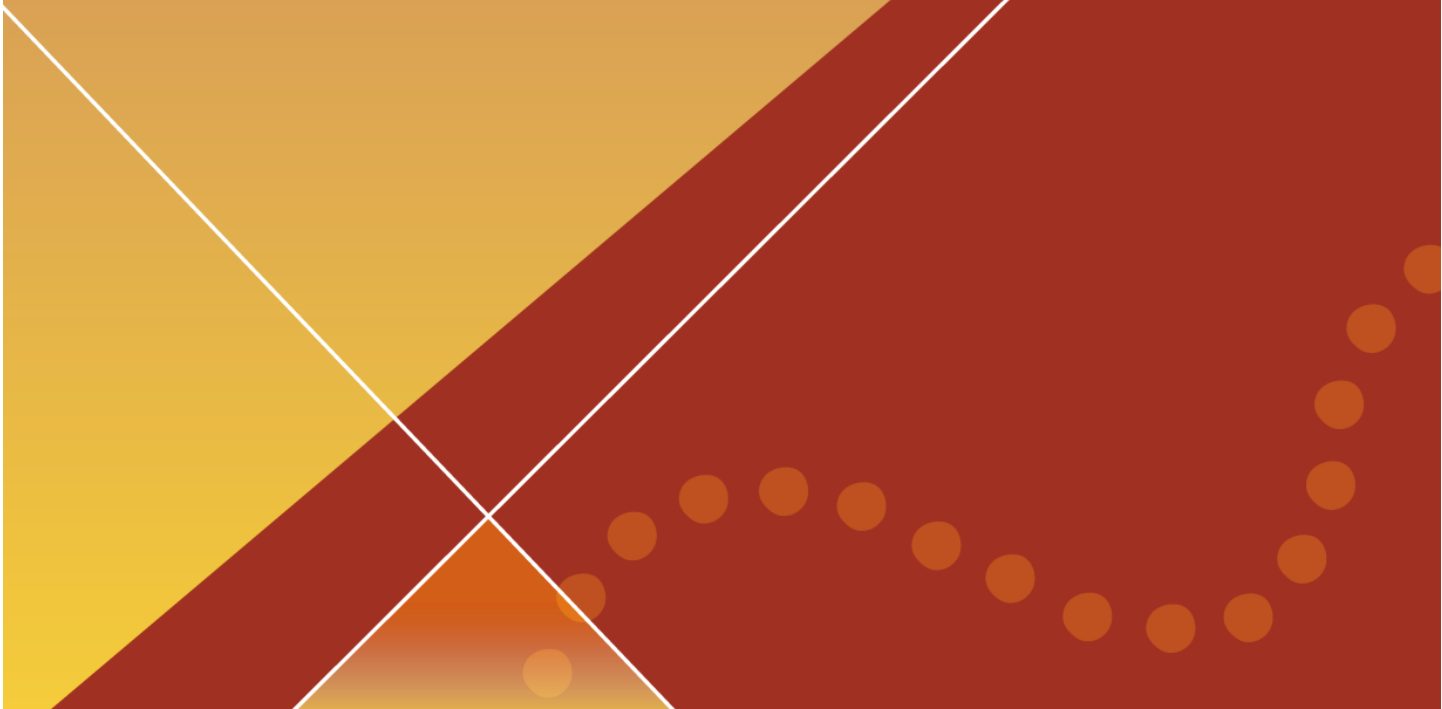
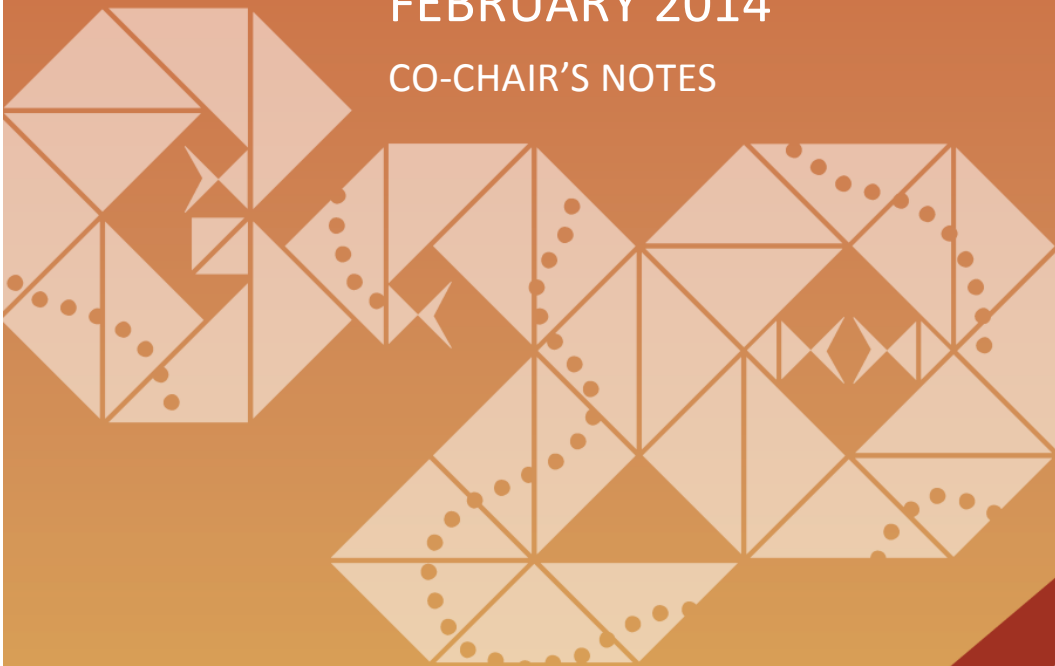


