G20 LABOUR AND EMPLOYMENT MINISTERIAL DECLARATION

MELBOURNE, 10-11 SEPTEMBER 2014

Preventing structural unemployment, creating better jobs and boosting participation

Introduction

1. We, the Ministers of Labour and Employment from G20 member and invited economies, met in Melbourne on 10–11 September 2014 to discuss labour and employment policies, and strategies to address the challenges before us, nationally and globally.
2. It is almost five years since our first meeting in the shadow of the global financial crisis. Many governments have introduced new measures to improve labour and employment outcomes, encouraged by the decisions we have made. However, there is a continuing need to generate hundreds of millions of decent jobs that can lift working families out of poverty and drive sustainable development.
3. Jobs are at the heart of the G20 objective to achieve strong, sustainable and balanced growth. In 2014, the G20 is committed to delivering comprehensive growth strategies that empower business to generate jobs and opportunity. Developing an integrated and comprehensive public policy approach is important. We will therefore strive to ensure economic, labour and employment policies are consistent with our goal to improve inclusive growth and prosperity, and will work to step up our cooperation with the G20 finance and other streams.
4. Promoting and creating quality jobs, and tackling the economic and social consequences of unemployment, underemployment, inequality and social exclusion, are priorities for all our economies. Reducing youth unemployment, stimulating demand, and raising female participation and employment, in particular, command a high priority. We must also invest in preventing unemployment from becoming structural by creating better jobs, providing training to meet the skills needs of tomorrow, improving job matching and boosting labour market participation.
5. Supporting people to gain and maintain quality employment – underpinned by fair and accessible social protection – is the best strategy for assisting under-represented and vulnerable groups, as part of a broader social contract consistent with the ILO Declaration on Fundamental Principles and Rights at Work. We also recognise the important role of social dialogue when developing our labour and employment policies.

Strengthening our employment plans

6. G20 members are pursuing a mix of strategies to generate quality employment and stronger, more sustainable and balanced growth. Well-designed labour, employment and social policies are integral to economic growth, and greater ambition in these areas will contribute to the G20 Growth Strategies. This growth needs to be inclusive and job-rich. We agree to focus our efforts on labour and employment strategies that will make the greatest contribution to reducing unemployment and underemployment, increasing living standards for all and addressing inequality.
7. While acknowledging the efforts made to date, we are determined to do better. Greater emphasis has to be placed on the development of well-balanced medium-term policies, with a better mix of demand and supply-side strategies, and implementation of past commitments. We will finalise our governments' Employment Plans for Leaders to discuss progress at the Brisbane Summit.

8. We will monitor the implementation of the Employment Plans, review progress and encourage their further development.

Preventing structural unemployment

9. We will support our businesses and workforces to be more resilient and adaptable to different circumstances. We agree to a set of policy priorities (see Annex A) for preventing unemployment from becoming structural, with an emphasis on addressing the needs of the long-term unemployed, youth, improving labour mobility and assisting our workforces to adapt to new patterns of economic activity.
10. We agree to pursue policies to help prevent structural unemployment, including through well-functioning labour markets and opportunities for lifelong learning, which help to address skills mismatch. Effective and inclusive public employment services, comprehensive labour market information, adaptable skills development systems and strong partnerships, including with social partners, are also important in achieving these objectives. Action on these structural issues will support and complement sound macroeconomic policy settings.
11. These strategies will complement other parts of the G20 agenda, especially investment, trade and development.

Creating better jobs

12. Businesses are the primary source of quality jobs. Accordingly, we will foster an environment that supports job creation, locally, nationally and internationally, including through our G20 Growth Strategies. Integral to this objective are sound, transparent and balanced labour policies that support sustainable employment, facilitate secure transitions and protect workers.
13. Addressing job creation and unemployment at the local level is important to achieve development that is balanced and inclusive across the community. We agree to the set of policy priorities set out in Annex B for creating better jobs, which help inform quality job creation strategies, while recognising the particular geographic, macroeconomic and institutional environments faced by each member.

