



In partnership with



L20 POLICY TRACKING 2014/15

KEY FINDINGS: SURVEYING THE IMPACT OF G20 POLICIES ON JOBS AND SOCIAL WELL-BEING

The 2014 G20 Brisbane Action Plan and Leaders' Communiqué included over 800 global and national policy commitments – with the goal to reach the 2.1% growth target by 2018. The preceding year, the first L20 Tracking Report ¹ concluded that the commitments made by the Leaders fell short of what was needed to get the global economy back on track on employment creation and reducing inequality and poverty. 56% of policies were rated as having marginal or negative effects, or as being ineffective in addressing the economic and social situation in G20 countries. With ambitions and the number of action plans higher during the Turkish Presidency going against a persisting growth, jobs, investment and inequality crisis, would the results substantively change?

Working with trade unions in G20 countries, the L20 ² reviewed national commitments made by G20 Leaders at the Brisbane Summit in November 2014 in both the official Declaration, the Action Plan and looked into priority areas that could be pursued at the G20 level in the future. An online survey was sent in the period of September to October 2015.

The full tracking report will be released for the launch of the G20 Presidency in China.

SURVEY FACTS

- 16 G20 countries surveyed ^{3,4}
- Respondents from 22 national trade union centres ^{5,6}
- 29 Questions covering policies from 2014 to mid-2015
- 9 G20 global commitments and 3 action plans (25by25, Safe workplaces and BEPS)
- 76 policies from the Brisbane growth strategies ⁷
- 99 policies from the Brisbane employment plans in 15 countries ^{8,9}

1) 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 general commitments on working families; and d) identify priority areas for future policy actions.

2) 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.

3) Answers from affiliates from the same country are coded as one vote for Q20, 25, 28 (minimum wage, youth target, right to work),

4) not surveyed: South Korea, South Africa, Saudi Arabia, the EU and Spain

5) Two union centres responded from Brazil, Turkey, Mexico, and France, and three from Italy

6) Note that non-response adjustments were made, the responses of two union centres that answered the general part of the survey only, were included

7) Based on the top 5 policy actions as outlined in the growth strategies (1 more was added in the case of Australia)

8) Selection based on the time of their initiation (only the more recent ones) and their pertinence to growth recovery and working conditions

9) Country (number of employment policies surveyed): ARG (5), AUS (8), BRA (7), CHN (7), CN (7), FR (10), GER (8), IDN (6), IND (7), IT (6), JPN (5), MEX (4), RUS (5), TUR (8), US (6)

10) As outlined in each national Employment Plan (note the numbers of challenges vary)

11) not surveyed South Korea, South Africa, the UK, Saudi Arabia, the EU and Spain

For more information
on the L20 go to
www.labour20.org

Information & Media
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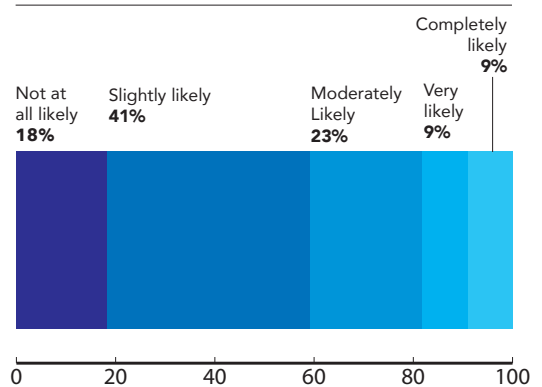
Main Findings

Are G20 growth targets off track?

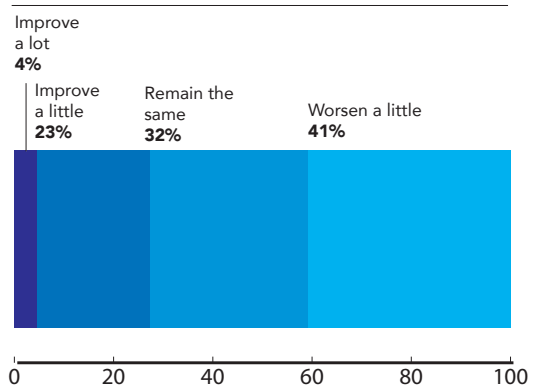
68% said that G20 global commitments are not having a desired impact on the national level through concrete policy changes.

- Only 18% think their country will completely or very likely achieve the goal of an additional 2.1% growth by 2018.
- 41% expect the economic situation to worsen a little, 32% believe that it will remain the same. If that was the case, G20 economies will not meet their growth target as at this point they would need to grow by double the initial target by an extra 1 percent per year.
- Specific G20 Action Plans fare much better in comparison: on average, the three G20 commitments on elevating female labour market participation by 25% by 2025 (25by25), the declaration on Safer Workplaces and the G20/ OECD Base Erosion and Profit Shifting Action Plan were ranked as “rather achievable” at national level. Their impact on working families was ranked in a positive way (see figure on the right).
- On average, respondents ranked these top 5 economic challenges from “most to least important to address first” as follows: 1. Lack of employment opportunities; 2. Low wages; 3. the gap between rich and poor; 4. Companies not paying their fair share of taxes; 5. Public debt.

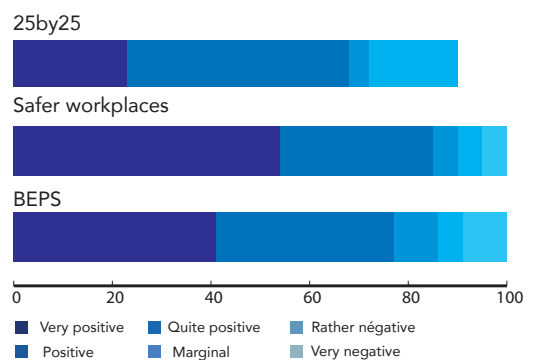
Is the 2.1 target achievable by 2018?



