

B20 ITALY



Employment & Education

POLICY PAPER 2021



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Foreword by the Task Force Chair

Employment and Education are two closely intertwined themes. I feel, however, that it is fundamental to highlight Education as our number one priority, taking into consideration all the remarks we have received in the iterative drafting process of this document.

As such, we have ordered the proposals of our paper to prioritise Skills-related topics as the first recommendation. We believe that learning can thrive when cross-sector partnerships are forged. Business, governments, and educational institutions should partner closely to better connect education and work. Allowing businesses to put a spotlight on the skills of greatest interest does not impoverish education, it ensures that younger generations will participate fairly in the labour market. Furthermore, it is imperative that education becomes a lifelong activity, especially in light of accelerating technological transformation. Effective lifelong learning systems are therefore a prerequisite to ensure effective upskilling and re-skilling.

We also underscore the urgency to implement labour market reforms that aim to improve total factor productivity, and that support a sustainable recovery from the Covid-19 crisis, through dynamic and flexible labour markets. This can be done by cultivating entrepreneurship skills, and by encouraging employment growth through supportive regulatory frameworks that enable entrepreneurs and promote diverse forms of work, accompanied by appropriate social protections. Another important element is ensuring that Active Labour Market Policies offer vocational training, work transition support, effective income security and the protection of vulnerable groups in society.

We close our set of recommendations by focusing on what can be done to re-design the workplace to ensure more inclusive opportunities. Vocational Education and Training, apprenticeships, internships, externships, all structured in close cooperation with the public sector, are all measures that can help achieve a drastic reduction in youth that are not in employment, education or training. Another priority is supporting women through training opportunities and through strengthened family-care provisions that can tear down obstacles to female employment.

I would like to close this foreword by proposing some food for thought for future iterations of the Task Force I had the honour to chair:

Are our systems adequately preparing us for future crises, like the Covid pandemic, or will we have to rely again on urgent, short-term interventions, without tools for structural responses?

Are our systems ready to encourage dynamism in our labour markets and in the economy, or will they continue to rely on passive measures, putting increasing pressure on our public administrations?

In many developed countries, fertility rates are falling, families are economically struggling, and companies cannot find workers with needed skills. How can labour markets react to these problems?

Whatever answers you find to these questions, I would like to stress something very dear to me: Education is, and will remain, a prerequisite for employment and eventually for productivity and growth. Education equals Employability and ultimately, Employment.

Sincerely,

Gianpietro Benedetti

Chair of the B20-Taskforce on Employment and Education
Chairman, Danieli



Foreword by the Taskforce Co-Chairs



Mr. Zhu Hongren
*Standing Vice-Chairman
 & Director-General, China
 Enterprise Confederation*

“The 2021 B20 Policy Recommendations of the Employment & Education Task Force represent the wisdom, efforts and voice of the business community from G20 countries on this important subject. They will have a positive impact on job creation and educational systems in G20 countries. I sincerely hope they will be recognised by G20 governments and more importantly, be implemented in the future”.



David Iakobachvili
*President of Orion
 Heritage Co, Ltd*

“The COVID-19 crisis has shown that we must adapt quickly to constantly changing knowns and unknowns. Social partners should focus already today on working together to ensure flexible labour markets, a favourable business climate and the active participation of businesses in preparing the workforce for future challenges”.



**Renate
 Hornung-Draus**
*Managing Director,
 Confederation of German
 Employers' Associations*

“The Italian B20 recommendations are relevant far beyond the G20. They have shaped business engagement in the ILO and the UN about the best ways to overcome the economic and social crisis provoked by Covid. As employers we need to fully leverage the work of the B20 and create synergies between the international and national policies for a resilient and sustainable recovery”.



Erol Kiresepi
*President, International
 Organisation of Employers
 (IOE), CEO, Santa Farma
 Pharmaceuticals*

“The Italian G20/B20 plays a crucial role in addressing the employment impact of COVID-19 and at the same time promoting a sustainable job recovery. This is the time for reshaping working and labour market structures for a better normal. The IOE and its members around the world fully support these B20 recommendations and are committed to contribute to their implementation”.



Mthunzi Mdwaba
*President & CEO of TZoro
 IBC, IOE Vice-President to
 the ILO*

“The Italian B20 recommendations come at a time where global cooperation has never been more important. Employers demonstrate to the world that there is a more balanced and inclusive future possible, once we realise that our actions and decisions have a global echo, with resultant impact, in the lives of people”.



Yves Perrier
Chief Executive Officer
at Amundi

“The Italian B20 recommendations are essential to raise awareness among G20 countries on the need to build strong public-private partnerships in order to align education frameworks with labour markets needs and industrial policies. Their implementation will be critical to prepare the future workforce achieving the challenges of the post COVID economy”.



Julie Sweet
Chief Executive Officer
at Accenture

“Employers and employees are ready to change on a scale rarely seen in history. Given this rare opportunity, B20 leaders are eager to capitalize on this crucial moment by partnering with the G20 to create a more fair, inclusive and sustainable future of work by harnessing the power of human ingenuity and technology to build that future”.

Recommendations: Executive Summary

Recommendation 1: Preparing workforce skills for future industrial revolutions - The G20 should prepare adults and children for a fast-evolving human+machine workplace with fast-evolving skills demands.

Policy Action 1.1: Forge partnerships across sectors to meet future workforce and skills needs – In the context of future industrial revolutions and sustainability imperatives, foster collaboration between business, government, higher-education institutions and NGOs on workforce and skills anticipation and planning.

Policy Action 1.2: Build effective lifelong learning systems – Enhance lifelong learning systems by upgrading curricula, utilising modern teaching techniques, improving transitions between study and work, and integrating effective financing and career management approaches.

Policy Action 1.3: Rethink physical and digital learning infrastructures Ensure digital access for learning to all citizens whilst optimising the blend of physical and digital learning approaches.

Recommendation 2: Improving labour market policies and regulatory frameworks to drive productivity and growth – The G20 should accelerate the implementation of labour market reforms, in partnership with the private sector and all stakeholders, to ensure dynamic and flexible labour markets that drive total factor productivity and a sustainable recovery.

Policy Action 2.1: Support entrepreneurship to drive business recovery, growth and employment – Enable entrepreneurs to create jobs at scale through supportive regulatory frameworks, training opportunities, and varied funding sources for SMEs, and by encouraging the teaching of entrepreneurship skills for all.

Policy Action 2.2: Promote diverse forms of work to stimulate job creation and growth – Adapt legislation and labour laws to recognise different contractual forms of work, accompanied by appropriate social protections and technologies that enable people and firms to choose different ways of working.

Policy Action 2.3: Improve the effectiveness and efficiency of Active Labour Market Policies (ALMPs) – Work across public and private sectors to improve the efficiency and effectiveness of ALMPs, including vocational training, work transition support, wage support and public works programmes, to guarantee income security for all and protect vulnerable groups in society.

Recommendation 3: Ensuring inclusive opportunities as we rebuild the workplace of the future – The G20 should partner with the private sector and with civil society experts and organisations to activate and formalise the full labour force, building a human-centred recovery and a fully-inclusive future of work.

Policy Action 3.1: Stimulate youth employability and youth employment – Enact evidence-based youth policies, including Vocational Education and Training (VET), apprenticeships, internships, externships, and the promotion of partnerships across public and private sectors to accelerate job creation.

Policy Action 3.2: Empower women across the workforce – Dismantle obstacles to female employment, and accelerate and incentivise training opportunities and job creation for women at all levels, including through strengthened family-care provision.

Policy Action 3.3: Foster healthy, decent, formal work for all, with appropriate social protections – Develop incentives to formalise work, ensure social protection for all, and safeguard workforce health, safety and well-being.

Introduction

A Moment of Consensus and Shared Ambition

The 2021 G20 Italian Presidency presents a defining moment for global leadership, with a chance to reshape the economic, political and social landscape for decades to come. The shared experience of the coronavirus pandemic has ignited a moment of awakening; it has stimulated consensus for action; and it has motivated individuals, organisations and entire societies to imagine a better future. The B20 Taskforce on Employment and Education commits to harnessing this momentum to kickstart a new era of job creation and productive growth.

With unmatched motivation and consensus for action across business, government and society, we have an opportunity to address longstanding flaws in labour markets and education systems that have hampered productivity and growth. We take this chance to articulate a bold vision for labour markets and education frameworks that will generate decent jobs, sustainable growth and inclusive development.

Amid the gravest employment crisis in living memory, the B20 Italian Presidency explicitly states its ambition to “Reshape the Future”. Our taskforce has the privilege to grasp this rare and historic opportunity to propose specific, actionable recommendations towards that goal.

A Commitment to Action and Implementation

We capitalise on this moment of consensus to assert our focus on action and implementation. This year, we explicitly incorporate metrics and indicators within the policy paper, allowing us to set targets and track progress over future years. The targets we propose run across all recommendations, such as Science, Technology, Engineering and Mathematics graduates; investment in Active Labour Market Policies; Youth Not in Employment, Education or Training; and Female Labour Force Participation. Notably, with dedicated work by the International Organisation of Employers (IOE), our paper also includes an assessment of how well G20 governments have implemented past B20 recommendations. We establish this focus on impact measurement as a formal part of the B20-G20 engagement process, in order to draw attention to unresolved challenges and to stimulate locally-relevant action plans.

As we go about implementation of our recommendations, we must strive to not only fix and correct existing problems, but also learn lessons from today’s crisis and put in place structural measures that will prepare us for future shocks.

Education equals Employability, and ultimately Employment

The urgent need to modernise education systems represents a good illustration of the implementation challenge. This topic has remained a persistent feature across G20 and B20 cycles; all stakeholders agree upon its crucial importance to unlocking sustainable productivity, growth and dynamic labour markets; yet implementation is seriously lacking. Today’s crisis, with its profound impact on youth and long-term employment prospects places new urgency on this longstanding issue. The time to act is now.

In many G20 countries, education systems have barely evolved in decades, despite the transformed landscape of work and transformed skills demands. Curricula must be updated to build knowledge and skills in areas that are relevant to current and future jobs. Perhaps most importantly, the habit and

thirst for continual learning should be instilled in children from a young age; building future generations of instinctive life-long learners. This requires teaching techniques that inspire and engage students through more active participation, such as project-based learning and immersive activities that involve “learning by doing”, rather than an over-emphasis on memorisation and regurgitation under exam conditions. We do not underestimate the investment implications of such a transformation, ranging from curriculum design to teacher training, but this transformation is an overdue investment in our future economic growth.

A collaborative effort to better align education with the labour market is also crucial. Policymakers, educational institutions and the private sector all have roles to play in developing robust platforms that match skills supply and demand. In fact, we call for education and skill-building systems to be much more demand-led, easing the transition between study and work. Recent advances in digital technologies offer new solutions to bring about such labour market efficiencies. This not only applies to improved matching of the supply and demand of jobs and skills, but also data-driven platforms to inform training and education institutions so that learning curricula can be adapted regularly. Beyond schools, these platforms will be a crucial underpinning for the design of agile lifelong learning institutions, where adults of all ages can re-skill and up-skill to find continued relevance in tomorrow’s fast-evolving labour markets.

Reversing an Unprecedented and Uneven Employment Crisis

It is difficult to understate the devastating impact of the pandemic on employment. The International Labour Organisation (ILO) estimates unprecedented global job losses equivalent to 255 million full-time jobs in 2020, approximately four times greater than the Global Financial Crisis of 2008-09.¹ Whilst the impact is felt by all, effects have been particularly harsh in sectors like travel and tourism, retail and manufacturing; among Small-and-Medium-sized Enterprises (SMEs) and the self-employed, including informal workers; and among vulnerable sections of the workforce, including the youth, women, older workers, migrants, and others.

The uneven impact of the crisis on employment exacerbates existing inequalities and increases trends towards a “K-shaped recovery”, where the gap between the advantaged and disadvantaged widens.

For example, even in countries that provided decent safety nets and protections for workers during the crisis, large sections of the labour force, such as the self-employed, platform and own-account workers and those in informal employment, did not have access to social protection. This affected many already-vulnerable workers especially hard.

Another important example is how dependence on digital solutions for both remote working and remote education during confinement has widened the economic and social divides between those

with adequate access to digital infrastructure, tools and skills, and those without. For business, this has highlighted the urgent need to boost digital capacity and skills. Digital capabilities have become essential to the running of any business, and many SMEs require support to keep up with the rapid development of these trends, especially in terms of digital skills.

¹ *ILO Monitor: COVID-19 and the world of work. Seventh edition. 25 January, 2021. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_767028.pdf*

The stark impact of these exacerbated trends brings new urgency to reverse these widening gaps. We must invest in systems that will shrink these inequalities and learn lessons from this crisis to design more empathetic policies and build resilience against future employment shocks.

Stimulating Job Creation

There can be no clearer immediate objective than our need to stimulate and accelerate job creation, and to ensure that strong incentives are established to support entrepreneurs, businesses and workers in their quest for employment growth. This includes targeted incentives and the dismantling of obstacles that employers of all sizes face in driving growth and employment. Workers must be given improved access to the full range of forms of employment, and actively supported through training and career guidance to ensure their relevance in a fast-evolving job market.

This unprecedented challenge demands an unprecedented focus by governments to develop relevant regulatory frameworks and reforms that will revitalise job creation and underpin labour markets that are dynamic, flexible, inclusive and relevant for the 21st century.

Catching Up with Accelerating Trends

This policy paper builds upon important recommendations from previous B20 rounds. But here again, the context of the pandemic has raised the urgency for action, as pre-Covid trends that reshape the future of work have only accelerated.

For example, the pandemic has been widely seen as an “automation forcing event” that accelerates the 4th Industrial Revolution, as witnessed by increasing investments in digital and intelligent technologies, as well as the increased use and familiarity with such tools by citizens and workers confined at home. Confinement also brought attention to the complexities of smart home-working, from flexible time management and balancing personal and professional time to cybersecurity, tech support and new norms of communication. The pandemic has thereby brought forward fundamental transformations to the world of work, including the human+machine era and the redefinition of the workplace.

During the pandemic period, issues related to green growth and broader social and environmental trends have also risen up the agenda for business leaders, governments and workers. The importance of diverse forms of work has also increased as employers and employees look for flexible options to manage work and life constraints and commitments.

These accelerating forces alert us to urgent action: Specifically, our regulatory frameworks, labour laws, education, training and career management approaches must be updated to ensure continued relevance to the fast-evolving world of work. Our institutions were already struggling to catch up, and now this challenge is more acute than ever.

Kickstarting a New Era of Productivity

In reshaping the world of work to meet these trends, a crucial objective for G20 countries must be to lay a new path towards greater productivity, which has remained elusive for so many years. Productivity growth is ultimately the route to raising standards of living, through improved firm competitiveness and wage growth. A focus on productivity, especially Total Factor Productivity, will pave the way to a more sustainable and resilient growth trajectory.

The recommendations of this policy paper are therefore grounded firmly in levers that will enhance productivity. From upgrading the education of future workers and lifelong training of existing workers, to encouraging technologies that will augment the way we live and work, and reforms that will reduce labour market inefficiencies, remove unnecessary administrative and bureaucratic obstacles, and provide safeguards that ensure healthy, decent work opportunities; our taskforce is committed to reigniting growth through a focus on productivity that benefits all members of society.

Partnering to Shape a New Path

In line with the B20 Italy focus on partnership and shared action, our taskforce has committed to an inclusive approach that involves consultation with a broad set of social partners. As such, we have made efforts to align our priorities and recommendations with our partners in related B20 workstreams, such as the Special Initiative on Women's Empowerment and the B20 Taskforce on Digital Transformation. We have also liaised with our G20 engagement partners at the L20 and W20, and the G20 Employment Working Group itself. Beyond this, we make efforts to align with other important initiatives that support cross-sectoral action on the future of employment and education, such as the ILO Centenary Declaration of 2019.

Beyond efforts to align across stakeholders, our ambition is to define a roadmap for business-government action. Governments and business should work together to lay the foundations for an inclusive recovery. We believe that through shared objectives and a collaborative spirit, we are well placed to seize this historic opportunity to build a future of work that is dynamic, productive and inclusive.

In fact, the only way to achieve our ambitious goal is through strong partnership, continuous dialogue and a shared commitment to act.

G20 Implementation Progress

Highlights from the IOE monitoring of G20 implementation progress

The legitimacy and the credibility of the G20 strongly depends on how far its commitments and joint approaches are ambitious and relevant, and on how far they are followed up and implemented at the national level. The International Organisation of Employers (IOE) has regularly monitored the uptake of B20 Employment and Education recommendations by G20 labour ministers, the implementation of G20 commitments in G20 countries, and the relevance of the G20 on the ground.

The IOE has evaluated the uptake of B20 recommendations by G20 Labour Ministers using a 0-3 point scoring system:

- The qualitative assessment of “Inadequate” indicates that the G20 has not addressed the issue at all, (0 points awarded).
- A score of “Poor” indicates that the G20 has, at minimum, taken notice of the subject, but that little or no action has been taken in response, (1 point awarded).
- A score of “Fair” illustrates that the G20 has recognised the business recommendation and has initiated at least some steps in response, (2 points awarded).
- A score of “Good” means that the G20 has effectively addressed the business recommendation, (3 points awarded).

Using this methodology, the uptake of the B20 Employment and Education recommendations for the years 2010-2017 has been assessed to be consistently “Fair” over the years, with the exception of the Chinese G20 Presidency in 2016, in which important initiatives such as the G20 Entrepreneurship Action Plan and the G20 Structural Reform Agenda were launched, and which achieved an overall score of “Good”.²

In 2021, the IOE monitored the uptake of the B20 recommendations for the years 2018, 2019 and 2020. Overall, the uptake continues to be “Fair”, with 1.9 points on average for 2018, 2.0 points for 2019 and 1.9 points for 2020.³ However, as in previous years, we see that the uptake has not been even across the B20 Employment and Education recommendations. The uptake has been much stronger in areas such as skills development, education and training, and female and youth employment. In other key areas, such as promoting diverse forms of employment, regularly assessing the impact of regulation on job creation, or promoting migration policies which are in line with labour market needs, the uptake has been rather poor. The need to support entrepreneurship and innovation were barely recognised by the G20 during this period.

² IOE/Deloitte/B20: *Ten years on: The G20 Employment Process—Successes, Challenges and Impacts*, 2018. Retrieved from: <https://www.ioe-emp.org/index.php?elD=dumpFile&t=f&f=133325&token=b2a4150f-87df21073b782751fadaa8fe99e3aebf>

³ IOE/Deloitte: *G20 during the COVID-19 pandemic Stress testing policies and actions*. June, 2021. Retrieved from: <https://www.ioe-emp.org/index.php?elD=dumpFile&t=f&f=155879&token=247b026b7ff016c0f6a84bc-861264d6591c2908e>

When it comes to the implementation of G20 commitments at the national level, the results are also “Fair” between 2018 and 2020, with an average score across G20 countries of 1.9 in 2018, 1.7 in 2019 and 1.55 in 2020. These assessments are based on the follow-up of G20 commitments in the G20 National Employment Plans, which every G20 country has to submit. Recognising that there are vast differences between countries, these results underline that there is significant room for improvement when it comes to implementing jointly-made G20 commitments at the national level.

This need for improvement is also reflected in the responses of representative employer and business organisations in G20 countries. When asked whether the priorities of the G20 National Employment Plan (NEP) of their respective countries are the right ones to tackle their employment challenges, these organisations awarded an average of 6.6 points out of 10. When asked to assess whether their national governments then fully implemented measures to address those priorities, the organisations gave a score of 6.3 points out of 10.

Overall, the impact of the G20 at the national level has been noticeable (6.8 out of 10 points), but this monitoring has highlighted again, that the G20 has not yet become a reform engine for jobs and growth. Particularly in view of the employment and economic impact of Covid-19, the G20 must fully unleash its potential by making more ambitious and relevant commitments, and by ensuring better follow-up for implementation at the national level.

Recommendation 1: Preparing workforce skills for future industrial revolutions

The G20 should prepare adults and children for a fast-evolving human+machine workplace with fast-evolving skills demands.

Policy Actions

1.1 Forge partnerships across sectors to meet future workforce and skills needs – In the context of future industrial revolutions and sustainability imperatives, foster collaboration between business, government, higher-education institutions and NGOs on workforce and skills anticipation and planning

- The G20 should build formal partnerships across business, government and academia, ensuring leading representation from relevant ministries and employers' organisations, to collaboratively plan skills assessment and anticipation exercises, and design consequent academic, vocational education, training and work transition systems.
 - The G20 should work across sectors to encourage and incentivise educational programmes, training and career guidance towards growth sectors such as the green economy, advanced technologies and the care economy.
 - The G20 should establish skills recognition frameworks to support the portability of skills across occupations and industries, as well as improved international recognition of skills certifications.
-

1.2 Build effective lifelong learning systems – Enhance lifelong learning systems by upgrading curricula, utilising modern teaching techniques, improving transitions between study and work, and integrating effective financing and career management approaches.

- The G20 should upgrade teaching techniques for adults of all ages to incorporate more experiential and project-based approaches, such as Vocational Education and Training and On-the-Job Training, as well as courses that include modular and digital formats, allowing tailored and flexible learning opportunities that can fit around work and life commitments.
- The G20 should upgrade school curricula to prioritise the development of a 'Growth Mindset' – an intrinsic desire for improvement and openness to new ideas and opportunities, as well as increasingly important skillsets such as critical thinking, creativity, complex reasoning and socio-emotional intelligence.
- The G20 should ensure that schools equip students with basic digital skills from an early age (digital literacy, computing education, knowledge of artificial intelligence), provide teachers with digital training to feel confident in digital skills themselves, and offer digital skills training for citizens of all ages.
- The G20 should invest in improving career management and support services across all physical and online learning institutions, and promote collaboration between Public Employment Services and private sector experts to enhance career transitions and labour market support.

- The G20 should design mechanisms to finance lifelong skill-building, ensuring appropriate contributions from government, business and workers, including tax incentives for companies investing in education systems and financial instruments to support the portability of training benefits as workers transition across jobs, sectors and ways of working.

1.3 Rethink physical and digital learning infrastructures – Ensure digital access for learning to all citizens whilst optimising the blend of physical and digital learning approaches.

- The G20 should collaborate towards bridging the digital divide by ensuring secure, affordable access to digital infrastructure, tools, skills and content for learning by all citizens.
- The G20 should reassess the physical infrastructure legacy of education systems, with a view to optimising the blend of physical and digital learning approaches.

Key Pilot Performance Indicator

The B20 Employment and Education Taskforce proposes that current and future G20 processes monitor progress on the **proportion of students graduating in subjects related to Science, Technology, Engineering and Mathematics (STEM)**. We also specifically urge governments to target the increase of **female graduates** in these subjects.

We encourage governments to ensure continuous improvement in this indicator, with the setting of relevant targets. More information on KPIs can be found in the Annex.



SDG impacted - 4: Quality Education - Recommendation 1 is primarily aligned to SDG 4.4 on “substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”. **8: Decent Work and Economic Growth** - Furthermore, it resonates with SDG 8.6 on substantially reducing the proportion of youth not in employment, education or training. **9: Industry, Innovation and Infrastructure** - Recommendation 1 also supports SDG 9.1, in particular the development of quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being. **17: Partnerships for the Goals** - The policy actions within this recommendation contribute to the achievement of SDG 17.17 which is to “encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships”, as well as SDG 10.3 which seeks to “ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard”.

Italy's G20 principles - *People*: Recommendation 1 supports the Italian G20 Presidency priority theme on People, in its ambition to “tackle the health and economic crisis in the short run but also look beyond and shape a sustainable, just, inclusive and resilient recovery (...) eradicate poverty, (...) tackle inequality (...)”; and the Presidency’s resolve that “policy actions must be centered around people, both at national and multilateral level”; (...) to “ensure universal access to education; redistribute opportunities within countries and decrease disparities between regions.” ***Planet*:** Recommendation 1 supports the Presidency’s priority theme on Planet, which argues for a “transition towards renewable energies and a green recovery, with a focus on modern, “smart” cities”. ***Prosperity*:** Recommendation 1 also supports the priority theme on Prosperity, pushing for “reducing the digital divide, promoting infrastructural development able to guarantee universal internet access and achieving adequate and widespread digital literacy”; and “exploiting the full potential of the technological revolution to concretely improve the living conditions of citizens all over the world, in every aspect of their lives”; as well as “enhancing smart, agile and flexible working models, which may contribute to (...) enhance the reach of educational activities.”



