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L20 Policy Tracking 2015-16

Assessing the implementation and effectiveness of G20 policies

88% of L20 members say other policy commitments need to be added to achieve the 2.1% growth target and improve living conditions for workers

43% call on Ministers to revise the existing employment policies completely; another 43% would add several new policies, only 7% each would either only change a little or keep implementing existing plans

Every year, the G20 produces new policy commitments and targets. L20 Policy Tracking conducted over three year shows a persistent gap between commitments and government action on quality jobs, fairer wages and raising aggregate demand. In 2014, the G20 Brisbane Action Plan included over 800 global and national policy commitments – with the goal to reach 2.1% more growth by 2018. The Antalya Leaders' Summit last year brought the number up to over 1000 commitments and added – besides growth strategies and employment plans – investment strategies. While impressive in numbers, the effects of such policy packages on the long-term growth potential of economies, labour markets and social well-being need to be assessed, policies reviewed accordingly and their implementation monitored. G20 governments must be held accountable for their commitments by all the G20 social partners.

The first L20 Tracking Report¹ concluded that commitments made by the G20 fell short: 56% of policies were rated as having marginal or negative effects, or as being ineffective in addressing the economic and social situation in

1. L20 Tracking Report, 2014, <http://www.ituc-csi.org/new-survey-half-of-g20-policies>

G20 countries. In the second edition in 2015², 68% of respondents said that commitments are not trickling down to the national level through concrete policy changes. In 2016, the number decreased to 57% - still too high despite of much of G20 work focussing on reviewing existing policies and aiming for coordination. The absence of a joint G20 Finance and Labour Ministers' meeting in 2016 has exposed gaps in co-ordination needed to deliver concrete policy changes.

2. L20 Tracking Report, 2015, <http://www.ituc-csi.org/68-of-l20-unions-say-that-g20>

Survey Methodology

- 14 G20 countries surveyed in June and July 2016¹
- Respondents from 16 national trade union centres^{2,3}
- 20 Questions covering policies from 2015 to mid-2016
- Focus on the G20 growth target and employment plans
- Review of 5 G20 action plans and targets: 25by25, BEPS, Youth Target, G20 Framework on Promoting Quality Jobs and Policy Priorities on the labour income share and inequalities

1. Surveyed: Argentina, Australia, Brazil, Canada, France, Germany, India, Indonesia, Japan, Korea, Russia, South Africa, Turkey, US

2. Two union centres responded from India and South Africa

3. Answers from affiliates from the same country are counted individually for Questions 6, 7, 8, 10, 14, 15, 16, 18, all other responses are counted on average

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The L20 Tracking report seeks to assess a) the level of implementation of G20 global and national commitments; b) their impact on the social and economic situation at country-level; as well as to c) evaluate the effects of G20 commitments on working families; and d) identify priority areas for future policy actions.

The third L20 Policy Tracking report is released for the G20 Labour and Employment Ministers Meeting and L20 Summit in Beijing, China (July 2016) ahead of the G20 Leaders' Summit (September 2016). Linked to the current G20 presidency's focus on "Innovative, Invigorated, Interconnected and Inclusive World Economy"³, the results cover a range of G20 policy areas. The selection of policies in the questionnaire is based on the timing of their initiation or implementation, and their pertinence to growth recovery and working conditions.

Working with trade union centres in G20 countries, the L20⁴ reviewed commitments made by G20 Leaders at the Antalya Summit in 2015 in both the official Declaration, the Action Plan and looked into priority areas and related policy targets that would benefit from future policy attention. An online survey was sent to trade union centres at the end of June 2016 covering the period of July 2015 to June 2016.

Comparing 2016 to 2015 results, we observe that:

- (1) G20 policies are trickling down more to the national level, albeit not yet sufficiently;
- (2) The G20 Growth Target is not likely to be achieved on existing policies;
- (3) There is a stronger call to review policies and add additional ones.