Addressing informality and underemployment

14. We strongly endorse the implementation of core worker rights, in both the formal and informal economies. We commit to better identify people employed informally and to develop strategies, appropriate to our national circumstances that support their transition to the formal economy, with a particular focus on those who are most vulnerable. In relation to undeclared work, we will strengthen our efforts to effectively apply labour laws to affected workers and workplaces.
15. Informality and underemployment constrain our productivity, potential output growth and efforts to reduce poverty. We will, therefore, as appropriate, include policies to meet these challenges in our Employment Plans and ask the Taskforce on Employment to engage social partners in joint approaches to address these issues.
16. We take a strong stand against forced and child labour, and encourage the implementation of applicable international labour standards by governments and social partners. We will explore the scope for further work on this issue.

Promoting safer workplaces

17. Improving workplace safety and health is an urgent priority that protects workers and contributes to increased productivity and growth. We agree to take further steps to reduce the substantial human and economic costs associated with unsafe workplaces and work-related illnesses. We endorse the attached G20 Statement on

Safer and Healthier Workplaces (Annex C), and we commit, as appropriate, to implement its recommendations in collaboration with governments, international organisations and social partners.

Boosting participation

18. Raising labour force participation among those who are able will not only help our economies to grow and prosper, but can improve individual wellbeing, avoid future skills and labour shortages, and mitigate the effects of an ageing population.

Promoting youth employment

19. It is crucial that youth are able to make a good start in life, with access to quality education and skills development, a smooth transition into the labour market and safe employment. We considered our progress in implementing the G20 Strategies on Youth Employment and our Leaders' commitments – noting the wide variety of strategies being pursued, such as youth guarantees and quality apprenticeships – and decided that more needs to be done. Our Employment Plans place a high priority on supporting youth, and we all commit to take concrete actions to place young people in education, training or jobs. We also recommend that Leaders renew their commitment to fight youth unemployment.

Empowering women and increasing participation

20. We recognise that promoting greater participation by women in the labour market, and improving the quality of their employment, would contribute to stronger and more inclusive growth. Therefore, we commit to take the steps needed to close gender gaps in opportunities and labour market outcomes. Accordingly, G20 members will draw on the policy priorities set out in Annex D – as informed by ILO conventions and recommendations on equality of opportunity and treatment and the OECD Gender Recommendation.
21. We are committed to increasing female participation. International organisations have estimated that reducing the current gap in participation between men and women in G20 economies by 25 per cent by 2025 could bring more than 100 million women into the labour force. We will make every effort in this regard and, taking into account national conditions, recommend that our Leaders adopt this goal as a reference for action.

Going forward

22. We appreciate the role of the Business 20 and Labour 20 in the G20 process, and the importance of social dialogue in delivering stronger labour market outcomes. We also welcome the dialogue held with civil society, youth and think tanks.
23. We are grateful for the expertise provided by the ILO, OECD and the World Bank Group for the Taskforce and our meeting, including the reports on key issues referred to in Annex E.
24. In recognition of the on-going growth, labour, employment and social challenges, we recommend that an Employment Working Group be established. The Working Group will report annually to Ministers on progress in tackling these challenges, with an initial focus on promoting coherence among the G20 policy tracks and developing actions to address issues such as supporting growth, youth unemployment, female participation and inequality.

Annex A

Policy priorities for preventing unemployment from becoming structural

Each G20 member economy faces challenges in the functioning of their labour markets that hamper the return to more and better jobs. Some of these are structural challenges which can take many different forms, including persistent underemployment, segmented labour markets and skills mismatches. Youth have borne a disproportionate share of job losses and will continue to be vulnerable even as economies recover.

In order to prevent unemployment and underemployment from becoming structural, we agree, subject to national circumstances, to:

1. Improve coordination between economic, employment and labour policies to attain inclusive growth
2. Support appropriate macroeconomic management and labour market investment strategies
3. Improve national wage-setting systems and bargaining arrangements, establish minimum wages and reduce the non-wage costs of labour, where appropriate, and achieve a more sustainable alignment between employment, wages and productivity
4. Develop, maintain and adapt the skills of the employed and unemployed to changing requirements, through better labour market information, improved career guidance, and effective training programs that are guided by labour market needs
5. Maintain, and where possible expand, well-tailored and cost-effective active labour market measures, including measures to support labour mobility
6. Strengthen the link between social protection and labour activation, combining effective income support to the unemployed with an obligation to actively seek employment
7. Introduce better performance management of public employment and benefit administration services, to increase their effectiveness
8. Strengthen the role and involvement of social partners, according to national practices.

