Joint Statement for G20 Labour Ministerial by ILO Director-General Juan Somavia and OECD Secretary-General Angel Gurría

ILO, 28 September 2011

The G20 Employment and Labour Ministers met in Paris on 26-27 September 2011 to assess the evolving employment situation in the context of the global financial crisis. On the occasion of the meeting hosted by the French government, <u>ILO</u> Director-General Juan Somavia and <u>OECD</u> Secretary-General Angel Gurría have issued a joint statement, expressing their concern over the seriousness of the jobs crisis. 200 million people are out of work worldwide, close to the peak recorded at the depth of the Great Recession.

As the G20 Labour and Employment Ministers meet today, we, the Heads of the International Labour Organization and the Organisation for Economic Cooperation and Development, wish to express our concern over the seriousness of the jobs crisis. 200 million people are out of work worldwide, close to the peak recorded at the depth of the Great Recession. Today, the jobs crisis is affecting the most vulnerable groups particularly



hard, amid growing long term unemployment, mounting youth unemployment and high and rising informality. This is the human face of the crisis. Governments cannot ignore it.

We commend the French Presidency of the G20 for putting employment and social protection at the centre stage of global policy discussions. We reiterate the critical importance of making quality job creation a priority. The G20 Labour and Employment Ministerial meeting offers a great opportunity for G20 countries to provide leadership and give a clear sense of commitment to address the jobs crisis. The recommendations of the Labour Ministers should then play a key role in preparing the outcomes of the G20 Summit in Cannes.

Economic growth is faltering in advanced G20 countries and slowing in most emerging economies. Job creation has been anemic in many countries, and not enough to reabsorb the mass of unemployed and under-employed. Twenty million jobs are still missing in the G20 countries to regain the pre-crisis employment rate, and the job shortfall may increase to even 40 million by the end of 2012 if the current low employment growth of 0.8 per cent were to persist over next year.

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Employment would have to grow at an annual rate of at least 1.3 per cent in order to return to the pre-crisis employment rate by 2015. Such a growth rate would generate some 21 million additional jobs per year, recover jobs lost since 2008 and absorb the increase in the working age population.



As outlined in our joint background papers for this Labour Ministerial, all G20 countries face considerable employment challenges, yet in very different contexts calling for differentiated policy responses. Where growth prospects remain strong, a key challenge is to promote quality jobs and reduce informality. In countries that still have fiscal space, investment including in infrastructure, should be prioritised. Where public

resources are tight, the focus should be on cost-effective measures - such as well-designed hiring subsidies - and on the most vulnerable groups. In particular, targeting youth through apprenticeship programmes and job search assistance will reduce the risk of young people falling into long-term unemployment and losing touch with the job market. Income support for the unemployed should be maintained or even reinforced where assistance is relatively low. But it is essential to combine income support with effective re-employment programmes to promote a quick reintegration to employment.

Our report also shows how social protection has played a significant role during the crisis in some countries by protecting the poor and other vulnerable people. Beyond the crisis, nationally-shaped social protection floors have proven to be an effective tool for reducing poverty and inequality, as well as boosting inclusive and sustainable economic growth.

The OECD and the ILO have worked together to bring objective analysis and advice to this Ministerial. Drawing on the consultations with the social partners, we pledge outmost efforts to support the G20 process going forward by strengthening opportunities for joint work to monitor labour market developments, to review policy responses to the jobs crisis and to help governments, in consultation with social partners, obtain and share views about good policy practices.

Our partnership is meant to ensure that employment and social protection are at the core of the G20 policy debate to lift output. It will underpin the effort of G20 governments to build better connections between employment and social policy measures and growth policies, enhancing the prospects to achieve the common goals of all G20 members.

Working together, and bringing the perspectives of our respective constituencies, will make our Organisations even stronger allies of all stakeholders interested in job creation, equal opportunities and inclusive participation.

For more information or to download ILO/OECD reports to the G20 please visit ILO and G20 web page

Further resources

ILO Publications

- ILO. 2011. *A new era of social justice* (pdf 1.25 MB) Report of the Director-General, Report I(a), International Labour Conference, 100th Session, Geneva, 2011 (Geneva).
 - Français (pdf 10.04 MB) Español (pdf 1.28 MB)
- ILO. 2011. <u>Global employment trends 2011: the challenge of a jobs recovery</u> (pdf 2.27 MB) (Geneva).
- ILO 2011. <u>Policy options to support young workers during economic recovery</u> (pdf 656 KB) (Geneva).
 - Français (pdf 748 KB) Español (pdf 690 KB)
- ILO. 2010. Don't waste the crisis: critical perspectives for a new economic model (Geneva).
- ILO. 2010. Employment and social protection policies from crisis to recovery and beyond: a review of experience, an ILO report to the G20 Labour and Employment Ministers Meeting, Washington, DC, 20–21 April 2010 (pdf 819 KB) (Geneva)
- ILO. 2010. <u>Employment policies for social justice and a fair globalization</u>, <u>Report VI, International Labour Conference</u>, 99th Session, Geneva, 2010 (pdf 1.55 MB) (Geneva).
- ILO. 2010. <u>Youth employment in crisis: Questions and answers on the situation of youth on the labour market</u> (Geneva)
 - Español (pdf 691 KB)
- ILO. 2009. *ILO Declaration on Social Justice for a Fair Globalization* (pdf 134.87 KB) (Geneva).
 - Français (pdf 1.59 MB) Español (pdf 144.50 KB)
- ILO. 2009. Labour market policies in times of crisis (pdf 699 KB) (Geneva).
- ILO. 2009. <u>Recovering from the crisis: a Global Jobs Pact</u> (pdf 93.22 KB) (Geneva)
 - Français (pdf 105.47 KB) Español (pdf 107.50 KB)
- ILO. 2009. *The International Labour Organization and the quest for social justice*, 1919-2009 (pdf 62.57 KB) (Geneva).
 - Français (pdf 75.64 KB) Español (pdf 70.03 KB)
- ILO. 2004. <u>A fair globalization: creating opportunities for all (pdf 2 MB)</u> (Geneva).
 - Français (pdf 2.25 MB) Español (pdf 1.18 MB)

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ILO Videos

- ILO Director-General interviewed at the European Parliament -
- Excerpts from ILO Director-General address to the European Parliament -
- Elements of a Socially Sustainable Globalization -
- Juan Somavia, ILO Director General Voices on Social Justice 🖪
- ILO Director General Somavia: Global Jobs Pact key to a job-rich recovery

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ILO Websites

- <u>ILO Global Job Crisis Observatory: Employment Promotion</u>
- ILO Global Job Crisis Obervatory: Youth Employment
- Global Jobs Pact
- Decent Work
- ILO Library: Ressource Guide on Youth Employment