as India, Indonesia, Turkey, and Mexico saw the least (figure 6).

Figure 6. G20 countries: Proportion of employment in the services sector increased between 2007 and 2017



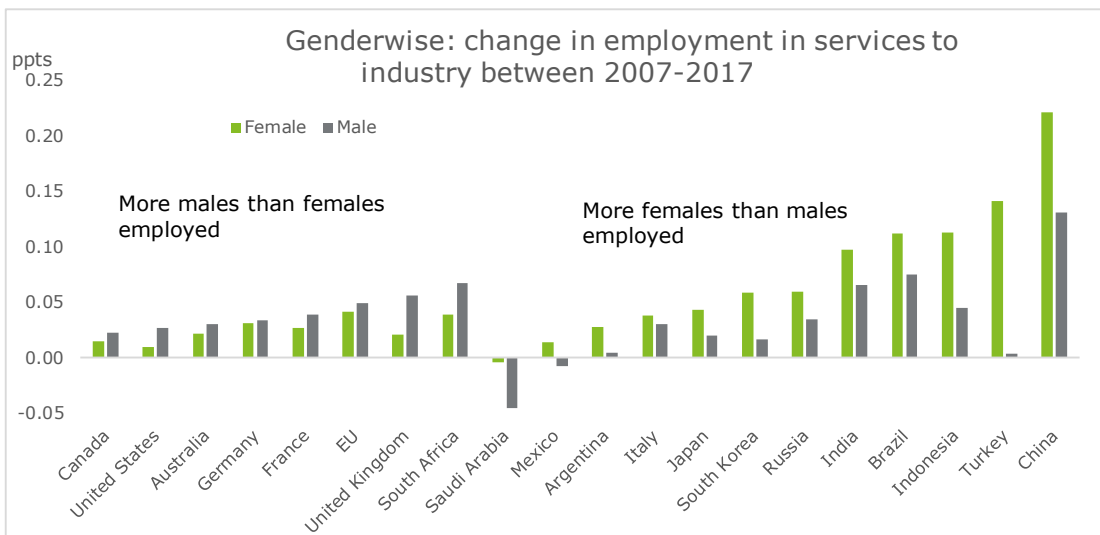
Source: World Bank data, sourced from Haver Analytics, May 2018.

While the services sector employed a larger proportion of workers in 2017 than in 2007 relative to the industry sector, this shift in employment toward services was more pronounced for women than men for over half of the G20 nations (figure 7). Almost all developing economies (except for South Africa) and developed economies such as Italy, Japan and South Korea witnessed a larger increase in the proportion of employed women in the services sector than in employed men. Of the remaining nations, the United Kingdom and the United States employed a significantly larger proportion of males than females in the services sector in 2017 than in 2007.

When comparing just the absolute growth in the proportion of employed women in the services sector, China and the United States stand out with the largest increase between 2007 and 2017 (figure 8). Despite an increase over the decade, India had the smallest proportion of employed women working in this sector among G20 nations at just 25 percent in 2017. The United States was the only developed G20 nation where the services sector employed less than 60 percent of the total employed women.

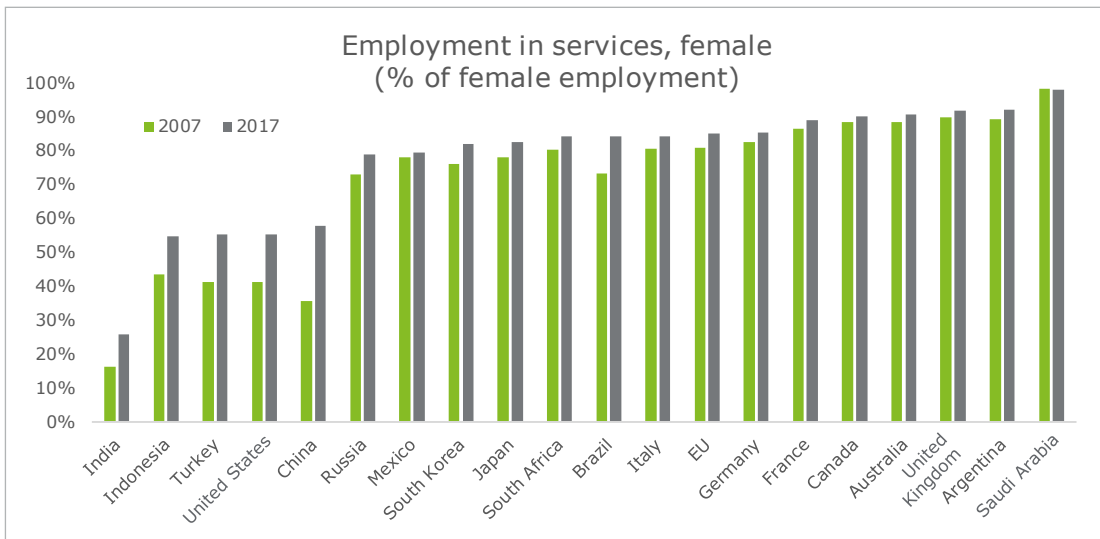
On the other hand, the proportion of employed women working in the industry sector came down to a fifth by 2017 for all G20 nations. India, Indonesia, and Saudi Arabia were the only G20 nations where the proportion of employed women with jobs in the industry sector increased between 2007 and 2017, albeit marginally.

Figure 7. G20 countries: Shift in employment toward services was more pronounced for women than men in over half of the G20



Source: World Bank data, sourced from Haver Analytics, May 2018.