Youth employment

Persistent and unacceptably high youth unemployment is a critical legacy problem of the global financial crisis. As youth unemployment becomes structural damaging consequences may include higher risk of disengagement from the labour market and society, poor employability and reduced life-long earnings.

To address the structural and other challenges faced by our young people, we agree, subject to national circumstances, to:

1. Renew the commitments on youth made at the meetings of G20 Labour and Employment Ministers in Paris, 26-27 September 2011; Guadalajara, 17-18 May 2012 and Moscow, 18-19 July 2013
2. Ensure youth have sound foundation skills in literacy and numeracy
3. Strengthen and expand quality apprenticeship and work experience programmes
4. Strengthen the links between education providers, employers and employment services to better match workforce needs and the training of young people
5. Facilitate the transition of youth from school to work, including through mentoring and good quality career guidance
6. Address demand-side barriers to the employment of low skilled youth
7. Assist disadvantaged youth through well targeted labour market programmes
8. Develop youth entrepreneurship skills and self-employment.

Annex B

Policy priorities for creating better jobs

Subject to national circumstances, we agree to the following policy priorities to guide further action on creating better jobs, and reducing informality and underemployment.

Local job creation

Persistent unemployment in certain regions of a national economy, and the underlying causes of inequality and vulnerability at a regional level, can affect the capacity of G20 countries to achieve strong, sustainable and balanced growth. National economic growth does not necessarily translate into employment opportunities across regions. Effective local strategies can help to increase growth and share its benefits. Our priorities are to:

1. Develop national employment and training policy frameworks that are adaptable to local labour market conditions
2. Support partnership approaches within local economies, including for specific industries or value chains
3. Help the unemployed develop those skills that are in demand within local economies, while recognising that individuals need sound generic skills to adapt to changing labour markets
4. Support labour market transitions by building comprehensive local career information and well-articulated training to employment pathways
5. Develop area-based initiatives to break down the barriers that exclude people from the labour force over generations
6. Stimulate productivity and innovation by working with business and labour to better use the skills of the existing workforce
7. Support the development of the social enterprise sector and other innovative approaches
8. Support evidence-based local policies by further disaggregating data on jobs and skills to the level of local labour markets.

Informality and underemployment

The quantity and quality of jobs are important for inclusive growth and development. We aim to facilitate the transition of informal enterprises, and workers in informal jobs, into the formal economy and to combat undeclared work. Our priorities in this regard are to:

1. Develop broad-based strategies that improve both the quantity and quality of employment, and are consistent with applicable international labour standards
2. Support the transition to the formal economy through tailored policies that help overcome the specific local and sectoral drivers of informality
3. Invest in skills development, including through apprenticeships, and recognise prior learning in the informal economy
4. Facilitate universal access to social protection, particularly in the context of ILO recommendation 202 “Social Protection Floors Recommendation 2012”, to strengthen the resilience of workers and households and shield them from bearing a disproportionate share of economic risk
5. Provide informal workers and employers, and micro and small enterprises, with incentives and support to transition into the formal economy

6. Prioritise measures to support under-represented and vulnerable groups and, for those who are particularly affected by informality and low quality jobs, to escape working poverty and eliminate forced and child labour
7. Improve education about worker rights and protections and strengthen labour inspection systems to enforce workplace laws consistent with the applicable international labour standards
8. Support social dialogue, including the participation of all representative groups, to drive solutions that are agreed among relevant stakeholders
9. Invest in the collection and monitoring of data and statistics on quantitative and qualitative aspects of employment.

Annex C

G20 Statement on Safer and Healthier Workplaces

Safe and healthy workplaces are an essential element of strong, sustainable, and inclusive growth. Work-related accidents and diseases result in the deaths of more than 6,300 workers every day and the loss of 4 per cent of global GDP in direct and indirect costs each year, according to the International Labour Organization (ILO). Not only are these accidents and illnesses a terrible human tragedy, they also contribute to lost workdays, diminished productivity, poor relations between employers and workers, and other consequences that harm individuals, families, enterprises, communities, and national economies.

G20 members are committed to improving occupational safety and health (OSH) in our own economies and across the globe. In this regard, we underscore the need for appropriate and robust legal frameworks for OSH as well as effective systems for enforcement and compliance, safety and health management, and data collection. We also note the vital role played by social partners in bringing about safe and healthy workplaces. We encourage countries to consider ratification of relevant ILO conventions and to make effective use of the UN Guiding Principles on Business and Human Rights, ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines on Multinational Enterprises.