Policy Action 1.1: Forge partnerships across sectors to meet future workforce and skills needs

In the context of future industrial revolutions and sustainability imperatives, foster collaboration between business, government, higher-education institutions and relevant NGOs on workforce and skills anticipation and planning.

Context and COVID-19 Impact

The pandemic period widens persistent skills gaps by accelerating demand shifts, without commensurate improvements in the supply of relevant, quality skills.

In most G20 economies, skill shortages coexist with large numbers of graduates facing difficulties in finding job opportunities matching their qualifications. Skills gaps and mismatches reduce labour productivity, and also affect the workforce through a higher risk of unemployment, lower wages, lower job satisfaction and poorer career prospects. The effects are not even: participation in education and training among low-educated adults – those that will probably see most upheaval in job markets – is on average 40 percentage points lower than it is for the highly educated.

Moreover, the pipeline of future talent does not match demand. For example, less than 15% of new entrants to bachelor's programmes study engineering, manufacturing and construction, and less than 5% study information and communication technologies – even though these fields are most commonly associated with technological progress and yield the best labour-market outcomes.⁴ Gaps persist even in the basics of the modern economy: 37% of workers in Europe do not have basic digital skills, which the pandemic lockdowns revealed to be so fundamental to everyday economic life.⁵

Our taskforce has long warned of the need to prepare for imminent labour market upheaval with the advent of the 4th Industrial Revolution. The pandemic has accelerated this trend. Notable technology trends include cloud computing, big data and analytics, e-commerce, encryption, robotics, extended reality and artificial intelligence; all requiring skilled workforces and transforming the nature of work across industries. The sheer speed of change necessitates a rethink of training capacity.

Fifty percent of employers in a survey by the World Economic Forum said they are accelerating the automation of tasks in response to Covid-19 (see exhibit 1); and 40% of workers will require reskilling within six months or less as industries and job roles evolve rapidly.⁶ They estimate that the “human + machine” workplace will displace 85 million jobs, and simultaneously create 97 million new roles.⁷

⁴ OECD. 2019. *Education at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, <https://doi.org/10.1787/f8d7880d-en>

⁵ *Idem*

⁶ World Economic Forum. 2020. *Recession and Automation Changes Our Future of Work, But There are Jobs Coming, Report Says*. Retrieved from: <https://www.weforum.org/press/2020/10/recession-and-automation-changes-our-future-of-work-but-there-are-jobs-coming-report-says-52c5162fce/>

⁷ World Economic Forum. 2018. *Machines Will Do More Tasks Than Humans by 2025 but Robot Revolution Will Still Create 58 Million Net New Jobs in Next Five Years*. Retrieved from: <https://www.weforum.org/press/2018/09/machines-will-do-more-tasks-than-humans-by-2025-but-robot-revolution-will-still-create-58-million-net-new-jobs-in-next-five-years/>

This upheaval demands improvements in the adaptability and transferability of skills across sectors, including a rethinking of skills recognition frameworks and international skills certifications.

A formal and committed partnership across business, government, NGOs and academia is essential to establish systems that effectively anticipate skills demands and feed these into updated learning and training systems and curricula. Such systems will be crucial to target timely interventions in the regions, sectors and workforces that require most support. Furthermore, the aftermath of the pandemic presents an invaluable opportunity to re-orient these skill-building systems towards strategic growth areas, such as the green economy, advanced technologies and the care economy.

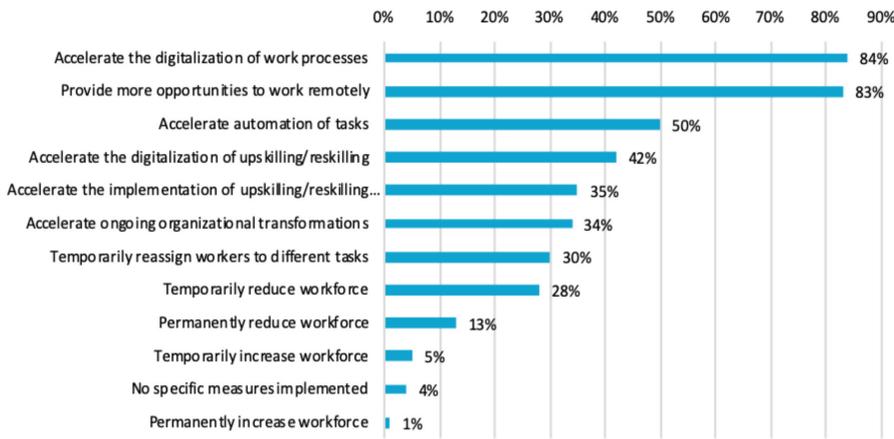


Exhibit 1
Planned business adaptation in response to Covid-19, shared of employers surveyed, %

Source: Future of Jobs Survey 2020, World Economic Forum.

Exploration of Action Areas

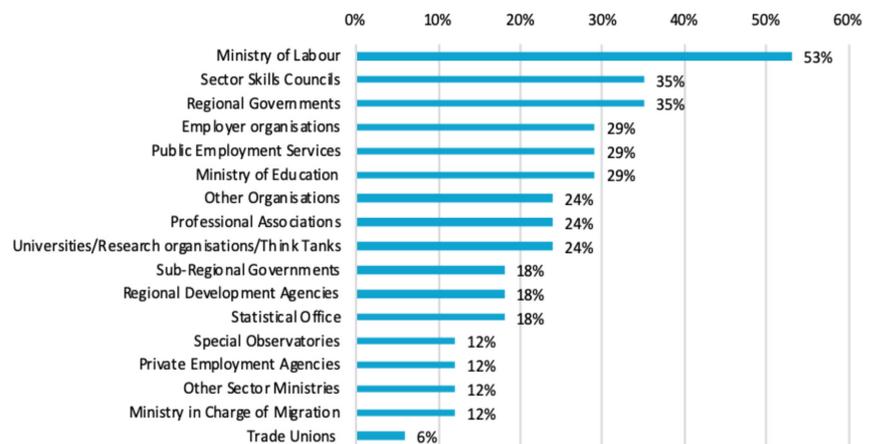
Build formal partnerships for skills assessment, anticipation and planning, as a basis for adapting existing academic, vocational education, training and work transition systems

Build formal partnerships across business, government, academia and relevant NGOs ensuring leading representation from relevant ministries and employers' organisations, to collaboratively assess and anticipate the evolving skills landscape

Data and intelligence on current and future skills demand is essential to effectively match training and jobs, reduce unemployment, and to improve employability, social mobility and inclusion.⁸ As governments and their social partners design and implement plans for an efficient employment recovery from the current crisis, there is an opportunity to establish cross-sector partnerships that share accurate, real-time data about evolving needs in different sectors and types of job. This effort can form the foundation of a sustainable, long term, systemic response to persistent skills shortages. In a recent global survey, 87% of executives said they are experiencing skills gaps in the workforce, or expect them within a few years. But less than half of respondents have a clear sense of how to address the problem.⁹ A high-quality, data-driven system of skills anticipation and planning, leveraging artificial intelligence, would guide both employers and employees towards better employment outcomes.

According to an inter-agency stakeholders' survey conducted by the ILO across many G20 countries, ministries of labour usually take the lead in conducting skills needs assessments and anticipation exercises, followed by sectoral skills councils and regional authorities. Other active bodies include employers' organisations, public employment service offices and ministries of education (see exhibit 2).

Exhibit 2
Institutions taking the lead
in skill needs assessments
and anticipation



Note: The following G20 countries participated in the survey: Australia, Brazil, Canada, Germany, France, India, Indonesia, Italy, Japan, Republic of Korea, Turkey, UK, US.

Source: Joint OECD-ILO-Cedefop-ETF stakeholders' survey (ILO et al., 2017)

⁸ ILO. 2016. *Working at Sectoral Level*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/--ifp_skills/documents/publication/wcms_534313.pdf

⁹ McKinsey & Company. 2020. *To emerge stronger from the COVID-19 crisis, companies should start reskilling their workforces now*. Retrieved from: <https://www.mckinsey.com/business-functions/organization/our-insights/to-emerge-stronger-from-the-covid-19-crisis-companies-should-start-reskilling-their-workforces-now>

However, according to the same survey, in most G20 countries, the work conducted by these bodies, and many others, lacks cohesion, and is weak in providing forecasts. A collaborative effort that offers a dependable and evolving view of future skills is currently lacking, both across public and private sectors, and even across different parts of the public sector, such as ministries of labour and education. As a first step, stakeholder engagement is essential, to bring together the capabilities and institutions with relevant information, in a format and at a level that is consistent with policy objectives, and that can feed into policy action.¹⁰

The G20 should therefore encourage and establish formal collaborative initiatives across ministries, government agencies, and other social partners, such as business associations and chambers of commerce, to translate skills needs assessments into adequate “demand-led” policy responses.

Incorporate skills and workforce forecasts into relevant academic, vocational education, training and work transitions systems, with the private sector playing a formal role in these mechanisms

Even those G20 economies that have developed skills assessment and anticipation systems struggle to translate their output directly into tangible action by employment and education systems. Employer’s organisations and other business associations should take on a stronger formal role in order to ensure that trends in business demand effectively translate into academic, vocational education, training and work transition systems. For example, the voice of business should be clearly articulated in the governance of country- and regional-level VET systems. Experience in China, such as the Shenzhen Technology University, reinforces the importance of designing locally-relevant solutions, driven by local businesses and learning institutions, with local government playing a central role.

The respondents to the ILO stakeholders’ survey mentioned above, reported that a key barrier to translating trends into action is the ineffective communication of skills needs assessment data to all stakeholders. They also pointed to the complexity of the information being shared with final users, and the time lag between the production of results and their dissemination.

Canada’s Department of Employment and Social Development has developed an innovative approach to addressing these issues, through centralised data collection and tailored dissemination. The department holds all skills assessment data in a single platform called a Job Bank, which then offers an interactive experience for users that is tailored to their needs.¹¹

Improved collection and accessible dissemination of data is one part of the equation. This needs to be matched by improvements in how employment and education institutions utilise the data and incorporate it into their own systems. The OECD lays out three important steps for how adult learning systems can address this challenge: 1. put in place a clearly defined process for regularly updating frameworks, standards and regulation of adult education, 2. use skills assessment evidence regarding ongoing trends along with feedback from training participants and employers to identify areas where updates are needed, and 3. foster a culture in which programme updates and refinements are embedded in the development of any education and training programme.¹²

¹⁰ OECD, ILO. 2018. *Approaches to anticipating skills for the future of work*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_646143.pdf

¹¹ Joint OECD-ILO-Cedefop-ETF stakeholders’ survey (ILO et al., 2017)

The pandemic has stimulated creative approaches to accelerating work transition within the private sector, such as firms actively moving employees from “at-risk” roles in one company into “in-demand” roles in other firms. Going forward, government can play a crucial role in encouraging and supporting the smooth flow of large-scale workforce restructuring programmes, to ensure the effective and efficient re-allocation of workers, including appropriate training, protections, and work transition support.

In France, the Ministry of Economy, Finance and Recovery has used the crisis to test this concept, through the Transco scheme. Launched in 2021, the initiative was co-designed with social partners such as the CFDT union and MEDEF business association, as part of the country’s recovery plan; but the scheme is intended to support work displacement and transition well beyond the pandemic. The Transco model connects companies anticipating job losses with companies with growth opportunities in “promising professions”. The system offers training that leads to certifications in these professions, with no pause in salaries during the training period.

G20 governments should actively convene stakeholders, develop effective systems for data management and dissemination, and establish incentives and mechanisms to translate skills and jobs data into effective and responsive public and private systems for learning and work transition.

Work across sectors to encourage and incentivise educational programmes, training and career guidance towards growth sectors

Emerging sectors, such as the green economy, advanced technologies and the care economy, offer opportunities to achieve dual goals of employment growth and strategic growth priorities.

The massive re-employment and re-skilling challenge presented by today’s crisis offers a unique opportunity to orient workers towards sectors that have high future-growth potential. This demands dedicated and conscious adaptations within learning institutions and work transition systems to guide people towards the jobs and skills of the future.

Collaboration across borders to boost innovation and growth in these sectors can facilitate these efforts. For example, new plans by China to push its top 12 universities into the top 50 universities globally will promote STEM and international partnerships, the latest being between the University of Milan in Italy and Tsinghua University in Beijing.

These efforts must fundamentally be driven by the demands of the future. The World Economic Forum highlights 7 emerging professional clusters, providing 2.4 million job opportunities globally by 2022, for which skills need building. These clusters include jobs in the care economy, the green economy, and new technology sectors.¹³ While their analysis highlights the growing demand across these clusters, jobs related to emerging technologies are clearly currently seeing the most explosive growth in demand, (see exhibit 3).

¹² OECD. 2019. *Getting Skills Right: Creating responsive adult learning systems*. Retrieved from: <https://www.oecd.org/els/emp/adult-learning-systems-2019.pdf>

¹³ World Economic Forum. 2020. *Jobs of Tomorrow Mapping Opportunity in the New Economy*. Retrieved from: http://www3.weforum.org/docs/WEF_Jobs_of_Tomorrow_2020.pdf

Exhibit 3 Top 20 job roles in increasing and decreasing demand across industries

1	Data Analysts and Scientists	1	Data Entry Clerks
2	AI and Machine Learning Specialists	2	Administrative and Executive Secretaries
3	Big Data Specialists	3	Accounting, Bookkeeping and Payroll Clerks
4	Digital Marketing and Strategy Specialists	4	Accountants and Auditors
5	Process Automation Specialists	5	Assembly and Factory Workers
6	Business Development Professionals	6	Business Services and Administration Managers
7	Digital Transformation Specialists	7	Client Information and Customer Service Workers
8	Information Security Analysts	8	General and Operations Managers
9	Software and Applications Developers	9	Mechanics and Machinery Repairers
10	Internet of Things Specialists	10	Material-Recording and Stock-Keeping Clerks
11	Project Managers	11	Financial Analysts
12	Business Services and Administration Managers	12	Postal Service Clerks
13	Database and Network Professionals	13	Sales Rep., Wholesale and Manufactory
14	Robotic Engineers	14	Relationship Managers
15	Strategic Advisors	15	Bank Tellers and Related Clerks
16	Management and Organisation Analysts	16	Door-To-Door Sales, News and Street Vendors
17	FinTech Engineers	17	Electronics and Telecoms Installers and Repairers
18	Mechanics and Machinery Repairers	18	Human Resources Specialists
19	Organizational Development Specialists	19	Training and Development Specialists
20	Risk Management Specialists	20	Construction Laborers

Note 1: The same job role can both increase significantly in demand and decrease significantly in demand due to variations across industries and countries. This analysis was conducted across 15 industries and 26 economies; country-level and industry-level analysis is available.

Note 2: This analysis also identifies 7 specific Job Clusters that present significant opportunities for transitions into growing jobs. These are: Care Professions, Data and AI, Engineering and Cloud Computing, Green Professions, People and Culture, Product Development, Marketing, Sales and Content.

Source: World Economic Forum. 2020. Future of Jobs Survey. Retrieved from: <https://www.weforum.org/reports/the-future-of-jobs-report-2020>

High-potential clusters can both create opportunities for income, jobs and growth, and at the same time accelerate action on medium and long-term environmental and well-being goals. For example, renewable energy (especially the photovoltaic solar sector), already employs more people per unit of investment than fossil-fuel generation.¹⁴ Recovery efforts that target energy efficiency offer significant opportunities for rapid job creation; up to 2.5 million new jobs per year, according to the International Energy Agency. In the longer term, the International Renewable Energy Agency (IRENA) estimates that the renewable energy sector could employ more than 40 million people by 2050, and that total energy-sector employment could reach 100 million by 2050, up from around 58 million today, should the international community utilise its full renewable energy potential.¹⁵

Economic sectors like the technology, green and care economies are comprised of multiple segments with growth potential. For example, the green economy includes segments like renewable energy, energy efficiency, recycling, repair and remanufacturing. New technologies include segments like cloud computing, data and analytics, the Internet of Things, artificial intelligence and robotics. Yet, these emerging sectors also generate a significant layer of peripheral and ancillary segments, creating entirely new jobs in related fields. For example, the green economy brings jobs in green financing; and artificial intelligence brings new jobs such as AI data ethicists. Therefore, proactive efforts to re-orient learning curricula and work transition systems towards these emerging sectors can have a multiplicative spill-over effect, stimulating accelerated job growth.

Increased public awareness and concern over environmental issues during the pandemic have spurred many governments to accelerate planned initiatives to build a greener, more sustainable, technologically-advanced economy, directed at significant, future-focused job creation.

¹⁴ International Energy Agency. 2020. Sustainable Recovery. Retrieved from: <https://www.iea.org/reports/sustainable-recovery>

¹⁵ International Renewable Energy Agency. 2020. Global Renewables Outlook. Retrieved from: <https://www.irena.org/publications/2020/Apr/Global-Renewables-Outlook-2020>

For instance, the European Union is moving beyond its already-ambitious European Green New Deal, to enact a recovery plan called NextGenerationEU. At the heart of this plan, sits the Recovery and Resilience Facility (RRF) which will make €672.5 billion in loans and grants to support reforms and investments undertaken by Member States, made mainly on their green and digital transitions.¹⁶ According to the ILO, the shift to a greener economy could create 24 million new jobs globally by 2030, if the right policies are put in place.¹⁷

Establish skills recognition frameworks and improve international recognition of skills certifications

Establish skills recognition frameworks to support the portability of skills across occupations and industries

Skills recognition systems aim to facilitate the acknowledgment of skills that have been acquired through different learning contexts. Recognition systems enable dialogue and common understanding between individuals and employers, which in turn facilitates recruitment, wage growth and career progress. They also support dialogue between individuals and education and training providers. An effective skills recognition framework can open new learning pathways and make the learning process more efficient.

For those with low or no formal qualifications, or those who obtained their qualification outside the country where they work, recognition systems can make a critical difference in securing their first job or using the skills they possess. Effective skills recognition also brings benefits to employers who can more readily find the skilled personnel they need, and to the economy as a whole, by addressing issues of unemployment, underemployment and social inclusion. A well-designed framework represents an essential common language to make labour markets perform efficiently.

A significant issue is that many important skills that are in high demand by business are not formally recognised or credentialised. This includes skills such as vocational, social, communication, cognitive, learning and personal behavioural capabilities that are transferable or “portable”, in that they can be used productively in different employment contexts, jobs and enterprises. These types of skills are increasing in importance in a world with intelligent machines, and in a world where people work for multiple employers, on a variety of contracts.

Recognition of micro-certifications can also make an important contribution to these efforts. For example, credentials from bootcamp training, online courses from universities or other providers, or even apprenticeships, can provide important signals to employers about the capabilities of candidates beyond traditional qualifications (like degrees), as well as signalling their appetite and capacity to take on learning opportunities.

The design of effective skills recognition frameworks requires input, buy-in and support from a range of stakeholders, such as employers’ representatives, networks of career counsellors, employment services and trade unions. The frameworks would then be promoted, supported and managed by public authorities.¹⁸

¹⁶ European Union. 2021. *Recovery Plan for Europe*. Retrieved from: https://ec.europa.eu/info/strategy/recovery-plan-europe_en

¹⁷ ILO. 2018. *Greening with Jobs*. https://www.ilo.org/global/publications/books/WCMS_628654/lang--en/index.htm

A pragmatic, common-sense approach to the design of frameworks is important. For example, some sectors do not require highly formalised systems of qualifications and skills certifications, such as clerical and administrative jobs where proof of recognised skills is relatively simple.

Across the OECD, almost two out of three immigrants have obtained their qualifications abroad. At the same time, a substantial body of research shows that immigrants with foreign qualifications face significant barriers to demonstrating their skills potential.¹⁹

Part of the observed lower return to foreign qualifications is due to differences in the performance of education systems. For example, data from the OECD Survey on Adult Skills (PIAAC) shows that there are large cross-country differences in skills at given education levels. However, recent OECD work has shown that a discrepancy is observed even after accounting for such differences.²⁰

The European Qualifications Framework (EQF) is a successful example of a common reference system that allows qualifications from different countries to be compared easily. The EQF is closely linked to national qualifications frameworks across Europe, and learning outcomes are used as a basis to translate levels of knowledge, understanding and ability across those different frameworks. The system therefore helps improve transparency, comparability and portability of qualifications across countries and institutions.

G20 countries should strengthen the assessment of foreign qualifications. Assessment procedures and criteria must be transparent; responsibilities of different assessment authorities should be well coordinated; and the processing time for applications should be limited. These activities are more effectively performed through a clear international skills framework that is actively coordinated across regions.

G20 member countries should therefore:

- Build formal partnerships across business, government and academia, ensuring leading representation from relevant ministries and employers' organisations, to collaboratively plan skills assessment and anticipation exercises, and design consequent academic, vocational education, training and work transition systems.
- Work across sectors to encourage and incentivise education programmes, training and career guidance towards growth sectors such as the green economy, advanced technologies and the care economy.
- Establish skills recognition frameworks to support the portability of skills across occupations and industries, as well as improved international recognition of skills certifications.

¹⁸ ILO. 2016. *Strengthening Skills Recognition Systems: Recommendations for key stakeholders*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_541698.pdf

¹⁹ OECD. 2017. *Making Integration Work Assessment and Recognition of Foreign Qualifications*. Retrieved from: https://www.oecd-ilibrary.org/social-issues-migration-health/making-integration-work_25227726

²⁰ *Idem*

Policy Action 1.2: Build effective lifelong learning systems

Enhance lifelong learning systems by upgrading curricula, utilising modern teaching techniques, improving transitions between study and work, and integrating effective financing and career management approaches.

Context and COVID-19 Impact

Lifelong learning systems can no longer remain an ambition, they are an urgent necessity.

Lifelong learning is a fundamental enabler of decent work, productivity and sustainability. For individuals, it brings new work opportunities, an escape from poverty and awakened aspirations. For enterprises, it provides a competitive advantage for productivity and innovation. For societies, it creates opportunities for economic transformation, job creation, inclusion and sustainable growth.

In an era where individuals are expected to change jobs with greater frequency, across a greater variety of sectors and at older ages, the need for effective systems for learning, work transition, career management, and financing for learning, is acute and growing. A challenge of this scale demands significant public-private partnership.

The unemployment crisis unleashed by the pandemic raises the urgency for effective lifelong learning and career management systems (see exhibit 4). The pandemic has also accelerated trends that will reshape the work landscape and skills demand, such as the technology sector and the growing green economy. Effective learning systems will be essential to turn these burgeoning sectors into drivers of sustainable growth, innovation and productive employment. Failure to do so will spell disaster.

Lifelong learning begins in early childhood and requires education systems to nurture students with a thirst for continual learning and the capacity of “learning to learn”; a “Growth Mindset”. School curricula must also teach skillsets that are growing in importance, such as digital skills, and capabilities where humans have a comparative advantage over their intelligent machine co-workers, including critical thinking, creativity and socio-emotional intelligence. Teacher training must also adapt accordingly, as these skills are acquired through experiential techniques, rather than traditional ones.

In general, adult learning institutions remain outdated, with significant variation in learning outcomes both across and within nations. Adult learning also remains highly inaccessible in many countries: only 4.4% of the 66 million adults with at-best lower secondary education attainment in the EU participated in adult learning in 2015.²¹ Lack of time, scheduling conflicts and distance constraints are among the key barriers reported by those who do not undertake any training (see exhibit 5).

Teaching techniques for adults need re-vamping to become more experiential; with hands-on, immersive, project-based approaches taking greater importance. In the urgent context of today’s employment crisis, this puts an emphasis on practical, work-based learning methods, such as Vocational Education and Training (VET) and on-the-job training.

²¹ European Commission. 2019. *Education and Training Monitor 2019*. Retrieved from <https://ec.europa.eu/education/sites/education/files/document-library-docs/volume-1-2019-education-and-training-monitor.pdf>

The good news is that today’s education and training industry is full of innovative approaches, grounded in neuroscience, utilising digital techniques and artificial intelligence to create learning experiences that are modular, personalised and flexible to fit around work and life constraints. The challenge is to incorporate these approaches across lifelong learning systems, at speed and at scale.