Figure 8. G20 countries: The United States was the only developed G20 nation where the services sector employed less than 60 percent of the total employed women

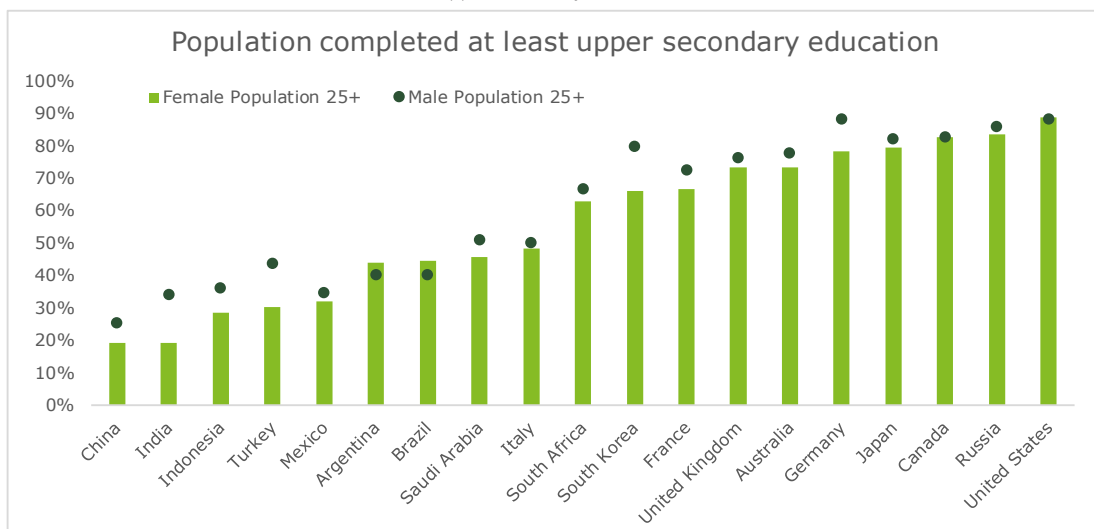


Source: World Bank data; International Labour Organization, ILOSTAT database, May 2018

# Educational attainment has not sufficiently improved

The G20 developing nations, other than Russia and South Africa, did not fare well with respect to educational attainment as less than 50 percent of their adult population reported completing at least an upper secondary education (figure 9). The gender disparity was high for three-fourths of the G20 nations, with a substantially lower proportion of the adult female population completing at least an upper secondary education as compared to the adult male population. This disparity was particularly large among a few developing nations such as China, India, Indonesia, Turkey and Saudi Arabia, which probably explains the poor employment situation of women in these countries. Germany and South Korea are the only advanced nations where gender disparity in attaining upper secondary education is high.

Figure 9. G20 countries: Almost all nations had less than 50 percent of their adult population completing at least upper secondary education



Note: The data for education has been collected for different years for different countries as most of the G20 nations do not have the latest data. That said, data for all the nations, except for Argentina, is from the years 2010 or after. There is no data available for the European Union.

Source: World Bank data, sourced from Haver Analytics, May 2018.

# Legal safeguards have been developed

Policies to remove barriers for female employment and to improve the quality of women's employment play an important role in improving female participation in the labor force and ensuring non-discrimination on the basis of gender. The purpose of these policies is to ensure greater inclusion, engagement, and diversity in the workforce. As had been agreed by G20 Leaders at the 2014 G20 Summit in Brisbane, several of these nations have taken some measures in this direction.

Four-fifths of the G20 countries have passed laws that mandate non-discrimination based on gender in hiring, while about 50 percent of the G20 countries ensure equal pay for equal work. Indonesia and Saudi Arabia are the only two G20 nations where the law does not ensure either non-discrimination based on gender in hiring or equality of pay. Only a handful G20 countries – Argentina, Australia, France, South Africa, Turkey, and United Kingdom – have mandated both these laws (figure 10).

On the other hand, G20 nations have been very proactive in implementing laws that empower women to continue jobs post childbirth. All nations (except the United States and Australia) have a law that mandates paid or unpaid maternity leave. That said, not many of them guarantee equal positions for women after maternity leave (figure 11).

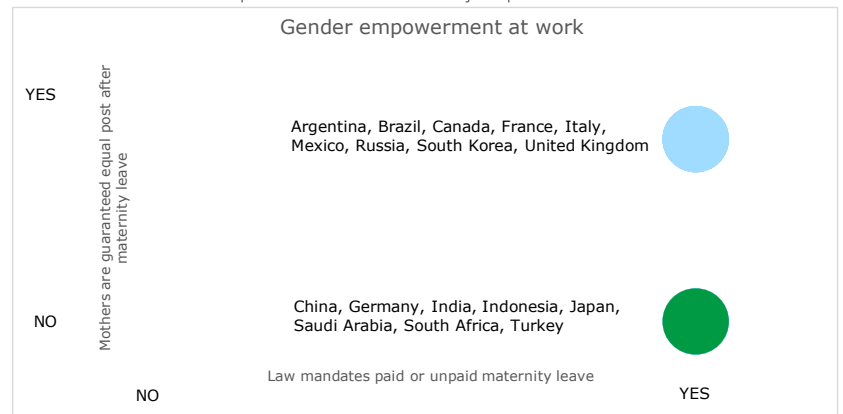
Figure 10. G20 countries: Law enforcement is higher for ensuring non-discrimination in hiring than for equal pay for equal work



Note: South Africa implemented the law that mandates equal pay for equal work after 2013, while Turkey implemented the law that mandates non-discrimination based on gender in hiring after 2013. Data is not available for the European Union as an aggregate region.

