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G20 Research Group



HIGHER SCHOOL OF ECONOMICS
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Civil20 Conference

Round Table on Labor and Employment

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MAPPING G20 DECISIONS IMPLEMENTATION

How G20 is delivering on the decisions made

report prepared with support of



Goal: to analyze G20 members' implementation of the commitments made at G20 summits

- impact or effectiveness of G20 actions not estimated

Methodology

- individual and institutional commitments
- monitoring period from adoption of a decision to end October 2012
- scoring system: +1 full compliance; 0 partial compliance/work in progress and -1 non-compliance

Labor & Employment: Structural Reforms

2009 Pittsburgh – onwards

Commitments:

Seoul: Labor market and human resource development reforms, including better targeted benefits schemes; education and training to increase employment in quality jobs, boost productivity and thereby enhance potential growth.

Cannes & Los Cabos: individual commitments.

Advanced economies: **labor market reforms**, market liberalization, financial regulation.

Developing economies: market liberalization, financial regulation, investment in infrastructure, tax reforms.

Countries with current account surplus: strengthening social protection, stimulating competitiveness, equal development opportunities for all industries.

Main objective – increasing internal demand.

Countries with current account deficit: **Increasing employment and productivity, reforming the public sector**, maintaining fiscal balance.

Main objective – lower dependence on external markets.

Labor & Employment: Structural Reforms

«Structural reform commitments are particularly difficult to assess, in part due to the length of time it takes to implement them and witness their effects» (Los Cabos Growth and Jobs Action Plan).

5 broad areas according to OECD: **strengthening labor market and HR development**; market liberalization; tax reforms; investment in infrastructure; financial regulation.

Compliance:

Financial regulation (**0.60**);

Investment in infrastructure (**0.40**);

Strengthening labor markets and HR development (0.31);

Tax reforms (**0.27**);

Market liberalization (**0.03**).

Labor & Employment: Structural Reforms

Labor & employment structural reforms implementation in G20 by countries

	Strengthening labor market and development of education	
	No. of measures	Average score
Australia	4	0.5
Brazil	2	1
Canada	1	-1
China	2	0.5
EU	1	1
France	4	0.5
Germany	4	0.25
India	2	-0.5
Indonesia	2	0
Italy	3	0.33
Japan	2	0
Mexico	1	1
Korea	2	0.5
Russia	—	—
South Africa	3	0.67
Turkey	4	-0.25
UK	2	0.5
US	3	0.33
All members	42	0.31

Labor & Employment: Structural Reforms

Recommendations:

1. Diversity of structural reforms priorities defined by the countries' individual circumstances precludes a one-fits-all list of commitments for all G20 members.
2. Reinforce direction setting efforts providing scope for individual but coordinated commitments, with a focus on market liberalization and strengthening labor markets.
3. Incorporate education and HR development into G20 structural reform agenda, given their role for boosting jobs and growth in the long run.

Labor and Employment: Private Investment and Job Creation

Commitments

Individual:

Identify & promote responsible private investment in value chains.

Mandates to IOs:

Provide reports with recommendations on assisting developing countries in attracting investment, stimulating investment in local enterprise development, promoting responsible investment in value chains and supporting the regulatory framework for foreign and domestic investment.

Labor and Employment: Private Investment and Job Creation

Compliance:

Individual:

16 members fully complied (G20 average: **0.80**).

Best practices:

Adopting national codes of responsible investment;
commitment to updated OECD Guidelines for Multinational Enterprises.

Mandates:

Fulfilled by UNCTAD, UNDP, ILO, OECD, the WB;
recommendations endorsed by G20; subsequent decisions made
(G20 score: **1**).

Recommendation:

Further action to promote responsible private investment practices domestically and in partner countries.