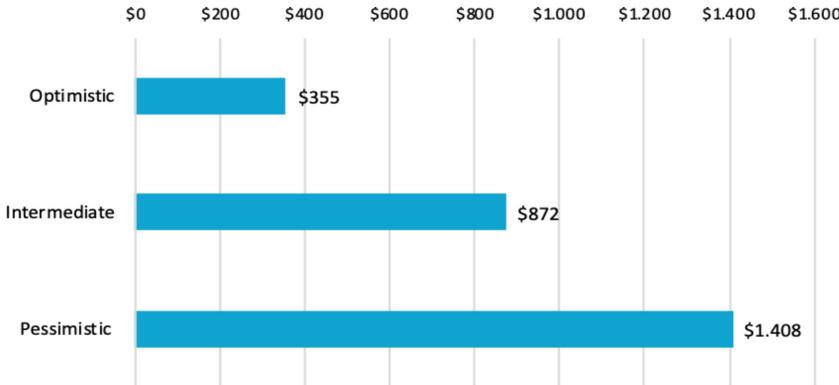


Exhibit 4
 Even under the World Bank’s optimistic scenario, the pandemic is expected to reduce the earnings of today’s youth by 2%, every year; the pessimistic scenario, by 8%

Note 1: Expected earnings will fall due to reductions in learning-adjusted years of schooling. This loss of learning can be quantified in terms of lifetime earnings using existing evidence on returns to schooling, life expectancy, whether people are able to utilise their human capital through paid employment, and labour market earnings. Results are based on the latest available Earning-Adjusted Years of Schooling data from 157 countries (unweighted average). This covers 97% of the population aged 4–17 in these countries.

*Note 2: Scenarios are as follows:
 Optimistic – schools are closed only for 3 months of a 10-month school year, and the effectiveness of mitigation measures put in place by governments (such as remote learning) is high.
 Intermediate – schools are closed for 5 months, and the mitigation measures have a medium level of effectiveness.
 Pessimistic – schools are closed for 7 months, and the mitigation measures have low levels of effectiveness.*

Source: World Bank. 2020. Simulating The Potential Impacts Of Covid-19 School Closures On Schooling And Learning Outcomes: A Set Of Global Estimates. Retrieved from: <https://pubdocs.worldbank.org/en/798061592482682799/covid-and-education-June17-r6.pdf>

Exploration of Action Areas

Upgrade teaching techniques for adults of all ages to incorporate more experiential and project-based approaches, as well as modular and digital formats, to allow tailored and flexible learning

Upgrade teaching techniques for adults of all ages to incorporate more experiential and project-based approaches, such as Vocational Education and Training, and On-the-Job Training

The science and theory of teaching and learning have improved significantly over recent decades, thanks in large part to advances in neuroscience and behavioural sciences. Yet, teaching techniques across education and training systems remain slow to change. Investment in the upgrading of teaching techniques and the requisite investments in teacher training are long overdue across G20 countries. The returns on these investments would be felt across the economy and society.

Beyond catching up to yesterday’s needs, learning approaches need to prepare for more fundamental changes ahead. One of the major forces transforming the skills landscape is the advance of intelligent technology systems, such as artificial intelligence, robotics and machine learning. These technologies are redistributing tasks in the workplace between humans and intelligent machines. Tasks where machines have comparative advantage include complex calculations and routine, repetitive activities. Tasks where humans have comparative advantage include creativity, complex reasoning and socio-emotional intelligence. Many of these “human” skills are best acquired through experiential learning techniques that involve practice and hands-on application.

Training techniques must therefore place much greater emphasis on the experiential forms of learning to build these future-relevant skills. We are at the start of this phase of intelligent automation, but the pandemic period has accelerated this trend.

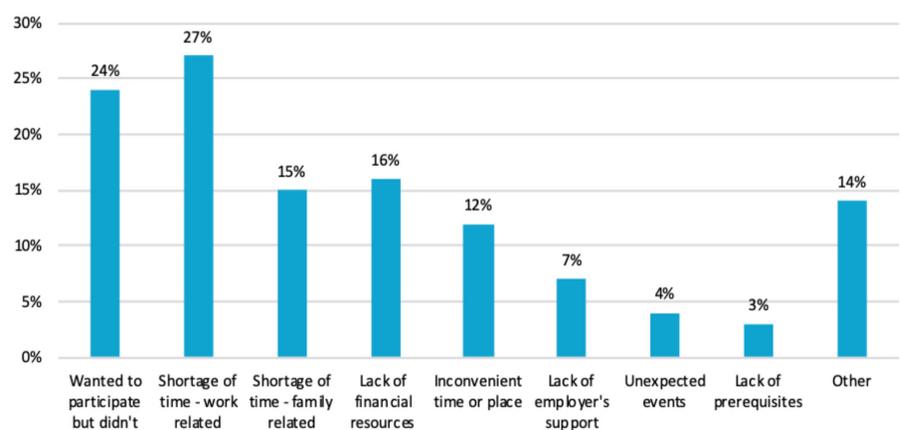
The employment crisis created by the pandemic places greater urgency to provide experiential learning opportunities that boost employability and re-employment prospects for workers at all skills levels. Work-based learning systems such as Vocational Education and Training (VET) and on-the-job training, offer highly experiential and project-based approaches that are proven to be effective at rapidly building work-relevant skills. Adult brains are especially responsive to experiential learning, making these techniques even more important in addressing the large-scale re-training and re-employment challenges ahead.

Governments should involve social partners, including employers' and workers' organisations in the design and implementation of these work-based learning programmes to ensure maximum relevance to labour market realities.

Promote the design of courses using modular and digital formats, allowing tailored and flexible learning opportunities that can fit around work and life commitments

Adult learning remains inaccessible for a variety of reasons, most notably due to cost, distance and time constraints amid complex work and life commitments (see exhibit 5).

Exhibit 5
Reasons for non-participation in adult learning (percentage of adults who wanted to participate but did not)



Note: Average of OECD countries participating in PIAAC. Figures refer to participation in formal and non-formal adult learning.

Source: OECD Secretariat calculations based on the Survey of Adult Skills, PIAAC (2012, 2015, 2017). The bar "Wanted to participate but didn't" refers to the share of adults who responded that they did not take part in training over the previous 12 months but would have liked to". Retrieved from: <https://www.oecd.org/coronavirus/policy-responses/the-potential-of-online-learning-for-adults-early-lessons-from-the-covid-19-crisis-e040002/#figure-d1e206>

In this context, it becomes essential to provide learning opportunities that are flexible, taking into consideration the schedules and constraints of the learner. Workers need opportunities to upskill while they work, with tailored learning paths. For example, modular courses can be designed to allow flexibility in where, when and over what periods students learn. Digitally delivered courses also allow greater flexibility in timing and location.

To increase accessibility to those workers most at risk of job displacement, lifelong learning systems must be adapted to adult needs such as work, life and family commitments while leveraging digital technologies. Governments should therefore ensure that training systems include flexible, modular and digital formats and encourage businesses to implement flexible work arrangements to support learning.

Upgrade school curricula to prioritise the development of a ‘Growth Mindset’, as well as skillsets that are proven to be increasing in importance during the 4th Industrial Revolution and beyond

Upgrade school curricula to prioritise the development of a ‘Growth Mindset’ – an intrinsic desire for improvement and openness to new ideas and opportunities

For the aspiration of lifelong learning to become a reality, we must develop a generation of workers that have a thirst to continually learn, and that have the capacity to continually learn. “Learning to learn” begins early. It involves the building of resilience, so that obstacles and setbacks are seen as opportunities to learn, rather than confirmation of incompetence or failure. Instilling these lessons from an early age will equip future adult citizens and workers with the agility and resilience that are essential for sustainable economic development. The concept of a Growth Mindset encapsulates well this intrinsic desire for improvement and openness to new ideas and opportunities. This kind of entrepreneurial mindset must also be matched with the agility to change course with comfort and confidence. These are difficult traits for people of any age, but if our education systems prioritise their development from an early age, we have the opportunity of nurturing the first true generation of lifelong learners.

Upgrade school curricula to prioritise skillsets that are proven to be increasing in importance, such as critical thinking, creativity, complex reasoning and socio-emotional intelligence

According to the Society for Human Resource Management (SHRM), the top missing skills reported by HR professionals in 2019 were linked to problem solving, critical thinking, innovation, creativity, the ability to deal with complexity and communication skills.²² These innately human skills will become increasingly important in all work roles, especially in a world where humans and intelligent machines collaborate in the workplace. However, these skills and capabilities are not built through traditional classroom techniques. They are acquired through practice, experience, and often over long time periods. There’s therefore a need to create environments and courses that immerse students in scenarios and guide them to learn through creative experimentation. This means more active learning techniques and project-based assessments rather than only end-of-year exams based on rote learning and memorisation. New learning models should develop cooperation, communication and empathy.²³

²² SHRM (2019), *The Global Skills Shortage*: <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRMpercent20Skillspercent20Gappercent202019.pdf>

Ensure that schools equip students with digital skills from an early age, provide teachers with digital training and offer digital skills training for citizens of all ages²⁴

Ensure that schools equip all students with basic digital skills - digital literacy, computing education, knowledge of artificial intelligence - from an early age

Digital skills are fundamental to 21st century life and work. Entry-level digital skills, meaning functional skills required to make basic use of digital devices and online applications – such as digital literacy, computing education, and basic knowledge of artificial intelligence – are widely considered as critical components of a new set of literacy skills in the digital era, along with traditional reading, writing, and numeracy skills. However, unlike traditional basic skills, digital skills are not available to all students. Every day that this digital divide persists, social and economic gaps are widened.

G20 governments must therefore ensure that schools equip all students with basic digital skills, placing special attention on students from disadvantaged backgrounds and those without access to digital infrastructure or devices. In locations where digital infrastructure will not be available for some time, interim solutions such as robust text-based tools or mobile wifi-based services should be made available. Governments play a pivotal role in setting up the fundamental principles for inclusive and equitable digital skills development, providing programmes and capacity development initiatives for all students. This includes the provision of adequate access to digital infrastructure, tools, relevant curricula and crucially, appropriate teacher training.

Provide teachers with digital training to feel confident in digital skills themselves

The provision of digital infrastructure, hardware and software are necessary-but-insufficient for effective digital learning in schools. Teachers that are comfortable in the use of technology can not only teach digital skills more effectively, but also use digital tools to improve their teaching techniques and outcomes. For example, by blending both physical and digital tools, teachers are able to design more interactive, engaging lessons that improve the absorption and retention of information.

Today, there is much room for improvement, as was felt by large sections of the population that depended on digital learning during the coronavirus lockdowns. According to the OECD's Teaching And Learning International Survey (TALIS), in 2018, only 56% of teachers in the OECD received training in the use of ICT for teaching as part of their formal education or training, and only 43% felt "well prepared" or "very well prepared" for this when they had completed their initial teacher training.²⁵ Even those teachers that were trained in digital skills rarely received training in other important digital competences like assessing online risks to students and teaching digital literacy or digital citizenship. In emerging and developing countries, the situation is much worse, especially in rural locations with inadequate digital infrastructure and weak teacher training.

²³ European Commission. 2019. *Education and Training Monitor 2019*. Retrieved from <https://ec.europa.eu/education/sites/education/files/document-library-docs/volume-1-2019-education-and-training-monitor.pdf>

²⁴ SHRM (2019), *The Global Skills Shortage*: https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRM_percent20Skills_percent20Gap_percent202019.pdf

²⁵ B20 Saudi Arabia (2020). *Future of work & education Policy Paper 2020*.

Make digital skills training available and accessible to citizens of all ages

Expectations of digital literacy have risen quickly, and workers, especially older workers, can struggle to keep up. With work activities increasingly requiring digital tasks, and both private and public services increasingly migrating to digital platforms, adults left without access to digital skills risk being excluded from work opportunities as well as from vital information, goods and services.

Workers of all ages that are vulnerable to job displacement find themselves at risk of prolonged unemployment unless they have up-to-date digital skills. This risk is acute in the competitive post-pandemic job market, where digital skills are a fundamental expectation of employability. Moreover, workers that are most vulnerable to displacement through automation, such as those in physical manual labour roles, are also more likely to lack digital skills, as well as being less likely to engage in education and training.²⁶ This compounds their disadvantage and robs the labour market of productive workers that simply require basic training in 21st century tools. Older workers represent an even more vulnerable subset of these workers risking exclusion due to inadequate digital skills.

Government training programmes that support employability and employment must therefore ensure that digital skills training is available and accessible to citizens of all ages.

Invest in improving career management and support services, including better collaboration between Private and Public Employment Services organisations

Invest in improving career management and support services across all physical and online learning institutions, including public-private collaboration

An efficient way to promote lifelong learning and help workers navigate the rapid changes of the labour market is through career management services. Career management primarily includes services such as outplacement and career transition, redeployment and other services designed to help organisations and individuals manage changes in the practices, processes, conditions and bases of employment. The objective of these services is to minimise the adverse effects of such changes and to benefit from any new opportunities that are created. Effective career management services also help young people understand which skills to develop, improving their long-term relevance and competitiveness in the labour market. Research shows that young people's career aspirations are often poorly aligned with actual labour market demand – and the unrealistic expectations of teenagers can easily translate into long-term labour market penalties.²⁷

The unprecedented employment challenge facing G20 countries demands a pooling of capabilities from across the public and private sectors in order to effectively and efficiently deliver career management and support services at the speed and scale required.

²⁶ This aligns with Recommendation 1, Policy Action 4.1 and 4.2 of the B20 Digital Transformation Taskforce Policy Paper, 2021.

²⁷ OECD (2019), *TALIS 2018 Results (Volume I): Teachers and School Leaders as Lifelong Learners*, TALIS, OECD Publishing, Paris, <http://www.oecd.org/education/talis-2018-results-volume-i-1d0bc92a-en.htm>

Public and Private Employment Service organisations represent attractive complementary partners in addressing this challenge: For private agencies, cooperation with Public Employment Services offers better access to labour market information and other data at the disposal of public authorities, and for public agencies, cooperation brings opportunities to optimise the use of public funds through cost savings and greater efficiency in service delivery.

A successful example of public-private collaboration to deliver career management services is the Career Transition Partnership (CTP), in the United Kingdom. The CTP brings together the workforce expertise of Right Management with the British Ministry of Defence to provide transition support to over 200,000 people leaving military service. The adjustment from military to the civilian world is a common challenge to all Service leavers. The CTP re-settlement process encompasses three main streams; career transition, training and employment. The process offers workshops, one-to-one support, the development of a personal plan, vocational training to enhance qualifications or retrain, employment support through a dedicated job board, and a range of online tools and resources. After completion, 93% of service leavers gained a new role within 6 months of discharge.²⁸

Design mechanisms to finance lifelong skill-building, including financial instruments to support the portability of training benefits

Design mechanisms to finance lifelong skill-building, ensuring appropriate contributions from government, business and workers

Lifelong learning and education have been heralded as a top priority by governments around the world, yet this rhetoric is not matched by commensurate funding, nor by creative mechanisms to help generate the necessary finances. The International Commission on Financing Global Education Opportunity calculates that in order to achieve the targets agreed for SDG4 “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, low- and middle-income countries would need to increase spending on education from US\$1.2 trillion per year in 2015, to US\$3 trillion in 2030, representing a 7% increase in the annual growth of public education spending.²⁹ This degree of spending increase requires concerted efforts to convene stakeholders from across government, business and society, in order to ensure consensus and collaboration towards shared ambitions.

Beyond traditional domestic funding, the scale of the challenge demands more creative approaches to financing learning systems. Analysis by the ILO finds that for countries relying more on the public sector to drive education and training, the literature indicates trends towards greater diversification of funding sources, such as cost sharing and training levies, funding public education and training centres through objective funding formulae, encouraging more and higher-quality enterprise training and developing private training markets. For countries that rely on the market to deliver education and training outcomes, financial incentives such as subsidies, tax incentives and subsidised loans to encourage individuals and employers to invest in more education and training have been successful, (e.g. Australia, Canada and the United States).³⁰

²⁸ Accenture. 2018. *It's Learning. Just Not As We Know It*. Retrieved from: <https://www.accenture.com/gb-en/insights/future-workforce/transforming-learning>

²⁹ OECD. 2018. *Working it out: career guidance and employer engagement*. Retrieved from: [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=EDU/WKP\(2018\)11&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=EDU/WKP(2018)11&docLanguage=En)

³⁰ World Employment Confederation. 2019. *Career Management*. Retrieved from: https://wecglobal.org/uploads/2020/07/Career-Management-value-story_FINAL.pdf

As countries devise funding mechanisms that are relevant for their specific education and training systems, a crucial consideration will be the fair and appropriate calculation of contributions from government, business and workers; each stakeholder acts as both sponsor and beneficiary to these crucial long-term investments.

Design financial instruments to support the portability of training benefits as workers transition across jobs, sectors and ways of working

In contrast to traditional training benefits that are tied to an employer and a particular job, portable benefits are tied to the worker and move with them throughout their career. Individual learning schemes have increased in attractiveness as workers have begun to move more frequently between different jobs, forms of work, contractual arrangements, and even careers. Connecting training funds to the individual, rather than the job, also boosts the autonomy and responsibility of the worker, as well as increasing competition among training providers.

France's *Compte Personnel de Formation* (CPF) is frequently cited as an example of an interesting new approach that can stimulate the design of similar approaches in other countries (see exhibit 6).

The CPF was created in 2015 and is currently undergoing reforms in its implementation model. In the CPF, training rights are accumulated over time. Initially, these rights were measured through the number of hours in training but since January 2019, the unit of measure has become monetary (Euros). Training rights are accumulated at two different rates, depending on the initial level of education of the individual. Individuals with at least a lower secondary degree accumulate EUR 500 per year, capped at a maximum of EUR 5,000. Individuals who do not have a lower secondary qualification are credited with EUR 800 per year up to a maximum of EUR 8,000. In addition, from 2020 onwards, a "CPF de transition" will provide additional support—including income support—for individuals requiring professional retraining.

*The CPF was initially available to employees and jobseekers only. Since January 2018, the self-employed are also covered. For jobseekers and employees, the scheme is financed through a compulsory training levy on firms equivalent to 0.2% of gross wages. "Pôle Emploi" (the French public employment service) and regional authorities can also complement funding for training undertaken by jobseekers. Credits can be used to pay for training fees of programmes that deliver a formal certificate (registered at the *Répertoire National des Certifications Professionnelles* (RNCP) or at the *Répertoire Spécifique*). Credits can also go towards skills assessments, skills certifications, driving licenses, and training to set up new businesses. Participation in the CPF has increased continuously since its creation in 2015, but it remains limited, at 2.1% of the labour force in 2018. The most popular programmes are language courses, especially in business English.*

OECD. 2019. *Individual Learning Accounts: Design is key for success*. Retrieved from: <https://www.oecd.org/els/emp/individual-learning-accounts.pdf>

Policymakers can consider three broad forms of individual working schemes: first, Individual Learning Accounts, like the CPF, where individual accounts are virtual and training rights are accumulated over time; second, Individual Savings Accounts, with real, physical accounts in which individuals accumulate resources over time for the purpose of training, (these schemes are extremely rare); and third, vouchers providing individuals with direct subsidies to be used for training purposes, often with co-financing from the individual, which do not allow for any accumulation of rights or resources over time, (these schemes are the most frequently implemented).³¹

³¹ OECD. 2019. *Individual Learning Accounts : Panacea or Pandora's Box?* Retrieved from: <https://www.oecd-ibrary.org/sites/203b21a8-en/index.html?itemId=/content/publication/203b21a8-en>

³² *Idem*

Exhibit 6 Reasons for non-participation in adult learning (percentage of adults who wanted to participate but did not)

A pre-requisite to the success of such initiatives is the provision of sufficient funding to make an impact at scale. Other important design considerations include the need to provide targeted attention and supplemental guidance services to workers from under-represented sections of the workforce, especially those with low educational attainment.³²

G20 member countries should therefore:

- Upgrade teaching techniques for adults of all ages to incorporate more experiential and project-based approaches, such as Vocational Education and Training and On-the-Job Training, as well as courses that include modular and digital formats, allowing tailored and flexible learning opportunities that can fit around work and life commitments.
- Upgrade school curricula to prioritise the development of a ‘Growth Mindset’ – an intrinsic desire for improvement and openness to new ideas and opportunities, as well as increasingly important skillsets such as critical thinking, creativity, complex reasoning and socio-emotional intelligence.
- Ensure that schools equip students with basic digital skills from an early age (digital literacy, computing education, knowledge of artificial intelligence), provide teachers with digital training to feel confident in digital skills themselves, and offer digital skills training for citizens of all ages.
- Invest in improving career management and support services across all physical and online learning institutions, and promote collaboration between Public Employment Services and private sector experts to enhance career transitions and labour market support.
- Design mechanisms to finance lifelong skill-building, ensuring appropriate contributions from government, business and workers, including tax incentives for companies investing in education systems and financial instruments to support the portability of training benefits as workers transition across jobs, sectors and ways of working.

Policy Action 1.3: Rethink physical and digital learning infrastructures

Context and COVID-19 Impact

The pandemic revealed the dangers of the digital divide and an opportunity to rethink the future of education.

The pandemic forced the greatest experiment in digital learning across education systems, worldwide. It will be crucial to undergo a deep assessment of the successes and challenges experienced, and to incorporate these lessons into our planning of future education systems. Certainly, the experience of digital-only learning brought downsides, such as ensuring student engagement; but it also brought innovative techniques and engaging formats, incorporating quizzes, video production, animation and music.

However, any planned blending of physical and digital formats for future curricula is dangerous if the fundamental issue of the digital divide is not addressed. The major lesson from digital learning during the pandemic was the degree and impact of the disparity between those with access and those without. Access must be affordable and safe. And access refers to adequate infrastructure, skills, content and devices.

Large sections of society in every country do not have sufficient access to make digital learning a core part of national education systems today. In the US, for example, close to 12 million students do not have adequate access to digital infrastructure, tools or skills. One in five 15-year olds from socio-economically disadvantaged schools across the OECD do not have access to a computer for schoolwork (see exhibit 7), and only about 7% of people across the OECD have a fibre broadband subscription.³³ In emerging economies, inequalities are especially extreme. For instance, in Mexico, 94% of 15-year-olds from privileged backgrounds have a home Internet connection, compared to just 29% from disadvantaged backgrounds.³⁴

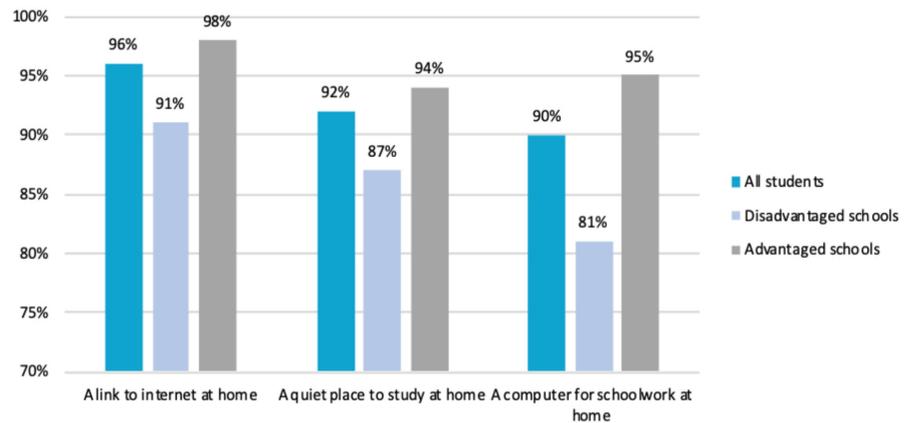
The experience of digital learning during the pandemic revealed how quickly the digital divide can lead to an educational attainment divide, and subsequently to dangerous social and economic divides. Therefore, tackling the digital divide is a pre-requisite to attaining the tremendous opportunities brought by blended physical and digital learning. This places an urgent priority on governments and their social partners to invest in affordable, secure digital access for all citizens.

Beyond the digital realm, the pandemic brings an opportunity to reassess the legacy of physical infrastructure for education systems, especially if the role of online education is set to grow. As education systems and institutions consider their future plans for blended physical and digital learning, many countries will need to rethink the use, value and opportunity presented by buildings that are spread across every community in the land.