Source: World Bank data, sourced from Haver Analytics, May 2018.

Figure 11. G20 countries: All, except two nations, have implemented laws that empower women to continue jobs post child birth



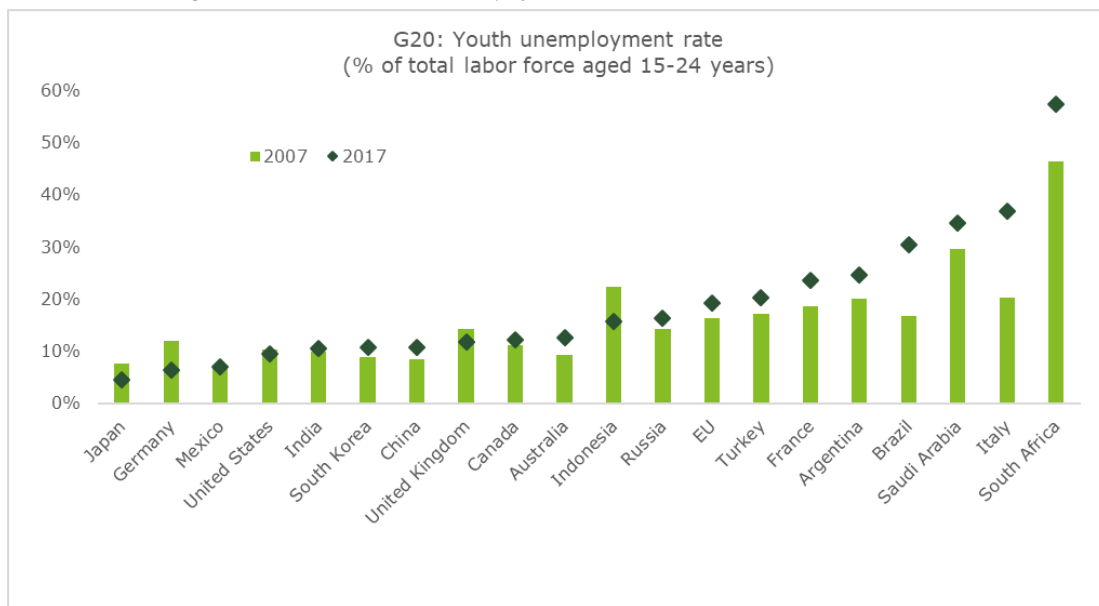
Note: Australia and the United States are the only two G20 nations that do not have a law that mandates paid or unpaid maternity leave. No information is available regarding guaranteed equal post after maternity leave for these two nations. Data is not available for the European Union as an aggregate region.

Source: World Bank data, sourced from Haver Analytics, May 2018.

# The challenge of youth unemployment has worsened

Of the several lingering consequences of the global financial crisis that began in 2007, the impact on rising youth unemployment has been the most challenging for both developed and developing G20 countries. Although economic growth has gained momentum over the past few years, the subsequent recovery in the youth unemployment situation has been too weak to reverse the impact of the crisis for most of these nations even after a decade. The problem has, in fact, worsened for two-thirds of the G20 countries as youth unemployment rates have increased for these nations over the period (figure 12). Most of the EU nations have yet to see youth unemployment rates falling below the pre-2007 crisis levels.

Figure 12. G20 countries: Youth unemployment rates have increased for almost all nations

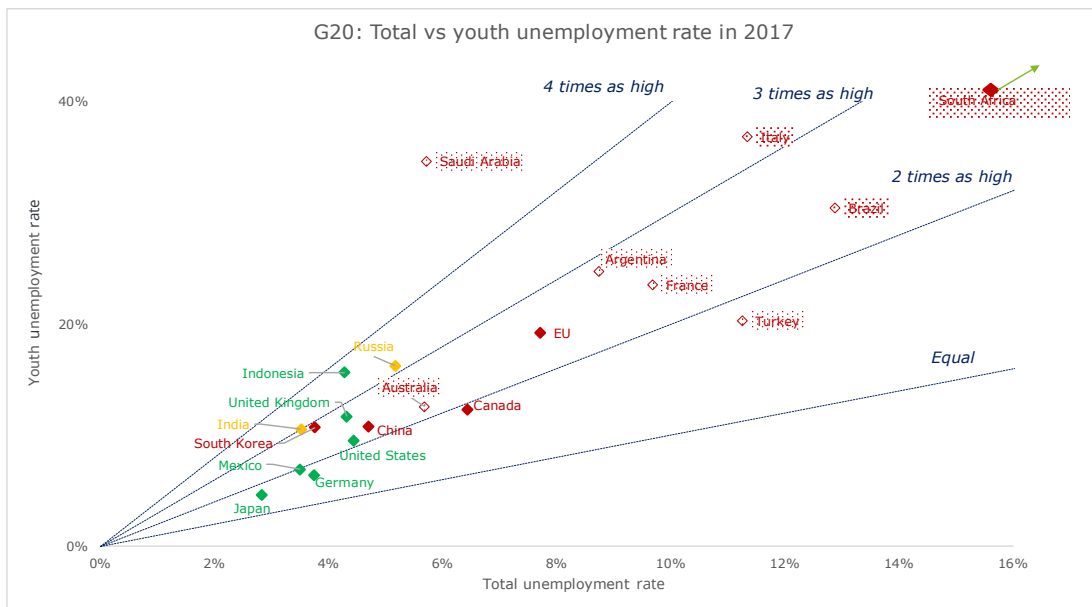


Source: World Bank data, sourced from Haver Analytics; International Labor Organization, ILOSTAT database, May 2018.

