

# **Innovation and Inclusive Growth: Decent Work, Enhanced Employability and Adequate Job Opportunities**

## **2016 G20 Labour and Employment Ministerial Meeting Declaration**

### **Introduction**

1. We, the Ministers of Labour and Employment from G20 members and invited countries, met in Beijing on 12-13 July 2016 to discuss recent global economic and labour market developments and progress made on our commitments. We stress the importance of a policy environment that supports innovation and inclusive growth, and commit to take actions to advance decent work, enhance employability, and generate adequate job opportunities.
2. Productive employment and decent work are the foundation of the livelihoods of people across the world. Creating more quality jobs is an indispensable factor for strong, sustainable and balanced growth, and a prerequisite for inclusive, interconnected and sustainable development, and, therefore, must remain at the core of our agenda.
3. Our policy interventions have contributed to improving labour market conditions in the G20, but the cyclical and structural challenges facing the workforce continue and are acute in some member economies. Investment remains weak and is accompanied by a slow-down in productivity and employment growth in most G20 economies. This, in turn, generates slower growth potential. In many economies, unemployment and poor labour market outcomes, in particular for youth, persist. Growth in real wages continues to be sluggish across the G20, and most of our economies are confronting high and rising income inequality. Looking ahead, the future of work also abounds in challenges as well as new opportunities.
4. The 2030 Agenda for Sustainable Development sets ambitious social and labour market goals and targets including ending poverty in all its forms and reducing inequality. We are committed to its implementation collectively and nationally to promote sustained, inclusive and sustainable economic

growth, full and productive employment and decent work for all

### **Generating adequate job opportunities**

5. Our priority is to create more and better jobs, promote the swift return of the unemployed to employment, increase labour force participation, reduce underemployment and facilitate the transition from informal to formal economy.
6. Pro-employment macro-economic and structural policies play an essential role to generate job opportunities. We support a comprehensive and coordinated approach which places employment promotion as the priority in our national economic and social development strategies. We commit to enhancing coherence between economic, labour, employment and social policies as well as cooperation with other G20 tracks, with a view to increasing policy synergies and curbing negative spill-overs. As such, we underscore the importance of collaboration with finance and other relevant ministries at the national level.
7. In order to prevent and reduce unemployment and underemployment, we reaffirm the importance of public and private investment, well-functioning skill systems, as well as programmes for promoting better youth employment outcomes. To assist the unemployed to find jobs, we agree to adopt a multi-pronged approach, which include effective public employment services, targeted active labour market policies and their strong coherence with social protection systems.
8. We acknowledge the important role of innovation in promoting economic growth and job creation in the context of rapid technological changes and globalization, and agree to encourage innovation through practical actions.
9. Entrepreneurship offers an important driver for decent job creation, creativity, innovation and economic growth. It can also support our commitments to reduce inequality, promote gender equality, increase workforce participation of vulnerable groups and boost the silver economy. Many of the millions of young people entering the labour market across our economies, including highly educated people, possess the competencies necessary to start businesses. We will strengthen our efforts to nurture the conditions that unleash the entrepreneurial potential of this valuable human capital, especially of our youth. We commit to support the formalization of entrepreneurs and enterprises

operating in conditions of informality.

10. We therefore agree on the G20 Entrepreneurship Action Plan (Annex 1) and will present it to our Leaders for endorsement. We will also take measures to implement the Action Plan in accordance with our national circumstances, requirements and priorities. We welcome China's leadership in the establishment of the Entrepreneurship Research Centre on G20 Economies and encourage it to work closely with the ILO, OECD and other international organizations, as well as with businesses and research institutes to undertake analysis and comparative studies on entrepreneurship.

### **Enhancing employability**

11. The speed and nature of globalisation, technological innovation, changes in work organisation and demographic trends are affecting the world of work in G20 economies, in terms of supply and demand, bringing fundamental changes to many traditional occupations and employment relations while creating new opportunities and challenges for business and jobs. Enhancing employability and adaptability is critical for our workforce and employers to adjust to these transformations. We endorse the Policy Recommendations to Enhance Employability (Annex 2) to inform our national strategies for workforce development as appropriate. We also commit to improve regulations to facilitate voluntary labour mobility between economic sectors and regions.
12. The changes in skill needs resulting from the transformations, if not sufficiently anticipated and addressed, can contribute to the problem of potential skill mismatches and shortages. We agree to strengthen our efforts to assess and anticipate changing skill needs and adapt skill development policies accordingly. Such policies need to strike a judicious balance between responding to specific employer needs and developing more general transferable skills both in education and work-based learning.
13. Work-based learning plays a crucial role in ensuring that skills acquisition and adaptation are in line with changing skills requirement at work. We recognize the need to make Technical and Vocational Education and Training (TVET) more accessible and effective, and to raise the profile and quality of TVET. Moreover, re-skilling and life-long learning are essential for job security, quality and productivity enhancement. We encourage all stakeholders, including governments, social partners and education and training institutions to build partnerships and invest in training provision. We commit to take steps to improve access for under-represented groups to TVET.

