G20 Labour and Employment Ministers' Declaration

Moscow, 18-19 July 2013

1. We, the Ministers of Labour and Employment from G20 countries met in Moscow on July 18-19, 2013 to discuss the global labour market situation and employment challenges faced by our countries. Promoting jobs is at the heart of G20 objectives to achieve strong sustainable and balanced growth.

2. Since 2012, the global economy has seen some improvements but the recovery from the crisis remains uneven. World economic growth has been too weak to foster adequate job creation and reduce unemployment at a global level. Unemployment has begun to decline in some countries but remains close to if not at its post-crisis peak and considerably higher than pre-crisis levels in others. Some countries are characterized by low unemployment, but have a large informal sector; meanwhile in other economies long-term unemployment continues to increase.

3. Employment is crucial for people's wellbeing and economic growth. Promoting job creation and tackling the economic and social consequences of unemployment, underemployment and preventing social exclusion are a priority for all our countries.

4. We recommend our Leaders mobilize all their national policies (macroeconomic, financial, fiscal, education, skills development, innovation, employment, social protection) to promote jobs for all. Although G20 countries are at different stages of development and there is no "one size fits all" labour market policy, G20 countries will benefit from well-designed, integrated and consistent public policies.

5. We are committed to ensuring full respect for the Fundamental Principles and Rights at Work as set out in the 1998 ILO Declaration. We recognize the contribution of social dialogue as well as the active involvement of social partners in the design and implementation of labour and employment policies and note the benefits of consultation with employers' and workers' organizations generally and within the G20 (B20 and L20). We have incorporated their expertise into our debates through appropriate processes and enriched our conclusions as a result.

6. Sharing information on employment policies including job creation and labour activation measures facilitates our efforts to develop effective policies to strengthen labour markets taking into account each of our countries' circumstances. We welcome the support of international organizations (ILO, OECD, World Bank) in the preparation of a report on best practices.

Job creation

7. The creation of more and better jobs is a continuing priority for all G20 countries. A sound stable and well-regulated macroeconomic, financial and fiscal environment is key to fostering productive investment, stimulating quality job creation and leading to strong, inclusive and sustainable economic growth now and in the future.

8. The private sector is a major source of new jobs. Therefore it is important to bring together governments, employers, labour, education and other stakeholders to share ideas, concerns and perspectives about the labour market including skills mismatches and shortages and find solutions.

9. There are a range of measures to strengthen labour demand and foster new and better job creation depending on specific circumstances of each country. We recommend our leaders consider the following measures:

9a. Implementing fiscal and monetary policies that promote inclusive growth and confidence and support aggregate demand;

9b. Developing a business environment that ensures fair competition, access to financing, especially for small and medium sized enterprises, and fosters entrepreneurship, including those led by young entrepreneurs, innovation and investment;

9c. Investing in infrastructure to increase growth, productivity and employment;

9d. Promoting formal work activities by increasing the skills and productivity of workers in the informal sector and strengthening labour inspection and social protection to enhance the quality of employment;

9e. Improving the matching of skills with job opportunities, through better labour market information and effective employment services, and supporting structural adjustments in employment by making workers' mobility more secure;

9f. Continuing to modernize and strengthen national social protection systems to enhance their effectiveness, efficiency, coverage, social adequacy and sustainability, including by developing access for all to national social protection floors;

9g. Better aligning and monitoring the relationship between productivity growth, employment and wages, including those set through country specific social dialogue institutions, mechanisms, including collective bargaining;

9h. Enhancing the level and coverage of minimum wages, with respect to national wage setting systems to address working poverty and inequality while contributing to domestic demand;

9i. Ensuring decent health and safety working conditions for all workers;

9j. Promoting 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.

10. We commit to investing in human capital, education, vocational training, skills development and capacity building programs that match employer's skill requirements for high quality jobs. Well-designed education and training measures can improve employability, and facilitate transition of job seekers into new jobs particularly youth. Lifelong learning for all would be a major step forward in helping people to adapt their skills to the labour market demand areas.

