

G20 Labour and Employment Ministers' Conclusions
Guadalajara, Mexico, 17-18 May 2012

1. Since our last meeting in Paris in September 2011, the global economy has shown a modest recovery. Nonetheless, in most countries, this moderate growth is not reflected in employment rates, which have not yet returned to pre-crisis levels. In some of our countries, the rate of unemployment and the number of people in informal and precarious jobs continues to require ongoing attention. According to the International Labour Organisation (ILO), there is still a global deficit of around 50 million compared to the situation before 2008.
2. As stated by our Leaders in Cannes, “employment must be at the heart of the actions and policies to restore growth and confidence that we undertake under the Framework for strong, sustainable and balanced growth.” In Pittsburgh, they agreed to put quality jobs at the heart of the recovery. We fully reaffirm that commitment and we emphasize that the creation of quality employment is more crucial than ever.
3. At the meetings in Washington, D.C., in April 2010, and Paris in September 2011, we agreed on the importance of promoting policy actions that allow overcoming the social and employment effects of the crisis. In Paris, we stressed the importance of improving active employment policies, particularly for youth and other vulnerable groups; strengthening social protection by establishing nationally determined social protection floors; promoting effective application of social and labour rights; and strengthening the coherence of economic and social policies. These objectives, which are mutually reinforcing, remain high priorities as they are the basis for promoting a strong, sustainable and balanced growth.
4. One of our main concerns is the creation of quality jobs. Quality employment can contribute to a more stable growth that helps individuals overcome poverty and become more socially included, as well as improving income distribution. Governments, workers and employers acting together through social dialogue can make an essential contribution to these goals.

5. Promoting quality employment is one of the major challenges facing G20 economies. The complex labour market situation in most of our economies has severely impacted some segments of the population, particularly youth and other vulnerable groups. Unemployment rates among young women and men are twice the overall unemployment rate and in some countries even higher. The sense of urgency was shared during our meeting in Paris in September 2011 and confirmed by our Leaders in Cannes who agreed to create a G20 intergovernmental Task Force on Employment, which, since its inception in December 2011, has been identifying strategies for youth employment based on best practices and policy responses.

6. Finding ways out of the jobs crisis requires us to identify innovative initiatives, particularly in growing areas. We should explore the potential of green growth, in the context of sustainable development, as a means to foster the creation of quality jobs, inclusive economic growth and the sustainable use of natural resources.

7. In our meeting in Guadalajara, we discussed policies to create quality employment, successful strategies to promote youth employment and options to generate jobs linked to green growth. Even though many challenges are shared among countries, the priorities for action must reflect different national contexts and realities. From our dialogue, we present the following conclusions:

I. Creation of quality employment and decent work

8. The crisis has had diverse effects for the G20 economies. Our role as Labour and Employment Ministers responding to the crisis is crucial to promote the creation of more quality jobs within the formal sector, with decent wages and social security coverage. Our role is also to protect workers' rights while fostering policies and programmes that allow workers to acquire the skills required in the labour market to give them access to employment opportunities.

9. Decent work expresses the hopes of our populations for a better future and plays a significant role in improving their living standards. Creating the conditions to provide those who enter the labour market with decent work will lay the foundations of a more

equal society in which people better share the benefits of globalisation. Therefore, we reaffirm our commitment to continue encouraging employment, social protection, social dialogue and full respect of the fundamental principles and rights at work.

10. As Ministers, we shall continue supporting and implementing policies that foster job opportunities, provide training, enhance skills and increase employability. These activities lead to greater productivity thereby contributing to strengthening economic development, attracting investment and increasing social cohesion.

11. Promoting equal opportunities in the labour market is a key pillar for shared growth and development. Therefore, we will continue to promote policies that increase people's employability, match skills with market needs, improve public employment services, integrate gender perspectives in policies and programmes, and fight any kind of discrimination in workplaces.

12. Social protection systems play an important role as automatic stabilisers in the crisis. At the meeting in Paris, we agreed to develop "nationally defined social protection floors with a view to achieving strong, sustainable and balanced economic growth and social cohesion." In this sense, and within our responsibilities and resources, we will contribute to developing policies that improve our social security systems, to reach an appropriate balance between efficient active labour market measures and effective social protection. We will also encourage better cooperation with the G20 Development Working Group to assist developing countries in capacity building for implementing nationally determined social protection floors. In this perspective we welcome the efforts of coordination, cooperation and knowledge sharing among international organizations, which are in line with our conclusions in Paris. In consequence of our recommendations made in Paris, we welcome the cooperation that has taken place between ILO and IMF, in collaboration with other international organisations, on sustainability of social protection floors and encourage its continuation. We look forward to the possible adoption of an ILO recommendation on social protection floors during the upcoming International Labour Conference in June 2012.

