



**L20 PROPOSALS TO THE G20 EMPLOYMENT TASK FORCE (ETF)
Sydney, February 2014**

The Labour 20 (L20) represents the voice of workers through their trade unions to the G20. It is convened by the International Trade Union Confederation ([ITUC](#)) and the Trade Union Advisory Committee to the OECD ([TUAC](#)) working in tandem with current host the Australian Council of Trade Unions (ACTU). For more information, go to [Labour20.org](#).

1. As the G20 Employment Task Force meets, it appears that limited growth may be returning to some of the G20 economies. However, the L20 is concerned that growth remains excessively fragile and risks are on the downside. Most importantly, as the ILO's Employment Trends Report¹ notes, this “**weak economic recovery does not extend to jobs**”. Global unemployment has risen to 202 million in 2013 and on current policies is forecast to continue to rise by more than 13 million up to 2018. Unemployment therefore risks becoming structural unless tackled. With youth unemployment at nearly 75 million with rates double the adult rate in many G20 countries, the young have become the most obvious victims of the crisis.
2. These forecasts are unacceptable – there will not be a satisfactory recovery until job growth is restored and unemployment and informality are falling across the G20 countries. The first priority of the ETF must therefore be **to ensure that there is a consistent narrative on the need for quality job creation that is integrated in the mainstream policy formation of the G20 and mainstreamed into national growth plans**. Action by Labour Ministers is essential but achieving broad success requires coherent employment strategies across government and above all a commitment by Economic and Finance Ministers to prioritise employment in their own policy strategies. **The joint Labour and Finance Ministers' Meeting that was held in Moscow in July 2013 must therefore meet again in 2014** to prepare for the Leaders' Summit in Brisbane in November and speed up action on job creation and inclusive growth in a coordinated and coherent manner.
3. Agreements reached at the G20 Finance and Labour Ministers' meeting in Moscow in July 2013 and at the Saint-Petersburg G20 Leaders' Summit in September 2013 set out a range of commitments that if acted on could break out of the vicious cycle of high unemployment and low growth and set in motion a virtuous cycle of renewed growth, job creation and confidence of both, households and investors. **The country-specific plans for employment that are to be prepared by the ETF must take the Moscow and Saint-Petersburg commitments² as a benchmark and launch policies to achieve these results or else explain why action has not been taken.**

¹ International Labour Organisation, Global Employment Trends January 2014 ;

² Paragraph 8 of the [Moscow Ministers' Communiqué](#) set out 6 priority actions that are supported by the L20.

4. Building on the Moscow recommendations, national growth plans must include a set of employment friendly macroeconomic, financial and labour market policies. Clear targets should be set in all these areas. Priorities must include:

- Targeted **investments in public infrastructure** that create jobs in the short term but also improve long-term productive potential and support the transition to a low-carbon economy that can generate green and decent jobs;
- Support for low and middle incomes to both **reduce inequality** but also to inject purchasing power into the economy and trigger productive investment;
- As called for in Moscow: “Labour market and social investment policies that support aggregate demand and reduce inequality, such as broad-based increases in productivity, targeted social protection, appropriately set **minimum wages** with respect to national wage-setting systems, national **collective bargaining arrangements**, and other policies to reinforce the links between productivity, wages, and employment”³;
- Strengthening **workers’ rights and social protection** so as to formalise informal jobs and promote inclusive labour markets;
- Fostering youth employment, by introducing **youth guarantee approaches**, promoting vocational training and apprenticeships;
- Action to facilitate **employment, participation and equity** for those groups with low activity rates – notably women and minority ethnic communities. This must include investment in childcare facilities.

5. In 2013 the L20 and the B20 reached a common understanding in support of **quality apprenticeship system**⁴. It is our intention to work with the B20 to deliver on these commitments over the months ahead and ensure that actions by the social partners are reinforced by governments. We will also work with the B20 to develop strategies for increasing infrastructure investment with a specific focus on harnessing workers capital for long-term investment in line with the OECD Principles for long-term investment⁵.

6. The L20 is ready to work with the ETF to follow up on its mandate to work for **improved worker safety** along supply chains so as to achieve broader support for promising initiatives notably the Bangladesh Safety Accord⁶ and more active implementation of the OECD Guidelines on Multinational Enterprises⁷.

³ Ibid.

⁴ [Key Elements of Quality Apprenticeships – A Joint Understanding of the B20 and L20](#)

⁵ <http://www.oecd.org/daf/fin/private-pensions/G20-OECD-Principles-LTI-Financing.pdf>

⁶ <http://www.industrial-union.org/bangladesh-safety-accord-implementation-moving-forward>

⁷ [OECD Guidelines for Multinational Enterprises](#)