We commit to taking action to improve OSH through the following country-level and collective measures, taking into account each country's national context. We further commit to reviewing progress with respect to these measures during future G20 presidencies.

1. Seek to ensure that national safety and health bodies are responsive to the needs of workers and employers through ongoing assessments and effective incentives and advisory services regarding potential hazards, preventative and protective measures, and risk management and control
2. Strengthen legislation and provide adequate resources for prevention and compensation, training, compliance assistance, and enforcement efforts
3. Improve data collection and use empirical data to inform programme design and effectively target enforcement and outreach efforts
4. Take targeted measures to improve OSH conditions for vulnerable workers and in high-risk sectors
5. Raise awareness, particularly among small and medium enterprises, about the importance of OSH and the positive impact that safer and healthier workplaces have on productivity, workforce participation, economic growth, and sustainable development
6. Compile and share best practices among G20 members and interested non-G20 countries, and support studies on new challenges resulting from technological advancements and demographic changes
7. Support voluntary national and international efforts to implement exchanges, share relevant technologies, and coordinate technical cooperation
8. Partner with the ILO to improve global OSH and promote collaboration among national, bilateral, and collective G20 efforts
9. Continue to engage closely with social partners regarding collective and national actions to improve OSH
10. Promote responsible business practices and effective supply chain engagement to improve OSH, with reference to UN, ILO, and OECD guidelines and standards, as appropriate.

Annex D

Policy priorities for boosting female participation, quality of employment and gender equity

Reducing gender gaps, and improving female economic participation and access for women to productive, high quality employment will support stronger and more inclusive economic growth across G20 countries. Female labour force participation rates are significantly lower than those among men in many G20 economies, suggesting a potential for an improvement in labour supply that can mitigate the effects of a shrinking workforce, help to relieve supply constraints and contribute to growth. For the G20 as a whole, participation for the age group 15 to 64 is currently around 83 per cent for men and 57 per cent for women.

Analysis by the international organisations demonstrates the substantial economic and social benefits of increasing female labour force participation and improving the quality of female employment.

Nations are making progress in addressing gender inequity, including through educational attainment and improving the quality of female employment, but significant challenges and opportunities remain. For example, women continue to be overrepresented in low quality and low wage jobs.

G20 members agree to implement measures across a range of key policy areas to boost female workforce participation, subject to national circumstances, including to:

1. Support lifelong access to education and training, matched with the needs of business and communities
2. Provide access to affordable and quality child care, paid parental leave, family-friendly work opportunities and conditions, and support for elderly care
3. Support women to pursue self-employment and become entrepreneurs, including through equal property rights, improved financial literacy, access to financial markets and advisory services
4. Widen access to services for women (in the formal or informal economies) in order to support their employment prospects and mobility, including tailored employment services, active labour market programmes and skills development opportunities
5. Address legal, regulatory, cultural and behavioural barriers to employment opportunities for women
6. Promote non-discriminatory practices at the workplace, including on pay and career progression
7. Extend social protections, especially to those in poor households or those working in the informal economy, including in regard to work safety, health services, pensions and income security
8. Improve work incentives, income support, other transfer payments and related forms of social security
9. Enhance the female share of executive positions in the public and private sectors
10. Work with social partners to develop new employment opportunities for women
11. Collect and report timely data related to gender.

These priorities are informed by ILO conventions and recommendations on equality of opportunity and treatment and the OECD Gender Recommendation.

Annex E

Reports received

We welcome the following reports, prepared for the G20 Labour and Employment Ministerial Meeting, September 2014:

1. G20 labour markets: outlook, key challenges and policy responses (ILO, OECD and World Bank Group)
2. Effective local strategies to boost quality job creation, employment and participation (OECD)
3. Informality and the quality of employment in G20 countries (ILO)
4. Creating safe and healthy workplaces for all (ILO)
5. Preventing unemployment and underemployment from becoming structural (OECD)
6. Achieving stronger growth by promoting a more gender-balanced economy (OECD, ILO, IMF and World Bank Group)
7. Promoting better labour market outcomes for youth (OECD and ILO)