TASK FORCE ON EMPLOYMENT,
FEBRUARY 2014
CO-CHAIR'S NOTES



DAY 1

SESSION 1: OVERVIEW OF THE 2014 AGENDA AND WORKING ARRANGEMENTS

- The Australian co-chair, Ms Margaret Kidd, outlined the proposed Terms of Reference for the Task Force on Employment (TFE), including the deliverables, workplan, key dates and working arrangements.
- The main TFE deliverables under the Australian presidency will be the Ministers’ declaration, the Country Employment Plans and recommendations to Ministers.
- The dates and location of the second TFE meeting is confirmed as 10-11 April in Paris. TFE 3 is set for 22-24 July in Bangkok, but will be confirmed closer to the date. The Labour and Employment Ministerial is being planned for the week of 8 September and will comprise a one-day officials meeting followed by a one and a half day Labour and Employment Ministerial.
- There was agreement to establish a sub group on workplace safety, with several countries, the EU, ILO and OECD expressing interest in participating. Countries were asked to confirm their interest in participating by email to the secretariat, and the terms of reference for the group will be developed out of session.
- Several countries supported holding a joint Labour and Finance Ministers meeting. Ms Kidd noted that the Australian Government will not be holding a joint Ministerial, preferring for joint work to be undertaken at officials’ level, including through working groups where possible. Ms Kidd noted it was important that finance and employment officials work closely together at the national level.
- Members agreed to the proposed Terms of Reference, pending amendment to explicitly name the five Engagement Groups and noting that the B20 and L20 are social partners. The revised Terms of Reference will be circulated for final endorsement out of session.

Actions

- *Australia to make changes to the TFE terms of reference (with regard to the Engagement Groups) and circulate out of session for final agreement.*
- *Countries to advise of their interest in participating in the Safer Workplaces sub-committee by Wednesday 26 February. Australia will advise all TFE members of the final composition by the end of February.*
- *The Safer Workplaces sub-committee to prepare a Terms of Reference and consider how best to involve the B20 and L20 in this work.*

SESSION 2: LABOUR MARKET SITUATION, CHALLENGES AND OPPORTUNITIES

- The ILO delivered a presentation on the current global labour market situation. Key issues included:
 - The jobs gap which was caused by the slowdown since 2007 has not closed, and is widening at present due to the weak performance of the advanced economies.
 - Most countries have not been successful in reducing the proportion of long term unemployed, and there is a risk that this is becoming structural
 - Labour force participation has fallen across the G20 nations. However, female participation has been rising, and has increased very quickly in some countries.
 - The proportion of youth not in education or employment is a concern.
 - The ILO is ready to assist countries in developing their employment plans
- The OECD noted the considerable differences in economic performance between and within countries, and that growing levels of long term unemployment and income inequality are problematic.
- The World Bank noted that it is important to frame policy interventions in the context of country priorities and job strategies, and that these strategies should consider areas to boost employment as well as addressing labour market gaps (such as skills shortages).