³³ OECD. 2019. *OECD broadband statistics update*. Retrieved from: <https://www.oecd.org/sti/broadband/broadband-statistics-update.htm>

³⁴ OECD. 2020. *Learning remotely when schools close: How well are students and schools prepared? Insights from PISA*. Retrieved from: <https://www.oecd.org/coronavirus/policy-responses/learning-remotely-when-schools-close-how-well-are-students-and-schools-prepared-insights-from-pisa-3bfda1f7/>

Exhibit 7
Students' online learning environment at home, percentage of students, 2018, OECD average



Note: All differences between advantaged and disadvantaged schools are statistically significant, on average across OECD countries.

Source: OECD, PISA 2018 Database

Exploration of Action Areas

Collaborate towards bridging the digital divide by ensuring secure, affordable access to digital infrastructure, tools, skills and content for learning by all citizens

Our taskforce aligns with the work of the B20 Taskforce on Digital Transformation in supporting the following recommendations and policy actions related to digital learning:

Education is the primary lever to shape the digital skills of the workforce of the future. Digital technology is accelerating its presence in both working and ordinary life, but education systems are often unable to keep the same pace. Digital skills—including technical capabilities such as programming but also digital responsibility and the practical usage of technologies and tools—are deemed to be one of the eight critical areas of focus when defining high-quality learning in the fourth industrial revolution.³⁵ We therefore propose four areas of priority intervention for G20 governments:

1. The G20 should improve the provision of digital skills at schools, colleges and universities to promote the creation of a digital-ready workforce, able to harness the power of digital technologies while managing the associated risks.
2. The G20 should update educational programmes to include digital topics in their curricula, considering the skill requirements of the public and private sectors, while simultaneously reducing gender inequalities and ageism in technology and digital education.
3. The G20 should promote the effective usage of digital equipment for educational purposes, to improve students' learning experience, also enhancing teachers' digital proficiency.
4. The G20 should endorse the development of soft skills related to the digital world, to create proficient and responsible digital citizens, aware of digital-related risks, and able to safely navigate online (e.g. critical thinking to recognise online misinformation, avoid cyberbullying and hate speech.)

³⁵ World Economic Forum, *Schools of the Future Report, 2019*

Reassess the physical infrastructure legacy of education systems, with a view to optimising the blend of physical and digital learning approaches

The pandemic raised important conversations about the benefits and drawbacks of both physical and digital learning. These conversations highlight the opportunity of crafting blended models that allow us to benefit from the advantages of both approaches, whilst avoiding their respective disadvantages.

Irrespective of the degree of digitisation in learning, it seems clear that a new era is now inevitable. An important side-effect of this new era is the opportunity to re-think the purpose, use and value of the enormous legacy of buildings that make up the physical infrastructure of education systems. Many school and university buildings were built decades or centuries ago, and their design does not necessarily match their current use. Just as the step-change towards remote working is causing a fundamental rethink of real estate and urban planning, a similar exercise for the education sector is timely and opportune.

The primary driver for this re-assessment must be the optimal use of space for learning, and therefore, learning experts and workspace design experts must be central to these processes. Given the enormous value of these (mostly publicly-owned) assets, governments must convene the relevant stakeholders and set up the framework for these explorative discussions.

G20 member countries should therefore:

- Collaborate towards bridging the digital divide by ensuring secure, affordable access to digital infrastructure, tools, skills and content for learning by all citizens.
- Reassess the physical infrastructure legacy of education systems, with a view to optimising the blend of physical and digital learning approaches.

Recommendation 2: Improving labour market policies and regulatory frameworks to drive productivity and growth

The G20 should accelerate the implementation of labour market reforms, in partnership with the private sector and all stakeholders, to ensure dynamic and flexible labour markets that drive total factor productivity and a sustainable recovery.

Policy Actions

2.1 Support entrepreneurship to drive business recovery, growth and employment – Enable entrepreneurs to create jobs at scale through supportive regulatory frameworks, training opportunities, and varied funding sources for SMEs, and by encouraging the teaching of entrepreneurship skills for all.

- The G20 should enable greater access to a variety of funding sources for entrepreneurs and SMEs, as well as providing incentives and support to increase job creation and to access international markets, digital capacity and innovation resources.
 - The G20 should reduce administrative and legislative barriers that encumber the ability of businesses to establish, operate and grow; including investments in digital government tools and processes.
 - The G20 should encourage the teaching of entrepreneurship skills for all through schools, universities, incubators and accelerators, especially for under-represented groups such as women and minorities.
-

2.2 Promote diverse forms of work to stimulate job creation and growth – Adapt legislation and labour laws to recognise different contractual forms of work, accompanied by appropriate social protections and technologies that enable people and firms to choose different ways of working.

- The G20 should implement national and international regulatory frameworks that recognise and enable diverse forms of work, including open-ended, fixed-term, agency, part-time and self-employed work.
 - The G20 should implement legislation to enforce the clear and correct classification of workers in order to ensure a level playing field for businesses and to protect workers.
-

2.3 Improve the effectiveness and efficiency of Active Labour Market Policies (ALMPs) – Work across public and private sectors to improve the efficiency and effectiveness of ALMPs, including vocational training, work transition support, wage support and public works programmes, to guarantee income security for all and protect vulnerable groups in society.

- The G20 should promote collaboration across public and private sectors to improve the efficiency and effectiveness of ALMPs, such as vocational training, work transition support, wage support and public works programmes, with a view to accelerating economic recovery.

- The G20 should design efficient and effective ALMPs targeted to support vulnerable groups in society.
- The G20 should design ALMP ‘toolkits’ in preparation for future employment shocks.

Key Pilot Performance Indicator

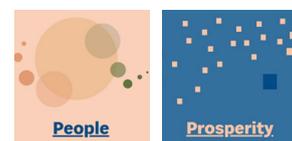
The B20 Employment and Education Taskforce proposes that current and future G20 processes monitor the progress of **public investments in Active Labour Market Policies (ALMPs), as a proportion of their national income.** ALMPs refer to government interventions in the labour market to support worker transition, such as employment services, training and start-up incentives.

We encourage governments to ensure continuous improvement in this indicator, with the setting of relevant targets. More information on KPIs can be found in the Annex.

SDG impacted - 8: Decent Work and Economic Growth - Recommendation 2 is primarily aligned to SDG 8.3 on “promoting development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services”. **4: Quality Education** - Furthermore, it resonates with SDG 4.4 on substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. **9: Industry, Innovation and Infrastructure** - Recommendation 2 also supports SDG 9.1, in particular the development of quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being. **17: Partnerships for the Goals** - The policy actions within this recommendation contribute to the achievement of SDG 17.17: “encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships”, as well as SDG 1.4 which seeks to ‘ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.’



Italy's G20 principles - People: Recommendation 2 supports the Italian G20 Presidency priority theme of People, especially in its ambition to “tackle the health and economic crisis in the short run but also look beyond and shape a sustainable, just, inclusive and resilient recovery (...) eradicate poverty, (...) tackle inequality (...)”; and “build a more inclusive global society that protects the most vulnerable, above all young people, precarious workers, small and medium enterprises (...) redistribute opportunities within countries and decrease disparities between regions”. **Prosperity:** Recommendation 2 also supports the priority theme Prosperity, related to “concretely improving the living conditions of citizens all over the world, in every aspect of their lives”; and “enhancing smart, agile and flexible working models, which may contribute to better redistribute unpaid care work between genders and promote a better work-life balance for both men and women”.



Policy Action 2.1: Support entrepreneurship to drive business recovery, growth and employment

Context and COVID-19 Impact

Entrepreneurs and SMEs are simultaneously vital and vulnerable, demanding attention and support to ensure a sustainable recovery and a healthy economy.

Entrepreneurs and Small and Medium-sized Enterprises (SMEs) are engines of economic growth and job creation. In OECD nations, SMEs account for 99 percent of all firms and contribute up to 60 percent of value-add to the economy. In emerging economies, SMEs contribute up to 45 percent of total employment and 33 percent of GDP.³⁶ A vibrant private sector, with access to funding and support services, unencumbered by administrative hurdles, is a pre-requisite to revival and growth.

SMEs are also more vulnerable to economic shocks. For instance, small companies of 1 to 249 employees tend to fail in the first few years of activity, even if they contribute towards job creation twice as much as their larger counterparts (250+ employees).³⁷ The Covid-19 crisis highlighted their vulnerability to both supply and demand shocks. Beyond broad-based losses in revenues, SMEs have been over-represented in sectors highly affected by the crisis, such as accommodation and food services, and arts, entertainment and recreation.³⁸ A survey conducted by the OECD with more than 60,000 respondents across 85 countries and seven regions, points out the persistently tough economic conditions they face, especially as liquidity challenges build-up. 34 percent of SMEs reported in September 2020 that they had reduced employment in response to the pandemic. Most SMEs reported a decline in sales, half of whom reported declines of 50 percent or more, (regional variations shown in exhibit 8).³⁹

There are disparities across regions, and also among SMEs. Smaller companies are at higher risk of permanent closure. For instance, approximately 40 percent of small businesses with fewer than 20 employees were at risk of closing permanently during the first 4 months of the pandemic, compared with less than 5 percent of firms with 100 to 499 employees.⁴⁰

Clearly, proactive intervention is essential to support the revival and future success of these firms. Beyond targeted financial support, entrepreneurs require urgent improvements to the “ease of doing business”, including fewer costly and complex administrative, bureaucratic and legal barriers, as well as support in building international connections, easier access to finance (both domestic and international), and efficient, digitalised processes and procedures (such as licencing and permitting).

³⁶ OECD. 2018. *OECD SME Ministerial Conference*, <https://www.oecd.org/about/secretary-general/oecd-sme-ministerial-conference-mexico-2018.htm>

³⁷ OECD. 2018. *Strengthening SMEs and entrepreneurship for productivity and inclusive growth*. Retrieved from: <https://www.oecd.org/cfe/smes/ministerial/documents/2018-SME-Ministerial-Conference-Key-Issues.pdf>

³⁸ OECD. July, 2020. *Coronavirus (COVID-19): SME policy responses*. Retrieved from: <https://www.oecd.org/coronavirus/policy-responses/coronavirus-covid-19-sme-policy-responses-04440101/#section-d1e258>

³⁹ OECD, 2020. *Global State of Small Business Report*. <https://dataforgood.fb.com/wp-content/uploads/2020/11/State-of-Small-Business-Wave-V-Report.pdf>

⁴⁰ *Idem*

Given the importance of these firms to employment and to the economy, much greater efforts should be made by education systems to build the skills for entrepreneurship at all ages. In reality, entrepreneurship skillsets, such as judgement, persistence, negotiation, persuasion, and learning from mistakes, are essential in every job and in every workplace.

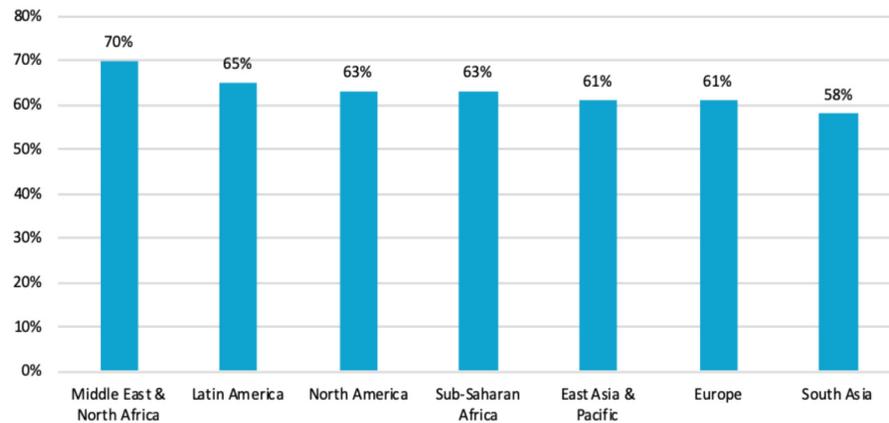


Exhibit 8
Proportion of operational SMEs reporting a decline in sales, by region

Note: SMEs operating at the time of the survey. May, 2020. reporting lower sales in the previous 30 days compared to the corresponding period in 2019)

Source: OECD, 2020. <https://dataforgood.fb.com/wp-content/uploads/2020/11/State-of-Small-Business-Wave-V-Report.pdf>

Exploration of Action Areas

Enable greater access to funding for entrepreneurs and SMEs, and provide incentives and support to increase job creation and to access international markets, digital capacity and innovation resources

Enabling greater access to a variety of funding sources to entrepreneurs and SMEs⁴¹

Financing options for SMEs are important at all stages of the business lifecycle. Financing constraints that prevent firms from investing in innovation, seizing growth opportunities, or undertaking restructuring in case of distress, negatively affect productivity, employment, innovation and income gaps.⁴²

Bank lending remains the most common source of external finance for SMEs and entrepreneurs, but there is a broad concern that credit constraints from the traditional banking system will become a crucial obstacle for firms during the aftermath of the pandemic. Access to a broader range of financing instruments will enable entrepreneurs to invest, grow, innovate and create jobs, in ways that are most suitable for their circumstances. Such instruments include asset-based finance, alternative forms of debt, hybrid tools and equity instruments, and microfinance programmes.⁴³

- Through asset-based finance, firms obtain funding based on the value of specific assets, including accounts receivable, inventory, machinery, equipment and real estate, rather than on their own credit standing. In this way, it can serve the needs of young and small firms that have difficulties in accessing traditional lending.

⁴¹This aligns with Policy Action 3.1 and 3.2 of the B20 Trade & Investment Taskforce Policy Paper, 2021

⁴² OECD, 2018. <https://www.oecd.org/cfe/smes/ministerial/documents/2018-SME-Ministerial-Conference-Plenary-Session-1.pdf>

⁴³ OECD, 2015. *New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments*. Retrieved from: <https://www.oecd.org/cfe/smes/New-Approaches-SME-full-report.pdf>

- Alternative forms of debt differ from traditional lending in that investors in the capital market, rather than banks, provide the financing for SMEs. Instruments in this category include debt securitisation, covered bonds, and crowdfunding.
- Hybrid instruments, which combine debt and equity features into a single financing vehicle, represent an appealing form of finance for firms that are approaching a turning point in their lifecycle, when the risks and opportunities of the business are increasing and are in need of capital injection, but they have limited or no access to debt financing or equity.
- Equity finance, such as stocks and equity futures, is key for companies that seek long-term corporate investment, to sustain innovation, value creation and growth. It is especially relevant for companies that have a high risk-return profile, such as new, innovative and high growth firms.

Finally, microfinance has proven to be an important source of capital and financial services for micro- and small enterprises in low-income communities.

Providing incentives and support to access international markets.⁴⁴

SMEs are generally less likely than larger firms to internationalise. Their limited size, resources, managerial structure and geographic location can result in informational, technical and administrative barriers that make it difficult to access finance, comply with quality standards, bridge connectivity and infrastructure constraints, innovate or find and develop suitable human capital.⁴⁵

Yet, foreign markets represent an important route for SMEs to grow and achieve economies of scale. Perhaps even more valuably, access to international markets presents SMEs with an important channel for the transfer of know-how, technology and higher-quality inputs; all of which improve productivity.

Policy interventions can be designed to improve access to global markets for SMEs and entrepreneurs, including: enhancing export financing facilities, training programmes and portals for international marketing, “business matchmaking” activities between SMEs and multinational corporations (MNCs), support to acquire internationally-recognised product quality certifications, support for attending international trade fairs and the creation of e-commerce platforms on which SMEs can list. These programmes are often part of a country’s overall economic development and/or export promotion strategy, and should therefore be prioritised for implementation by governments as part of broader efforts to stimulate recovery and growth.⁴⁶

⁴⁴ This aligns with Recommendation 1 and Policy Action 3.1 of the B20 Finance & Infrastructure Taskforce Policy Paper, 2021

⁴⁵ OECD, 2018. Access to market and internationalisation. <https://www.oecd-ilibrary.org/docserver/9789264305328-11-en.pdf?expires=1612862219&id=id&accname=guest&checksum=6E25B33D324B5A-D14284F98B61486298>

⁴⁶ *Idem*

Promoting the growth of SMEs and entrepreneurs through digital capacity building

Recent OECD analysis across countries highlights the positive impact of Information and Communications Technology (ICT) intensity, broadband connections and high-speed Internet, on innovation and productivity growth.⁴⁷ These infrastructures are essential underpinnings of digital tools that are supercharging innovation and productivity, like cloud computing and the Internet of Things (IoT).

Affordable access to adequate digital infrastructure and tools is essential for SMEs and entrepreneurs to succeed in today's markets. This means that digital access must reach all homes and businesses, and digital skills development must be available and encouraged. Beyond these basics, government can unleash significant value through targeted financial support and technical assistance for SMEs, for example, in conducting technology and problem-solving diagnosis or in implementing e-business solutions.

Part of this effort is to recognise the role of tech-based start-ups that can create technology tools and solutions for the benefit of the broader SME community. Governments can convene diverse stakeholders to support and pilot investments in early-stage, high-risk and high-potential innovations. For example, in 2018, the government of South Korea opened TIPS Town, building on the success of the TIPS (Tech Incubator Programme for Start-ups) initiative, launched in 2014. The programme has seen more than US\$ 70 million in investments and supports 423 start-ups, cutting across the information communication, biomedical, electrical and electronic, information services, chemical, energy, mechanical and material sectors. 55 of the firms have already gone global. The incubator space holds more than 76 start-ups, 660 residents and 13 supporting businesses, all across 4 buildings in Seoul. The programme is a true collaboration between angel investors, businesses, government, and the tech start-ups themselves, with the government funding R&D efforts and sharing in the risk of failure.⁴⁸

Promoting the growth of SMEs and entrepreneurs through innovation resources

SMEs are primary sources of innovation. Based on national innovation surveys that cover firms with 10 employees or more, SMEs account on average for over 90% of the innovative firms (as broadly defined in the OECD Oslo Manual⁴⁹) and incur between 20% and 60% of business expenditures on product or process innovation.⁵⁰ However, their contribution to innovation remains subdued, relative to the large population of firms they account for.

⁴⁷OECD. 2019. Chapter 4; Digital Infrastructure. Retrieved from: https://www.oecd-ilibrary.org/industry-and-services/oecd-sme-and-entrepreneurship-outlook-2019_34907e9c-en

⁴⁸TIPS Programme, official webpage. Retrieved from: <http://www.jointips.or.kr/global/>

⁴⁹OECD. 2018. Oslo Manual. Retrieved from: <https://www.oecd.org/sti/inno/oslo-manual-2018-info.pdf>

⁵⁰OECD. 2019. OECD and Entrepreneurship Outlook 2019. Retrieved from: <https://www.oecd-ilibrary.org/sites/3adb4264-en/index.html?itemId=/content/component/3adb4264-en>

If access to innovation assets is critical for firms of all sizes, the challenge is particularly acute for SMEs. These firms confront specific barriers in finding and using the technology, data, information and networks that would enable them to participate in and benefit from innovation activities. For instance, smaller firms are less likely to engage in R&D, for both lack of capacity and incentives. In addition, SMEs tend to be more dependent on external sources of knowledge, but they are also less well integrated into the local, national and global innovation networks that would help them capture knowledge spill-overs.⁵¹

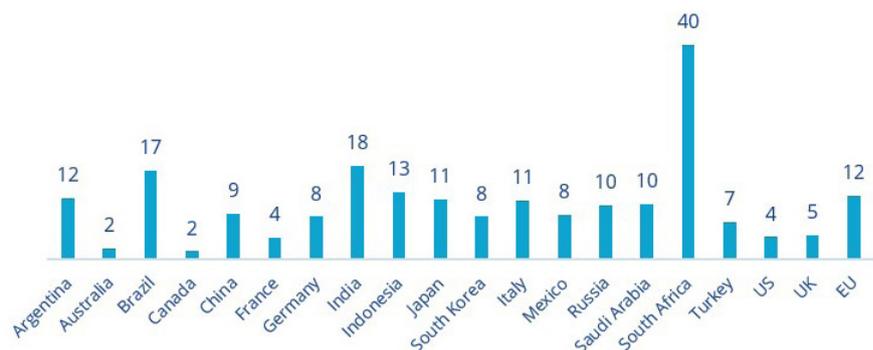
Governments should therefore aim to ensure SME adoption of technological change and full engagement with the industrial transformations at play, from emerging tech trends to cutting-edge innovations in sustainability. SME-targeted financial support and technical assistance are important ways to achieve this. Governments should also revamp innovation support packages, to better align them with the needs of SMEs. Finally, promoting the scaling up of innovation networks through accelerators and incubators, or through Open Government Data (OGD) initiatives, could bring opportunities for SMEs to access knowledge and new data at reduced costs.

Reduce administrative and legislative barriers that encumber the ability of businesses to establish, operate and grow; including investments in digital government tools and processes

Administrative and legislative barriers that encumber the establishment of businesses

Regulations on business are essential. But all too often, regulations miss their goals, generating unintended consequences or replacing old inefficiencies with new ones. For example, some burdensome regulations and tax laws on entrepreneurs can act as barriers to their entering the formal economy, leaving firms away from the oversight of regulators and tax collectors. In more than 50% of G20 countries, the number of days it takes to start a business is still in double digits (see exhibit 9).⁵² This is particularly harmful because complex administrative procedures and licensing requirements are among the main obstacles for entrepreneurs.

Exhibit 9
Time required to start a business, number of days, 2019



Source: World Bank Ease of Doing Business, 2019, <https://data.worldbank.org/indicator/IC.REG.DURS>

⁵¹OECD. 2019. OECD and Entrepreneurship Outlook 2019. Retrieved from: <https://www.oecd-ilibrary.org/sites/3adb4264-en/index.html?itemId=/content/component/3adb4264-en>

⁵² The World Bank Doing Business 2020, <https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

Economies that score highest in the World Bank’s analysis of the ease of doing business, share several common features. Firstly, the widespread use of electronic systems. All of the 20 top-ranking economies have online business incorporation processes, have electronic tax filing platforms, and allow online procedures related to property transfers. Moreover, 11 economies have electronic procedures for construction permitting. In all of these processes, the top-ranking economies are characterised by their sound business regulations with a high degree of transparency. Secondly, the time and cost of procedures to open a new business, such as transferring property, obtaining an electricity connection, or even the legal registration of a new company, are significantly higher in low-ranked countries. In these countries, such processes take nearly six times longer, on average, and can cost up to 50 times more than in high-ranked countries. And finally, high-ranking economies benefit from effective regulations and information-sharing mechanisms. For example, in the 20 highest-ranking countries, credit bureaus cover 83% of adults, compared to 10% coverage in the 50 lowest-ranking countries.⁵³ These success factors of high-ranked countries should serve as a guide for implementation priorities for G20 governments.

Reducing barriers to the operation and growth of businesses, especially through digital government⁵⁴

The World Bank states that efficient and transparent rules that allow voluntary exchanges between economic actors, set out strong property rights, facilitate the resolution of commercial disputes, and provide contractual partners with protections against arbitrariness and abuse, eases the ability of businesses to operate and grow. Moreover, the rules themselves should be easy to access and clear to those for whom they are intended.⁵⁵ Digital tools offer an invaluable means to achieve these objectives, for example through clear and transparent communication channels, and through transparent processes, like digital licensing and permitting. Digital solutions can be especially helpful to small business entrepreneurs who often struggle to navigate complex and unpredictable processes.

The pandemic has highlighted the immense value of digitised government processes. Some countries have managed to undertake dramatic digital transformations in response to the crisis. For instance, Singapore’s public service agencies have been almost entirely digitised, allowing the public administration to continue functioning as normal even during the pandemic.

An important prerequisite for effective digital processes is the reliability of and access to adequate digital infrastructure. The pandemic period tested the resilience of digital infrastructures and highlighted their importance to ensuring the continuity of economic and social activity. As such, this crisis offers an opportunity to re-evaluate the relevance and flexibility of digital policy and regulatory frameworks.

As G20 governments implement clearer, more efficient and more transparent processes and regulations, the strategic use of technology must inevitably sit at the foundation of their design. Initial steps should focus on the blending of traditional and digital models to provide a pathway that helps SMEs integrate digital tools and models into their existing physical operations.