Three-fourths of the G20 nations had a youth unemployment rate more than twice the total unemployment rate, while a fifth had youth unemployment rates more than three times the latter in 2017 (figure 13). South Africa stood out with an unemployment rate of 27.7 percent and a youth unemployment rate of 57.4 percent in 2017.

About 60 percent of the countries saw an increase in both the total and youth unemployment rates between 2007 and 2017, and all of them witnessed a larger increase in the latter than in the former. Among the worst hit were Italy, Brazil, and South Africa where the youth unemployment rate soared by 16.5, 13.7, and 11 percentage points, respectively, between 2007 and 2017. India and Russia were the only two nations where the youth unemployment rate increased despite a fall in the total unemployment rate.

Figure 13. G20 countries: 60 percent of the nations witnessed a larger increase in the youth unemployment rates than in the total unemployment rate



Note:

1. Red indicates an increase in both the total and youth unemployment rates in 2007 and 2017.
2. Red and dotted indicate the youth unemployment rate increased faster than the total unemployment rate by over 3 percentage points or more between 2007 and 2017.
3. Yellow indicates that the youth unemployment rate increased despite a fall in the total unemployment rate between 2007 and 2017.

Source: World Bank data, sourced from Haver Analytics; International Labor Organization, ILOSTAT database, May 2018.



# Youth unemployment: rising gender disparity

Six of the G20 nations had a significantly higher female youth unemployment rate in 2017 – other than Italy, the remaining five were developing nations (figure 14). On the other hand, developed nations such as the United Kingdom, Canada, the United States, and Australia had a higher male youth unemployment rate, although the difference was not as large.

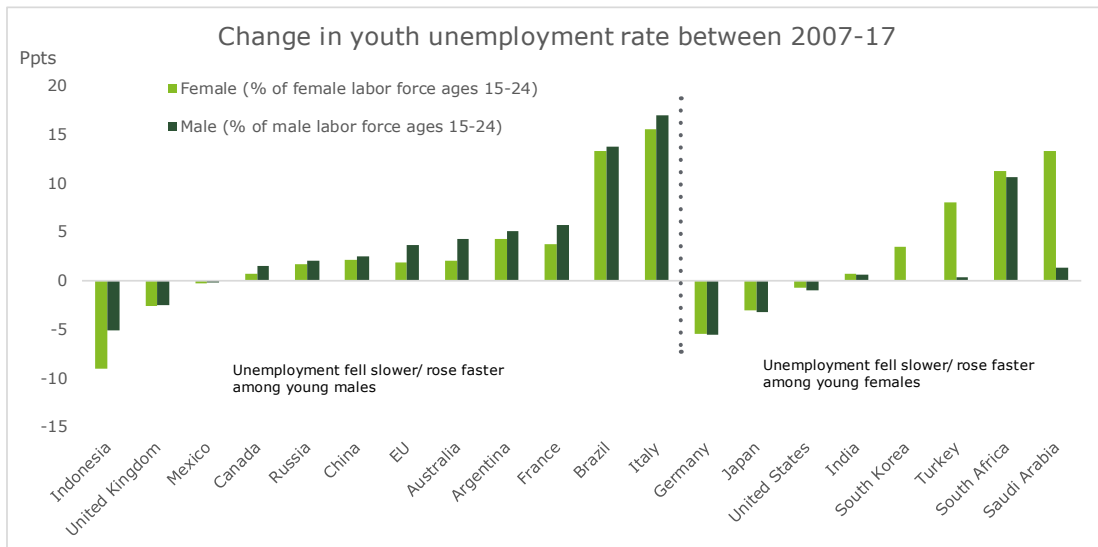
Not only did youth unemployment increase over the past decade, 50 percent of G20 nations also saw a rising gender disparity in youth unemployment. India, Korea, Turkey, and Saudi Arabia saw the youth unemployment rate rising faster in the young female labor force than the young male labor force. Conversely, the European Union, Australia, Argentina, Brazil, and Italy saw a rising unemployment rate in the male youth working population relative to that of the female youth working population (figure 15).

Figure 14. G20 countries: Developing nations had higher female youth unemployment rate and developed nations had higher youth unemployment rate



Source: World Bank data, sourced from Haver Analytics; International Labour Organization, ILOSTAT database, May 2018.

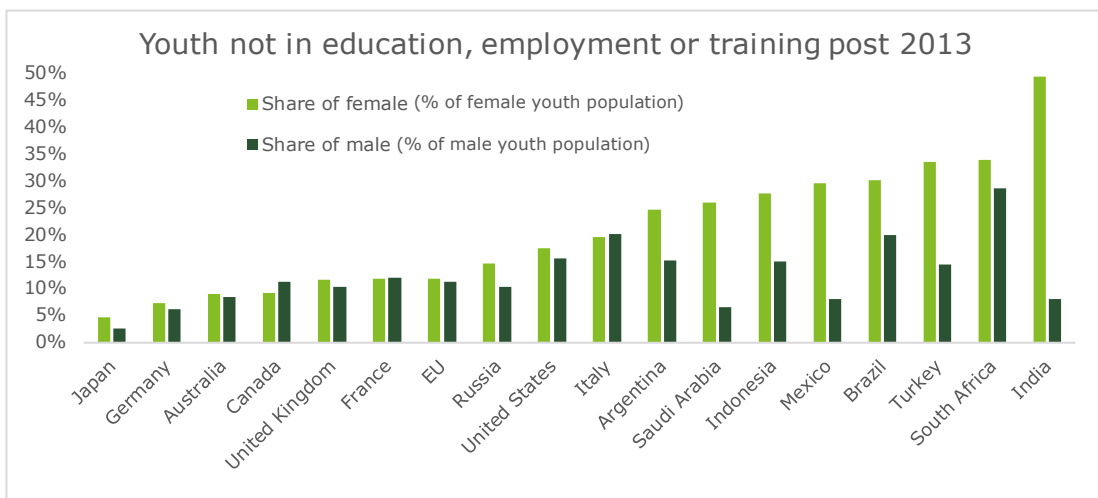
Figure 15. G20 countries: 50 percent of the G20 nations saw a rising disparity in youth unemployment within the genders



Source: World Bank data, sourced from Haver Analytics; International Labor Organization, ILOSTAT database, May 2018.

