



## **G20 Labour and Employment Ministers' Conclusions**

**Paris, 26-27 September 2011**

(1) The world is facing difficult times, with a risk of new crisis, and serious consequences for the labour markets. We strongly believe that employment must be our top priority. We are committed to urgently renew our efforts to promote creation of decent jobs and support workers and their families affected by unemployment and precarious employment. While some countries' labour markets have fared quite well, in many G20 countries the pace of growth during the recovery from the financial crisis has not been enough to significantly reduce the high levels of unemployment and under-employment accumulated during the downturn. More worryingly, recent data indicate that growth is faltering in many advanced G20 economies and there has been some deceleration of rapid growth in the emerging economies.

(2) At their meeting in Pittsburgh in September 2009, our Leaders agreed on a Framework to promote Strong, Sustainable and Balanced Growth that put quality jobs at the heart of the recovery. Here in Paris, we fully reaffirm our Washington recommendations (April 2010), and the Leader's Statement from the Toronto Summit (June 2010) and the Seoul Summit (November 2010). Recognizing that decent work should be at the heart of strong, sustainable and balanced growth, we affirm our commitment to renewed attention to policies that improve employment creation and the quality of jobs, while strengthening at the same time social protection systems, respect for fundamental principles and rights at work, and promoting greater coherence of economic and social policy.

(3) We also stress the essential role of social dialogue to help address these challenges through consultations with social partners who we met just before our meeting. We share the sense of urgency they expressed with respect to the situation of the world economy and its social implications, especially as regards to long-term and youth unemployment. We therefore invite representatives of workers' and employers' organisations to contribute to these topics, to make proposals and, where appropriate, to coordinate their efforts. We note that workers' and employers' organisations will meet in the "Labour 20" (L20) and "Business 20" (B20) that will take place alongside the G20 Summit in Cannes.

**To achieve these objectives, we ask our Leaders to consider the following policy recommendations.**

**I – Improve active employment policies, particularly for young people and other vulnerable groups**

(4) Employment is our main priority. All of our countries have to cope with the issue of employment although our economic, social and demographic situations remain highly differentiated. Labour markets are exposed to more and more frequent economic adjustments leading to high rates of employment destruction and creation.

(5) In particular, young people and other vulnerable groups have been affected more by job losses and slow job growth. In some countries there has been an increase in long term unemployment and informal employment. Promoting smooth transitions from education, life long learning and training into decent jobs is a shared concern. As set out in the G20 Training Strategy submitted to Leaders at their Summit in Toronto (June 2010), bridging the gap between the world of learning and the world of work remains a priority. We also take note of the high level employment experts' meeting held in Paris on 7 April 2011 and we thank the Government of Argentina for having organized a seminar on labour, employment and macroeconomic policies on 12 July 2011 in Buenos Aires.

(6) We are committed to promoting policies and institutions that enhance the job content of economic growth and contribute to create the quality jobs our people need. Interactions between economic growth and employment and social protection need to be further explored in this regard.

(7) Achieving our goal of productive employment and decent work for all in conditions of strong, sustainable and balanced economic growth requires a combination of macro and microeconomic policies. Structural reforms need to be combined with active labour market policies and effective labour institutions that provide incentives for increasing formal and quality jobs. Governments have an important role to play in this regard by ensuring that the right mix of incentives, support, and skills development is in place, especially to support vulnerable groups and the long-term unemployed. Building stronger and complementary partnerships between governments, employers, workers, learning providers and individuals will be important to help economies to respond effectively and adapt to emerging skills needs.

**Accordingly, we agree on the following recommendations:**

***(8) Consolidate employment as a priority of economic policy***

- We call on our Leaders to reemphasize employment as a key objective of economic policy and of the framework for strong, sustainable and balanced growth; and to facilitate to that effect a comprehensive dialogue and cooperation among the different relevant ministers.

***(9) Preparing our young people to find decent jobs***

- We agree that training systems based on dual learning or apprenticeships, alternating in class and in enterprise, are particularly effective. We are committed to promoting apprenticeship, vocational training and work-based learning systems, and we encourage the creation of public-private partnerships for this purpose.
- We agree to continue to exchange knowledge and experience and to set up complementary initiatives, including through South-South and triangular cooperation. In particular, we commit to enhance our cooperation on successful

experiences of institutional coordination mechanisms and strategies to link education and training to jobs.

- To that end, we recommend setting up an intergovernmental task force on employment, composed of the G20 representatives, with the contribution of relevant international organisations and consulting social partners as appropriate. The task force will provide input to the G20 Labour and Employment ministerial meeting to be held under the Mexican Presidency in 2012. Its objectives and mandate are set out in the Annex.