Labour activation, equity and inclusion

11. We commit to develop policies which will boost labour activation and inclusion, to improve the supply of labour through a suitable mix of incentives, support and obligations for job seekers and potential members of the workforce. Labour market activation policies are particularly important during periods of slow economic growth or recession when the risk of disconnection and even exclusion from the labour market of certain vulnerable groups increases. Effective, well-targeted, and coordinated active labour market policies should be designed to encourage and assist unemployed and inactive people, to connect or remain connected with the labour market and take advantage of new opportunities, with skills development an important part of this strategy. Priority groups include the low skilled, long-term unemployed, people with disabilities, women, youth and seniors/older persons. Even in periods of budgetary constraints, we will make every effort to devote sufficient resources to activation polices.

Depending on the specific circumstances of each country a range of measures should be considered to improve labour activation and inclusion:

11a. Informing education and career choices through a relevant, timely and reliable learning and labour market information systems which may contribute to a successful matching of skills and address and prevent current and future skills shortages. To promote skills matching, labour market indicators can be better used.

Encouraging better cooperation among secondary and post-secondary schools, the education and school career guidance systems, public and private employment services, vocational training institutions, apprenticeships systems, local authorities, and social partners and businesses to prepare graduates to enter the workforce, to anticipate economic/sectorial changes, to contribute to a successful matching of skills and qualifications with the current and future job requirements.

11b. Providing second-chance learning opportunities, apprenticeships, on the job training programs, lifelong learning and other learning programs that enhance labour market opportunities and employability of vulnerable groups;

11c. Improving public employment services, measurement of skills needs, training methods, and access to life-long learning for the employed and unemployed to develop and improve their skills, to contribute to higher productivity and increased employability.

Encouraging improved awareness of and respect for skills acquisition;

11d. Continuing the implementation of the G20 Training Strategy and encouraging relevant international organizations to continue supporting countries to develop employment-related skills that are better matched with the market needs;

11e. Strengthening the link between social assistance and labour activation measures through, for example, more personalized services and time-limited unemployment benefits or making them conditional upon efforts to find a job so as to improve the take up of opportunities by vulnerable groups;

11f. In some countries, supporting well-designed public employment programs (public works) or 'workfare' programs to provide essential and well-targeted social benefits and maintain connection to the labour market, as well as conditional cash transfers to effectively address structural poverty by linking benefit receipt to participation in a broad range of activation and integration measures and programs;

11g. Supplementing private sector incentives for job creation with targeted employment generation policies, which remain a strategy in some countries, as well as employment subsidies and tax credits and other incentives for employers and workers, which can be particularly effective to help vulnerable groups.

12. We agree that social policies are an investment that can contribute to the social cohesion, economic stabilization and medium to longer term growth. Social protection policies for vulnerable groups should be combined with targeted labour activation measures to help and encourage those who are able to work to get access to the labour market. Nationally defined social protection systems not only provide security for all vulnerable groups, but also incentivize beneficiaries to take advantage of economic opportunities. Governments can deliver special labour activation measures aimed at vulnerable groups through nation-wide public employment services or private companies.

13. We are committed to continue developing and enhancing programs to improve the integration in the labour market of the following groups according to each country's circumstances:

- *Youth*: Strengthen and expand quality apprenticeship programmes and other work experience programmes to facilitate the school-to-work transition. Improve employment opportunities through hiring subsidies or reducing the non-wage labour cost for the low-skilled. Good second-chance programmes may also improve the employability of youth who lacks basic skills. Facilitating a transfer of knowledge from experienced older workers to younger labour market participants can be very beneficial, especially for those young people that decide to create new start-ups and lack professional experience in initiating a business;

- *Women*: Empower girls and women through equal access to quality education and employment opportunities. Social protection measures for women in poor households can allow them to participate in the labour market. Access to affordable and good-quality childcare, as well as parental leave and suitable work-time and working conditions, have an important role to play in supporting women's participation;

- *Long-term unemployed*: Encourage active job search as well as participation in well-targeted re-employment programmes, including vocational guidance, soft skills development and professional training, help with relocation, and hiring subsidies. Intensifying support over the unemployment spell can help maintain effective job search and motivation. Early intervention can also help prevent long-term unemployment, including by reducing jobs losses through short-time working schemes;