Lack of education and training may have been one of the reasons for rising gender disparity in youth unemployment in developing G20 countries. Since 2013, most of the G20 nations have reported a higher proportion of female youth population not in education, employment, or training, with the difference being strikingly higher for developing G20 nations (figure 16). Canada, France, and Italy were the only nations that had a higher proportion of the male labor force falling into this category than their counterparts. One can infer that gender disparity in employment among adults will likely worsen in most of the G20 nations in future.

Figure 16. G20: A higher proportion of female youth population not in education, employment, or trainings than males in most nations



Note: The data for education has been collected for different years for different countries as most of the G20 nations do not have the latest data. That said, data for all the nations is from the year 2013 or after. There is no data available for South Korea and China.

Source: World Bank data, sourced from Haver Analytics; International Labor Organization, ILOSTAT database, May 2018.

# Uptake of B20 recommendations has been limited

Business has engaged with the G20 labor ministers and G20 leaders from the very beginning of the G20 process in its current form. Employment has been a key issue in this engagement. Business has drafted employment- and education-related recommendations to G20 leaders and also has given input to the G20 employment process. The G20 Employment Task Force (Employment Working Group from 2014 onwards) as well as labor ministers themselves have consulted with Business (B20) as with Labour (L20) and other groups. The B20 and L20 have addressed also labor ministers and Heads of States jointly as did IOE/BIAC and the International Trade Union Confederation/Trade Union Advisory Committee (ITUC/TUAC) together.

IOE/BIAC with the ICC have measured the uptake of the B20 employment and education recommendations by labor ministers and Heads of States in the G20 Scorecard from 2014-2016. The G20 Scorecard evaluates the G20's response to the business recommendations on three criteria:



**Recognition**

If the G20 has recognized/ addressed an issue raised by business.



**Action**

If the G20 has taken action.



**Adequacy**

If the G20's response/action is adequate in addressing business concerns.

For each criterion that has been met, a corresponding point has been assigned. Consequently, a recommendation can achieve a minimum numerical score of "0" and a maximum score of "3". This numerical score is further translated to a qualitative assessment.

The qualitative assessment of "Inadequate" indicates that the G20 has not addressed the issue at all (i.e., no points were earned). A score of "Poor" indicates that the G20 has, at minimum, taken notice of the subject, but little or no action taken in response (i.e. one point assigned). A score of "Fair" illustrates that the G20 has recognized the business recommendation and has initiated at least some steps in response (i.e., two points had been achieved). A score of "Good" means that the G20 has effectively addressed the business recommendation (i.e., a point had been gained for each of the three scoring criteria for a total of three points).

Using this methodology, the uptake of the B20 Employment and Education recommendations for the years 2010-2017 has been assessed for this report.

Figure 17: Uptake of B20 Employment & Education recommendations by G20 labor ministers and Heads of States

2010	2011	2012	2013	2014	2015	2016	2017
Fair (2.2)	Fair (2.0)	Fair (2.2)	Fair (2.4)	Fair (1.6)	Fair (1.8)	Good (2.6)	Fair (2.0)

Source: ICC G20 Business Scorecard for 2014-2016, IOE calculation 2010-2013 and 2017

The overall uptake has been very consistently “fair” over the years, with the exception of the Chinese G20 Presidency in 2016, in which important initiatives such as the G20 Entrepreneurship Action Plan and the G20 Structural Reform Agenda had been launched, and which has an overall score of “good”.

However, the uptake has not been even across the B20 Employment and Education recommendations. The uptake has been much more pronounced in areas such as skills development, education and training or female and youth employment. In other key areas, such as promoting diverse forms of employment, regularly assessing the impact of regulation on job creation, or promoting migration policies which are in line with labor market needs, the uptake has been rather poor, despite the fact that these recommendations have been repeatedly brought forward. It was only under the Russian G20 Presidency in 2013 that labor ministers committed to promote “inclusive labour markets by allowing multiple forms of work for those who desire such forms while ensuring full respect for workers’ rights and access to social protection”. However, implementation in G20 countries was limited. The IOE-BIAC Monitoring Report in 2014 even showed that in a number of G20 countries, access to multiple forms of work became more restricted.<sup>13</sup> For a detailed overview of the uptake of the B20 Employment and Education recommendations for the years 2010-2017, please see the Annex.

This finding is supported by an ILO/OECD G20 implementation report from June 2013 <sup>14</sup>, which shows that job creation measures taken by G20 countries between 2010 and 2013 focused mainly on investment in infrastructure, as well as support to small and medium-sized enterprises (SMEs), hiring credits and entrepreneurship development, and that only four G20 countries had adopted broad labor law reforms.