14. Given the importance of apprenticeship for improving the skills of our workforce, we agree to increase the number, quality, and diversity of apprenticeship through the actions outlined in the G20 Initiative to Promote Quality Apprenticeship (Annex 3) based on national circumstances. We recognize that quality apprenticeship is based on the full engagement of social partners, businesses and workers. We encourage B20 and L20 to follow up their previous joint commitments and implement this Initiative.

#### **Promoting decent work**

15. Promoting decent work remains a key G20 priority. We are committed to ensuring full respect for the fundamental principles and rights at work and recognize the important role of social dialogue as a key component of decent work. This year, in response to our Leaders' request for further work to tackle inequality and promote inclusive growth, we have adopted a range of policy principles and recommendations to address the challenges we face in terms of wages, social protection and working conditions, building on the G20 Job Quality Framework.
16. The earnings workers receive are key determinants of their well-being. By sustaining consumption, they also constitute an important source of aggregate demand for economic growth. We are committed to sustainable wage growth, including through promoting social dialogue and partnership, minimum wages and collective bargaining adapted to national conditions, to better align wage growth to productivity growth and reduce wage gaps. To this end, we endorse the sustainable wage policy principles so that strong, sustainable wage growth can help address inequalities while promoting vibrant employment growth (Annex 4).
17. Social protection systems can provide powerful mechanisms for reducing poverty and income inequality and boosting activation. They can also act as macroeconomic stabilizers, increasing household income and consumption. We agree to formulate and advance policies for expanding social protection coverage for all, according to principles of equity, efficiency and sustainability, and based on national circumstances. In doing so, we will take steps to ensure that our social protection policies are appropriate for the fiscal challenges posed by demographic trends. We also recognize the importance of combining universal social protection floors in line with ILO's Social Protection Floors Recommendation, 2012 (No. 202) with effective and well-targeted labour market activation policies. We therefore affirm the policy recommendations for promoting more equitable and sustainable social

protection systems which are set out in Annex 5.

18. We are resolved to ensure compliance with labour standards on wages, working hours, working conditions and occupational safety and health. We realize that the efforts on compliance can form a key element of strategies to foster more innovative and productive workplaces. We encourage EWG to further its work on OSH by means of effective communication and cooperation among the members. In achieving these tasks, we will mobilize sufficient resources, cooperate with our social partners and undertake such measures as education, positive incentives and improved labour administration, including inspection enforcement, effective deterrence and worker's compensation. We will further promote workplace inclusiveness for people with disabilities.
19. We commit to improve the realisation of labour rights, maintaining decent work and promoting sustainability in global supply chains through better application of labour standards and principles.

#### **Implementing the G20 commitments**

20. We reiterate our commitment to further develop and implement our Employment Plans and monitor progress in a systematic and transparent manner. We also welcome the revised Multi-Year Agenda for the work of the EWG (Annex 6). We ask the Employment Working Group to reinforce its efforts to cooperate with other G20 tracks, in particular the Framework Working Group and the Development Working Group.
  21. We will continue the implementation of our commitments, including the goal of reducing the gender gap in participation rate and the goal of reducing the share of young people who are most at risk of being left permanently behind in the labour market by 2025. While progress has been made by many G20 members, there is much more to be done. We will further review progress and take stock of new policies to achieve these commitments in 2017.
  22. We will further implement G20 policy principles on labor income share and inequalities and maintain and focus on more inclusive economic growth. We will further strengthen dialogue and action on those issues and ask the Employment Working Group to deepen its cooperation with other G20 work streams.
- Agreed