13. In view of the large share of employment in informal activities in some of our countries and the consequent low productivity and quality of employment, we should design and implement policies directed at increasing participation in the formal labour market. We should also devise ways to improve the conditions of workers in the informal sector. Those countries should make social protection policies more effective, while expanding their coverage to include previously excluded workers, particularly those in the informal economy. These measures should also help transition from the informal to the formal sector.

14. As our Leaders pointed out in Cannes, “actions to address immediate risks to recovery must be complemented by sustained, broad-based reforms to boost confidence, raise global output and create jobs.” Structural reforms should maintain employment as a priority, especially for youth and other vulnerable groups. These should also be a mechanism to promote gradual access from the informal to the formal labour market, that is, jobs with social security and fair and dignified income. They should also be based upon increasing the efficient functioning of labour market institutions. Structural reforms should contribute to tackling labour market segmentation and the informal sector. They can also promote the increase of production and income.

15. The implementation of structural reforms must not affect core workers’ rights and must ensure full respect for the Fundamental Principles and Rights at Work as set out in the 1998 ILO Declaration. In this sense, we reaffirm our commitment to respect, promote and realize those principles. In addition, we support the 2008 Declaration on Social Justice for a Fair Globalisation and the Global Jobs Pact.

16. It is necessary to continue promoting coherence between social, economic, financial, environmental and all other policies at the national and international levels, so that they are efficient and have an impact on the creation of quality employment. It is also important to strengthen coherence among international organisations. In this regard, we reiterate our support for the consultation of multilateral organisations with an employment and social mandate, when appropriate, to assess the social impact of economic policies advocated by other international organisations. We welcome the

development of multilateral cooperation, including South-South cooperation, to assist countries that request it to tackle multifaceted problems.

17. We welcome the contribution and input of worker and employer organisations to the G20 Labour and Employment process. As stated in the ILO Declaration on Social Justice for a Fair Globalisation, social dialogue within and across borders is relevant to achieving solutions and building up social cohesion and the rule of law. In this regard, we will continue holding regular consultations with our social partners as part of the process of the G20 Employment and Labour Ministers' Meetings.

II. Promotion of Youth Employment

18. In the current economic context, young people are at very high risk of remaining unemployed or underemployed for long periods. The longer they remain in this situation, the harder it is for them to find a job, acquire or retain skills. This could have a long-lasting effect on our youth, potentially undermining their ability to fully integrate into the economy and thereby affecting both the individual and our societies. Given the importance of these issues, we will renew our efforts to address them.

19. We agree to strengthen our commitment to our youth by promoting the improvement of employability, equal opportunities, entrepreneurship and job creation for youth, providing them with skills and training matching labour market needs. We will strengthen, as appropriate, social protection mechanisms combined with active labour market policies to assist youth.

20. We acknowledge the work of the G20 Task Force on Employment in sharing our experiences and identifying suitable policy actions on youth employment. We will take its recommendations (see annex) into account in our policy development, adapting them according to our national circumstances and needs. We will particularly:

- Intensify our national efforts on tackling youth unemployment, where necessary, on one or more measures from a body of policy orientations and common experiences seen in the G20 Task Force on Employment.

- Promote, and when necessary, strengthen quality apprenticeship systems that ensure high level of instruction and adequate remuneration and avoid taking advantage of lower salaries.
- Consider programmes that have proven effective in allowing a successful school-to-work transition.
- Promote internships, on-the-job training, apprenticeships and professional experience.
- Foster sharing of experience in the design and implementation of apprenticeship programmes and explore ways to identify common principles across the G20 countries by facilitating a dialogue among our social partners who have presented us a shared sense of the importance of apprenticeships.
- Continue to cooperate with other Ministries and other stakeholders, where appropriate, to provide career guidance, education and to facilitate skills acquisition with a strong focus on developing work experience and promoting decent work.
- Support youth entrepreneurship, which might include the provision of advice, financial support, mentoring and the facilitation of mobility of young entrepreneurs.
- Explore voluntary technical cooperation programmes based on best practices that can be conducted by G20 countries in conjunction with countries seeking to address youth employment. These may be conducted on a bilateral basis, and where appropriate, together with international organisations.
- Request, as appropriate, that the ILO, OECD, and other international organisations work with our national institutions, taking into account our specific contexts and diversity, to analyse qualitative and quantitative data to better understand the situation of young people in G20 countries and inform policy development.
- Work with the ILO, OECD, other international organisations, and social partners to support the implementation of our national initiatives for youth employment.