This level of uptake of labor law reform related recommendations is concerning, particularly in view of studies such as the 2015 IOE/Deloitte/BIAC survey on youth employment in G20 countries, wherein 80% of the respondents reported that the regulatory framework for the establishment and operation of enterprises is “more cumbersome than supportive to employment creation.” <sup>15</sup>

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<sup>13</sup> IOE-BIAC Monitoring Report on the Implementation of G20 Commitments, September 2014, p. 2

<sup>14</sup> ILO-OECD: Addressing employment, labour market and social protection challenges in G20 countries: Key measures since 2010, 2013

<sup>15</sup> IOE-Deloitte-BIAC: The youth employment opportunity – Understanding labor market policies across the G20 and beyond, September 2015

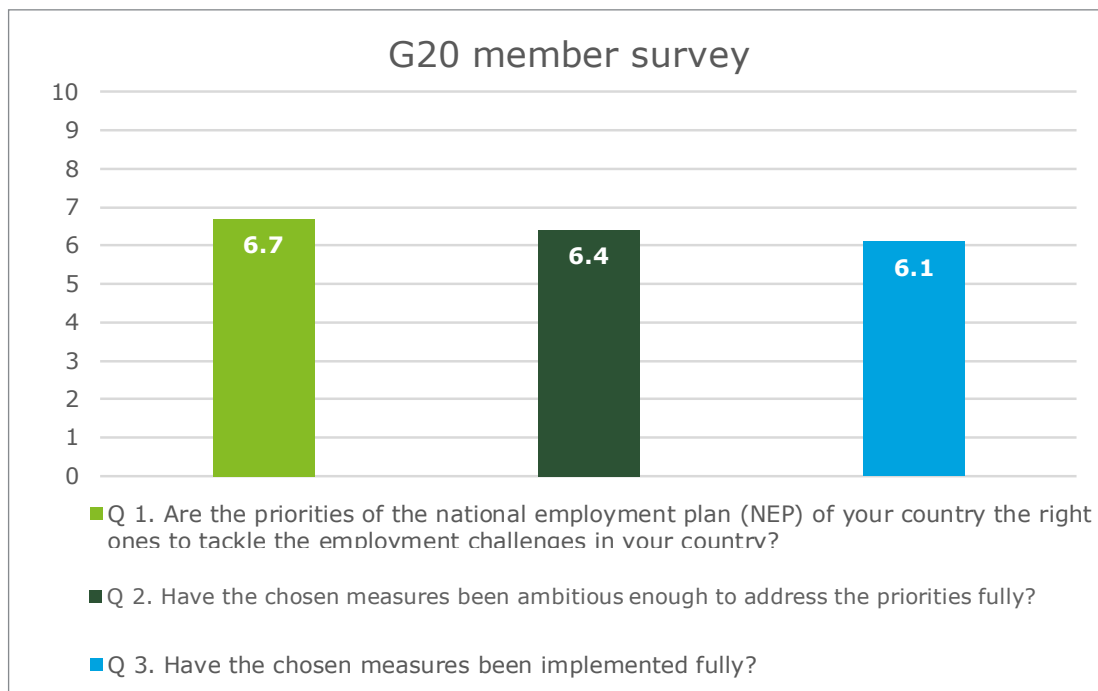
# National Employment Plans are steps in the right direction, but room for improvement

During the Australian G20 Presidency in 2014, National Employment Plans (NEPs) were launched to increase transparency, facilitate the exchange of experience and strengthen accountability. Contrary to the expectation of business, the NEPs did not lead to increased peer pressure on G20 countries to implement their G20 commitments at a national level. One reason for this is the fact that they are not discussed with social partners at the G20 level.

For this report, IOE and BIAC member federations assessed their respective NEPs and attributed a ranking score to each. The ranking was based on whether the NEPs have the right priority to tackle the employment challenges in the respective country. Member federations gave an average mark of 6.7 on a scale from 1 to 10 (10 = that is very much the case, 1 = this is not at all the case, figure 18). Thus, although NEPs generally went in the right direction with their respective focus, there is clear room for improvement.

Similarly, member federations ranked NEPs with an average score of 6.4 with regards to the question whether the chosen measures have been ambitious enough to address the priorities fully. Although the average score of 6.4 still indicates a certain measure of sufficiency when it comes to the NEPs, the result should be a stimulus for more ambitious priorities. Moreover, when it comes to the implementation of NEPs, the score decreases to an average of 6.1, indicating that the actual implementation of NEP measures has not been satisfactory.

Figure 18: Assessment of National Employment Plans by national employers and business federations



Source: IOE-BIAC Member Survey 2018

One reason for the unsatisfactory implementation score appears to be a lack of involvement of social partners. On the question of whether social partners have been sufficiently involved in the development and implementation of the NEPs, IOE and BIAC members gave an average score of 5.6 – the lowest score in the survey. IOE and BIAC member federations believe that social partner involvement is not only critical to ensure that the priorities are appropriate and relevant, but also to facilitate implementation and follow-up as well as to strengthen the legitimacy of the measures.

A recent ILO Survey Report on the National Initiatives to Promote Quality Apprenticeships in G20 Countries shows a similar outcome. The survey found that there is potential to strengthen the institutional mechanisms of engaging the social partners to reflect their ideas in key discussions, including decisions on apprenticeships, and to enlist them in efforts to expand and strengthen apprenticeship systems.