⁵³World Bank Ease of Doing Business, 2019, <https://data.worldbank.org/indicator/IC.REG.DURS>

⁵⁴This aligns with Policy Action 1.2 of the B20 Integrity and Compliance Taskforce Policy Paper, 2021

⁵⁵Idem

In line with Policy Action 1.2 on Lifelong Learning, encourage the teaching of entrepreneurship skills for all through schools, universities, incubators and accelerators, especially for under-represented groups such as women and minorities

Encourage the teaching of entrepreneurship skills for all through schools, universities, incubators and accelerators

Entrepreneurship skills are crucial life skills, irrespective of a person's form of employment or the type and size of organisation they work in. In the context of teaching systems, entrepreneurship has been shown to promote high levels of student motivation and can trigger engagement, resulting in deep learning. Entrepreneurial skills include crucial "soft skills" that are increasingly important in labour markets, such as creativity, innovation, the ability to work with others, planning and project management skills, the understanding of risk, the ability to turn stressors or sources of harm into opportunities, and coping with failure.⁵⁶

Despite its importance, the teaching of entrepreneurship skills has been limited to elective courses and programmes, mostly for higher-education students already possessing some degree of entrepreneurial passion, and thus self-selecting into entrepreneurial education. Even this limited access is only available in some advanced economies. The teaching of entrepreneurship skills should be expanded to reach all students across the G20, targeting secondary and higher education students, as well as Vocational Education and Training (VET) participants and adults seeking to start or operate an enterprise. Moreover, to inspire more youths to develop an entrepreneurial mindset, courses should be designed to be stimulating and engaging, using teaching concepts like "edutainment". An important way to systematically scale such entrepreneurship training is through governmental promotion of Entrepreneurship Education and Training Programmes (EET).⁵⁷

For example, in 2015, the European Commission and the OECD created the E360 project, to examine entrepreneurial learning in primary and secondary education, and in vocational education and training.⁵⁸ Experts and representatives from across Europe shared examples of good practice and helped to create guiding notes for policymakers and educators, to help encourage and improve the practice of entrepreneurial leadership, culture, teaching and learning in schools and VET institutions. Initiatives like this can help spur the recognition of entrepreneurship skills in education curricula.

Incubators and accelerators also represent an important channel to teach entrepreneurship skills through hands-on experience. These business development support programmes provide a range of support services to entrepreneurs during the early stages of the business lifecycle. Both types of support programmes typically offer a package of services, including training seminars, workshops, business coaching and mentoring, business advice, networking opportunities and access to financing. In addition, business incubators have traditionally offered premises for the business to operate. Evidence suggests that business incubators and business accelerators can be effective supports for new and growing businesses.

⁵⁶ OECD. 2020. *Entrepreneurship360: Skills for Entrepreneurship* Retrieved from: <https://www.oecd.org/cfe/lead/entrepreneurship360-skills-entrepreneurship.htm>

⁵⁷ European Commission, *Entrepreneurship in Education*. 2015. Retrieved from: https://www.oecd.org/cfe/lead/BGP_Entrepreneurship-in-Education.pdf

⁵⁸ E360 project : <https://www.schooleducationgateway.eu/en/pub/resources/e360---successful-entrepreneur.htm>

Firms that receive support in incubators tend to have higher survival rates, create more jobs, and generate more revenue.⁵⁹

Given the scale of the economic, employment and social crises that the pandemic has unleashed, and also the imminent disruptions and transformational changes ahead, from the 4th Industrial Revolution to climate change, there is a strong argument to encourage more widespread teaching of social entrepreneurship capabilities. Social entrepreneurship is proving to successfully balance economic, social, and environmental goals, and is fast-becoming both a competitive advantage and an expectation among consumers and citizens, especially the young.

Support entrepreneurship skill-building among under-represented groups

The teaching of entrepreneurship skills, including social entrepreneurship, is an important way to accelerate the inclusion of under-represented groups, such as women and minorities, into the labour market. Business ownership in itself represents an opportunity to avoid discrimination in the labour market or society more broadly. It also builds a sense of autonomy, confidence, pride and social status.

Entrepreneurship can also present opportunities for disadvantaged groups to turn their particular characteristics, or experiences, into a market advantage: such as ethnic minorities developing services targeted at immigrants, or older entrepreneurs designing offerings for the elderly.⁶⁰ Such approaches allow for creative, entrepreneurial ideas that can also help address social inclusion issues.

In terms of policy actions, EET Programmes, business incubator and accelerator programmes can be established to target entrepreneurs from under-represented and disadvantaged groups. Also, entrepreneurs from these backgrounds can be encouraged and incentivised to participate in broader enterprise-promotion initiatives, stimulating greater diversity within these mainstream initiatives, which in turn accelerates inclusion and spurs innovation.

G20 member countries should therefore:

- Enable greater access to a variety of funding sources for entrepreneurs and SMEs, as well as providing incentives and support to increase job creation and to access international markets, digital capacity and innovation resources.
- Reduce administrative and legislative barriers that encumber the ability of businesses to establish, operate and grow; including investments in digital government tools and processes.
- Encourage the teaching of entrepreneurship skills for all through schools, universities, incubators and accelerators, especially for under-represented groups such as women and minorities.

⁵⁹European Commission, OECD. (2015). *Policy Brief on Incubators and Accelerators that Support Inclusive Entrepreneurship*.

⁶⁰ LEED. *Sustaining self-employment for disadvantaged entrepreneurs*. Retrieved from: <https://www.oecd.org/cfe/leed/Background%20paper%20for%20sustainability%20policy%20brief%20rev.pdf>

Policy Action 2.2: Promote diverse forms of work to stimulate job creation and growth

Context and COVID-19 Impact

Diverse forms of work are proving especially important in the aftermath of the pandemic.

Recent years have witnessed a rise in new ways of working which has been driven by a mixture of technological advances, the emergence of new business models, as well as by deliberate policy decisions on the part of governments. For example, digital platforms are allowing businesses to find skills, and individuals to sell their services, in a global labour market. Clearly, the pandemic has generated a step-change in remote working, which is likely to persist to some degree as a long-term trend. Diverse forms of work, such as fixed-term work, part-time work, agency work and self-employment, have increased in recent years because they provide important flexibility and opportunities for employment to a growing number of workers, especially for those previously excluded from the labour market on account of inexperience, disability, age or illness. Moreover, the preference for diverse forms of work is prevalent across countries (see exhibit 10).

The pandemic has accelerated the need for these diverse forms of work. They have become crucial to counteract high unemployment rates during recessions, and are sometimes the only source of income to workers that would otherwise find themselves unemployed. For instance, as the pandemic spread, a study measured a 50% increase in the number of self-employed workers on “Upwork” in the US (a freelancing platform used by a third of Fortune 500 companies) between June 2019 and June 2020, contributing US\$1.2 trillion dollars to the US economy in annual earnings.⁶¹

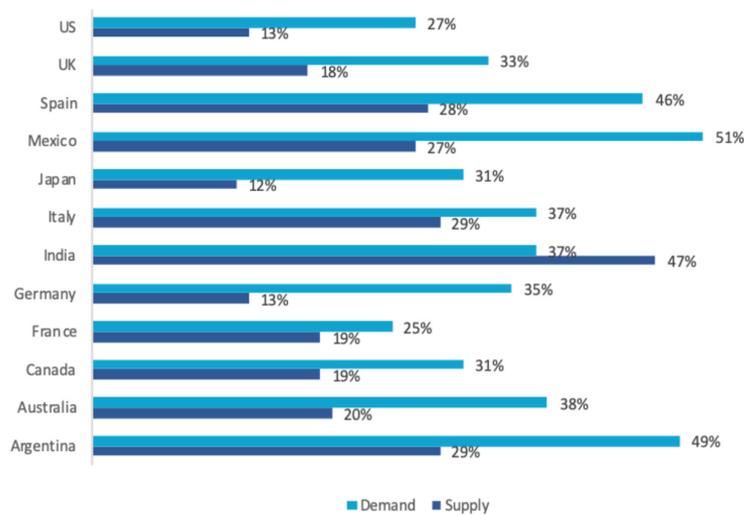
Moreover, diverse forms of work represent a crucial avenue to bring large numbers of people back into the workforce. According to the World Employment Confederation, one-third of agency workers come from either inactivity or unemployment. On average, 73% of agency workers entering the labour market through agency work remain in employment 12 months later, either continuing within that sector or moving on to direct, fixed-term or open-ended contracts.⁶²

While these diverse forms of work bring advantages in terms of flexibility for both workers and employers, concerns remain around support mechanisms for these workers. The coronavirus pandemic has exposed the degree to which social protection systems are insufficiently tailored to 21st century ways of working. Many people in diverse forms of work have not been able to effectively access relief measures. The pandemic thus highlights the urgent imperative to design social safety nets that are relevant and valuable to both businesses and workers, sharing costs and benefits appropriately.⁶³

⁶¹ Fortune. 2020. *Why the Upwork CEO believes the pandemic will lead to more work with freelancers*. Retrieved from: <https://fortune.com/2020/05/31/upwork-remote-work-freelancers-coronavirus>

⁶² World Employment Confederation. (2020). *Social Impact Report. 2020*. Retrieved from: <https://wecglobal.org/uploads/2020/07/WEC-Social-Impact-Report-2020.pdf>

⁶³ B20 Saudi Arabia. 2020. *Future of work & education Policy Paper 2020*.



Source: Manpower Group. 2018. *Global Candidate Preferences Survey*

Exhibit 10
Supply and demand
for alternate work (contract,
project, part-time, seasonal
and temporary work), 2018

Exploration of Action Areas

Implement national and international regulatory frameworks that recognise and enable diverse forms of work, including open-ended, fixed-term, agency, part-time and self-employed work

Implement national and international regulatory frameworks that recognise all forms of work

Legal and recognised employment relations are the starting point for businesses to create jobs and contribute to productive employment. These relations are a precondition for businesses to adjust their human resource needs to economic realities, and to ensure that evolving workforce demands translate into formal employment arrangements. Regulatory frameworks that recognise the full range of employment relations thereby allow for better access to formal and decent jobs, and create job opportunities for workers while also bringing them access to employment rights.

Unfortunately, many countries do not legally recognise the variety of employment arrangements available in labour markets, or not in ways that align with formal labour demand. This failure creates labour market inefficiencies and incentivises workers towards informality. For instance, agency work contracts are in many cases not recognised as a decent, third-party form of work. Such “triangular employment relationships” can improve labour market efficiency and allow workers to gain easy access to work and varied work experiences, as well as opening more flexible and varied options for employees to combine work with other life commitments. By using agency work, businesses can quickly find new employees and easily expand their workforce when needed.⁶⁴

Beyond the recognition of diverse forms of work, regulatory frameworks must allow for easy transitions from one form of work to another. This can currently be a particular issue for temporary workers, workers in temporary agencies and other multi-party employment relationships, as well as the dependent self-employed.

⁶⁴ World Employment Confederation (2020). *Agency work*. Retrieved from: <https://wecglobal.org/private-employment-industry/agency-work/>

For more information on the stepping stone role of agency work, see: Jahn, Roshol. 2013. *Looking beyond the bridge: The effect of temporary agency employment on labour market outcomes*. <https://www.sciencedirect.com/science/article/abs/pii/S0014292113001372?via%3Dihub>

A model of effective part-time regulation is the Netherlands, where legislation explicitly provides for the possibility of switching back and forth between full-time and part-time jobs with the same employer. The Netherlands example demonstrates how to formalise stepping stones for part-time workers.⁶⁵

As forms of work become more diverse, this must be matched by appropriate safety nets to ensure and incentivise the safe and easy transition of workers across different parts of the labour market. This requires innovative adaptations to safety nets that provide the benefits of flexibility and agility to both employees and employers, and a fair sharing of the associated costs and risks. For example, employee benefits (such as access to training) can be designed to build up across a variety of career experiences, allowing workers to more confidently transition across different types of work, to the benefit of themselves and employers. This would also incentivise informal workers to join the formal economy. Recent experiments with social protection models in response to the Covid-19 pandemic offer valuable experiences to analyse and learn lessons in designing such social innovations.

Regulatory frameworks that recognise all forms of work will allow G20 countries to ensure both opportunities and protections for workers in all types of employment.

Diverse forms of work are enabled by increasingly flexible work solutions, including remote working. The pandemic has accelerated this trend, highlighting the need for legislation to catch up with modern working methods. For example, Russia implemented a law on 1 January 2021, providing a framework for remote working policies, covering permanent and temporary remote working arrangements, including cases of emergency, like the current pandemic. The law was designed by a working group composed of government representatives, members of the Russian Parliament, trade unions and employers' organisations.⁶⁶

Implement policies and regulatory frameworks that enable all forms of work

The availability and clear regulation of diverse forms of work have proven to foster youth and female inclusion in the workforce, as well as allowing lifelong learning opportunities alongside work. For instance, women are over-represented in part-time jobs across OECD countries. And of all 15-24 year-olds in the working population across 18 European countries, 53.5% have fixed-term contracts, in comparison to 14.9% of their 24-49 year-old counterparts.⁶⁷ Countries with clear regulations to support diverse forms of work are also more attractive to international investment and more amenable to the creation of new businesses.

Some countries have begun to adapt policies to newer forms of work. For instance, we have seen extended rights, benefits and protections to previously unprotected workers in some countries. In others, we have seen the reduction of differences in tax treatment between contract types.

⁶⁵ OECD. (2019). *Part-time and Partly Equal: Gender and Work in the Netherlands*. Retrieved from: <https://www.oecd.org/social/part-time-and-partly-equal-gender-and-work-in-the-netherlands-204235cf-en.htm>

⁶⁶ *Industrial Relations and Labour Laws, 2021. Russia adopts a new legislation on remote work*. Retrieved from: <https://ioewec.newsletter.ioe-emp.org/industrial-relations-and-labour-law-march-2021/news/article/russia-a-dopts-a-new-legislation-on-remote-work>

⁶⁷ ILO. 2017. *The rising tide of non-standard employment*. Retrieved from: <https://www.ilo.org/infostories/Stories/Employment/Non-Standard-Employment#intro>

Some countries are regulating the way that platforms operate and imposing reporting obligations in relation to taxation. For example, in January 2021, India enacted three new codes on employment conditions, social security and occupational health, safety and working conditions. New concepts have been introduced, including provisions related to fixed-term employees, as well as the creation of a worker re-skilling fund, social security for gig workers and platform workers, definitions related to contract labour, and the recognition of trade unions, among other actions.⁶⁸

Implement legislation to enforce the clear and correct classification of workers in order to ensure a level playing field for business and protect workers

The slow progress in formally recognising diverse forms of work has led to the challenge of misclassifying workers across the traditional definitions of dependent employment, self-employment, and the myriad of working models that are a reality of today's economy. Ensuring correct classification is key to ensuring access to labour and social protection, as well as to collective bargaining and lifelong learning. For example, the pandemic highlighted the dangers for many workers, who found that they were not covered by social protection systems, due to the classification of their work. In many countries, self-employed workers presented a visible example of such challenges.

Clear and correct classification of workers helps to both protect workers and to ensure a level playing field for businesses. Businesses that act responsibly and comply with correct classification procedures are unfairly disadvantaged against competitors that overlook or circumvent these important distinctions. Effective legislation and enforcement are crucial for labour markets to function in a manner that is fair and fit for the 21st century.

G20 member countries should therefore:

- Implement national and international regulatory frameworks that recognise and enable diverse forms of work, including open-ended, fixed-term, agency, part-time and self-employed work.
- Implement legislation to enforce the clear and correct classification of workers in order to ensure a level playing field for business and protect workers.

⁶⁸ *The National Law Review*. 2020. *India Consolidates and Codifies Its National-Level Labour Laws*. Retrieved from: <https://www.natlawreview.com/article/india-consolidates-and-codifies-its-national-level-labour-laws>

Policy Action 2.3: Improve the effectiveness and efficiency of Active Labour Market Policies (ALMPs)

Work across public and private sectors to improve the efficiency and effectiveness of ALMPs, including vocational training, work transition support, wage support and public works programmes, to guarantee income security for all and protect vulnerable groups in society.

Context and COVID-19 Impact

The pandemic highlights the importance of ALMPs, and brings an opportunity to learn important lessons about their effectiveness under different conditions, including in addressing the employment challenges that accompany the recovery period.

Labour market policies and institutions play a critical role in determining the flexibility with which firms can adjust their workforces when facing labour market upheavals, such as pandemics or waves of automation. This depends to an important extent on the effectiveness of Active Labour Market Policies (ALMPs) – government interventions in the labour market to support worker transition, such as vocational training, assistance in the job search process, wage subsidies, and support to independent workers. The objective of ALMPs is to give more people access to the labour force and good jobs.⁶⁹

A measure of the effectiveness of ALMPs is therefore the degree to which they enhance the motivation and incentives for unemployed workers to seek employment, improve their job readiness and find suitable employment, and in doing so, expand employment opportunities for a more inclusive labour market.⁷⁰

The pandemic-driven employment crisis heightened the need for effective ALMPs to drive economic and job growth. For instance, as shown in exhibit 11, the use of job retention schemes was a major lever to control massive surges in unemployment due to Covid-19 in many countries. Such schemes allow the preservation of jobs at firms experiencing a temporary drop in business activity, while providing income support to workers whose hours are reduced due to a shortened work week or temporary layoffs. The use of these instruments plays a major role in explaining why most OECD countries did not experience the massive surges in open unemployment that were registered in Canada and the United States.⁷¹

An important priority must be to ensure that ALMPs reach all individuals that need this support, including for example, micro-entrepreneurs and independent workers. The high levels of labour inactivity generated by this crisis also pose a critical challenge, as inactive individuals are excluded from unemployment figures, and may prove difficult to reach and reintegrate into ALMP systems and eventually into productive employment.

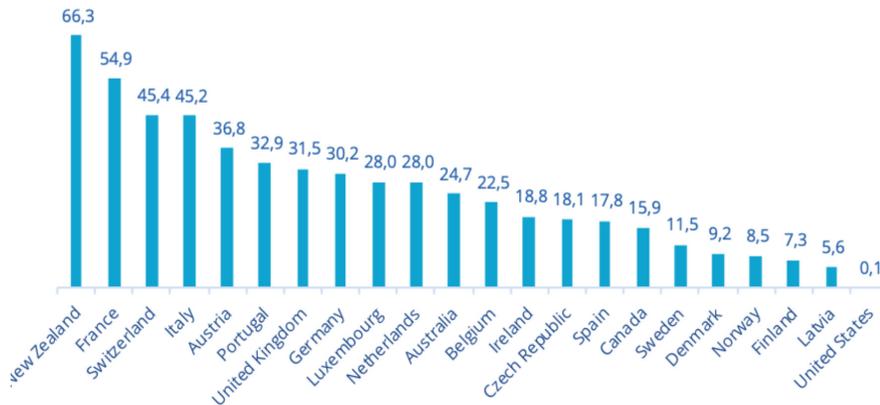
⁶⁹ VOXEU. September, 2019. *Understanding what works for active labour market policies*. Retrieved from: <https://voxeu.org/article/understanding-what-works-active-labour-market-policies>

⁷⁰ OECD. March, 2019. *Preparing for the Changing Nature of Work in the Digital Era*. Retrieved from: <https://www.oecd.org/going-digital/changing-nature-of-work-in-the-digital-era.pdf>

⁷¹ OECD *Employment Outlook 2020*. Retrieved from: <http://www.oecd.org/employment-outlook/2020/>

The lingering effects of the coronavirus crisis will add to the structural changes that were already shifting labour demand and skills requirements. It is essential to conduct an assessment of how different ALMPs have performed under different circumstances, to learn from this experience, and use the lessons to prepare for future upheavals and employment shocks.

Exhibit 11
Approved applications in job retention schemes during May 2020, % of employees



Source: OECD Employment Outlook 2020

Exploration of Action Areas

Promote collaboration across public and private sector to improve the efficiency and effectiveness of ALMPs with a view to accelerating economic recovery

For many countries, ALMPs have played a crucial role in managing the worst employment and income effects of the crisis, and they will continue to play a critical role in the transition towards recovery. A lesson learned from the crisis period is the importance of ensuring that ALMPs are effective and efficient. For instance, one study found that the reported impact of ALMPs on employment and earnings, although moderately positive on average, are subject to great variability, due to the complexity of the environment that these policies target. Success is highly dependent on the quality of implementation.⁷²

Urgent attention must be paid to ensure ALMPs are designed and implemented correctly to support the employment and economic recovery. The longer people remain unemployed, or worse, inactive, the greater the risk of permanent discouragement for some workers to re-enter the labour market. ALMPs must be designed not only to provide avenues to productive work, but also to inspire people to proactively engage with initiatives that will improve their employability and prospects.

Partnership between business and government is of crucial importance to success. The effectiveness of ALMPs depends on their relevance to businesses. If these policies are adapted and tailored to labour market needs, they can scale and evolve to meet the areas of greatest opportunity for both employees and employers. By increasing the relevance and value of these policies to businesses, it makes it more likely that employers will engage with these schemes.

⁷²Brookings Research. (2020) *Life After Coronavirus*. Retrieved from: <https://www.brookings.edu/research/life-after-coronavirus-strengthening-labor-markets-through-active-policy/>

Within the private sector, there is a great opportunity to improve both effectiveness and efficiency of ALMPs through improved collaboration between Public and Private Employment Service organisations. Indeed, Eurostat's latest European Labour Force Survey shows that during the Covid-19 pandemic, about a fifth of jobseekers reached out to private employment services, while the role of public employment services has been steadily decreasing over recent years.⁷³ Separately, the OECD has found that private providers contributed agility in the provision of job search and career guidance services in response to the Covid-19 shock.⁷⁴ Improved public-private collaboration is also highly beneficial to outplacement and career guidance services, where both businesses and jobseekers would benefit from quicker and better outcomes.

For example, public-private partnerships could allow for the pooling of private and public employment professionals and organisations to share expertise, create synergies and deliver more efficient and targeted designs of public activation policies.⁷⁵ This kind of collaboration promises to accelerate employment and economic recovery, and is supported by institutions like the OECD and ILO (e.g. OECD post-pandemic labour market recommendations and 2018 Jobs Strategy, and ILO Convention 181, Recommendation 188).

The experience of the pandemic has also highlighted the importance of technology in delivering more impactful support services. For example, Public Employment Service (PES) offices that had already embarked on digital transformation before the Covid-19 crisis were in a better position to ensure remote access to services while physical distancing protocols were enforced. The longer-term benefits of digitisation are also clear, and should be prioritised along with necessary measures to ensure inclusion.⁷⁶

Finally, the impact of ALMPs should be scrutinised periodically, through continuous monitoring and evaluation of the impact on different groups and on the workforce as a whole. Success factors will vary over time, including over the coming recovery and growth periods.

Design efficient and effective ALMPs targeted to support vulnerable groups in society

Vulnerable sections of the workforce include women, youth, older workers, persons with disabilities, international migrants, and minorities. Recommendation 3 of this policy paper deals with the broader imperative for greater inclusion of these communities into the workforce. However, it is worth noting that ALMPs tailored to these vulnerable groups play a crucial role to accelerating an inclusive recovery, especially as most of these vulnerable groups have been disproportionately affected by the pandemic and its economic aftermath. There is strong empirical evidence demonstrating the effectiveness of ALMPs among vulnerable workers, including the promotion of self-

⁷³ Eurostat, 2021. *Methods used for seeking work- Percentage of unemployed who declared having used a given method, by sex (%)*. Retrieved from: https://ec.europa.eu/eurostat/web/products-datasets/-/lfsq_ugmsw

⁷⁴ OECD, 2021. *OECD 2021 Employment Outlook*. Retrieved from: <https://www.oecd-ilibrary.org/sites/5a700c4b-en/index.html?itemId=/content/publication/5a700c4b-en>

⁷⁵ World Employment Confederation and International Organisation of Employers Joint Position Paper. (2021) *Policy Priorities for the Road to a Sustainable Job Recover*

⁷⁶ ILO. 2020. *Labour market policies and employment services are critical ingredients of the COVID-19 policy responses* https://www.ilo.org/employment/Whatwedo/Publications/WCMS_753447/lang--en/index.htm

f-employment and micro-enterprise creation.⁷⁷

Vulnerable groups are more likely to face frequent and prolonged unemployment spells, resulting in skills deterioration and lower wages, increased likelihood of taking informal work, or dropping out entirely from the labour market. The complexity of challenges faced by these groups often requires a combination of services to address direct obstacles to employability as well as barriers like poor literacy, long-term illness, housing and financial constraints. Rather than expecting these vulnerable workers to shuttle between a variety of standalone services and independent providers, the ILO recommends a more joined-up approach, where disadvantaged populations receive a continuum of support from PES offices that are connected with other government initiatives and specialist providers of complementary services and support.⁷⁸ The case studies below (exhibit 12) illustrate how PES offices in selected countries are coordinating efforts with other service providers to improve access to employment opportunities for people in vulnerable situations.

