



## **ITUC/TUAC EVALUATION OF THE G20 LABOUR AND EMPLOYMENT MINISTERS' CONCLUSIONS**

**PARIS, 26-27 SEPTEMBER 2011**

### **Overview**

1. The second meeting of G20 Labour and Employment Ministers was held in Paris on 26-27 September 2011 at the same time as forecasts from the ILO, OECD and IMF pointed to collapsing economic growth and the risk of a renewed rise in unemployment as the crisis moved into its next, dangerous phase. A joint ILO-OECD statement issued at the meeting called for the G20 to “provide leadership and give a clear sense of commitment to address the jobs crisis”. The ILO-OECD background analysis<sup>1</sup> for the meeting shows that there is an annual shortfall of 21 million in the jobs needed to return G20 countries to pre-crisis unemployment levels by 2015. Absorbing that shortfall would require 1.3 percent employment growth per year over the next three years. By comparison, for G7 countries, the OECD estimates that, on the basis of current growth forecasts, employment is likely to grow at an annualised rate of only 0.2 percent in the final quarter of 2011.

2. Against this grim background the Labour and Employment Ministers showed a rare sense of urgency in their conclusions<sup>2</sup>, warning of “a risk of new crisis, and serious consequences for labour markets”. They “committed to urgently renew our efforts to promote creation of decent jobs and support workers and their families affected by unemployment and precarious employment”. In their recommendations to the Heads of Government, who will meet at the Cannes G20 Summit in November 2011, they “call on our Leaders to re-emphasise employment as a key objective of economic policy”.

3. The Chair of the Cannes G20 Summit, President Sarkozy, addressing the Ministers, said that employment “must be at the heart of our priorities” and that “the G20 will only maintain its legitimacy if it is able to show its effectiveness for growth and employment”.

4. The conclusions of the Ministerial also stressed “the essential role of social dialogue” and, with reference to consultations held with the social partners at the outset of the meeting, stated that “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

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<sup>1</sup> G20 Labour Ministerial: Joint Statement by OECD Secretary-General Angel Gurría and ILO Director-General Juan Somavia.

<sup>2</sup> Conclusions and other background documents are available at the following URL :  
<http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/multilateral-system/g20/lang--en/index.htm>

unemployment". They also "noted" that the "Labour 20" (L20) and "Business 20" (B20) are to meet alongside the G20 Summit in Cannes.

5. Ministers took the decision to meet again to hold their third Ministerial under the Presidency of Mexico in 2012, which is a potentially important step towards establishing Labour Ministerials as a permanent feature of the G20 process.

6. The ITUC and TUAC welcomed these statements, calling on the need for G20 Leaders and Finance Ministers to act on the message delivered by their Labour and Employment Ministers<sup>3</sup>. Whilst overall, the conclusions of the meeting fall short of the demands set out in the Global Unions Statement<sup>4</sup> and presented to Ministers by a 40-strong trade union delegation, they nevertheless represent progress, particularly compared to the outcomes of G20 meetings held since the first G20 Labour Ministerial in Washington in April 2010.

## **Employment**

7. In response to a key demand of the Global Unions, Ministers agreed to establish a Task Force on Employment. The Task Force will be intergovernmental (co-chaired in the first instance by France and Mexico) and will focus, at least initially, on youth unemployment. Its terms of reference provide that it may "consult relevant international organisations, in particular the ILO and the OECD, and social partners as appropriate". Unions had called for the Task Force to be tripartite in structure and to have a broad mandate, so its final form falls short of expectations. Nevertheless, it is an important step towards ensuring follow-up and implementation of G20 employment commitments. The ITUC and TUAC will ensure that the labour movement is fully engaged in the work of the Task Force as a key priority.

