

# B20 – L20

May 30, 2012

Mr. Felipe de J. Calderón Hinojosa  
President of Mexico  
Via hand delivery

Re: B20-L20 Los Cabos, Mexico.

Dear President Calderón,

Last November, in Cannes, business and union representatives gathered together for the first time and issued a joint statement in the context of the G20 summit. It laid down a set of principles and commitments to the social issues central to prosperous economies and cohesive societies. These were identified as employment creation, fundamental rights at work, social protection floors, and coherence of multilateral policies.

This year, in the context of the G20 summit to be held next June in Los Cabos, Mexico, we hope to build on this statement's goals. We will release an addendum the purpose of which is to develop certain topics of the referred B20-L20 joint statement released in 2011. Our expectation is that you will support our determination to scale up qualification-based apprenticeships and quality internships, address the challenge of developing policies to progressively draw the informal economy – present in all our nations – into the formal economy, and invest in infrastructure that helps to build sustainable economies and green jobs. Together we must address these critical issues.

## **Apprenticeships and Internships**

With 45 million young people entering the labour market every year for the next 10 years, the urgency and scale of job creation is a central challenge. However inclusion of young people can be fostered by scaling up quality apprenticeships and internships.

The B20 and L20 are committed to working to see that SMEs are included in provision of qualification-based apprenticeships through a collaborative effort with MNEs where established national systems are not yet in place. We plan to convene a significant discussion of companies, employers' organisations and unions with the OECD and the ILO in October 2012 to consider how we can all collaborate and join efforts to public authorities.

Business and unions working together at both national and international level can and are committed to assisting in these measures. We ask the G20 Governments to endorse action on urgent approaches to increasing apprenticeship and internship numbers. We suggest a joint and pilot programme be developed either at G20 level or with some voluntary countries to facilitate the recruitment of apprentices or students, including between different countries. 200,000 students already move within the European Union countries on such a scheme.

We respectfully ask the G20 to take on board the principles that will be adopted again jointly by the B20 and L20 in an addendum to their 2011 joint statement, and to give full consideration to the recommendations elaborated by the Task Force on Employment that met under the auspices of the WEF.

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We are committed to follow-up during the Russian G20 Presidency on actions implemented by G20 countries and ourselves and continue pursuing opportunities to meet with the G20 on these issues at future summits.

## **The informal economy**

The footprint of the expanding informal economy is preventing the development of sustainable economies. Yet the drive to unlock entrepreneurial talent is in the interest of business, workers and governments. We respectfully urge the G20 leaders to remit this issue to the G20 Employment Task Force for consideration of the most effective tools to formalise businesses and decent work in this sector and to convene dialogue structures to engage the B20 and L20 in the development of a report for the G20 leaders at their 2013 Summit.

The attached set of principles and recommendations, encapsulated in an addendum to our Cannes Declaration, suggests a range of issues for consideration including establishing or expanding business services, training and access to affordable credit, and respecting property rights, labour rights, and social protection fundamentals.

## **Investment**

It is essential to facilitate productive and strategic infrastructure investments that can be scaled to contribute to long-term productivity, job creation and sustainable development.

We call on governments to commit to:

- Provide specific support, dedicated to improving pre-project feasibility and assembly studies, thus increasing the speed with which productivity and competitiveness-enhancing infrastructure projects can be planned, approved, financed and implemented.
- Spur investments in low-carbon infrastructure and associated services that support “green jobs” and the transformation of our economies onto sustainable paths.
- Use their relationships with Multilateral Development Banks (MDBs) to enable resources or financing from multiple sources, mitigating risks for private sector partners and improving benefits for society.

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1. In light of the above, let us emphasise that business and unions support the implementation of the conclusions of the Youth Employment Task Force and the Labour Ministers' meetings, and urge a proper monitoring. Job creation and inclusion of young people in the workforce will make a decisive difference to attaining sustainable recovery, and we look to the G20 Summit to provide leadership in attaining these policy goals.

2. We therefore respectfully propose that the Government Task Force on Employment be renewed, to ensure proper follow-up of any measures and actions taken in the future, as well as to drive our further reflexion on the themes broached in this present letter.

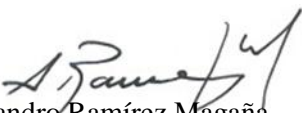
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3. Finally, we would petition the G20 Presidency to agree to receive a delegation of the B20-L20, so that we can express to the world leaders our strong feelings of urgency to see social issues be discussed within the G20 framework as a priority which are intimately connected to other fundamental topics such as finance and trade issues.

We stand ready to work with government and the G20 leaders collectively, and in 2012 we will work in particular to secure outcomes in the areas listed and detailed in the attached set of principles.