Mainstreaming the notion of joining up: An ALMP for disadvantaged youth in Argentina

In Argentina, the Youth with a Future Programme (Programa Jóvenes con Futuro) is a successful example of cooperation between enterprises, the Ministry of Labour, Employment and Social Protection (MTEySS) and the PES, the Employment Service Network, to deliver a package of services. The programme targets young people aged 18–24 without secondary education, a qualification or relevant work experience. It provides sequenced services beginning with a needs assessment and progressing through counselling services, training in the classroom and at the workplace for up to ten months, or support to complete basic secondary education. Each year the programme serves about 2,000 candidates, of whom 40 per cent are female. The majority of participants (70%) prioritise going back to school. This group is served by the Ministry of Education, which provides scholarships in different areas of education and vocational training. A study found that on average, 60% of all those who participate fully in the programme are placed in registered employment.

Specialised providers integrating services for women in Ansan City, Republic of Korea

The Occupational Centre for Women (OCW) in Ansan City, Republic of Korea, has been delivering employment services and training to women on behalf of the Ministry of Gender, Equality and Family since 2009. The OCW targets women interested in working who have a range of needs, from those who have interrupted their professional careers for family reasons and who lack reliable access to child care, to immigrant women not fluent in the Korean language who are solely occupied in domestic duties in their own households, and women from socially disadvantaged groups without qualifications, many of whom experience other barriers to employment, including health and mobility constraints.

The OCW also provides advice to employers and enterprises willing to employ women and helps them to organise job interviews with women jobseekers registered at the centre. Customised training programmes are also available to employers working with the OCW to develop the skills sought by local enterprises and to address skills shortages in certain sectors. Working with employers ensures that job-seeking efforts and training programmes are in line with the real demand for labour at provincial and local levels.

ILO. 2019. Public employment services: Joined-up services for people facing labour market disadvantage. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_632629.pdf

⁷⁷ILO. 2019. Finding proactive features in labour market policies: A reflection based on the evidence. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_650075.pdf

⁷⁸ILO. 2019. Public employment services: Joined-up services for people facing labour market disadvantage. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_632629.pdf

Exhibit 12 Examples of how countries have leveraged joined-up employment services

Design ALMP ‘toolkits’ in preparation for future employment shocks

The pandemic has presented a rare opportunity to experiment and stress-test a variety of ALMP actions in different parts of the world. Effectiveness has been variable, but irrespective of success levels, every initiative represents important experiences to learn from.

A comprehensive assessment and evaluation of the impact of different ALMP initiatives in different circumstances would prove extraordinarily useful in designing more effective and efficient ALMPs for the future, as well as preparing for future employment shocks. This would involve rigorous academic assessments of the factors that can increase or decrease the chances of success, based on real case studies in different environments around the world. Beyond overall impact, these assessments should investigate how specific groups or communities are impacted by different ALMP approaches, to help design more tailored strategies in the future.

This is a rare moment in history, where there is shared consensus, fresh experience and a wealth of data from which we can learn important lessons that will tangibly improve the smooth-functioning and resilience of our labour markets. It would be disastrous to waste this opportunity.

In this regard, we also refer to the findings of the B20 Council on Emergency Responses, which is working to design mechanisms that can improve our preparedness for future crises, based on the lessons learned from this pandemic.

G20 member countries should therefore:

- Promote collaboration across public and private sectors to improve the efficiency and effectiveness of ALMPs, such as vocational training, work transition support, wage support and public works programmes, with a view to accelerating economic recovery.
- Design efficient and effective ALMPs targeted to support vulnerable groups in society.
- Design ALMP ‘toolkits’ in preparation for future employment shocks

Recommendation 3: Ensuring inclusive opportunities as we rebuild the workplace of the future

The G20 should partner with the private sector and with civil society experts and organisations to activate and formalise the full labour force, building a human-centred recovery and a fully-inclusive future of work.

Policy Actions

3.1 Stimulate youth employability and youth employment – Enact evidence-based youth policies, including Vocational Education and Training (VET), apprenticeships, internships, externships, and the promotion of partnerships across public and private sectors to accelerate job creation.

- The G20 should enact evidence-based youth policies, tailored and adapted to national and (where possible) local contexts, where direct youth input is leveraged and policies are supported by adequate budget and resource allocations.
 - The G20 should support the expansion of youth-targeted, work-based learning systems, such as VET and apprenticeships, to guide young people into productive jobs at a large scale.
 - The G20 should partner across public and private sectors to improve access to job opportunities and accelerate decent job generation that targets the young population, especially in sectors with strong future prospects.
-

3.2 Empower women across the workforce – Dismantle obstacles to female employment, and accelerate and incentivise female job creation at all levels, including through strengthened family-care provision.

- The G20 should ensure all women have access to all basic rights to decent work and education.
- The G20 should promote entry-level job creation, graduate schemes and training programmes for women.
- The G20 should measure, incentivise and increase female participation in leadership positions, including board membership.
- The G20 should strengthen long-term family care and care-leave provisions in order to limit the disproportionate impact on women's effective participation in the formal workforce.
- The G20 should collect gender- and age-disaggregated data to facilitate evidence-based policymaking and international comparability.

3.3 Foster healthy, decent, formal work for all, with appropriate social protections – Develop incentives to formalise work, ensure social protection for all, and safeguard workforce health, safety and well-being.

- The G20 should promote and enable the transition of workers and economic units from the informal to the formal economy to create more inclusive formal labour markets, while ensuring the improvement of existing livelihoods during the transition.
- The G20 should improve social protection systems to provide access to adequate social protection for all, including women, youth, the self-employed, own-account workers, and those in informal employment.
- The G20 should promote implementation of international standards and global coordination on occupational health and safety practices in workplaces, as well as supporting the inclusion of physical and mental health considerations into every organisation’s workforce programmes.

Key Pilot Performance Indicator

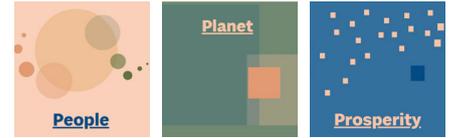
The B20 Employment and Education Taskforce proposes that current and future G20 processes monitor progress on the **proportion of students graduating in subjects related to Science, Technology, Engineering and Mathematics (STEM)**. We also specifically urge governments to target the increase of **female graduates** in these subjects.

We encourage governments to ensure continuous improvement in this indicator, with the setting of relevant targets. More information on KPIs can be found in the Annex.



SDG impacted - 10: Reduced Inequalities - Recommendation 3 is primarily aligned to SDG 10.2 on “empowering and promoting the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status”. **5: Gender Equality** Furthermore, it resonates with SDG 5.1 on “ending all forms of discrimination against all women and girls everywhere” and 5.5 to “ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life”. **3: Good Health and Well Being** Recommendation 3 also supports SDG 1.3 on “implementing nationally appropriate social protection systems and measures for all, and achieving substantial coverage of the poor and the vulnerable”. It also supports SDG 3.8 on “achieving universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”. **8: Decent Work and Economic Growth** - Finally, the policy actions within this recommendation contribute to the achievement of SDG 8.3, which promotes development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services; it also promotes SDG 8.5 to “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”. Finally, it contributes to SDG 17.17 to “encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships”.

Italy's G20 principles - *People*: Recommendation 3 supports the Italian G20 Presidency's priority theme on People, as it relates to "tackling the health and economic crisis in the short run (...) and shaping a sustainable, just, inclusive and resilient recovery (...) eradicating poverty, (...) tackling inequality (...)"; and "building a more inclusive global society" which "implies protecting the most vulnerable, above all young people, precarious workers, small and medium enterprises; promoting women's empowerment; ensuring universal access to education; redistributing opportunities within countries and decreasing disparities between regions". ***Planet*:** Recommendation 3 also supports the priority theme on Planet, which argues for a "transition towards renewable energies and a green recovery, with a focus on modern, "smart" cities". ***Prosperity*:** Recommendation 3 also supports the priority theme on Prosperity, especially with regard to "making digitalization an opportunity for all" (...) "and exploiting the full potential of the technological revolution to concretely improve the living conditions of citizens all over the world, in every aspect of their lives." The recommendation also supports "making health services more effective; facilitate data sharing to strengthen global pandemic preparedness and response" and efforts to "better redistribute unpaid care work between genders and promote a better work-life balance for both men and women" (...) "and enhance the reach of educational activities."



Policy Action 3.1: Stimulate youth employability and youth employment

Enact evidence-based youth policies, including Vocational Education and Training (VET), apprenticeships, internships, externships, and the promotion of partnerships across public and private sectors to accelerate job creation.

Context and COVID-19 Impact

Without immediate action to support youth employment and employability, the long-term risks facing the “lockdown generation” could be catastrophic.

Youth unemployment figures still haven't recovered since the global financial crisis, more than a decade ago. Even before the pandemic, people aged 15-24 were around three times more likely to be unemployed than those aged 25 and older. Youth unemployment already sat at 11.9% (OECD average), with some countries seeing multiple times that. Since the pandemic, their situation has deteriorated, (see exhibit 13).

The OECD estimates that 74% of youths have been affected by the closure of schools, universities and training centres during the pandemic. Of those, 13% saw their education and training come to a complete stop, with no possibility of online teaching. Young people also tend to work in less secure, unskilled jobs, and are highly represented in industries most affected by the pandemic.⁷⁹ The range of challenges they encounter include restricted education, restricted employment, poverty and poor mental health.

The youth require dedicated support to emerge from this crisis. Young people typically find it harder to find work after economic recessions, facing more competition for fewer opportunities. Also, extended periods of unemployment during youth impacts lifelong career opportunities. Empirical evidence shows that entering the labour market during a recession can impact young people's labour market outcomes for a decade or more.⁸⁰ Young workers also increasingly face significant challenges in finding jobs with decent pay and conditions. With the unprecedented cost burden of this crisis largely falling on the youth and future generations, the risks to the economic prospects of this “lockdown generation” are severe.

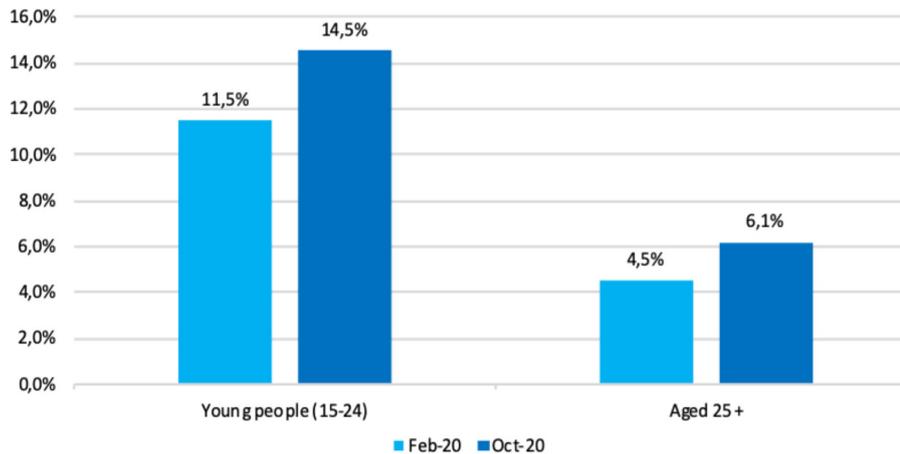
The consequences are costly to the entire economy and society. Failure to integrate young people into the productive workforce pushes them from ‘generators’ of growth and productivity into ‘drags’ on growth and productivity, with associated risks to social cohesion. For this reason, it is essential that policymakers invest in youth employment and employability immediately, to minimise long-lasting harm.

The supportive declarations and commitments of G20 ministers and leaders on this topic are most welcome, but the emphasis must now turn to concrete action.

⁷⁹ OECD. June, 2020. *Youth and COVID-19: Response, recovery and resilience*. Retrieved from: <https://www.oecd.org/coronavirus/policy-responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/>

⁸⁰ ILO. 2020. *Preventing exclusion from the labour market: Tackling the COVID-19 youth employment crisis*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_746031.pdf

Exhibit 13
Unemployment rate as % of
labour force (OECD countries),
2020



Source: OECD (2020). *Young people and women hit hard by jobs crisis*. Retrieved from: <http://www.oecd.org/coronavirus/en/data-insights/young-people-and-women-hit-hard-by-jobs-crisis>

Exploration of Action Areas

Enact targeted, evidence-based youth policies, leveraging direct input from the youth, supported by adequate budget and resource allocations

Enact evidence-based youth policies, tailored and adapted to national and (where possible) local contexts

Employment challenges facing the youth are multifaceted and complex. Some youths are forced to enter the workforce too early, whilst others are never able to find stable employment, and many find themselves stuck in low-productivity, low-paid jobs, increasingly under contractual terms that feel precarious. The wide range of issues and circumstances facing young workers means that policies must be targeted and tailored, with evidence-based design, to ensure that resources are allocated efficiently.

Even before the pandemic, government agendas around the world were awakening to the need for policies that explicitly target youth employment and employability, especially since the global financial crisis. A common approach has been through active labour market policies (ALMPs) that deal specifically with employment problems and include programmes such as subsidised credits, enterprise creation, training, wage subsidies and public works (see Policy Action 1.3). Often, however, these programmes target people registered as unemployed, mostly in urban areas, and not necessarily youth, missing a majority of rural youth and those in informal employment. Youth-specific ALMPs can play an important role in filling those gaps, but the impact tends to vary according to the nature of the programmes, design issues and country context.⁸¹ This highlights the need for evidence-based targeting and policy design.

The OECD has collected case studies of different types of programmes that have undergone empirical impact assessments, to ensure a successful effect on youth employment. These include employment services, employment subsidies, entrepreneurship programmes and skills training initiatives for youth (see exhibit 14).

⁸¹ OECD (2017), *Evidence-based Policy Making for Youth Well-being: A Toolkit*, OECD Development Policy Tools, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264283923-en>

Exhibit 14
| Policy actions around the world
to enhance youth employability

Employment services, BW Jobs 4 Graduates, Botswana

The main purpose of employment services is to match job offers with job seekers. Services include job search and placement, labour intermediation services, labour information systems, career counselling and mentoring services for people with difficulties in finding employment. An impact assessment of 26 employment services programmes in both developed and developing countries concluded that 16 had positive employment effects, including 11 with positive earnings effects, mostly in developed and transition countries. An example of a successful employment programme is BW Jobs 4 Graduates, a youth-led organisation registered under the Ministry of Labour and Home Affairs of Botswana. The programme offers a variety of services to assist youth in finding employment opportunities. Job search and training services are offered free of charge to youth, while employers are charged a fee for advertising. A short message service (SMS) enables youth to receive vacancy announcements and interview reminders on their mobile phones. BW Jobs 4 Graduates organises workshops and career fairs across the country to guide youth on tailored career paths, based on their profile and current labour market conditions.

Employment subsidies, Youth Wage Subsidies and Tax Incentive Act, South Africa

Employment subsidies aim to encourage recruitment by reducing the cost to employers. These programmes seek to increase employment opportunities for eligible young people by temporarily subsidising employers' wage costs. Subsidies are provided when hiring an entitled unemployed worker for a specified period of time (usually six months in transition countries or two years in developed countries). Employment subsidy schemes can consist of reductions in an employer's social security contributions, a reduction in labour and wage costs or direct payment to the employee. Such programmes are particularly useful in helping to integrate low-skilled youth or long-term unemployed youth, since employers are often reluctant to take on young, inexperienced workers. The Youth Wage Subsidies and Tax Incentive Act, South Africa is a success story. Launched in 2010, the Youth Wage Subsidies programme in South Africa provided employment vouchers to unemployed young South Africans, reducing the wage costs for firms. Vouchers were initially handed out to randomly selected unemployed youths aged 20-24, entitling the holder to a subsidy with a total value of approximately US\$ 650, which could be claimed over a minimum of six months, until the total amount was used. After this pilot phase, in 2014, the government launched the Employment Tax Incentive Act, which introduced the wage subsidy nationwide. This new scheme offers tax incentives for up to two years to employers who hire low- to mid-level wage earners aged 18-29. An impact evaluation shows that young people who used the vouchers were significantly more likely to remain in employment one and two years after the voucher had been exhausted than those not benefiting from the vouchers.

Entrepreneurship programmes, Programa de Calificación de Jóvenes Creadores de Microempresas, Peru

Entrepreneurship (or self-employment) programmes aim to equip people with the skills needed to establish and manage profitable businesses that can become permanent jobs. Support can be in the form of financial assistance (credits, allowances or grants) and/or other technical services, such as skills training, counselling, mentoring, business infrastructure, development of a business plan, etc... Programa de Calificación de Jóvenes Creadores de Microempresas (Young Micro Entrepreneurs' Qualification Programme) is a success story from Peru. It started in 1999 as an initiative of the Peruvian non-governmental organisation (NGO) Colectivo Integral de Desarrollo to counteract the lack of entrepreneurial skills among young people. A comprehensive package of training on developing business plans, individual counselling, internships, credit, and services after business creation were provided. An evaluation of the programme indicated an increase of almost 40 percentage points in the probability of a business operating longer than a year and an increase in earnings of 40 percentage points compared to the control group. An important secondary effect was the job creation. Beneficiaries employ 17.3% more workers than the control group.

Skills training programmes for youth, Jóvenes Programme (Youth Programme), Latin America and the Caribbean

Skills training can be very useful in improving the employability and productivity of young people experiencing difficulties in finding a job, especially under/unemployed and disadvantaged young workers. The training is often directed at disadvantaged youths and young workers who are already in the workforce but are under/unemployed. Impact evaluation was conducted for 19 youth skills training programmes, including five in developing countries. All five showed a positive impact on employability, with two having a positive impact on earnings. Jóvenes Programme (Youth Programme) in Latin America and the Caribbean was successfully implemented in eight Latin American countries, and adapted to the local context of each. The programme offers a comprehensive package, including classroom and on-the-job training, basic life-skills training, job search assistance and counselling services. It involves the private sector in the design of the training content to ensure alignment between the skills taught and those needed in the labour market. In most countries, a letter of intent from the firm is required, specifying the number of interns they will hire and an acknowledgement that the content of the training corresponds to their needs. Training and internships are organised and provided by public and private institutions, which are contracted through public bidding mechanisms.

OECD (2017), *Evidence-based Policy Making for Youth Well-being: A Toolkit*, OECD Development Policy Tools, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264283923-en>

The success of youth policies is highly dependent on adaptation to specific market needs, local communities and local contexts. G20 governments should therefore ensure that their youth policies are informed by timely and accurate data and evidence (both qualitative and quantitative) on the circumstances of their target youth populations.

Incorporate direct input from the youth in target communities when designing youth policies

Robust and comprehensive policies and strategies recognise young people as active agents of change and actors in their own and wider development. However, many policies with a direct or indirect impact on young people are developed and delivered without youth consultation or participation. This reflects a lack of recognition of the value young people can bring to decision-making, and a disregard for the rights of youth to participate in matters that affect them.

Effective youth policies require direct youth input. The knowledge, experience and expertise of young people should be integrated into the design, implementation and evaluation of youth policies. Such input may be secured through the establishment of youth advisory bodies or through cooperation with national youth councils, as well as research that draws directly on the insights and experience of young people. Engagement with youth at all levels of government and across different ministries and departments also contributes to the development of effective youth policies.⁸²

Ensure adequate budget and resource allocations are dedicated to youth policies

One of the biggest obstacles to achieving the objectives of stand-alone and mainstreamed youth policies is the lack of adequate financing.⁸³ Strong youth policies must be supported by adequate budget and resource allocations to ensure effective implementation, and they should be supervised by transparent monitoring and accountability frameworks. The political commitment to youth development can most often be measured by budgetary allocations to youth policies and programmes.

⁸² OECD (2017), *Evidence-based Policy Making for Youth Well-being: A Toolkit*, OECD Development Policy Tools, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264283923-en>

⁸³ *Idem*

The United Nations' Addis Ababa Action Agenda, set in 2015, outlines an array of financing sources and instruments that could effectively support sustainable development objectives and, by extension, youth policy objectives. Indeed, it explicitly promotes “national youth strategies as a key instrument for meeting the needs and aspirations of young people”, highlighting the value and importance of incorporating youth strategies and policies into sustainable development actions. A variety of financial instruments can be drawn upon, depending on the specific development context and needs of a country; examples include securities and structured funds, ethical funds, bonds, insurance, taxes, and results-based financing.⁸⁴

An important example of commitment for funding is the Global Financing Facility, a financing platform launched to support the United Nations Global Strategy for Women's, Children's and Adolescents' Health (2016-2030) and the Sustainable Development Goals. The Global Financing Facility is designed to serve as a catalyst for innovative financing in the areas of reproductive, maternal, new-born, child and adolescent health in the period leading up to 2030.⁸⁵

G20 governments should collaborate to explore specific financing partnerships and instruments, such as the Global Financing Facility, to improve the targeted allocation of resources to youth-specific issues.

Support the expansion of youth-targeted, work-based learning systems, such as VET, apprenticeships, internships and externships

Work-based learning systems re-engage young people at risk with the labour market, and provide them with a smoother transition into work, whilst also developing their skills. Work-based learning provides young people with an alternative way to learn that is sometimes more appealing than academic programmes. It can provide a bridge into careers, equip young people with skills that are in demand, and connect them to potential employers.⁸⁶ Work-based learning systems include VET, apprenticeships, on-the-job training, internships and externships.

Youth-targeted VET systems play a key role in ensuring lower school dropout rates and facilitate the school-to-work transition. VET remains a significant route taken by many students and is responsible for the provision of a comprehensive set of job-relevant skills in countries where these schemes are prevalent. VET programmes, by definition, build on an individual's foundational skills by imparting specialised technical knowledge and practical know-how. However, VET uptake remains low in many countries. Despite the demonstrable benefits of these schemes, in many countries VET suffers from the unfounded misperception that it is less valuable than traditional, academic qualifications.

VET programmes should provide training that reflects both student pre-

⁸⁴ United Nations. 2015. *Financing sustainable development and developing sustainable finance*. Retrieved from: <https://www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/07/DESA-Briefing-Note-Addis-Action-Agenda.pdf>

⁸⁵ Global Financing Facility 2020. *Our Response to Covid-19*. Retrieved from: <https://www.globalfinancingfacility.org/>

ferences and employer needs, tailored to each country's specificities and labour market characteristics. It is worth noting that countries with strong existing VET systems have been relatively successful in tackling youth unemployment, even during the recent economic crisis. These systems will take on even greater importance in strengthening employment and employability during the recovery, and should target all parts of the skill curve.

An example of youth-targeted, work-based learning systems is Germany's Schulewirtschaft network, a collaboration between schools and companies that designs and supports internships, company visits, youth training, and information materials for schools, companies and parents (e.g. brochures, checklists, and work aids), as well as activities like simulations and competitions. The network is housed at the national level by the Confederation of German Employers' Associations (BDA) and the Institute of the German Economy (IW), and at the state level by employers' organisations and educational organisations in partnership with ministries.⁸⁷

Apprenticeships and internships also provide valuable work experience, on-the-job training and skills development to young people. Overall, countries with a high proportion of youth participation in apprenticeships and/or internships have lower rates of youth dissatisfaction and youth experiencing difficult transitions to employment.⁸⁸

The Global Apprenticeship Network (GAN) convenes public and private sector partners to drive evidence-based action, focused on work-based learning initiatives. The Covid-19 crisis has stimulated GAN Global to collaborate with policymakers and business leaders in order to update approaches to work-based learning, making them more relevant and responsive to urgent needs during the pandemic and beyond. For example, issues like digital skilling, adaptive learning technologies, employee well-being and employment strategies have taken centre stage.