8. Stating that "employment is our main priority", Ministers set out their commitment to "promoting policies and institutions that enhance the job content of economic growth and contribute to create the quality jobs our people need". Their recommendations called on Leaders to prioritise employment, including setting up the Task Force, and to promoting different forms of dual training systems including apprenticeships and knowledge exchange on strategies of linking education and training to jobs. Of concern however is the fact that the conclusions continue to talk of "public private partnership" (PPP) approaches to education and training rather than a tripartite approach. Ministers also recommended the implementation of labour market policies designed to ensure the matching of supply and demand and that support SMEs "especially to formalize their workforce and improve working conditions". They asked the ILO and "as appropriate the OECD" with the participation of the IMF to carry out further analysis of the medium-term outlook for and interaction between growth, jobs and social protection, as well as to identify vulnerable groups and training needs in line with the G20 Training Strategy adopted in Toronto (June 2010).

9. While many of the above supply side policies are necessary and potentially welcome, it must however be noted that Ministers showed no recognition of the role of demand side measures in addressing the scale of the current jobs crisis.

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<sup>3</sup> <http://www.ituc-csi.org/g20-labour-ministers-map-a-path.html>

<sup>4</sup> [http://www.tuac.org/en/public/e-docs/00/00/09/A8/document\\_news.phtml](http://www.tuac.org/en/public/e-docs/00/00/09/A8/document_news.phtml)

## **Social Protection Floors**

10. In potentially one of the most significant developments, Ministers recommended the development of “nationally defined social protection floors”, the better coordination of international organisations on social protection floors, and ensuring effective funding. In making these recommendations they noted the Bachelet report<sup>5</sup> and the 2011 ILC conclusions on social protection. They describe national floors as “a strategy for the extension of social security, comprising a basic set of social guarantees for all and the gradual implementation of higher standards”. While it is up to governments to determine the nature of their floor “with full sovereignty”, the floors are defined in line with the ILO Global Jobs Pact, as “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”. The Ministers called for “relevant international organisations” to support countries to develop indicators to map progress to establishing social protection floors (hence overcoming the opposition of some governments to any reference to such indicators). The IMF is called upon to strengthen its cooperation with the ILO and other organisations to help governments “define the necessary fiscal policies [for] ... the progressive implementation of social protection floors.” The international community is called on, rather vaguely, to “suggest new ways of supplementing international solidarity arrangements”.

## **Social and Labour Rights**

11. The Ministers agreed to step up efforts to “promote effective application of social and labour rights” on the basis of the ILO Declaration of Fundamental Principles and Rights at Work “in conjunction with the ILO and we underscore the critical role of the social partners.” However, they refer only to promoting “working relationships based on effective social dialogue”, rather than the need to strengthen collective bargaining, which was included in the conclusions of the first G20 Labour Ministers’ meeting held in Washington in April 2010. In Washington, President Sarkozy had called for ILO core labour conventions to be ratified by all G20 countries. These conclusions fall far short of this, as Ministers only encouraged the ILO to continue to promote ratification and implementation. They do, however, underscore the need for compliance and the important role of labour inspectorates. No reference is made though to the need to implement the OECD Guidelines for Multinational Enterprises – despite the support expressed for the Guidelines by both workers and employers in the Ministers’ Consultation with the Social Partners held on 26 September.

## **Coherence of Economic and Social Policies**

12. The section on the coherence of economic and social policies appears to be watered down compared to earlier stated ambitions of the Presidency and indeed the focus of the May 2011 High-Level G20 Conference on Coherence. Whilst the conclusions do give the important message that Labour Ministers can no longer work in isolation, they fail to include any practical steps. There is a recommendation for “multilateral organisations with an employment and social mandate ... to assess the social impact of the economic and financial policies advocated by other organisations” but a mandate is not explicitly attributed to the

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<sup>5</sup> Report of the UN Social Floor Advisory Group, chaired by Michelle Bachelet.

ILO to carry that out, as in earlier drafts of the conclusions. However the ILO's role in the G20 Framework, under which the Mutual Assessment Process (MAP) indicators are assessed, is explicitly welcomed.

### **Conclusion**

13. The meeting, in part as a result of Global Unions' advocacy, did give an important message on the urgency of the employment situation – the question now is whether the G20 Leaders and Finance Ministers will hear the message?