Yours sincerely,

On behalf of the B20

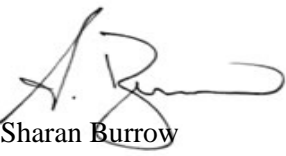


Alejandro Ramírez Magaña  
Chair of the B20 Organizing Committee




Bernard Spitz  
Member of the B20  
Task Force on Employment

On behalf of the L20



Sharan Burrow  
ITUC – General Secretary



John Evans  
TUAC – General Secretary



# B20 L20 joint statement

The B20 (business organisations of the G20 countries) and the L20 (trade union organisations of the G20 countries) express their deep concern at the gravity of the world economic situation: workers and companies face global market instability, including deepening unemployment and uncertainty in the labour market, and economic perspectives do not suggest any improvement. We therefore wish to seize the opportunity of social issues being put on the agenda of the G20 to draw the attention of governments to some major issues on which they have developed a common vision. The economic, social and financial crisis has indeed created space for discussing labour market and social protection challenges in a comparative perspective, within the G20. We think that a proper exchange of views in the G20, between the social partners and the governments, can help to tackle these issues and also help non-G20 countries to develop policies to address the employment situation in all its dimensions. We urge the G20 to make these issues a priority in order to reduce unemployment and prevent the risk of a growing share of the population losing faith in the global economy. In doing so, we echo the contribution of the International Organization of Employers and of the International Trade Union Confederation to the current debate on the same issues being held at the International Labour Organisation (ILO).

## Employment

Both the B20 and the L20 recognise the efforts made during the crisis by many governments to focus their action on the protection and the development of productive employment. However with the decline of growth across most of the G20 and worsening unemployment, priority now has to be put firmly on creating an environment conducive to enterprise and job creation. Policies implemented with G20 coordination and by G20 leaders should be consistent with this overarching aim. In order to achieve this, we support the mission of a G20 Task Force on employment, along the lines agreed by the G20 Labour Ministers in September 2011.

The situation of young people is particularly alarming in almost all countries, both developed and developing. Urgent efforts from governments and social partners are needed to provide real jobs, including apprenticeships and internships linked with training opportunities that provide qualifications, deepen work related skills and improve employability. We call on the G20 to make the youth employment situation their priority, and we are willing to contribute. Targets such as youth employment, entrepreneurship, the greening of jobs and the fight against the informal economy could be shared issues that the G20 might be willing to peer review.

## Social protection

Business and workers' representatives have joint interest in the creation or the reinforcement of social protection, on the basis of strong shared principles. The discussion on the social protection floor in the International Labour Office in 2011 has shown that agreement exists on those principles.

The B20 and the L20 draw the attention of the governments gathered in Cannes on 3-4 November 2011 to the key elements that can make nationally-defined social protection floors relevant in all countries. This includes planning to ensure the sustainable financing of social protection floors nationally, the help that international organisations can provide in the capacity building necessary for implementation, the role of international as-

sistance in establishing social protection floors where none exist, the benefit of drawing conclusions from the experience of countries having defined sustainable social protection nets, the introduction of incentives to encourage formalisation of the economy and employment, the importance of both a demographic and a rights based approach to social protection and the need to design the floors preferably after consultation of social partners.

## Fundamental principles and rights at work

The implementation of fundamental principles and rights at work is a responsibility of governments. Various ILO tools exist to achieve concrete improvements, including the 1998 ILO Declaration on Fundamental Principles and Rights at Work and its follow-up.

As regards the B20 and the L20, we will contribute to the Guiding Principles on Business and Human Rights adopted by the Council of Human Rights of the UN last June and we recognise the relevance and usefulness of other international instruments on multinational enterprises including the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social policy. The ILO Declaration does not only cover the fundamental principles and rights at work, it also deals with matters such as employment promotion, safety and health, conditions of work and training. We therefore want to re-emphasise its importance and will support its promotion through our respective constituents in the G20 as an important means to build confidence in the actions of companies and to try and deliver concrete results in terms of competitiveness and for the people

## Coherence of actions in the multilateral system

In recent years, some international organisations, including the ILO, the International Monetary Fund, the World Health Organisation and the World Bank, have increased their cooperation and joint research in domains which sometimes overlap. They have engaged in a number of structured joint projects on the ground. We can only approve such efforts to link their actions, and to achieve more effective results.

The B20 and L20 think that in addition to cooperation agreements signed between the International Labour Office and other organisations, concrete work between these bodies should be fostered, for instance on pilot joint projects voluntarily involving countries most hit by the crisis, or on particular items such as youth employment and social protection floors. Cooperation involving the ILO has the further advantage of enabling the contribution of the social partners as provided for under the constitution of the Organisation.