#### **The way forward**

23. We agree on the need to prepare for the ongoing and future transformational changes in the world of work including challenges and opportunities regarding globalization, the quality of jobs, skills requirements, social protection and social dialogue. We will develop in cooperation with other G20 work streams the necessary policy framework to realize the potential benefits of innovation, the new industrial revolution and the digital economy and ensure that these benefits are inclusive and widely shared. We will review the progress in achieving the employment-related goals in the UN 2030 Agenda for Sustainable Development on a regular basis.
24. Addressing opportunities and challenges brought into the labour markets through labour migration remains an important task. Well managed migration can bring potential benefits to economies and societies. The Employment Working Group should coordinate with other G20 working groups and discuss policy choices to support the integration of refugees and migrants into the labour market in accordance with national law.
25. We will present this Declaration to the G20 Hangzhou Summit for our Leaders' consideration as they strive to develop "Towards an Innovative, Invigorated, Inter-connected and Inclusive World Economy".
26. We acknowledge the essential role of social dialogue between employers and workers during the Chinese Presidency of the G20. We strongly welcome the efforts of B20 and L20 to support our work with their coordinated input. We also appreciate the constructive roles of the social partners and engagement groups and in the G20 process. We look forward to further cooperation with social partners, and engagement groups in implementing our shared commitments.
27. We appreciate the expertise provided by the ILO, OECD, WBG and IMF for the EWG and our meeting. We take note of their reports (Annex 7) on key issues and are determined to continue this fruitful cooperation with them.
28. We thank the Chinese Presidency for its leadership and look forward to our next meeting in 2017 under the Presidency of the Federal Republic of Germany.

## **Annex 1: G20 Entrepreneurship Action Plan**

The recovery of the world economy has been slower than expected and unemployment and under-employment remain major concerns for G20 members. At the same time, waves of technological change, economic globalization, and industrial and demographic changes present new challenges and opportunities for G20 economies in both the short and longer terms. G20 members need to redouble their efforts to support a more innovative pattern of inclusive economic growth, with new engines of development and new pathways for job growth. The UN 2030 Agenda for Sustainable Development calls explicitly for member States to implement policies conducive to entrepreneurship, creativity and innovation.

Most of the jobs created in many G20 countries are in dynamic small and medium enterprises. Entrepreneurship includes small and micro enterprises, and also sole proprietorship. It is an important driver of innovation, job creation and growth in both high income and emerging economies and has the potential to strengthen a job-rich recovery. In many economies, employment for youth has been a particularly pressing challenge. Every year, millions of young people, including highly educated youth, enter the labour market, and significant numbers of them are willing to start up businesses and possess the necessary competencies to do so. In addition, many displaced workers are well placed, thanks to their experience and job readiness, to pursue opportunities to re-enter working life through entrepreneurship. Through starting up their own businesses, people can find work and by making their businesses grow generate new job opportunities for others.

In recent years, G20 members made commitments to increase female participation, reduce youth unemployment and promote the silver economy. Fostering entrepreneurship is a key measure to make progress on these important commitments.

In a number of G20 countries, small-scale entrepreneurs are often found in the informal economy, which is generally associated with low productivity, poor working conditions and lack of social protection. Policy efforts to promote entrepreneurship thus need to be aligned with G20 strategy on formalization, as specified in Annex B of the 2014 Melbourne Declaration -- Policy priorities for creating better jobs; and ILO's Transition from the Informal to the Formal Economy Recommendation, 2015(No.204). Entrepreneurs need multi-faceted assistance and services to start and grow their businesses, including access to finance and markets, social protection coverage for themselves and their employees, and capacity-building for

labour law compliance.

### **I. Policy recommendations:**

We agree to the policy recommendations outlined in this action plan to support entrepreneurship as a source of jobs and growth. Every G20 member, based on national circumstances, requirements and priorities, will introduce or strengthen policy measures to support entrepreneurs in their preparatory and preliminary stages of entrepreneurial activities, and assist self-employed people to cope with challenges of running a business and sustain their employment. Special assistance needs to be made available for young entrepreneurs and disadvantaged groups. Policy measures include but not limited to:

#### **(i) Promote entrepreneurship education and training.**

1. Promote entrepreneurship and entrepreneurial culture among the public through our education and training systems, and other public and private training programmes and initiatives.
2. Improve the entrepreneurship training curriculum, enhance the capacity of trainers, and expand access to education and training through digital technology and other innovative services.
3. Provide suitable entrepreneurship education and training subsidies for participants.
4. Encourage social partners and other stakeholders to improve the entrepreneurial capability of the potential workforce, and offer targeted entrepreneurship training across all phases of business life-cycle, from start-up to growth stage.