SESSION 3: EMPLOYMENT PLANS AND PROGRESS REPORTING: G20 STRATEGIC CONTEXT

- Framework Working Group (FWG) co-chair Mr Jean Boivin emphasised the coordinating role the group is playing in bringing together the inputs from various G20 working groups to prepare national Growth Strategies. The Growth Strategies will have four themes: trade, investment, employment and competition.
- Australia’s Finance Deputy’s representative, Ms HK Holdaway, urged the TFE to be ambitious in developing employment plans, particularly in regard to supporting growth. Measures that boost employment and growth could be used for both the plans and the Strategies. The FWG is particularly interested in a quantitative estimate of the growth/employment dividend from the commitments made through the Strategies.
- The TFE expressed some concern around the timeframes for input into the Growth Strategies and an apparent ‘leading’ role of the FWG with regard to employment policy. It was agreed that early input into this process by the TFE was critical, to ensure the two processes were aligned and not in conflict. There is some urgency on this, as Finance Ministers are due to meet on 27-28 February to endorse the strategic framework and ‘level of ambition’ for Growth Strategies.

SESSION 3: EMPLOYMENT PLANS AND PROGRESS REPORTING: ANTICIPATING THE DELIVERABLES

- Australia thanked countries for their initial comments on the Country Employment Plan template and noted that the revised draft incorporated as many of these as possible.
- The OECD made a presentation on their gap analysis, noting three key areas impeding growth: insufficient jobs, insufficient jobs of a sufficiently high quality and a medium- to long-term gap in labour participation for particular groups. The ILO noted that the gaps identified by the OECD need to be further broken down by country and cohort, as the high-level numbers are masking more specific problems underneath.
- Discussion centred around four main areas:
 - Linkages between the FWG’s Growth Strategy and the Country Employment Plans need to be better articulated. Members agreed the TFE needed to drive the incorporation of the Country Employment Plans into the Growth Strategies.
 - Members agreed that a short narrative was needed on why employment is important for growth. The ILO agreed to draft a first version for comment by all members. This will be circulated by Australia for comment, with a view to putting it up to either the next Sherpas or Finance Ministers’ meeting.
 - Whilst a flexible approach needs to be taken with completing the Country Employment Plans, to the extent possible, there needs to be consistency with indicators and definitions, the inclusion of previous commitments and a limit on the total document size.
 - Further discussions are needed on how the monitoring of previous and up-coming commitments will be undertaken.

This session continued in the morning of Day 2

- With regard to the Country Employment Plans:
 - Australia will not prescribe challenges, but a list of three challenges will be put forward as examples for countries to consider. This is likely to be participation, structural unemployment and quality jobs.
 - If the TFE can agree on a collective goal in one or more of these areas, that would demonstrate the value of the process. But more information is required before we can agree collectively to a specific commitment, including what Finance Ministers agree to in terms of growth targets. Ms Kidd suggested that goals could be structured around closing the participation gaps for specific groups.
- With regard to developing the Ministers’ Declaration, members agreed:
 - A ‘building block’ approach will be followed, with each meeting discussing material that can be incorporated into the draft Declaration – i.e. on participation, local job creation, structural unemployment and other issues. Building blocks to be circulated after each meeting.

- In the third meeting, the TFE can focus on a draft declaration, which will be prepared prior to the meeting.

Actions

- *Australia to revise and re-issue the Country Employment Plan Templates, taking into consideration the comments made at the meeting.*
- *Australia to provide a mock-up of a completed Country Employment Plan.*
- *TFE members to work closely with their Framework Working Group counterparts to best ensure alignment of the Growth Strategies and Country Employment Plans.*
- *International Organisations to provide advice on the extent to which gaps, impacts and commitments can be quantified and how this might inform the development of targets.*
- *The ILO in consultation with the OECD and World Bank, to draft a short narrative on why employment is important for growth. This will be circulated to members for comment.*
- *Australia to circulate draft Building blocks [for the Declaration] after each TFE meeting.*

SESSION 4: PANEL SESSION WITH ENGAGEMENT GROUPS ‘ENABLERS OF PARTICIPATION’

- The B20 is looking for action on four key areas, financing growth, infrastructure, trade and human capital (in particular maximising job creation, removing blockages for new and small business and promoting entrepreneurship). They are looking for policies that are practical, actionable and measurable.
- The L20 identified six priority areas: integration (of policies), investment and infrastructure (private investment funded through pro-growth policies), inequality (which is bad for growth), inclusion (where skills and training are critical) and informality.
- The C20 identified inequality as a key challenge and stated that education is a key policy area to address this. They stress the need to focus on job creation and putting in place policies to build resilience and adaptability – especially for youth and women.
- The T20 suggested that investment and the improved availability of labour inputs (participation, skills and efficiencies) are needed to boost growth in all countries (developing and developed). The T20 recommends that draft action plans be released for public scrutiny as a means of increasing public engagement in the G20 and building pressure for reforms.
- The Y20 wants a bolder, more ambitious plan to deal with youth unemployment. They called for an evidence-based approach to identify what works for youth, and for policy settings that facilitate the transition of good ideas into real action.