TRACKING RESULTS COMPARED

	2015	2016
G20 policies are NOT trickling down	68%	57%
Likelihood of achieving the 2.1% Growth target	18%	14%
Economic situation in the next 12 months	23% improves a little; 32% remains the same; 41% worsens a little; 0% worsens a lot	29% improves a little; 29% remains the same; 21% worsens a little; 14% worsens a lot
Need for new policies	74%	88%

3. Official G20 Presidency website, China, 2016: <http://www.g20.org/English/>

4. The Labour20, co-ordinated by International Trade Union Confederation (ITUC) and the Trade Union Advisory Committee to the OECD (TUAC), is a G20 social partner.

Main Findings

"The L20 calls on G20 members to halt the slide in the global economy through expansionary demand-side policies supported by a refocused structural policy agenda rebuilding stronger labour market institutions to create quality jobs and reduce income inequality. G20 growth actions plans must address the issues of youth un- and underemployment, gender inequality, digital transformation, just transition towards green jobs and the integration of refugees."

(L20 Statement 2016)

The L20 has been calling on governments to refrain from structural reforms that depress demand in the short term and replace them with a new policy agenda aiming at stronger and well-designed labour market institutions. Fast-acting and comprehensive measures and a coordinated demand stimulus need to be enacted to prevent a relapse into a new crisis. The 2015 G20 Leaders' communiqué called on to "prioritize job - rich growth by addressing the range of factors underlying weak aggregate demand", however, the L20 survey shows that:

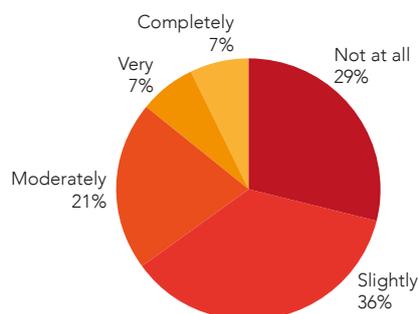
- Out of 14 countries no such policies were implemented in the last 12 months in 5 of them, 5 only took marginal steps and 4 moderate steps. None of the surveyed countries increased or extensively stepped up demand-inducing action.

Are G20 growth policies on track?

Achieving the 2.1% growth target, as set out by G20 Finance Ministers in February 2014, in a sustainable and inclusive way necessitates more than the sheer quantity of commitments currently in existence. L20 Survey results show that policy impact is still either not on track or is not resulting in desired, inclusive outcomes but might go in the right direction if the "right" revisions are made:

- 57% of G20 commitments and action plans are NOT trickling down to the national level through concrete policy changes (68% in 2015).
- Only 14% think that achieving the additional 2.1% growth by 2018 in their country is very likely (18% in 2015).

HOW LIKELY WILL THE G20 GROWTH TARGET BE ACHIEVED



- The expectations on the state of the economy in the next 12 months – crucial for the achievement of the target – vary largely amongst L20 members and depend on the country context with some experiencing high growth rates but are faced with slight set-backs, while others remain in a low-growth scenario. 36 % of L20 respondents said they expect the economic situation to rather improve in the next 12 months⁵; 28 % say it will remain the same⁶ and 36 % say the economic situation will worsen⁷.
- 88% call on the G20 members to introduce other policy commitments to achieve the 2.1% growth target and improve living conditions for workers (74% in 2015).
- As of July 2016, 57% say that no new policies were agreed by their country to meet the G20 growth target and create more employment since the Antalya summit – however, out of the 43% pointing to new policies, most see them as “rather positive”.

Is there progress on the employment plans?

Asked about what is missing in the G20 Employment Plans, last year’s survey highlighted comprehensive plans and coherence; industrial policy; life-long learning; programs to reduce informality and low wage and precarious jobs; and strengthened employment standards. Finance, Labour and Employment Ministers are supposed to review Employment Plans and Growth Strategies to strengthen action against inequality and support inclusive growth (according to the Antalya Summit mandate):

- 43% call on Ministers to revise the existing employment policies completely; another

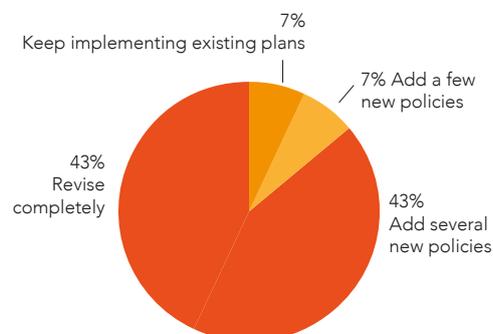
5. Canada, India, Indonesia, South Africa, US

6. Argentina, Brazil, France, Russia

7. Australia, Germany, Japan, Korea, Turkey

43% would add several new policies, only 7% each would either only change a little or keep implementing existing plans.