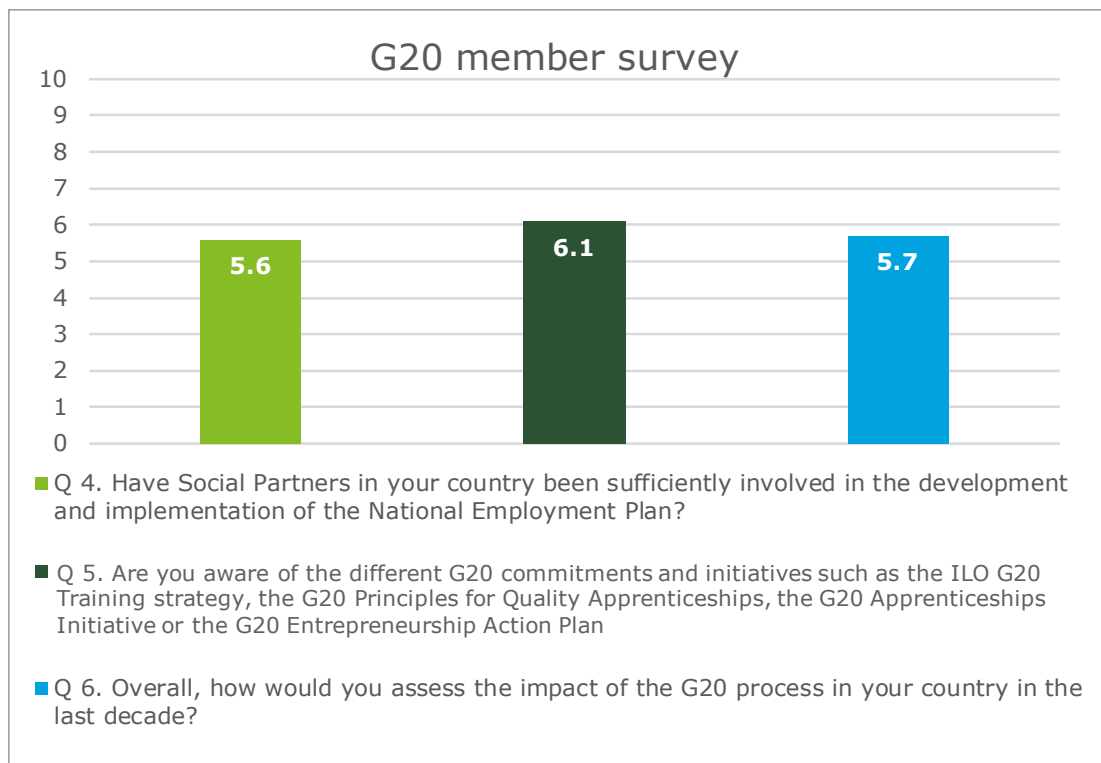
Business alone as well as together with workers has called for stronger involvement of social partners in the NEPs for a long time. This survey again underlines the importance of social partner involvement for the success of the G20 process at national level.

# Perceived impact of the G20 employment process is too modest

The credibility and acceptance of the G20 process depends on the impact it has at the national level. The G20 must become an engine for change and improve the lives of its citizens.

The perceived impact of the G20 employment process at the national level in the last decade has been very modest. National employers and business federations ranked the impact with an average score of 5.7 (10 = great impact, 1 = no impact at all), indicating that the G20 could do more to trigger reforms and actions at national level for more jobs, higher growth and stronger wealth creation.

Figure 19: Perceived impact of the G20 employment process by national employers and business federations



Source: IOE-BIAC Member Survey 2018

This finding is linked to the fact that many federations are not sufficiently aware of the different G20 commitments and initiatives. Although IOE and BIAC have a key role to play in informing member federations about trends and developments, G20 governments have a responsibility to inform their social partners about G20 outcomes and to fully engage them in the follow-up.

# Conclusions

Ten years on from the establishment of the G20 in its current form, progress has been made, but improvements are necessary to fully realize the G20 potential.

Specifically, the G20 countries must continue to evolve their labor markets. Over the past decade, the labor markets of the G20 countries have struggled to recover from the financial crisis. It is necessary that the G20 countries move beyond this recovery to focus on preparing their labor markets for the changes that technology and automation present to the way individuals work, what industries produce and the way work is organized. In order to meet these challenges head on, each G20 country must engage in comprehensive labor market reforms.

While it is encouraging that the B20 recommendations on skills and training have been widely taken on board by G20 governments, the lackluster uptake of businesses' repeated calls for promoting diverse forms of employment in order to open up and create more dynamic labor markets is of serious concern. The G20 must address this issue. With regards to skills it is important that G20 governments are not losing momentum to address new and upcoming challenges the future of work will bring. Digitalization and technology provides great opportunities but also threats for those who will be, or are already, left behind. With support of business and social partners G20 governments need to make sure that the current and upcoming workforce is prepared with the right skills and that the appropriate measures are in place to tackle youth unemployment.

Furthermore, going forward, key to strengthening G20 employment and labor outcomes will be better implementation of policies at the national level. This report shows that there has been a certain degree of national follow-up on key agreements, but that there is room for improvement. For example, greater engagement of social partners is an essential next step for the G20 countries, as these partners are not only important to ensure that NEPs properly reflect labor market challenges, but they are also important allies in the implementation of the NEPs. The G20 governments need to recognize that thorough implementation is essential to ensuring the success of the G20 process.

Finally, the impact of the G20 has been rather modest at the national level. This in turn means that the global potential of the G20 process over the last decade has not been fully harnessed. The reasons are linked to the previous findings: limited ambitions in NEPs as well as at G20 level to go for the tough issues, such as promoting diverse forms of employment and broader labor law reforms, insufficient implementation by and lacking engagement of social partners. This report is a call for action to develop the G20 as an engine for reform. At the end of the day, the G20 process is not an end in itself, and it must promote jobs, growth and development. If G20 governments get the challenge of implementation right, they can ensure that social priorities are being advanced and that commitments made at earlier G20 summits regarding the employment situation for women and youth are met.