#### **(ii) Strengthen services for entrepreneurship.**

5. Provide accessible and effective services supporting micro, small and medium-sized enterprises to potential entrepreneurs, including policy advice, project information, business start-up mentoring, financing services and follow-up support.
6. Develop initiatives such as incubators to offer business development services to new entrepreneurs.
7. Establish entrepreneurship exchange platforms to help entrepreneurs to access programmes, market and industry information in a timely manner, learn good practices, in particular from experienced and resourceful entrepreneurs and professional managers, and network with business partners and investors. Investigate innovative ways of engaging informal entrepreneurs, including by linking support for businesses with progress towards formalization, and enhance the development of social enterprises.

#### **(iii) Help entrepreneurs address challenges and sustain business development.**



8. Make market access easier for entrepreneurs, including simplifying business registration processes in accordance with national laws and regulations as well as developing streamlined procedures.
9. Provide suitable and well-targeted monetary and fiscal measures and financial support, including subsidies, grants, credit and tax incentives.
10. Encourage financial institutions, enterprises, industrial associations, civil organizations, angel investors and venture capitalists to strengthen cooperation and provide diversified financing approaches for entrepreneurial activities.

**(iv) Protect the rights and interests of entrepreneurs and their employees.**

11. Support entrepreneurs to fulfil their obligations as employers and make efforts to formalize businesses.
12. Provide appropriate social protection for entrepreneurs and bring their workers also into the social security system.

**II. Modalities**

**(i) Implement the Entrepreneurship Action Plan.**

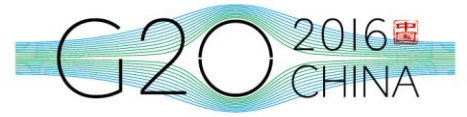
Each G20 member, in accordance with national circumstances, will be guided by principles outlined in Entrepreneurship Action Plan in their national entrepreneurship development policies. Countries are encouraged to incorporate entrepreneurship related sections in their national Employment Plans and include progress reporting on entrepreneurship development in their Employment Plan Self-Report.

**(ii) Collaborate with stakeholders.**

G20 members should collaborate with stakeholders, including relevant government agencies and social partners, for the implementation of the Entrepreneurship Action Plan, according to national circumstances and priorities. Coordination and policy synergy in the field of entrepreneurship should be strengthened between EWG and DWG, and assistance be provided to developing countries to improve entrepreneurship environment and better realize sustainable development.

**(iii) Entrepreneurship Research Centre.**

We welcome China's leadership in the establishment of the Entrepreneurship Research Centre on G20 Economies as a platform to deepen information exchanges and extend the sharing of good practices among G20 members in support of this action plan. The Research Centre will make use of online fora and offline workshops to fulfil that purpose and cooperate closely with ILO, OECD, WGB and IMF. In addition, the Centre will undertake analyses and comparative studies on entrepreneurship in G20 members and beyond.



**(iv) Seek technical support from International Organizations.**

Given their strengths in entrepreneurial project development, training and research, G20 members invite the ILO, OECD, WBG and IMF to provide technical support in the implementation of the Entrepreneurship Action Plan, to participate in the work of the Centre and facilitate exchange of good practices and lessons learnt amongst G20 members. G20 members also cordially welcome other international organizations, social partners and experts to participate in the activities of the Centre and share their entrepreneurship experiences and research findings.



## **Annex 2: Policy Recommendations to Enhance Employability**

G20 members recognize the importance of policies to increase the employability of the workforce and respond to ongoing and future changes in the world of work as part of the strategies to support sustainable economic and employment growth and address inequalities. We agree to the following policy recommendations as guidance for further actions to enhance workforce employability at the national level, based on our national circumstances:

1. Foster the better use of existing skills by promoting innovation and the introduction of high-performance workplace practices.
2. Facilitate local and national partnerships which reduce policy silos and bring social partners together with training providers and other intermediaries to design strategies which improve the adaptability of workplaces.
3. Tackle institutional barriers to labour mobility, such as rules and regulations providing disincentives to changing roles, jobs and location. Facilitate labour mobility between occupations and sectors through better skills assessment, skills recognition and retraining strategies for jobseekers.
4. Pursue a balance between responding to specific employer needs while developing more general transferable skills that will be beneficial to individuals throughout their working lives.
5. Expand participation in work-based learning to promote successful transitions from school to work and improve the quality of skills development.
6. Promote job retention and reemployment through retraining and active labour market programmes in anticipation and response to structural change.
7. Enhance flexibility and governance within the TVET system at the local level to ensure that institutions and programmes adapt to the needs of employers, individuals, and the local labour market more generally.
8. Foster the participation of individuals from disadvantaged groups in life-long learning and employability programmes by addressing barriers to participation and providing appropriate incentives.
9. Develop regional and industrial strategies which improve the capacity of the economy to absorb displaced workers.
10. Facilitate global exchanges of experiences, analyses and viewpoints to address challenges faced in shaping good quality training policies and enhancing workforce employability.

### **Annex 3: G20 Initiative to Promote Quality Apprenticeship**

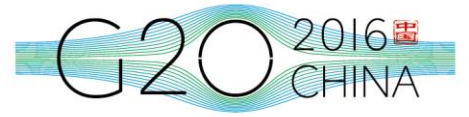
Vocational education and training are important tools to enhance the skills of the workforce and promote quality employment. Apprenticeship has proven to be an increasingly useful method to deliver vocational training globally. Quality apprenticeship programmes provide workers with unique opportunities to receive training, job experience and wages, while contributing to growth and innovation in the broader economy. Apprenticeship builds human resources and can improve opportunities for individuals, including disadvantaged youth and other vulnerable workers by facilitating their entry into the labour market, strengthening their skills, and thus contributing to higher wages and better quality jobs. They provide businesses with skilled workers needed to adapt to the rapidly changing technology and markets and help support national prosperity and more inclusive growth.

Given their importance to our economic and social goals, the G20 has focused significantly on promoting quality apprenticeship. In 2012, under the Mexican Presidency, G20 members identified key elements of quality apprenticeship and considered how to further national efforts to develop such apprenticeship. In 2013, under the Russian Presidency, the implementation of agreed apprenticeship elements was launched in G20 members. In 2014, under the Australian Presidency, we agreed to expand and strengthen quality apprenticeship and work experience programmes. During the Turkish Presidency, G20 members highlighted quality work-based learning as a crucial element of the G20 Skills Strategy and in helping to reduce the share of young people most at-risk of being left permanently behind in the labour market by 15% by 2025. The Chinese Presidency has included apprenticeship as part of its priority emphasis on vocational training and youth employment, in line with relevant Sustainable Development Goals.

In developing and implementing quality and adequate apprenticeship programmes, we recognize the essential role of employers and workers and encourage bi- and tri-partite cooperation. We therefore welcome the 2013 B20 and L20 Joint Understanding on Key Elements of Quality Apprenticeships, as well as the commitment in the 2015 B20-L20 Joint Statement to support the implementation of these key elements in national seminars. We invite the B20 and L20 to keep us informed on the progress they make to increase the quality and quantity of apprenticeship in G20 economies. We thank the international organizations, in particular the OECD and ILO, for providing critical research on quality apprenticeship and for sponsoring G20 conferences in 2014 and 2015 to identify and facilitate the exchange of relevant good practices. We also recognize the important role of the Global Apprenticeship Network (GAN).

Building upon our past efforts, including the key elements on quality apprenticeship identified under the Mexican Presidency, we agree to undertake further meaningful actions to increase the quality, quantity and diversity of apprenticeship in our members on a voluntary basis and, as appropriate to national circumstances. These actions include to:

1. Establish national goals or targets to develop, expand and improve apprenticeship programmes, including for higher education levels.
2. Raise the quality of apprenticeship by fully engaging social partners in the design, development and delivery of apprenticeship and ensuring a strong work-based training component for instance through dual training systems, effective career guidance, and integration with formal schooling and skills recognition systems.
3. Promote apprenticeship programmes in a broad array of occupations and sectors, particularly emerging sectors and those with skill shortages.
4. Foster the engagement of businesses in the apprentice systems, make apprenticeship more attractive to employers, in particular SMEs, by reflecting their skills needs in training programmes, addressing legal and regulatory disincentives, and promoting an adequate/ appropriate sharing of costs among employers, providers and public authorities.
5. Ensure that apprenticeship programmes offer good working and training conditions, including appropriate wages, labour contracts and social security coverage, as well as respect for labour rights and occupational safety and health.
6. Implement initiatives to raise the awareness and highlight the benefits of apprenticeship among enterprises, guidance counsellors, job seekers, and the general population.
7. Improve access to quality apprenticeship for disadvantaged groups through income subsidies, training credits, pre-apprenticeship programmes, affordable quality child care, and family-friendly work opportunities, among others.
8. Strengthen partnerships between businesses and vocational schools in apprenticeship programmes design, delivery and certification.
9. Support programmes to upgrade informal apprenticeship and to facilitate the inclusion of informal apprentices to the formal economy, either through certification and recognition of prior learning, supplementary training, or other appropriate measures.