- *People with disabilities*: Ensure that persons with disabilities who can and wish to be helped to enter the labour market. This can include measures to improve their participation through progressive reintegration and integration subsidies, probationary employment subsidies, training support, the creation of customized jobs, and assistance in workplace accommodation for the needs of persons with disabilities. It is also important, to the extent possible, to provide support at an early stage to workers with health problems to help them stay in work and not withdraw permanently because of disability;

- *Older workers*: Encouraging active participation of older workers in the labour market is key in all our countries. Policies should be designed to allow for greater choice in work and retirement decisions and facilitate employment and employability at an older age. Access to job search assistance and training should be provided for older workers and jobseekers.

14. It is essential to invest in employment services and active labour market policies. Especially in the context of currently weak labour demand, their effectiveness can be increased through a range of methods including targeted hiring subsidies, provision of individual job-search support, and training and retraining programs, if possible in combination with work experience. In order to do this effectively, it is important for governments to strengthen the labour market supply and demand matching function through integration of these measures. Additionally in all our policies, the evaluation of programs and interventions are fundamental and findings from evaluations are important to identify what works, where and why to help improve evidence-based policymaking and ensure better returns on investment in a time of constrained budgets.

Monitoring of progress made by countries in implementing the employment agenda set by G20 Leaders and commitments of our Declarations

15. We have reviewed good practices and the progress made in implementing the G20 Leaders' commitments. They provide a useful resource as we continue to address the employment challenges in our countries. We acknowledge the efforts made by G20 countries to improve job creation and support the unemployed in difficult global and national environments. The assistance of international organizations in identifying and sharing best practices, has been invaluable.

16. We acknowledge the work of the Task Force on Employment in association with social partners on quality apprenticeships. We note with interest the development of youth guarantee approaches which aim to provide all young unemployed and those leaving education with further education, training, apprenticeships or jobs.

17. We discussed the progress made by G20 countries in reintegrating those affected by unemployment into the labour market. The review by the G20 Task Force on Employment, with international organizations, indicated the benefits of active labour market policies, particularly for the vulnerable groups. However, further steps are required to improve job creation and labour activation. We will continue to review the progress on these urgent issues.

18. We endorse a progress report concerning the implementation of the commitments made in the Los Cabos Growth and Jobs Action Plan relevant for labour and employment agenda. We encourage the next presidency to further develop this process in connection with the Task Force on Employment and international organizations.

The way forward

19. We will present to the Leaders' considerations our Declaration, and recommend Leaders support our commitments to develop an integrated and comprehensive public policy approach to job creation, labour activation and results monitoring as outlined in this Declaration. We remain committed to implementing effective labour market strategies necessary to strengthen growth and job creation.

20. Given the contribution made by the G20 Task Force on Employment in 2013, we consider it should continue exploring issues related to economic and labour and employment policies. We recommend that our Leaders support the extension of the Task Force on Employment for one more year and consider that its focus should be decided under the leadership of the Australian Presidency in 2014.

21. We appreciate the input of international organizations (ILO, OECD, WB), supporting the G20 Framework for strong, sustainable and balanced growth and job creation. In addition, we recognize the valuable assistance that the ILO, the OECD and WB provided in the preparation of our meeting and invite them to continue their support where appropriate for our work.

22. We acknowledge the essential role of social dialogue between employers and workers during the Russian Presidency of the G20. In this regard, we welcome the collaboration between the G20 Task Force on Employment and L20 and B20. We also appreciate of the outreach made by the Russian Presidency to civil society. We will continue regular consultations with social partners as part of the process of any G20 Employment and Labour Ministers' meetings.

23. We welcome the opportunity to meet with Finance Ministers under the Russian Presidency as it is an important and welcome opportunity for the G20 to discuss the connection and integration between financial policies and employment, labour and social policies. We aim to strengthen this collaboration with a view to better integrate employment, labour and social dimensions into the broader work of the G20. We commend the Russian Federation for this innovation and support consideration of the organization of similar meetings in the future.