GAN Global thereby acts as a useful source of initiatives and practices that can inform the development of vocational education and work-based learning strategies that are fit for the future. On 11 June 2021, GAN Global launches its 2020 Annual Report, featuring case studies on adaptations and innovations to work-based learning. The organisation's latest news, research, webinars and thought pieces can be found on their website

(www.gan-global.org).

A new model of work-based learning that has been gaining traction in some countries, due to its flexibility both for the employer and the young worker, is externships. An externship is a short, unpaid, and informal internship where students spend anywhere from a single day to a few weeks getting exposure to what it's like to work at a company. The purpose of the externship is to gain first-hand insight into a career or industry of interest for young people. Externships, like internships, build specific skills and also help the individual to make more informed career choices. The short-term, project-specific, informal nature of externships makes them especially amenable to virtual models, where students can combine school projects with their contribution to a specific company project without necessarily spending time at the company's office. Such virtual externships open even more flexible options to the benefit of both the company and the "extern".

⁸⁶OECD. 2016. *Work-Based Learning For Youth At Risk: Getting Employers On Board*. Retrieved from: http://www.oecd.org/education/skills-beyond-school/Work-based_Learning_For_Youth_At_Risk-getting_Employers_On_Board.pdf

⁸⁷The Schulewirtschaft network, 2021. <https://www.schulewirtschaft.de/unternehmen/>

⁸⁸OECD. 2016. *Work-Based Learning For Youth At Risk: Getting Employers On Board*. Retrieved from: http://www.oecd.org/education/skills-beyond-school/Work-based_Learning_For_Youth_At_Risk-getting_Employers_On_Board.pdf

Exhibit 15 The Global Apprenticeship Network – Work-based learning during and beyond Covid-19

G20 member countries must support the expansion of youth-targeted, work-based learning systems, as a crucial part of their plans to stimulate employment and employability for accelerated economic recovery.

Partner across public and private sectors to improve access to job opportunities and accelerate decent job generation that targets the young population, especially in sectors with strong future prospects

The scale of today's youth employment challenge is unprecedented. Job opportunities and vehicles to improve employability are required urgently, and at scale. The longer that large sections of the youth remain out of work, the greater the adverse effects on their future livelihood and income prospects, and consequently on broader economic and social progress.

Moreover, there must be a concerted effort to guide young workers towards jobs and sectors that have strong prospects for the future, and towards roles that have a natural path for growth and progression. Policy action 2.1 of this paper highlights sectors and occupations that show promise for job creation and growth, such as in the green economy, new technologies, the care economy, and the many sectors that grow ancillary to these. The career guidance offices of schools, colleges and universities, public employment services, and other organisations involved in training and career management should deploy formalised structures that orient youth towards these sectors and opportunities. Many of these sectors are thirsty for young workers to bring input, insights and perspectives that are actually shaping their industries. For example, many technology-related firms are aware that the trends and preferences of young users often drive the offerings that then see broader uptake and success. Similarly, the strong social and environmental consciousness of younger generations have proven to be crucial drivers of business offerings that are increasingly shaping global consumption patterns. The youth need work; but work also needs the youth.

Youth should also be guided towards jobs that offer possibilities for career progression and that naturally involve learning and growth in their everyday activities. Certain jobs are more likely to lead to higher-wage jobs in the future. A 2020 study by Accenture and Opportunity@Work refers to these as "gateway jobs"; by tracing the trajectories of 100,000 US employees, the research identifies occupations that tend to lead to higher-wage jobs, and the characteristics that enable this. A crucial factor is the development of foundational skills, such as listening, communication, empathy, judgment, and decision-making. These skills play a key role in unlocking the value of technical skills. And unlike technical skills, which often have a short shelf life, they are valuable over the course of a lifetime of work. It is essential that young people begin building these lifelong skills from an early age.⁸⁹

⁸⁹Accenture, *Opportunity at work*. 2021. *Reach for the Stars*. Retrieved from: <https://opportunityatwork.org/wp-content/uploads/2020/03/Opportunity-At-Work-Report-Reach-for-the-STARs-FINAL.pdf>

A recent example of initiatives targeting youth inclusion into sectors with strong future prospects is Turkey's "Youth Transformation Project", developed by the Turkish Employer Unions Confederation (TISK) in cooperation with the Association of Women in Technology (Wtech) and the European Bank for Reconstruction and Development (EBRD). The project provides technical training to youth in IT fields like SQL Data Administration, .NET Software Development, Python Software Development and Data Science. All training is delivered online, free of charge; and successful candidates are provided with job matching and employment support. The first phase was completed in 2020, with 68 participants, and for the second phase, more than 400 candidates are receiving training, of whom 67% are women.⁹⁰

The nature and scale of the post-Covid youth employment challenge suggests that close collaboration is required between public and private organisations, such as public and private employment services, as well as civil society organisations that specialise in youth employment and broader youth-related issues. Such collaboration can ensure that solutions are as relevant and effective as possible. Flexible job-matching and skills-matching platforms can play a valuable role in drawing together the complementary knowledge and capabilities of these institutions.

G20 member countries should therefore:

- Enact evidence-based youth policies, tailored and adapted to national and (where possible) local contexts, where direct youth input is leveraged and policies are supported by adequate budget and resource allocations.
- Support the expansion of youth-targeted, work-based learning systems, such as VET and apprenticeships, to guide young people into productive jobs at a large scale.
- Partner across public and private sectors to improve access to job opportunities and accelerate decent job generation that targets the young population, especially in sectors with strong future prospects.

⁹⁰Tisk Youth Transformation Project, 2021. <https://www.tisk.org.tr/proje/38/genc-donusum.html>

Policy Action 3.2: Empower women across the workforce

Dismantle obstacles to female employment, and accelerate and incentivise female job creation at all levels, including through strengthened family-care provision.

Context and COVID-19 Impact

Amid persistent gender inequality at work, the pandemic has reversed years of what progress had been achieved over recent decades, presenting serious long-term implications.

Women have always been under-represented in the workforce. In 2019, 31% of young women worldwide were not in employment, education or training, compared with 14% of young men. Moreover, a study by the World Bank (2020), found 90 economies with some form of legal restrictions on the work women are allowed to perform⁹¹. Consequently, about 2.75 billion women do not have the same job opportunities as men, simply due to their gender⁹². Beyond legal constraints, cultural obstacles persist, such as a bias to privilege men before women for jobs in general, (exhibit 16). Meanwhile, gender-based discrimination, violence and harassment persist in workplaces, worldwide. A 2014 study, for instance, estimated that gender-based violence against women cost the South African economy between 0.9% and 1.3% of GDP in the year 2012-13.⁹³

Addressing these enduring inequalities has been challenging, but the deterioration in the position of women at work caused by the pandemic is unprecedented. The pandemic-induced surge in global poverty widens the gender poverty gap – meaning, more women are pushed into extreme poverty than men – especially those aged 25-34, at the height of their productive, family formation period.⁹⁴

Women are bearing the brunt of the economic and social fallout of Covid-19. They are over-represented in many of the industries hardest hit by the pandemic, such as food service, retail and entertainment: 40% of all employed women – 510 million women globally – work in hard-hit sectors, compared to 36.6% of employed men. Globally, 70% of health workers and first responders are women, and yet, they are not paid on a par with their male counterparts. At 28%, the gender pay gap in the health sector is higher than the overall gender pay gap (16%).⁹⁵

⁹¹World Bank. 2020. *Women, Business and the Law 2020*. Retrieved from: <https://wbl.worldbank.org/>

⁹²World Bank. 2018. *Changing the laws that keep women out of work*. Retrieved from: <https://www.worldbank.org/en/news/opinion/2018/03/29/changing-the-laws-that-keep-women-out-of-work>

⁹³KPGM. 2014. *Too costly to ignore – the economic impact of gender-based violence in South Africa*. Retrieved from: <https://assets.kpmg/content/dam/kpmg/za/pdf/2017/01/za-Too-costly-to-ignore.pdf>

⁹⁴UN Women. 2020. *From insights to action: Gender equality in the wake of COVID-19*. Retrieved from: <https://www.unwomen.org/en/digital-library/publications/2020/09/gender-equality-in-the-wake-of-covid-19>

⁹⁵Idem

Furthermore, for countless women in economies of every size, along with losing income, the unpaid care and domestic work burden has exploded. Eight times more women (617,000) dropped out of the US labour force in September 2020 compared to men (78,000).⁹⁶ Research by the W20 and Accenture found that the proportion of young women who feel fully included in their workplace has dropped from 55% pre-pandemic, to 46% in August, 2020.⁹⁷

Even with immediate intervention, the long-term consequences are profound due to the ground lost. Setbacks in workforce participation and income will persist, and the impact on pensions and savings will scar the economic security of women for decades. Intervention must be both immediate and bold.

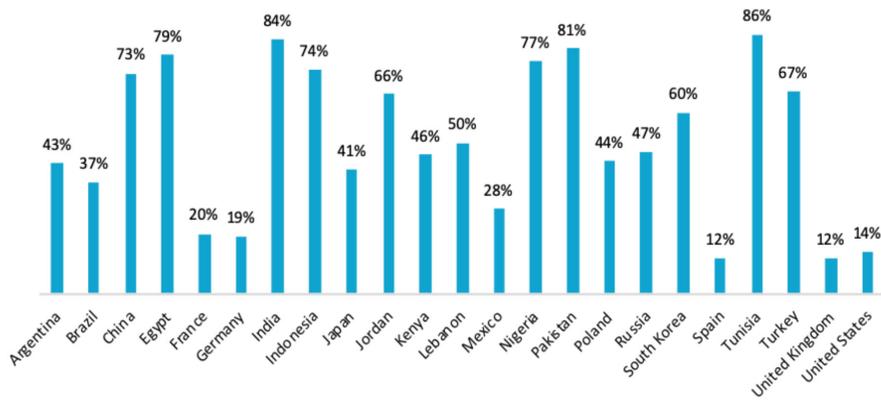


Exhibit 16
Share who agree with the statement 'When jobs are scarce, men should have more right to a job than women'

Source: Pew Research centre (2012). <https://ourworldindata.org/female-labor-supply>

Exploration of Action Areas

Ensure all women have access to all basic rights to decent work and education

Gender gaps perpetuate because of both legal and social barriers. Across the world, women have only 75% of the legal rights of men across a set of World Bank indicators identified as crucial to economic empowerment. Furthermore, ninety economies still restrict the types of jobs women can do.⁹⁸

Reforms related to property ownership and inheritance are the most difficult to pass, especially in economies where social norms dictate how assets are passed to surviving spouses and children. Equalising women’s rights to own, manage, and inherit property, increases their ability to start and grow businesses, because asset ownership brings collateral that is essential to secure credit.⁹⁹

⁹⁶ National’s women Law Center. 2020. Four Times More Women Than Men Dropped Out of the Labor Force in September. Retrieved from: <https://nwc.org/resources/four-times-more-women-than-men-dropped-out-of-the-labor-force-in-september/>

⁹⁷ W20 Saudi Arabia. 2020. If Not Now, When? Retrieved from: https://www.accenture.com/_acnmedia/PDF-147/Accenture-W20-2020-Final-Report-If-Not-Now-When.pdf

⁹⁸ World Bank. 2020. Women, Business and the Law 2020. Retrieved from: <https://wbl.worldbank.org/>

⁹⁹ World Bank. 2020. Women, Business and the Law 2020. Retrieved from: <https://wbl.worldbank.org/>

A significant body of research links reforms and policies aimed at achieving gender equality to women's economic outcomes. For example, removing barriers that restrict the ability of women to move freely, sign contracts, work outside the home, or manage assets, is directly associated with a greater supply of female labour. In addition, fewer legal barriers are associated with access to better jobs for women, such as those requiring higher skill levels, offering higher wages, or presenting an opportunity to manage others.¹⁰⁰

The G20 should ensure that no legal constraints hinder the access of women to the labour force or education, and that women have equal rights to men across the worlds of work and education.

Promote entry-level job creation, graduate schemes and training programmes for women¹⁰¹

The G20 Labour and Employment Ministerial Declaration of September 2020¹⁰² acknowledged that more needs to be done to achieve the G20 Brisbane goal, which states that leaders are committed to reducing the gender gap in labour force participation by 25 per cent by the year 2025, compared to 2012. They committed to ensuring that recent falls in women's labour force participation do not become structural, and to advancing gender equality and pay equity. These commitments now require tangible action.

A starting point to achieving the Brisbane goal, is to step up the active support of entry-level job creation, graduate schemes and training programmes for women. Ensuring that young women are equipped with the skills to perform jobs in growth sectors is an important step; it requires governments to identify those growth sectors, and to support local training initiatives that guide young women towards those jobs. Governments can also play a decisive role in accelerating progress toward parity in the workforce through legislation, fiscal measures, programmatic change, and public-private partnerships.

It is also important to promote graduate schemes for women, especially in fields that have been historically dominated by men, such as STEM (science, technology, engineering and mathematics). This can include competitive grant programmes, awareness raising for women, fairs and financial and in-kind support for STEM programmes, summer camps to encourage female students to enrol in STEM secondary and tertiary education, as well as supporting mentoring and employment opportunities offered by private companies to female graduates of bachelor engineering programmes.¹⁰³

Affordable and convenient access to education and training, including online learning, is another crucial element to ensuring that women and girls are given fairer chances to thrive at work. Learning should be geared towards skills that are relevant and applicable to current and future job markets; for example, it is important to engage women in STEM education and training from an early age. Special attention should be paid to technical and vocational education, digital skills, and lifelong learning opportunities. Beyond learning systems and content, this requires appropriate investments in social infrastructure and the design of flexible formats that respond to the complex life commitments that women face.

¹⁰⁰ *Idem*

¹⁰¹ This aligns with Policy Action 1.2 of the B20 Special Initiative on Women's Empowerment Policy Paper, 2021.

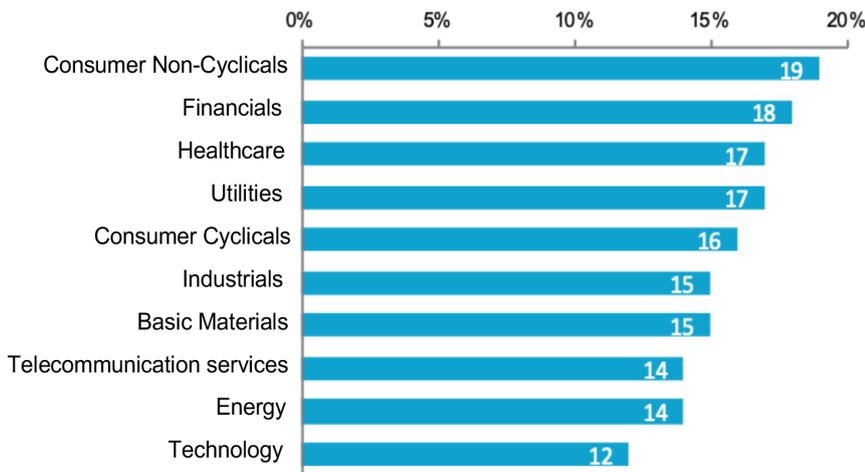
¹⁰² G20 Italy. Retrieved from: <https://www.g20.org/>

¹⁰³ ILO. OECD. 2019. *Women at Work in G20 countries: Progress and policy action*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_713373.pdf

Measure, incentivise and increase female participation in leadership positions, including boards¹⁰⁴

Women are under-represented in leadership positions across the G20. They are less likely to hold leadership positions than men, and are under-represented in boardrooms across all industries (see exhibit 17). Indeed, women make up only 16% of board members in the top 500 multinational enterprises (by market capital), according to the OECD.¹⁰⁵ These disparities are rooted in inequalities from an early age. Women are less likely to be in employment or looking for a job at all ages. Social norms and gender stereotypes, which create a glass ceiling for women, coupled with women’s shorter working hours, continue to be obstacles to more equal representation of women in leadership positions. This contributes to a gender pay gap of 23%, meaning women earn on average 77% of what their male counterparts do.¹⁰⁶ Improving management and board diversity is increasingly a requirement and an expectation.

Exhibit 17
Percentage of female board members by industry (2019)



Note: Consumer Non-Cyclicals refers to companies producing household staples; consumer cyclical refers to companies in industries such as automotive, housing, entertainment, and retail, Basic Materials are companies that manufacture chemicals, building materials and paper products.

Source: OECD (2020). What big data can tell us about women on boards. Retrieved from: <https://www.oecd.org/gender/data/what-big-data-can-tell-us-about-women-on-boards.htm> <https://ourworldindata.org/female-labor-supply>

¹⁰⁴This aligns with Recommendation 3 of the B20 Special Initiative on Women’s Empowerment Policy Paper, 2021.

¹⁰⁵OECD 2020. What big data can tell us about women on boards. Retrieved from: <https://www.oecd.org/gender/data/what-big-data-can-tell-us-about-women-on-boards.htm>

¹⁰⁶UN Women. 2018. Turning promises into action. Retrieved from: <https://www.unwomen.org/en/digital-library/publications/2018/2/gender-equality-in-the-2030-agenda-for-sustainable-development-2018>

Many G20 governments promote women's access to management and leadership positions, utilising a range of measures and tools. With a variety of measures being implemented in different circumstances, G20 governments need to actively assess which instruments are most effective in accelerating the advancement of women into leadership roles, and promote those within both the public and private sectors.

Strengthen long-term family care and care-leave provisions in order to limit the disproportionate impact on women's effective participation in the formal workforce

The Brisbane goal touches an important aspect of gender inequality: long-term care provision. Women are over-represented among the elderly population, in both developed and developing countries, and are also critical providers of unpaid care—for ageing spouses and partners, parents, friends and grandchildren. For instance, in regions such as South Asia, the Middle East and North Africa (MENA), women's share of unpaid care work is as high as 80 to 90 percent.¹⁰⁷ Women are also more likely to report disabilities and difficulties with self-care than older men, partly due to their greater longevity. In the Russian Federation, for example, 31 per cent of women aged 50 and over reported difficulty with self-care compared to 21 per cent of men.¹⁰⁸ At the same time, women's increasing labour-force participation makes it difficult for them to continue their care commitments whilst holding on to their jobs. The ILO estimates that women around the world perform 265 minutes of unpaid care work per day, over three times more than men.¹⁰⁹ The pandemic lockdowns placed an enormous additional burden on women, who took on disproportionate responsibility for care commitments, as well as home-schooling duties. Many women have been forced to give up their work to cope with these lockdown burdens, and there is a risk that a significant number will not return to work.

Long-term care always has costs, even if it is provided by family members on an unpaid basis. Currently, the societal costs of policy inaction in both developed and developing countries are borne disproportionately by women: the elderly women who do not receive the care they deserve, and the women of all ages who are over-represented among those who provide care under inadequate and often exploitative conditions. Finding ways to share these costs more equitably across society is of paramount importance.

The G20 should explicitly support the United Nations (2017) recommendation of promoting Long-Term-Care (LTC) systems aimed at promoting the well-being, dignity and rights of care-dependent older people; reducing and redistributing the heavy responsibilities placed on unpaid family carers; improving the accessibility, affordability and quality of LTC services (whether public, private for-profit or not-for-profit); and respecting the rights of paid LTC workers.¹¹⁰

¹⁰⁷ McKinsey (2020). *COVID-19 and gender equality: Countering the regressive effects*. Retrieved from: <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>

¹⁰⁸ UN Women. 2017. *Long-term care for older people: A new global gender priority*. Retrieved from: <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2017/un-women-policy-brief-09-long-term-care-for-older-people-en.pdf?la=en&vs=1608>

¹⁰⁹ ILO. 2020. *How much time do women and men spend on unpaid care work*. Retrieved from: https://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS_721348/lang--en/index.htm

¹¹⁰ UN Women. 2017. *Long-term care for older people: A new global gender priority*. Retrieved from: <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2017/un-women-policy-brief-09-long-term-care-for-older-people-en.pdf?la=en&vs=1608>

Collect gender- and age-disaggregated data to facilitate evidence-based policymaking and international comparability

Effective, evidence-based policies that improve the empowerment of women at work depend on the availability and quality of gender-disaggregated and age-disaggregated data and information. This data should cover several years of trends, and must form the basis of accurate mapping of issues, targeted policy actions, and timely tracking of impact. Accurate and timely data also allows for corrective interventions when policy actions have unintended consequences, as well as guiding continuous improvements in policy design and implementation.

As companies collect data from across their supply chains and marketplace, there are opportunities to tap into broader data sets, with a deeper pool of insights about gender impact, enabling more transformational change. In addition, gender-disaggregated data that is further broken down into age groups, can provide valuable data to analyse the progress of women through corporate structures, allowing the design of institutional practices that incentivise retention and promotion to leadership roles.

Civil society organisations, including NGOs and women's groups, can be valuable allies in gathering information about the potential or actual impact of government policies, and they should be consulted regularly. Surveys, interviews, reviews, opinion polls and benchmarking are also effective methods for obtaining and analysing data on diversity and inclusion policies, as well as desk review, household interviews, and focus group discussions.¹¹¹ The data-driven trends and analysis should also inform and build broader public service awareness, expertise and intervention to support female inclusion in policymaking across government departments.

G20 member countries should therefore:

- Ensure all women have access to all basic rights to decent work and education.
- Promote entry-level job creation, graduate schemes and training programmes for women.
- Measure, incentivise and increase female participation in leadership positions, including board membership.
- Strengthen long-term family care and care-leave provisions in order to limit the disproportionate impact on women's effective participation in the formal workforce.
- Collect gender- and age-disaggregated data to facilitate evidence-based policymaking and international comparability.

¹¹¹OECD. 2019. *Toolkit for Mainstreaming and Implementing Gender Equality*. <https://www.oecd.org/gender/governance/toolkit/government/assessment-of-gender-impact/disaggregated-data/>

Policy Action 3.3: Foster healthy, decent, formal work for all, with appropriate social protections

Develop incentives to formalise work, ensure social protection for all, and safeguard workforce health, safety and well-being.

Context and COVID-19 Impact

The pandemic brings overdue attention to the fundamentals of decent, healthy, secure work.

55% of the world's population—about 4 billion people—entirely lacks social protection, with many countries relying on market-based solutions (which only some can afford) to fill the gaps.¹¹² Even in countries with well-developed social protection systems, many workers are excluded from these safety nets. For example, on average, one in seven workers in OECD countries is self-employed, lacking protection; this group is over-represented in occupations hit hard by lockdowns, like hospitality, entertainment and hairdressing. Social protection systems clearly need reform to provide adequate coverage for all in the 21st century workforce.

The pandemic laid bare the exposure of the poorest and most vulnerable, including those working in the informal economy. A large informal economy is perverse for economic and social development: it excludes individuals from basic protections and reduces tax revenues; companies in the informal sector are trapped in low productivity, without access to support systems and access to finance. According to the ILO, two billion people—more than 61 per cent of the world's employed population—make their living in the informal economy.¹¹³ This figure rises to 90% in low-income countries, where workers are especially exposed to risk (see exhibit 18), including a lack of rights at work and decent working conditions. To date, tackling informality has not received the political attention it warrants. With the pandemic causing additional millions to fall into informal work, this is an opportune moment to finally find the resolve to design innovative solutions that tackle the root causes of informality.

Informal work environments are especially vulnerable to poor health and safety conditions, and therefore represent a weak link in efforts to roll out a safe return to work for all from the pandemic. A rapid and effective end to the health pandemic depends on the widespread enforcement of appropriate health and safety protocols, both in the formal and informal sectors.

“Workplace health“ takes on new meanings in the post-pandemic world of work. Both physical and mental health require much greater attention. Persons with disabilities represent about 15% of the world's population, with an estimated 80% not employed. Covid-19 hit those few workers with disabilities hard: the proportion confident in their job and their income security fell from 73% to 40% in the 6 months prior to August 2020.¹¹⁴

¹¹² ILO. 2020. COVID-19: Social protection systems failing vulnerable groups. Retrieved from: https://ilo.org/global/about-the-ilo/newsroom/news/WCMS_739678/lang--en/index.htm

¹¹³ ILO. 2018. More than 60 per cent of the world's employed population are in the informal economy. Recovered from: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_627189/lang--en/index.htm

¹¹⁴ Accenture. 2020. Enabling Change. https://www.accenture.com/_acnmedia/PDF-142/Accenture-Enabling-Change-Getting-Equal-2020-Disability-Inclusion-Report.pdf

Mental health was just beginning to be taken seriously before the pandemic, with the WHO estimating that depression and anxiety disorders cost the global economy US\$ 1 trillion each year in lost productivity.¹¹⁵ The pandemic has generated a swathe of new concerns around mental health at work, which need addressing through thoughtful policy responses.