10. Expand quality apprenticeship globally, including through technical cooperation and regional initiatives.

We will regularly review progress on these commitments through our reporting on the implementation of G20 employment plans as well as through inputs from B20 and L20 regarding actions to promote the quality and quantity of apprenticeship. We look forward to collaborating with international organizations and the GAN to build awareness of apprenticeship programmes, identify good practices and facilitate the creation of new programmes.



## **Annex 4: Sustainable Wage Policy Principles**

Our leaders at the Antalya Summit committed to make labour markets more inclusive, and requested us to strengthen actions against inequality and in support of inclusive growth. The 2030 Agenda for Sustainable Development also pledges to address income inequality. Stronger wage and income growth among low-income workers can improve job quality, reduce gender inequality, and support consumption and economic growth. At the same time, sustainable wage and income growth should be aligned with productivity growth and economic development, and strengthened labour market institutions and policies can help wage increases to better reflect improvements in productivity growth. We also note the importance of closely aligning wage policies with taxation and social protection measures to promote sustainable growth in incomes, employment and labour force participation.

In order to address income inequality and promote sustainable wage growth, we agree on the following wage policy principles, to be implemented according to national practices and circumstances:

1. Take systematic and targeted policy measures to improve income for the bottom 40% of the population at a rate higher than the national average in line with Target 10.1 of the UN 2030 Agenda for Sustainable Development.
2. Increase the synergy between pro-employment policies and macroeconomic policies to achieve substantive wage growth and boost productivity growth
3. As appropriate, ensure that working conditions and the setting of wages support sustainable wage growth and respond to contemporary trends in work and production.
4. Improve the coverage of, and the compliance with, minimum wage legislation where it applies, especially in economic activities which involve a significant level of informal employment.
5. Where appropriate, ensure that minimum wages are adjusted regularly, based on accurate, up-to-date and pertinent procedures and information that takes into account relevant labour market and

social conditions and the views of social partners.

6. Improve coverage of minimum wages for vulnerable workers and non-standard forms of employment and strengthen compliance with minimum wages where it applies, through awareness raising, capacity building for workers and employers, effective inspection by public authorities, and sanctions that deter violations.
7. Make sure the collective bargaining, where applicable, contributes to wage setting mechanisms, and take measures, adapted to national conditions, to promote collective bargaining.
8. Take trends in productivity into account when setting minimum wages and in wage bargaining negotiations to encourage an improved alignment between productivity and wage growth.
9. Collect and exchange information and undertake studies on the determinants of productivity growth including at the aggregate, sectoral and regional levels. We encourage International organizations (ILO, World Bank, IMF, OECD and others) to continue to undertake relevant researches.
10. Encourage the regular monitoring and reporting on wages in the labour market, so as to keep involved parties well informed on wages and collective bargaining and facilitate international exchanges on these topics.
11. Address the gap in earnings between men and women and promote income growth for both groups, by taking adequate and appropriate measures to tackle gender discrimination in the workplace.
12. Facilitate social dialogue on sustainable wage policy principles.



## **Annex 5: Policy Recommendations for Promoting More Equitable and Sustainable Social Protection Systems**

G20 leaders have repeatedly underlined the importance of well-functioning social protection systems. Equitable and sustainable social protection systems can play an important role as an automatic stabilizer and contribute to fostering productive employment, reducing labour market insecurity, supporting entrepreneurship, addressing income inequality, boosting inclusive and long term growth, as well as promoting social justice and cohesion. Moreover, well-targeted social protection systems can further improve the effectiveness of labour market activation policies. One of the key goals of the UN 2030 Agenda for Sustainable Development is to set up and implement nationally appropriate social protection systems and measures for all, including social protection floors. For social protection measures to be effective over time, they should be fiscally sustainable and reviewed regularly.