***(10) Labour market policies for better social inclusion and access to jobs***

- Keeping in mind the lessons of the crisis, we recommend stronger coherence of our labour market policies with other public policies to support strong, sustainable and balanced growth for the benefit of our citizens. In particular, we recommend that unemployment benefits where they exist and other social protection arrangements always be associated with measures to facilitate a return to employment as soon as possible. We agree to further exchange information on the variety of mechanisms and practices available to facilitate a broad matching between supply and demand for jobs. We also encourage exchanging experiences of innovative approaches among our countries, especially as regards promotion of labour mobility.
- We are committed to strengthen policies that support small and medium sized enterprises, especially to formalize their workforce and improve working conditions. We also stress the importance of developing entrepreneurship, including women's entrepreneurship.

***(11) Employment policies informed by the contribution of relevant international organisations***

- We call on the ILO as well as the OECD, as appropriate, and with the participation of other relevant organisations such as the IMF :
  - to further analyze the medium term outlook for global employment levels and assess the implications for policy responses,
  - to contribute to a broader understanding of the interactions between employment generation, economic growth and social protection,
  - to support countries on request to improve identification of the most vulnerable groups, the difficulties they are facing and the means to be used to help them integrate more rapidly into quality jobs,
  - to establish a knowledge-sharing platform to promote skills development in line with the G20 Training Strategy.

## **II – Strengthen social protection by establishing social protection floors adapted to each country**

(12) An investment in social protection floors is an investment in social justice, stability, economic and labour market development. The benefits of social protection –social security and labour protection- are widely recognised. It increases the health and welfare of the population and consolidates social cohesion. Effective social protection systems contribute to building resilience to economic shocks and mitigating the impact of crises, and help to rebalance long term growth. We recognize that social protection systems have played an important role as automatic stabilisers in time of crisis and natural disasters. Linking social protection to employment through active labour market policies is key to inclusive growth.

(13) In this respect, we welcome the conclusions on social protection adopted by the International Labour Conference on 17 June 2011 and take note of the recommendations of the Social Floor Advisory Group chaired by Michelle Bachelet. We also welcome the work done within the framework of the G20 Development Working Group. We take note of the 10 May 2011 Brasilia declaration on the Social Protection Floor. We also recognise the importance of taking account of ILO convention 102 (Social Security, Minimum standards).

(14) The concept of social protection floors refers to a strategy for the extension of social security, comprising a basic set of social guarantees for all and the gradual implementation of higher standards. It is up to each Government to act with full sovereignty to determine the nature of its national social protection floor and the pace of its implementation or enhancement, in accordance with national priorities and wider social, economic and employment strategies. In particular, it is important that the means to implement social protection floors in developing countries be found.

**Accordingly, we agree on the following recommendations:**

***(15) Develop nationally defined social protection floors with a view to achieving strong, sustainable and balanced economic growth and social cohesion***

- Aware of the importance of having social protection that is adapted to the economic and social development of our societies and our economies, we recommend working to extend and improve our systems and to make them even more financially robust, effective and sustainable.
- We commit to making gradual progress towards implementing national social protection floors including *inter alia* access to health care, income security for the elderly and persons with disabilities, child benefits and income security for the unemployed and working poor, combined, where appropriate, with public “back-to-work” allowance schemes according to each nation’s level of development. We also stress the importance of appropriate administrative capacities and adequate human resources for that purpose. We should strive to expand social protection to the whole population, especially vulnerable groups.

***(16) Encourage international organisations to coordinate their actions more effectively to help countries develop nationally determined social protection floors***

- The social protection floors concept should be better integrated into the priorities of international organisations. For this purpose, we recommend that all international and regional organisations concerned strengthen their international policy coherence and coordination on social protection floors and mobilize their know-how and resources to support national actions in a coordinated fashion.
- As part of their cooperation, we recommend that relevant international organisations support countries in developing their own indicators, as appropriate, according to different levels of economic development, to map progress towards the implementation of social protection floors.
- We call for stronger North-South, South-South, triangular, and multi-bilateral cooperation for knowledge sharing and capacity building on social protection. We recommend further exchanges on, and analysis of the interrelationships between social protection and employment, including with regard to financing of social protection, in order to enhance employment opportunities and enterprise competitiveness and ensure the sustainability of social protection systems.

***(17) Ensure effective financing for the implementation of nationally determined social protection floors***

- We recommend that every appropriate source of financing be used to implement national social protection floors in each country. We also urge private donors and non-governmental organisations to contribute.
- We recommend that the international community suggest new ways of supplementing international solidarity arrangements in order to implement social protection floors throughout the world.
- We recommend that the ILO and the IMF, in collaboration with other international organisations, strengthen their cooperation in order to help Governments, where necessary, to define the necessary fiscal policies to play their role contributing to the progressive implementation of social protection floors according to national needs and circumstances.