# Annex: Overview Scorecards on the uptake of the B20 Employment and Education recommendations for the years 2010-2017

B20 Employment & Education recommendations 2010	Score
Support for sustainable job creation: Governments should ensure that regulation, including tax policy, does not restrict the capacity of enterprises to retain their workforce and take on new employees	Poor
Focus on employment, not job security: Government action must focus on employment and employability, supported by labour market policies that activate the labour force into work, make work pay, and provide for labour market mobility.	Fair
Ensure safety nets promote the employability and incentives to work	Fair
Invest in skills, education and training	Good
Effective global co-ordination of governments, international organisations and social partners is essential to forming practical solutions for the economic recovery.	Good
<b>Overall Score</b>	<b>Fair (2.2)</b>

B20 Employment & Education recommendations 2011	Score
Foster flexible forms of work that facilitate job creation, address different needs of companies and consumers, and combat informal work	Inadequate
Promote skill transfers and mobility from a global perspective	Inadequate
Develop real and effective public-private cooperation and partnership to better match recruiting needs	Good
Specifically tackle young people's difficulties in the labor markets, by welcoming and encouraging business to participate in the education and training process and raise its relevance, and improve the image of enterprise.	Good
Promote social inclusion and economic stability by advocating social protection floors	Good
Promote the International Labour Organization (ILO) Tripartite Declaration for Multinational Companies	Fair
Build better, more concrete coherence between international actions	Good
<b>Overall Score</b>	<b>Fair (2.0)</b>

<b>B20 Employment &amp; Education recommendations 2012</b>	<b>Score</b>
Commit to Strategic Infrastructure Investments	Fair
Implement Credible, Structural Labor Market Reforms and Policies that Enhance Labor Market Access, Competitiveness and Productivity while Maintaining Sustainable Social Protection Systems	Fair
Facilitate Growth of SMEs and Innovative Business Models	Poor
Improve Collaboration between Business and Educational Institutions	Good
Scale Internships and Apprenticeships	Good
<b>Overall Score</b>	<b>Fair (2.2)</b>

<b>B20 Employment &amp; Education recommendations 2013</b>	<b>Score</b>
Make employability a top priority in national education systems	Good
Make employability a top priority in national training systems	Good
Promote Life-long learning	Good
Create an enabling environment for enterprises and entrepreneurship.	Good
Master the demographic challenge	Inadequate
<b>Overall Score</b>	<b>Fair (2.4)</b>

<b>B20 Employment &amp; Education recommendations 2014</b>	<b>Score</b>
Establish a national innovation agenda and pipeline with supporting structural reforms	Inadequate
Increase the level of alignment and responsiveness between the learning ecosystem and workforce needs	Fair
Remove barriers inhibiting entrepreneurs from starting and growing businesses	Poor
Undertake structural reform to increase flexibility, adaptability and mobility within and across labour markets	Fair
Monitor and measure G20 nation commitments to Human Capital and Employment Actions	Good
<b>Overall Score</b>	<b>Fair (1.6)</b>

<b>B20 Employment &amp; Education recommendations 2015</b>	<b>Score</b>
Implement comprehensive structural reforms to advance employment opportunities	Poor
Increase youth employment and female labour force participation	Good
Develop and finance programmes aimed at reducing skills mismatches	Fair
<b>Overall Score</b>	<b>Fair (1.8)</b>

<b>B20 Employment &amp; Education recommendations 2016</b>	<b>Score</b>
Implement programs and reforms to encourage entrepreneurship and innovation	Good
Removing structural barriers to increase youth employment, and implementing initiatives to raise the participation rate of women in the labour force	Fair
Enacting policies to assess and reduce skill mismatches and capability gaps in the workforce	Good
<b>Overall Score</b>	<b>Good (2.6)</b>

<b>B20 Employment &amp; Education recommendations 2017</b>	<b>Score</b>
Promote Diverse Forms of Work	Poor
Promote Female Employment	Good
Adopt Migration Policies in Line with Labor Market Needs	Fair
Regulations that are Conducive to Business Innovation	Inadequate
Invest in Skills Development	Good
Promote Entrepreneurship	Fair
Implement and Enforce National Legislation	Fair
strengthen existing initiatives on promoting sustainable supply chains	Good
Promote the UN Guiding Principles and the OECD MNE Guidelines	Good
<b>Overall Score</b>	<b>Fair (2.0)</b>

# Contributors

## Patricia Buckley

Managing Director for Economic Policy and Analysis, Deloitte Services, LP

[pabuckley@deloitte.com](mailto:pabuckley@deloitte.com)

## Rumki Majumdar

Economist and Executive Manager, Deloitte Services LP

[rmajumdar@deloitte.com](mailto:rmajumdar@deloitte.com)

## Julia Stiller

Senior Manager Global Public Policy, Deloitte

[jstiller@deloitte.com](mailto:jstiller@deloitte.com)

## Matthias Thorns

Director of Stakeholder Engagement, International Organization of Employers

[thorns@ioe-emp.com](mailto:thorns@ioe-emp.com)

### With the support of Business at OECD (BIAC)

[biac@biac.org](mailto:biac@biac.org)

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The International Organisation of Employers (IOE) is the largest network of the private sector in the world, with more than 150 business and employer organization members. As the global voice of business, the IOE seeks to influence the environment for doing business, including by advocating for regulatory frameworks at the international level that favor entrepreneurship, private sector development, and sustainable job creation. In social and labor policy debate taking place in the International Labour Organisation, across the UN and multilateral system, and in the G20 and other processes, the IOE is the recognized voice of business.

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