In this context, we agree on the following Policy Recommendations for promoting more equitable and sustainable social protection systems, subject to national circumstances:

1. Formulate effective policies for expanding social security coverage, particularly as required by Goal 1.3 of the 2030 Agenda for Sustainable Development (i.e., “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable) as well as the ILO’s Social Protection Floors Recommendation, 2012 (No. 202).
2. Take advantage of the role of social protection in supporting consumption, sustainable income growth, aggregate demand and inclusive growth, particularly in places where economic conditions are weak and fiscal space allows.
3. Strengthen policy coherence between social protection such as unemployment benefits, where applicable, and labour market activation policies that provide effective and well-tailored support for

- job seekers; and to facilitate and monitor their quick (re)integration in the formal employment. Ensure that social protection policies are well designed to avoid disincentives to participate in employment.
4. Strike the right balance between social protection and work incentives through social protection eligibility criteria and benefit levels which are combined with policies that promote productive economic activity and formal employment.
  5. Ensure the equitable, sustainable and transparent financing of the social protection system through a combination of taxes and contributions where appropriate.
  6. Adopt measures, where applicable, to further develop sustainable pension systems in order to better reflect their demographic profiles and contribute to adequate social protection.
  7. Explore complementary options to support individuals' well-being, including incentives to save for retirement or invest in health insurance, where appropriate.
  8. Adapt social protection systems to changes in the labour market and in employment patterns; encourage innovative delivery services and approaches with a view to strengthening the protection of workers and the wider population, especially vulnerable workers, workers in informal economy, young people and women.
  9. Integrate supportive elements into employment injury insurance programmes for OSH prevention and protection, and encourage active involvement of social security institutions in implementing the commitments of G20 Labour and Employment Ministers on OSH.
  10. Further develop monitoring and reporting of social protection systems as necessary to improve the performance of social protection measures.

Social protection systems are a fundamental tool for income growth, development and equity. We reaffirm the G20's commitment, formed in 2013, to continue to modernise and strengthen national social protection systems to enhance their effectiveness, efficiency, coverage, social adequacy and sustainability. We ask international organizations to analyse progress on each of these dimensions of our country's social protection systems as reported in our G20 Employment Plans.

## **Annex 6: G20 Employment Working Group Multi-Year Agenda**

The Terms of Reference (ToR) for the G20 Employment Working Group (EWG) call for the establishment of a multi-year agenda (MYA) to “be reviewed annually and renewed when necessary.” Such an agenda will aid continuity and serve as the basis for addressing recurring labour market challenges. It will strengthen the EWG’s interactions with G20 Sherpas and other working groups, as well as with international organisations, social partners and engagement groups.

Considering the priorities of each G20 presidency, an effective MYA should focus on a limited number of issues to allow the EWG to effectively respond to contemporary concerns, as referred to in the Pittsburgh Declaration.<sup>1</sup>

Along with the ToR, the MYA would:

- be reviewed annually, following each G20 Leaders’ Summit
- guide further G20-wide initiatives to progress the implementation of commitments
- be subject to annual progress reporting by members through the G20 Employment Plans

### **Priority issues on the MYA**

G20 Ministers decided that the EWG will report annually to them on progress in tackling the ongoing economic growth, labour, employment and social 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.<sup>2</sup>

1. On job creation and economic growth:

- **Job creation**: Quality job creation is a continuing priority for the EWG and, as highlighted by the Moscow Declaration, so is policy coherence across government.<sup>3</sup>
- **Inequality and inclusive growth**: In 2015, G20 Leaders asked Finance, Labour and Employment Ministers to review the Employment Plans and Growth Strategies to strengthen action against inequality and support inclusive growth.<sup>4</sup>

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<sup>1</sup> G20 Leaders’ Statement: The Pittsburgh Summit, Pittsburgh, September 24-25, 2009

<sup>2</sup> G20 Labour and Employment Ministerial Declaration, Melbourne, 10-11 September 2014, paragraph 24

<sup>3</sup> G20 Labour and Employment and Finance Ministers’ Communique, Moscow, 19 July 2013

2. On participation:

- **Female labour force participation:** In 2014, the G20 agreed on “the goal of reducing the gap in participation rates between men and women in our countries by 25 per cent by 2025, taking into account national circumstances”.<sup>5</sup> The G20 agreed that they will closely monitor progress in achieving this goal over the coming years.<sup>6</sup>
- **Youth employment:** Building on the commitments made under earlier G20 presidencies, in 2015 G20 Leaders agreed on a goal to reduce the share of young people who are most at risk of being permanently left behind in the labour market by 15 per cent by 2025 in G20 countries, enhancing youth employment capacity. Progress will be monitored by the G20 with the assistance of international organisations.<sup>7</sup>