### **III – Promote effective application of social and labour rights**

(18) At Pittsburgh, our Leaders committed to “*implement policies consistent with the ILO Fundamental Principles and Rights at Work*”. However, there is still much to be done to achieve effective and universal application of the Fundamental Principles and Rights at Work. We commit to stepping up our efforts to encourage their effective application in conjunction with the ILO and we underscore the critical role of social partners in this regard.

(19) We acknowledge the role and continuing importance of the relevant international labour standards, as recalled in the 2009 ILO Global Jobs Pact, and that social dialogue should facilitate and support their implementation. We also recall the importance of promoting decent work for all and increasing quality jobs, including through measures aimed at ensuring occupational health and safety, as well as working relationships based on effective social dialogue.

(20) We stress the value of experiments conducted in the field, especially those that combine respect for the Fundamental Principles and Rights at Work and national legislation with improved worker welfare and higher productivity at work.

**Accordingly, we agree on the following recommendations:**

***(21) Ensure respect of the Fundamental Principles and Rights at Work***

- We recommend that our Leaders reaffirm their commitment to ensuring full respect for the Fundamental Principles and Rights at Work, as set out in the 1998 ILO Declaration.
- In carrying out our national policies to promote development and growth, we intend to promote decent jobs that respect the ILO Fundamental Principles and Rights at Work.
- We welcome and encourage the ILO to continue promoting ratification and implementation of the eight Fundamental Conventions and its efforts to support and monitor the follow up to the implementation of the Fundamental Principles and Rights at Work by all of its members.

***(22) Promote international labour standards***

- We reaffirm the importance of effective national capacities for compliance with international labour standards and we underscore the critical role of effective labour administration and inspection systems in this regard.
- We recommend that, where mutually agreed, countries assist each other to strengthen national capacities to achieve greater compliance with fundamental rights at work and national labour laws through exchanges of technical assistance and replication of successful strategies that improve worker welfare while increasing productivity and job creation.

**IV – Strengthen the coherence of economic and social policies**

(23) Strengthening policy coherence is critical to addressing the social dimension of globalisation. In particular, it is key to achieving our policy objectives in terms of employment, social protection and labour rights.

(24) We also highlight the importance of greater coordination within each country, especially in order to ensure a better coherence of economic and social objectives within international organisations.

(25) We welcome existing practices in the field for collaboration between international organisations and encourage them to expand these practices by enhancing policy coherence among them.

**Accordingly, we have agreed on the following recommendations:**

***(26) Fully implement the 2008 Declaration on Social Justice for a Fair Globalisation***

- We recommend that our Leaders stress their support for full implementation of the 2008 ILO Declaration, which lays the groundwork for greater coherence between the ILO and other international organisations and states that no legitimate comparative advantage can be based on a violation of fundamental rights and that labour standards cannot be used for protectionist purposes.

***(27) Strengthen our policy coherence***

- We recommend that our Leaders continue to examine labour and employment issues alongside economic, monetary and financial issues in order to improve the coordination and coherence of our economic and social policies and to strengthen the social dimension of globalisation. To that end, we welcome the ILO contribution to the Framework for Strong, Sustainable and Balanced Growth.
- We also commit to strengthening our internal coherence and intergovernmental cooperation.

***(28) Further enhance coordination among international organisations***

- We recommend that our Leaders support enhanced coherence between relevant international organisations through *inter alia* consultations on issues coming within their mutual remits and better coordination of their research, analysis and cooperation activities in the field. Without prejudice to their governing bodies' competence on the matter, this could take the form of cooperation agreements or any other institutional and practical arrangements.
- We recommend that multilateral organisations with an employment and social mandate be consulted when appropriate to assess the social impact of economic and financial policies advocated by other international organisations.

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(29) We agreed to hold our next meeting in 2012 under the Presidency of Mexico. We welcome this and we thank Mexico.

## **Annex**

### **G20 Task Force on Employment**

The intergovernmental task force will be the forum to exchange mutual experiences, best practices and policy responses to the challenges faced by G20 countries with respect to employment.

The intergovernmental task force will be given the following mandate:

- In particular, the intergovernmental task force will provide practical input for discussions during the G20 Labour and Employment ministerial meeting to be held under the Mexican Presidency in 2012.
- The first topic to be addressed will be youth employment.
- The task force will report to the Labour and Employment Ministers.
- It will be composed of the G20 Government representatives. It may however consult relevant international organisations, in particular the ILO and the OECD, and social partners as appropriate and according to a procedure to be decided by the members of the task force.
- The task force will be chaired by a shared presidency: the incumbent G20 presidency and the following G20 presidency.
- It will be established on an experimental basis for one year and will not be automatically renewed; it will be for G20 Labour and Employment Ministers to decide whether to extend it. In such a case, the Labour-Employment Ministerial meeting will have the opportunity to evaluate the relevance of the task force and decide on the assignment for the coming period.