Economic situation over the next 12 months



G20 Action Plans Impact on working families



- From the 9 commitments selected from the G20 Leaders' communiqué and Brisbane Action Plan, the following sub-groups emerged according to their potential on average to help resolving social and economic problems:

High Potential

Establish or increase minimum wages, improve social dialogue and improve social safety nets

Medium Potential

Quality investment, particularly in infrastructure, and long-term financing from institutional investors

Macroeconomic policies to support growth, strengthen demand and promote global re-balancing

Financial Stability Board (FSB) proposal requiring global systemically important banks to hold additional loss absorbing capacity

Mobilising finance for adaptation and mitigation, such as the Green Climate Fund

Below average

Reduce non-tariff barriers

Low Potential

Structural reforms to lift growth and private sector activity, recognising that well-functioning markets underpin prosperity

Public-private partnerships to improve the efficiency of investment and reduce the immediate funding burden on governments while bearing in mind long-term contingent liabilities

Streamline labour market regulation and reduce nonwage costs of labour

Spotlight on the 800 country specific commitments

74% of the respondents said that further commitments need to be made to achieve the 2.1% growth target and improve living conditions for workers.

According to respondents – and depending on country circumstances – further commitments might include: Fiscal and industrial policies to increase investments (also in public infrastructure and R&D), policies boosting demand and creating jobs, longer-term investment planning, corporate governance reforms, fairer taxation, employer investments in training and skill development, increasing minimum wages (see below) and social security.

Growth strategies

- Out of 76 policy actions, “some progress” on implementation was noted in 9 countries, while the other 6 countries showed “insufficient progress” on average.
- If responses are taken individually, the state of progress of implementation is as follows: 18% (no progress), 30% (insufficient progress), 40% (some progress) and 12% (strong progress).
- In difference to last year, 62% of the policies were perceived as having a positive impact on working families, 19% were deemed “neutral”, 15% “negative” and 4% “highly negative”.
- However, a closer assessment shows multiple cases of policies being rated as highly positive but showing no progress (and vice versa).

Employment plans

- 52% think that their government has only made a “fair” selection of “employment challenges”¹⁰, 35% think that they are “poorly” selected, and only 13% agree with the selection being a “good” one.
- Asked about what is missing, responses amongst others included comprehensive plans and coherence; industrial policy; fight against corruption; life-long learning; programs to reduce informality and low wage and precarious jobs; strengthened employment standards; addressing outdated labour relation laws.

What should be on the G20 Agenda in 2016

Three policy issues – rising income inequality, high levels of youth un- and underemployment, and the global refugee crisis – need more proactive policies that could be supported at the G20 level. There are already building blocks in place to do so: the sub-group on the income labour share and the proposal for a G20 youth target for young people who are Not in Education, Employment or Training (NEETs). At the same time, the refugee crisis is calling for G20 leadership and an urgent call for action in Antalya and beyond:

A large majority (above 80%) of respondents considers it hard for refugees to work in their country.

Minimum wages

Out of 15 countries surveyed¹¹, only Italy did not have a national minimum wage. However, when asked whether these minimum wages were enough for a decent life – 87% of respondents said no. Most affiliates have union claims for a national minimum wage (MW), ranging from demands to increase the MW in line with GDP growth (China, France) and coupled to inflation (Australia) on an annual basis, to 200% (Turkey, Brazil, India, Russia), 100% (Turkey), 65%

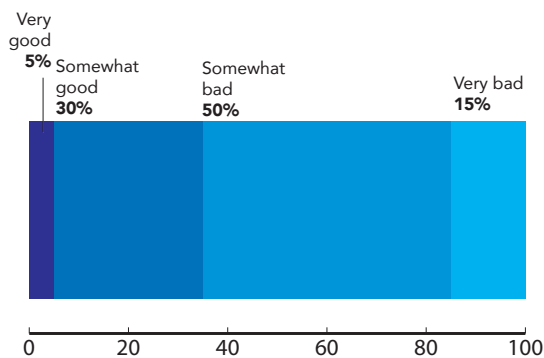
(US), 38% (Canada, on average, according to province), 25% (Mexico), 22% (Indonesia) and 10% (Argentina).

Youth Unemployment

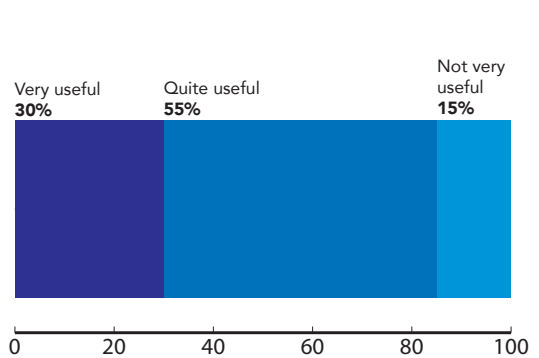
65% describe the employment prospects for young people in their country as bad or somewhat bad.

Therefore, a large majority of respondents would consider 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. When rating specific policy proposals to fight youth unemployment from “Not at all important” to “Extremely important”, the following average results had “Taking action against irregular and informal employment” coming out as the only measure considered “extremely important”, followed by “Promoting apprenticeships”, “Facilitating first-time job placement”, “On-the-job training” and “Enabling a variety of educational pathways” (all very important). “Programmes to enhance mobility of young workers” and “Encouraging youth entrepreneurship” were considered to be only moderately important on average.

Employment prospects of young people



G20 Youth target



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The full tracking report will be released for the launch of the G20 Presidency in China, together with the L20 priority recommendations for 2016.

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