III. Inclusive green growth as quality employment generator, in the context of sustainable development

21. Transition to greener economies, in the context of sustainable development, may open opportunities to reduce social inequalities and generate decent work. The transformation to new technologies will lead to the creation of new occupations and may

change skills requirements for existing jobs. A successful and fair transition to these new technologies will require better labour market information, the adaptation of training systems and new ways to improve the skills of workers, according to national realities and contexts. Hence, high-level cooperation among Ministries, across different levels of government and agencies and with social partners is needed to foster the creation of quality employment linked to inclusive green growth, harmonizing it with economic policy.

22. Active labour market policies should react to the changing labour market by providing access to effective job search services, adequate labour market information and training opportunities. Public employment services and other partners should play an important role by linking supply and demand, disseminating information on training opportunities, and providing an overview of the skills required to help workers benefit from green growth. An equitable transition that provides decent work, with a particular emphasis on occupational health and safety, for those who might be affected by measures resulting from efforts to implement green growth, should be considered.

23. Governments should encourage firms to adapt their productive and organisational processes to meet the needs of inclusive green growth. Particular attention is needed to ensure that small and medium enterprises, as the most important source of new and existing jobs, are part of green growth, by training and up-skilling processes of their workers, among other actions. Where appropriate, transfer of green technology in proper ways could be considered among companies as well as countries.

24. Green growth should be inclusive and contribute to poverty eradication and sustainable development. Social dialogue should contribute to promoting the greening of workplaces, work organisations and production methods.

25. We look forward to the results of the forthcoming United Nations Conference on Sustainable Development Rio+20, encouraging long-term sustainable development and the creation of quality jobs, especially for youth and other vulnerable groups.

IV. The way forward

26. We will present to the consideration of our Leaders the proposals and initiatives contained in these Conclusions. In summary, we believe that economic growth should be based on quality employment, that is, jobs in the formal sector, with social security, dignified income and full protection of labour rights. Particularly, we emphasize the need to promote policies that generate employment for youth and other vulnerable groups, and facilitate the school-to-work transition to ensure the long-term sustainability of our economies. We agree that inclusive green growth, in the context of sustainable development, may be a source of job creation, decent work and will require policies to facilitate the acquisition of new skills. Finally, we agree that quality employment contributes to poverty reduction and social inclusion.

27. We reaffirm the importance of policy coherence between growth and employment, and between macroeconomic and employment policies at the national and international levels. Therefore, we recommend our Leaders strengthen the cooperation between G20 Finance and Labour and Employment Ministers on the links between growth and employment. In this regard, we welcome the upcoming report from international organisations on how the G20 Framework for Strong, Sustainable and Balanced Growth can contribute to job creation.

28. We will ask our Leaders to take note that the current implications of high youth unemployment go beyond the immediate circumstance of youth: the current high levels of youth unemployment and underemployment in many countries impact the sustainability of our nationally determined social protection floors, and affect the speed of skill acquisition needed to sustain high productivity-led growth.

29. We will bring our Leaders' attention to the work accomplished by the G20 Task Force on Employment, namely with respect to the sharing of best practices, measures to improve the skills required to meet the needs of the labour market, the importance of adequate orientation tools for youth, and ideas to enhance nationally determined social protection floors.

30. Given the contribution made by the G20 Task Force on Employment in the last semester, we instruct it to continue exploring issues related to youth employment as it finalizes its present mandate in November 2012. We also instruct it to update its findings and the forum on best practices. We recommend that our Leaders support its extension for one more year, and consider that its focus should be decided under the leadership of the Russian Presidency in order to provide input for the Ministerial meeting to be held in 2013.

31. We appreciate the work done by the ILO and the OECD, with inputs from other international organizations, with respect to the links between the G20 Framework for strong, sustainable and balanced growth and job creation. In addition, we recognize the valuable assistance that the ILO and the OECD provided in the preparation of our meeting and invite them to continue their support for our work.

32. We acknowledge the importance of inclusive, diverse and constructive social dialogue during the Mexican Presidency of the G20. In this regard, we welcome the meetings of L20 and B20 that are taking place in 2012.

33. We also agree to hold our next meeting in 2013 under the Presidency of the Russian Federation. We thank the Mexican Presidency for its leadership and guidance. We welcome this, and we look forward to working constructively with Russia.