3. On productivity and job quality:

- **Human resource development:** In 2015, the G20 agreed on a Multi-year Framework for Policy Coherence and Coordination on Human Resource Development Between the Development Working Group and the EWG, including implementation of the G20 Training Strategy, Skills Strategy, and Action Plan on Food Security and Sustainable Food Systems.
- **Safer and healthier workplaces:** In 2015, G20 ministers and leaders committed to review progress with respect to the G20 Statement on Safer and Healthier Workplaces during future G20 presidencies also within sustainable global supply chains.<sup>8</sup> A G20 Occupational Safety and Health Experts Network will assist with this work.
- **Informality:** G20 ministers asked the Taskforce on Employment to engage social partners in joint approaches to address informality and underemployment, as they constrain productivity, potential output growth and efforts to reduce poverty.<sup>9</sup>

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<sup>4</sup>G20 Leaders' Communique, Antalya Summit, 15-16 November 2015, paragraph 6

<sup>5</sup>G20 Leaders' Communique, Brisbane Summit, 15-16 November 2014, paragraph 9

<sup>6</sup>G20 Labour and Employment Ministerial Declaration, Ankara, 3-4 September 2015, paragraph 20; G20 Leaders' Communique, Antalya Summit, 15-16 November 2015, paragraph 7

<sup>7</sup>G20 Leaders' Communique, Antalya Summit, 15-16 November 2015, paragraph 7

<sup>8</sup>G20 Labour and Employment Ministerial Declaration, Melbourne, 10-11 September 2014, Annex C; G20 Leaders' Communique, Antalya Summit, 15-16 November 2015, paragraph 7 and 19

<sup>9</sup>G20 Labour and Employment Ministerial Declaration, Melbourne, 10-11 September 2014, paragraph 15

4. On population and social protection issues:

- **Demographic change**: G20 Leaders agreed that they will further explore ageing and the potential of the silver economy.<sup>10</sup> Mature age employment and social security systems are key features of this work.
- **International labour mobility**: In 2015, G20 ministers agreed that further work is needed to explore the complexity of issues around international labour mobility, including through sharing good practices.<sup>11</sup> The integration of migrants is an area of priority.

**Further guidance**

Implementation of this MYA is further guided by the detailed commitments, policy priorities and learnings identified by G20 Leaders and Ministers over consecutive presidencies.

Individual members may lead joint initiatives concerning these priorities on behalf and with the support of the EWG.

G20 ministers and leaders have agreed that they will monitor the implementation of the country-owned, country-specific G20 Employment Plans, review progress and encourage their further development.<sup>12</sup> The Employment Plans complement and support the G20 strategy to achieve strong, sustainable, balanced and inclusive growth.

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<sup>10</sup>G20 Leaders' Communique, Antalya Summit, 15-16 November 2015, paragraph 8

<sup>11</sup>G20 Labour and Employment Ministerial Declaration, Ankara, 3-4 September 2015, paragraph 9

<sup>12</sup>G20 Labour and Employment Ministerial Declaration, Melbourne, 10-11 September 2014, paragraph 8; G20 Leaders' Communique, Antalya Summit, 15-16 November 2015, paragraph 7

## **Annex 7: List of Reports prepared by International Organizations**

We welcome the following reports prepared for the G20 Labour and Employment Ministers' Meeting and Meetings of the Employment Working Group

### **Employment Trends and Challenges:**

Report prepared for the G20 Labour and Employment Ministers' Meeting, jointly by: International Labour Organization, Organization for Economic Cooperation and Development, World Bank Group and International Monetary Fund

### **Generating adequate job opportunities:**

Report prepared for the G20 Employment Working Group, jointly by: International Labour Organization, Organization for Economic Cooperation and Development and World Bank Group with inputs from The International Monetary Fund

### **Enhancing employability:**

Report prepared for the G20 Employment Working Group, jointly by: International Labour Organization, Organization for Economic Cooperation and Development and World Bank Group with inputs from The International Monetary Fund

### **Promote Decent Work:**

Report prepared for the G20 Employment Working Group, jointly by: International Labour Organization, Organization for Economic Cooperation and Development, World Bank Group and International Monetary Fund