### B20 coordinator

#### Press contacts:

Fédération Française des Sociétés d'Assurances  
Head of Communication  
Clément Léonarduzzi  
Tel. : + 33 6 70 76 81 03  
Mail : c.leonarduzzi@ffsa.fr

MEDEF  
Jean-François BARON  
Tél. : + 33 6 71 75 23 40  
jbaron@medef.fr

### L20 coordinator - International Trade Union Confederation (ITUC) - [www.ituc-csi.org](http://www.ituc-csi.org)

#### Press contacts:

Tim Noonan  
Director Campaigns and Communications  
Department  
Mobile: +32 (0) 475 67 08 33  
E-mail: [tim.noonan@ituc-csi.org](mailto:tim.noonan@ituc-csi.org)

Mathieu Debroux  
ITUC Press Officer  
Mobile: +32 (0) 476 62 10 18  
E-mail: [mathieu.debroux@ituc-csi.org](mailto:mathieu.debroux@ituc-csi.org)

Gemma Swart  
ITUC Media Consultant  
Mobile: +32 (0) 489 78 86 79  
E-mail: [gemma.swart@ituc-csi.org](mailto:gemma.swart@ituc-csi.org)



### ADDENDUM 1 to the Cannes Joint Statement (November 2011)

# Developing youth employment - Apprenticeships and internships

The rate of youth unemployment is on average twice that of adults. The L20 and the B20 wish to underline the seriousness of this structural problem, on which there is an international consensus. We must act in order to reduce the cost of this grave social threat and to promote growth.

Those countries which have implemented structural solutions for education, training, career guidance, apprenticeships and assistance systems for the young do demonstrably better in terms of youth employment. We must urgently scale up quality apprenticeships and industry related training, thereby increasing synergies between the corporate world, the young worker and the education systems. This starts with urgent dialogue between business and union representatives, supported where necessary by governments to consider action specific to each country.

It is generally acknowledged that such schemes, designed to facilitate the transition to a full working life, are in need of broadening across new sectors and a more positive image, especially among women.

### **The L20 and the B20 are in specific agreement over the following points:**

- ⇒ the partnership between small and large businesses over apprenticeships can be greatly increased;
- ⇒ a fruitful collaboration between training providers and the business and union partners must be systematized;
- ⇒ business and unions are capable of defining acceptable work conditions and must do so to ensure fundamental rights,
- ⇒ the capacity of business and unions to establish systems where there is no recognized national framework for apprenticeships and internships;
- ⇒ the realisation of opportunity through international systems;
- ⇒ the responsibility of all parties to detail and manage material conditions necessary to properly develop apprenticeships including issues of housing and transportation.

The B20 and the L20 believe that these principles should guide the G20 governments in their policies to facilitate youth employment and work experience. This should help instill a sense of hope among this more fragile segment of the population, the hardest hit by the crisis. Specific actions will obviously differ from country to country, but all should be inspired by these principles and begin to implement them.

We emphasize that bringing together the social partners at national level can enhance the credibility and quality of such actions, especially where no national framework exists. To make good on this commitment, the L20 and the B20 propose to establish a large-scale exchange program apprentices and internships across the G20 nations, in which companies, training institutions and participating governments can work together in full cooperation.



## ADDENDUM 2 to the Cannes Joint Statement (November 2011)

# Developing the formal economy

The B20 and L20 are fully conscious of the increasing share taken up by the informal economy in many countries. They wish for the G20 to address this issue with a specific approach, in cooperation with both employers and workers.

Due to the ongoing crisis, the resilience of the formal economy has faced significant challenge. This trend undermines the sustainability of fiscal and social systems. We face a fourfold challenge: for the companies that meet the entirety of social rules; for the employees working in these companies; for workers who see the prospect of employment in such companies dwindling, and for the States struggling to maintain their tax base.

The L20 and the B20 would like to see a further study of the informal economy root causes, with all members pooling their experiences. Only then can the G20 put forward new solutions to reinforce the formal economy. The aim is not to attack frontally the informal economy, at the risk of destroying jobs, but to initiate as soon as possible a process of reflection and action in order to promote the growth of the formal economy.

The following principles deserve full recognition by the G20 as part of its framework to develop the formal economy. Other issues, such as immigration, for example, should be integrated to our agenda in order to initiate a consistent and effective action in the G20 countries.

The B20 and the L20 are united in believing that developing the formal economy requires structural reforms and long-term challenges including:

- ⇒ respect for the right of ownership;
- ⇒ to create an administrative and regulatory environment to facilitate the growth of all businesses, including small and medium-sized enterprises as well as cooperatives;
- ⇒ expanding access to credit;
- ⇒ labor markets institutions and practices that foster skills, jobs and productivity;
- ⇒ a fair and progressive taxation system that covers all businesses and their employees;
- ⇒ to negotiate working arrangements that provide fair working conditions and pay; ensure compliance with labor laws by all; and to develop effective social protection schemes.