DAY 2

ADDITIONAL ITEM: RELATED G20 YOUTH AND MACROECONOMIC POLICY EVENTS

- The European Commission delegated advised that on 8 April 2014, the EU will hold a joint EU-G20 youth event in Brussels. The meeting is entitled, “Youth Guarantee: making it happen”, and will focus on the implementation of the EU’s Youth Guarantee initiative as well as short and longer term perspectives on how members could learn from each other.
- The OECD advised that they will also hold a joint G20, OECD and European Commission event in Paris on 9 April 2014. This event will focus on apprenticeships and will review progress, share best practice and identify further

issues to be addressed. The OECD suggested a survey to inform this meeting. Members were assured that participation in the survey was voluntary, but the co-chair noted that it aligns with commitments in the St Petersburg Declaration to undertake further monitoring – particularly in regard to youth.

- Argentina provided feedback on their recent ‘Consistency between macroeconomic and labour market policies’ conference. The conference had a focus on the implementation of the employment agenda and the integration of public policies to promote jobs and growth. It also discussed other themes which strongly align with the broader goals of the G20 in 2014, including improving integration and public investment as well as strengthening innovation.

Actions

- *Each country to decide individually, whether they will attend the EU and OECD youth meetings (on 8th and 9th April in Brussels and Paris respectively) prior to TFE meeting 2.*

SESSION 5: BOOSTING PARTICIPATION, ESPECIALLY AMONG WOMEN: IDENTIFYING POTENTIAL RETURNS AND OBSTACLES

- Key points from the OECD presentation were that weak labour market conditions are impacting a number of groups including women and the mature aged. The OECD also discussed their set of policy principles for improving women’s participation which were agreed to by the OECD countries, Russia and several other countries in 2013. The OECD noted that any specific policy actions and targets around participation should be tailored to countries’ individual circumstances.
- The ILO recommended selecting targets and commitments, and noted that many G20 countries have done so already. They also restated the need to undertake further analysis of labour market segmentation. The ILO raised the importance of gender-based wage and employment gaps, and noted that labour market experiences differ between different groups of women, with not all being disadvantaged. The World Bank stressed the importance of focusing on the issues of education, employment, entrepreneurship and equal treatment in the labour market.
- Whilst there was broad support for a focus on women’s participation, it was noted that consideration should be given to other groups, including those with disability, migrants, youth and rural workers.
- There was broad support for the OECD policy principles, including taking them forward for endorsement by Labour and Employment Ministers later in the year (amended as appropriate following review by member countries).
- The TFE supported a broad focus on participation in employment plans, with a specific emphasis on female participation for the Growth Strategies. However the focus will vary according to individual country priorities.

Actions

- *International organisations to review their background papers based on comments at the meeting. Further work will be conducted by the TFE to develop and agree a core set of principles around labour market participation. Australia will develop a first draft, based on these papers and discussion in the meeting, and circulate to members for comment. This will form the basis of the building blocks for the declaration.*
- *Australian to circulate the OECD paper on participation and gender issues for consideration by the TFE, with a view to incorporating comments and suggestions from member countries and agreeing a final version for publication at the July TFE meeting.*

SESSION 6: EFFECTIVE LOCAL JOB CREATION AND PARTICIPATION STRATEGIES: IDENTIFYING POTENTIAL RETURNS AND OBSTACLES

- The OECD paper on local job creation noted that regions can fall into one of four categories:
 - Low skills equilibrium (weak demand for skills and low supply of skills);
 - Skills surplus (weak demand for skills and high supply of skills);
 - High skills equilibrium (strong demand for skills and high supply of skills);
 - Skills shortage (strong demand for skills and low supply of skills).
- The OECD presented a set of draft principles for consideration by the TFE, including greater flexibility, partnerships with private and community sector groups, more attention to labour market transitions over the life cycle, and disaggregating data to support analysis at the local level.

Actions

- *Australia to work with the OECD to amend the paper on Local Job Creation to include some discussion on labour mobility. The revised paper will be circulated to members for comments, prior to agreement by the TFE.*
- *TFE to undertake further work to develop and endorse a core set of principles around local job creation.*

CLOSING: OTHER ACTIONS

Actions

- *International organisations to undertake some work on structural unemployment, ahead of the April TFE meeting.*
- *Australia to seek to identify further options for joint work between the TFE and other working groups.*
- *Invitations for the members-only web page (called Govdex) will be re-sent to all members. All papers, presentations and photos from this meeting will be up-loaded to the Govdex site. All earlier material from the Russian presidency will also be uploaded to this site.*