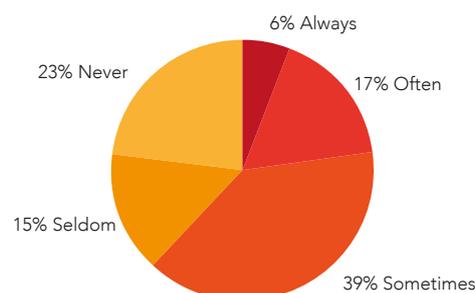
CHANGING EMPLOYMENT PLANS



- Given the fairly high levels of precarious work, 43% say that quality employment fell in their country, the majority (50%) indicated that it stayed the same.
- 69% would find it useful for the G20 to link up work on employment with innovation and digital economy strategies, 6% find it essential, 19% only somewhat useful.

The G20 Policy Priorities on the labour income share and inequalities, agreed under the Turkish presidency last year, recognise the need to strengthen labour market institutions, the role of minimum wages and collective bargaining. Asked whether these three features are promoted by their government, the results show a great variety, depending on the existing system (see below). They underline that sharing of best practices with more successful G20 members is key if the G20 policy priorities are to be implemented:

- Only 6 % say their government is “always” promoting labour market institutions, minimum wages and collective bargaining, 17% “often” do and the relative majority (39 %) sometimes does.



- There are slight differences between the 3 with collective bargaining falling behind minimum wages and labour market institutions at large being the most “promoted”.

	Never	Seldom	Sometimes	Often	Always
Strengthening labour market institutions	25%	6%	38%	25%	6%
Minimum wages	19%	25%	31%	19%	6%
Collective Bargaining	25%	13%	50%	6%	6%

Implementation of G20 Specific Policies

Tax avoidance

The G20/OECD “BEPS” Package of measures⁸ to address tax avoidance practices by global businesses, adopted last October 2015, is now in the implementation phase⁹:

- In 2015, “companies not paying their fair share of taxes” was ranked as the top 4 economic challenge in the L20 Tracking.
- In the implementation phase, 44% said that there was only moderate commitment by their government to transform words into action right away, another 44% found the commitment to be weak with the government sending contradicting signals (i.e. committing to BEPS and tax transparency, while slashing tax administration resource, siding with global business interests, etc.),

8. 15-point Action Plan on Base Erosion and Profit Shifting: <http://www.oecd.org/ctp/beps-2015-final-reports.htm>

9. See: the G20/OECD Base Erosion and Profit Shifting Package - Assessment by the TUAC Secretariat: http://www.tuac.org/en/public/e-docs/00/00/12/5E/document_news.phtml

while only 12% attested to a fairly strong commitment, with tangible results already in place (new law proposals, increased staffing of tax administration, etc.).

Youth Unemployment

Last year, the G20 set a ‘Youth Target’ to reduce the number of young people excluded from jobs or training by 15% by 2025. Last year’s L20 Tracking confirmed that for 65% employment prospects for young people were bad or somewhat bad. Therefore, a large majority of respondents considered a G20 youth target to be very useful (30%) or quite useful (55%) to focus policy makers on the need to investment in reducing youth unemployment. This year’s results show that much needs to be done:

- 28% find the Youth target ambitious vs. 21% who say it is not sufficient – with the majority somewhere in the middle.
- 57% said that their country would implement youth specific policies this year.

Womens’ Employment

In 2014, the G20 agreed on “the goal of reducing the gap in participation rates between men and women” by 25 per cent by 2025:

- 69% perceive NO changes in employment levels for women in their country.**
- No-one is “certain” that their country moves closer to an equal pay scenario until 2025, 6.25% think it is “highly likely” and 31.25 % each think it is “likely”, “somewhat likely” and “not likely”.
- 19% said that jobs for women across income and skills groups are evenly distributed, 25% said women mostly work in medium-paid, mid-skilled jobs and 56% say women are in low-paid and skilled jobs.