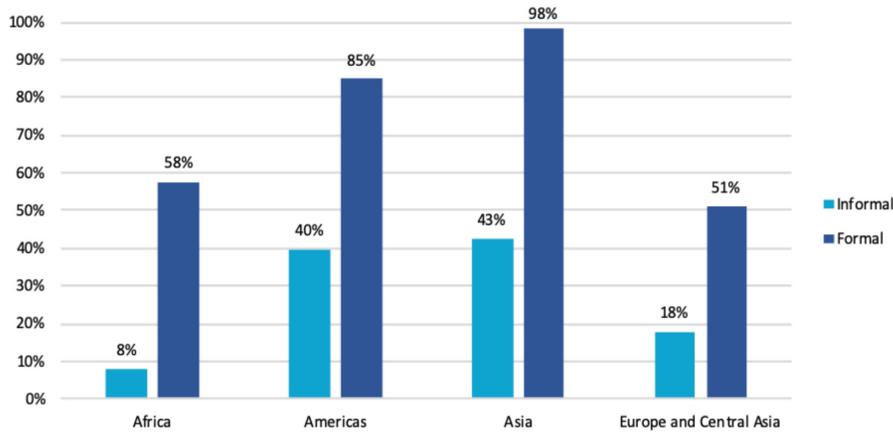


Exhibit 18
Percentage of workers covered by health insurance in selected emerging and developing countries, by informality status (2015)

Note: Countries in the sample, by region. Africa: Burkina Faso, Cameroon, Egypt, Ghana, Madagascar, Niger, Senegal, South Africa, Tanzania; Americas: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, El Salvador, Nicaragua, Paraguay, Peru, Uruguay; Asia: Indonesia; Europe and Central Asia: Albania, Armenia, Kyrgyzstan
 Source: OECD (2019), Key Indicators of Informality based on Individuals and their Household (database).

Exploration of Action Areas

Promote and enable the transition of workers and economic units from the informal to the formal economy, to create more inclusive formal labour markets while ensuring the improvement of existing livelihoods during this transition

Promote and enable informal workers to transition towards the formal economy while ensuring the improvement of their existing livelihoods during this transition

Most of the world’s employed population works in the informal sector: that’s 2 billion workers, representing about 61% of all workers when including agriculture, and 50% when excluding agriculture. Informality is the norm in developing and emerging countries, corresponding to 70% of all employment, compared with about 18% in developed countries.

The informal economy thrives in environments with high unemployment, under-employment, poverty, gender inequality and precarious work. Informal work is attractive in difficult economic environments because of the relative ease of entry and low requirements for education, skills, technology and capital. Most people enter the informal economy not by choice, but out of a need to access basic income-generating activities for survival.¹¹⁶ However, informality puts workers at a higher risk of vulnerability and precariousness. In fact, informality has a strong adverse impact on the adequacy of earnings, occupational health and safety, and working conditions in general.

¹¹⁵ WHO. (2019). Mental health in the workplace. Retrieved September 23, 2020, from https://www.who.int/mental_health/in_the_workplace/en/

¹¹⁶ ILO. 2014. Transitioning from the informal to the formal economy. Retrieved from: https://www.ilo.org/wcms-sp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_218128.pdf

Even during periods of strong economic growth in developing countries, the share of informal workers has remained stubbornly high, and the pandemic has pushed levels far higher. This can mark an important stimulus for G20 governments to take concerted action in finally tackling the root causes of informality.

For example, governments can provide tax and other incentives to support the establishment of business operations in low-income, rural and other communities with high levels of informality, thereby accelerating both job creation and formalisation. Incentives that support business investment in digital training, skill building and on-the-job training for entry-level workers can similarly help attract workers from the informal sector into formal employment. Diverse forms of work, such as agency work, have also proven to act as a valuable stepping stone for workers transitioning from the informal to the formal sector. In addition, employment services have an important role to play in supporting and guiding workers towards formal employment opportunities, representing a useful area of collaboration between private and public employment service organisations.

Based on recent country examples and information from new indicators of informality, a 2019 ILO and OECD study suggests priority areas for policy makers along five broad fronts: 1) extending social protection to informal economy workers, namely social insurance; 2) improving occupational safety and health; 3) raising productivity and labour income in the informal economy; 4) creating a policy mix to incentivise formalisation of enterprises and workers, remove barriers to formalisation and encourage legal compliance; and 5) empowering informal economy workers and employers through their organisation, representation and engagement in social dialogue, including collective bargaining.¹¹⁷

Promote more inclusive formal labour markets

The Covid-19 health pandemic has placed new urgency on protecting and supporting vulnerable segments of the workforce, as they are disproportionately affected by the negative consequences of the economic fallout of the crisis. These groups include women, youth, older workers, persons with disabilities, international migrants, and all minorities that are discriminated against in different markets. Women and young workers represent significant portions of the workforce and are covered in policy actions 3.1 and 3.2 of this paper. Persons suffering from both physical and mental ill health are covered later in this policy action 3.3, but this still leaves a number of vulnerable groups that deserve attention from policymakers, such as older workers, groups suffering discrimination, inactive workers, formerly incarcerated individuals and veterans.

Older workers are one of the fastest-growing segments of the labour market, but work environments and practices are rarely adapted to their needs. According to the World Health Organisation, the number of people aged 60-and-above is expected to double in the next 30 years (reaching two billion in 2050).¹¹⁸ Without appropriate training and preparation, increasing numbers of older workers may struggle to adapt to the future workplace that features new technologies, new practices, and new skill demands. Orga-

¹¹⁷ OECD, ILO (2019). *Tackling Vulnerability in the Informal Economy*. Retrieved from: <https://www.oecd.org/fr/publications/tackling-vulnerability-in-the-informal-economy-939b7bcd-en.htm>

nisations struggle to include older workers in their tech-based homeworking plans. Moreover, past experience shows that older workers that lose their jobs during a crisis find it exceptionally difficult to find work during the recovery. When planning practical action, it is important to address misconceptions about older workers and the attributes they bring to the workplace. According to research from the Society for Human Resource Management (SHRM), it is critical to move beyond generational stereotypes when working in a multi-generational workplace.¹¹⁹ Organisations should focus on job level and type of occupation, rather than age, when thinking about the inclusion of older workers.

Minorities face a variety of challenges across countries and regions. Common reasons include ethnicity, nationality, religion and sexuality.¹²⁰ Labour markets that encourage and protect all people of working age to participate in paid work, and which provide a framework for their development, are vital to establish and reinforce the core principles of equity, sustainability, and social cohesion, which are fundamental for sustainable development.

The long-term unemployed have been a major concern for some time, and the current employment crisis aggravates the challenge for a prolonged period. In the European Union, the average long-term unemployment rate (the percentage of unemployed persons that have been out of work for longer than 12 months) was as high as 35.6 percent in 2020.¹²¹ Added to this is the issue of “missing workers”; potential workers who are not employed nor actively seeking a job as a result of scarce job opportunities. These workers can be an important source of latent talent that should be incentivised to join the workforce. For example, labour law reforms and mechanisms can support the hiring of formerly incarcerated individuals, representing an effective use of public spending that brings productive talent and experience to the workforce whilst also decreasing re-incarceration rates.¹²² Veterans present another example of missing workers. According to the International Institute for Strategic Studies and Military Balance, there are currently about 28 million armed forces personnel around the world.¹²³ At some point, these servicemen and women will leave the forces and face the challenge of finding stable ways to support their families. In the US, 55% of veterans still report employment as a top transition challenge.¹²⁴ Ex-service members still face a number of setbacks including stereotypes about non-transferable military skills and the supposed cultural challenges they pose. Collectively, such barriers contribute to an overall trend of under-employment among former servicemen and women.

¹¹⁸ WHO. 2016. *Ageing and health*. <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>

¹¹⁹ SHRM Foundation *Generational Conflict at Work: Separating Fact from Fiction*

¹²⁰ CVR insights. 2020. *Black People, Racism and Human rights*. Retrieved from: <https://publications.parliament.uk/pa/jt5801/jtselect/jtrights/correspondence/The-Black-Community-Human-Rights-Report.pdf>

¹²¹ Eurostat. 2021. *Unemployment statistics by region*. Retrieved from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics_at_regional_level#Regional_unemployment_rates_and_the_EU_average

¹²² *Getting Talent Back To Work*, 2020. Retrieved from: <https://www.gettingtalentbacktowork.org/>

¹²³ The World Bank website. 2021. *Citing data from the International Institute for Strategic Studies and Military Balance*. Website last accessed on 11 March 2021. <https://data.worldbank.org/indicator/MS.MIL.TOTL.P1>

¹²⁴ SHRM. 2018. *Attracting Veterans to Your Workplace*. Retrieved from: https://www.shrm.org/resourcesandtools/tools-and-samples/hr-forms/pages/attracting_veterans.aspx

G20 governments should increase efforts to create a more inclusive formal labour market, with interventions that are tailored to target specific vulnerable groups. Pragmatically, policies and initiatives can promote a "skills first" approach that looks beyond formal qualifications, background and personal history to focus on the concrete skills and capabilities that will make for productive employment.

Improve social protection systems to provide access to adequate social protection for all, including women, youth, the self-employed, own-account workers, and those in informal employment.

While significant progress has been made worldwide in building social protection systems, many informal workers, women, youth, the self-employed, and own-account workers remain excluded, notably in developing countries. This has become a clear issue during the Covid-19 pandemic.

In response to the current economic crisis, an unprecedented number of social protection measures have been announced by countries worldwide. Policy adjustments and innovations underway include efforts to address social protection gaps and to expand emergency support provision. China, for example, has provided temporary unemployment assistance for workers during the pandemic, meaning that unemployed workers who do not normally meet the conditions for unemployment social insurance, such as self-employed workers, can apply for unemployment assistance.¹²⁵

The attention being paid to the immediate crisis brings potential to improve longer-term social protection systems. The G20 can capitalise on this unique moment to share experiences across countries, assess the performance of different interventions, and draw up lessons for improved social protection systems for the long term, and also in preparation for future employment shocks.

In light of the immediate lessons learned from Covid-19, G20 member countries should develop sustainable social protection systems in line with ILO recommendation 202.¹²⁶

Promote implementation of international standards and global coordination on occupational health and safety practices in workplaces, as well as supporting the inclusion of physical and mental health considerations into every organisation's workforce programmes.

Promote implementation of international standards and global coordination on occupational health and safety practices in workplaces, ensuring a safe return to work after the pandemic¹²⁷

Safe and healthy working conditions are fundamental for decent work and are the foundation upon which policy guidance for the return to work must be based. The current unprecedented crisis has pushed governments and health experts to rethink health and safety practices in the workplace, and to ensure commitments from the public and private sector alike in implementing them effectively. With global vaccination rollouts underway around the world, it is now imperative to make sure that the return to work takes place in an orderly and safe manner for all.

¹²⁵ ILO, OECD 2020. *The impact of the COVID-19 pandemic on jobs and incomes in G20 economies*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_756331.pdf

¹²⁶ ILO, 2012. *R202 - Social Protection Floors Recommendation, 2012 (No. 202)*. Retrieved from: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524

¹²⁷ This aligns with Policy Action 3.1 of the B20 Health & Life Sciences Taskforce Policy Paper, 2021.

International labour standards provide a normative framework for the return to work. They can provide a reference point from which countries can develop Occupational Safety and Health (OSH) programmes and policies, adapted to their own circumstances. These include a clearly established system of rights and responsibilities, such as requirements for employers to provide adequate protective equipment to workers, without cost to the workers themselves, or the responsibility for consulting workers and their OSH representatives, to provide adequate information and training, and to notify relevant authorities when incidents occur¹²⁸. International policy standards on OSH that are specifically tailored to the Covid-19 pandemic have not yet been enacted, and they are much needed due to the severity of the pandemic and unprecedented extension of its consequences. In this respect, it is important that OSH standards apply to all workers, including those on agency work contracts. The International Organisation of Employers, the World Employment Confederation and other employer federations have developed guidance for employers and workers to successfully implement this.¹²⁹

Coordination across the G20 is therefore necessary to define OSH best practices and workplace guidelines that cover the safe return to work, as well as minimising the risk of further outbreaks.

Support the inclusion of physical health and disability considerations into every organisation's workforce programmes

Over 1 billion people around the world are estimated to live with some form of disability. This corresponds to about 15% of the world's population, with up to 3.8% (190 million people) aged 15 years and older having significant difficulties in functioning, often requiring healthcare services. The number of people living with disability is increasing, in part due to ageing populations and an increase in chronic health conditions. Large numbers of "Long Covid" sufferers may be included in these ranks.

Persons with disabilities are significantly more likely to be unemployed; their average unemployment rates are double those of persons without a disability.¹³⁰ This is largely due to the physical, social, economic and environmental barriers that limit the work they can perform in traditional workplaces. A 2019 report by the Society for Human Resource Management (SHRM) highlighted the need for improved awareness and knowledge about the problems and solutions related to disabled workers within the workforce, including HR departments. The lack of accessibility prevents persons with disabilities from entering the workforce, pushing them into unemployment and poverty. The business case for the inclusion of persons with disabilities in the workplace is clear: employees with disabilities offer tangible benefits, including increased innovation, improved productivity and a better work environment. According to an Accenture study conducted in 2019, the GDP in the US could increase by up to US\$ 25 billion if the US were to include just one percent more workers with disabilities into the labour force.¹³¹

¹²⁸ ILO. 2020. *A safe and healthy return to work during the COVID-19 pandemic*. Retrieved from: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/briefingnote/wcms_745549.pdf

¹²⁹ WEC. 2021. *Covid-19: WEC Guidance to ensure health and safety of agency workers*. <https://wecglobal.org/news-post/covid-19-wec-guidance-to-ensure-health-safety-of-agency-workers/>

¹³⁰ United Nations. 2020. *Disability and Employment*. Retrieved from: <https://www.un.org/development/desa/disabilities/resources/factsheet-on-persons-with-disabilities/disability-and-employment.html>

¹³¹ Accenture. 2018. *Getting To Equal: The Disability Inclusion Advantage*. Retrieved from: https://www.accenture.com/_acnmedia/PDF-89/Accenture-Disability-Inclusion-Research-Report.pdf

The ILO Centenary Declaration on the Future of Work reinforces the imperative to “ensure equal opportunities and treatment in the world of work for persons with disabilities, as well as for other persons in vulnerable situations”. The ILO Global Business and Disability Network advocates that persons with disabilities and the disability perspective need to be central in discussions related to the future of work at global, regional, national and local levels.¹³²

Support the inclusion of mental health considerations into every organisation’s workforce programmes

Globally, an estimated 264 million people suffer from depression and anxiety, one of the leading causes of disability. A 2019 WHO-led study estimates that depression and anxiety disorders cost the global economy US\$ 1 trillion each year in lost productivity.¹³³ Unemployment is a well-recognised risk factor for mental health problems, while finding work and returning to work have the opposite effect.

Poor mental health is pervasive throughout society, and presents a barrier to employment (see exhibit 19). Large numbers of talented, qualified people with mental health conditions are currently excluded from workforces, often exacerbating their issues and depriving the economy and society of their contributions.

Employment in a negative working environment can also lead to physical and mental health problems, harmful use of substances or alcohol, absenteeism and lost productivity. In contrast, workplaces that promote good mental health and support people with mental disorders are more likely to reduce absenteeism, increase productivity and benefit from associated economic gains.¹³⁴

The mental health challenge has been exacerbated by the Covid-19 crisis. During the pandemic, about 4 in 10 adults in the US reported symptoms of anxiety or depressive disorder; a fourfold rise from one in ten adults between January and June 2019.¹³⁵ In Singapore, 20% of adults stated that their mental health had deteriorated as of April 2020.¹³⁶ We cannot yet know the degree to which these mental health issues during lockdown will persist into the future, but the generally poor levels of mental health treatment across G20 healthcare systems suggest that special efforts are required to help the workforce return to pre-Covid mental health. Vulnerable groups and the youth are at particular risk of long-term scarring effects. Without active intervention, effective treatment and improved mental health practices, we can expect a significant and long-term blow to overall workforce productivity and output. G20 member countries must ensure that the recovery of post-pandemic mental health is prioritised, and that both public and private organisations design supportive work environments that build awareness of mental health issues among the broader workforce, and instil cultures and behaviours that promote inclusion and integration of workers with mental health problems.

¹³² ILO, European Union. 2019. *Making the future of work inclusive of people with disabilities*. Retrieved from: http://www.businessanddisability.org/wp-content/uploads/2019/11/PDF_acc_FoW_PwD.pdf

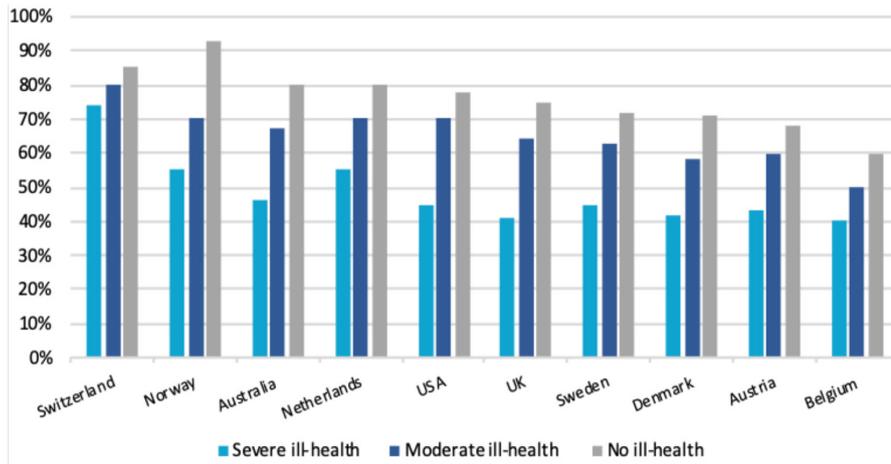
¹³³ WHO. 2019. *Mental health in the workplace*. Retrieved September 23, 2020, from https://www.who.int/mental_health/in_the_workplace/en/

¹³⁴ WHO. 2020. *Mental Health and Substance Abuse*. Retrieved from: <https://www.who.int/teams/mental-health-and-substance-use/mental-health-in-the-workplace>

¹³⁵ United States Census Bureau, Household Pulse Survey. 2020. *Adults Reporting Symptoms of Anxiety or Depressive Disorder During COVID-19 Pandemic* Retrieved from: <https://www.cdc.gov/nchs/covid19/pulse/mental-health.htm>

¹³⁶ YouGov. 2020. *Four in five Singaporeans prefer an isolation buddy*. Retrieved from: <https://sg.yougov.com/en-sg/news/2020/04/23/four-five-singaporeans-prefer-isolation-buddy/>

Exhibit 19
Employment rates by mental health status



*Note: The data refer to various years between 2006 and 2012.
 Source: OECD (2015), Fit Mind, Fit Job, OECD Publishing, Paris*

G20 member countries should therefore:

- Promote and enable the transition of workers and economic units from the informal to the formal economy to create more inclusive formal labour markets, while ensuring the improvement of existing livelihoods during the transition.
- Improve social protection systems to provide access to adequate social protection for all, including women, youth, the self-employed, own-account workers, and those in informal employment.
- Promote implementation of international standards and global coordination on occupational health and safety practices in workplaces, as well as supporting the inclusion of physical and mental health considerations into every organisation’s workforce programmes.

Annex

Policy Actions

This paper covers three types of Key Performance Indicators (KPIs):

1. KPIs collected by the International Organisation of Employers (IOE), measuring the progress of implementation of B20 recommendations by the G20. Highlights of this analysis are published at the start of this paper, and further details can be accessed directly from the IOE.¹³⁷
-

2. KPIs that are currently collected by international institutions for some G20 countries, and which we propose should be collected and tracked for progress across the entire G20. We refer to these indicators as Key “Pilot” Performance Indicators (KPPIs), highlighting the need to track these measures where they are available and to also target their wider collection across the G20. We also urge that relevant targets are defined for these KPIs by future G20 and B20 processes. The KPPIs highlighted in this paper are:

Recommendation 1: Proportion of students graduating in subjects related to Science, Technology, Engineering and Mathematics (STEM). This data is currently collected by international institutions, but not in a globally comparable way that covers all G20 countries. We also specifically urge governments to target the increase of female graduates in these STEM subjects.

Recommendation 2: Public investments in Active Labour Market Policies (ALMPs), as a proportion of their national income. ALMPs refer to government interventions in the labour market to support worker transition, such as employment services, training and start-up incentives. This data is currently collected by the OECD for most European countries and a handful of other rich nations. We urge the G20 to promote wider collection of this data, and the setting of targets to measure progress.

3. KPIs that are currently collected by international institutions for which the taskforce has proposed specific targets for 2024. The KPIs highlighted are:

Recommendation 3: Proportion of youth not in employment, education or training. This is collected by the OECD. We have analysed this data and propose specific targets for 2024 below.

Recommendation 3: Female labour force participation rate. This is collected by the OECD. We have analysed the data and propose specific targets for 2024 below.

¹³⁷IOE/Deloitte – Publication pending

2024 targets have been set for Youth Not in Education, Employment or Training (NEETs)

Current Baseline* and 2024 Targets**

Countries in the **(1st) Quartile** (lowest NEET rate):

- Baseline: **8.4%**
- 2024 Target: **6.1% or lower**

Countries in the **2nd Quartile**:

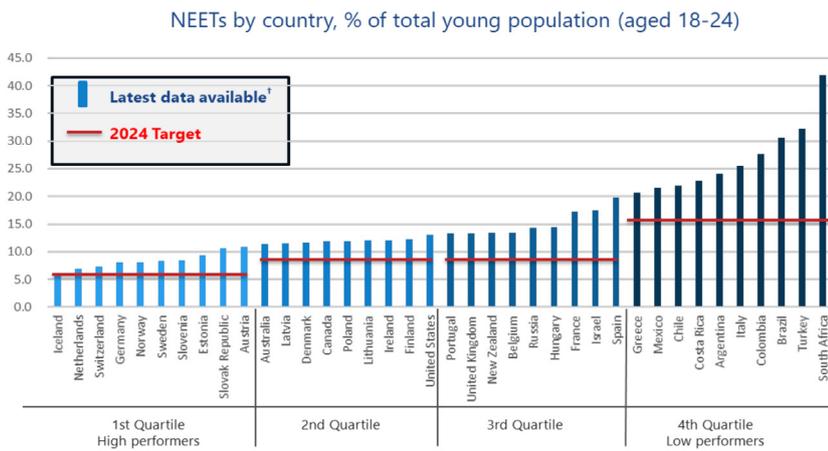
- Baseline: **12.0%**
- 2024 Target: **8.4% or lower**

Countries in the **3rd Quartile**:

- Baseline: **15.2%**
- 2024 Target: **8.4% or lower**

Countries in the **Bottom (4th) Quartile** (highest NEET rate):

- Baseline: **26.9%**
- 2024 Target: **15.7% or lower**



† Data source is OECD Education at a Glance 2020. Analysis by Accenture. Latest data is from 2019, except Argentina, Brazil and South Africa (2018), and Chile (2017)

** Baseline figures are a simple average of the NEET rate for each quartile, using the latest data as of June 2021.

** 2024 Target for 1st Quartile is the highest performer using the latest data as of June 2021.

** 2024 Target for 2nd and 3rd Quartiles is the average of the 1st Quartile using the latest data as of June 2021.

** 2024 Target for 4th Quartile is the average of the total sample using the latest data as of June 2021.

2024 targets have been set for the Share of Women Participating in the Labour Force

Current Baseline* and 2024 Targets**

Countries in the (1st) Quartile (lowest participation rate):

- Baseline: 52.4%
- 2024 Target: 66.5% or higher

Countries in the 2nd Quartile:

- Baseline: 66.6%
- 2024 Target: 76.4% or higher

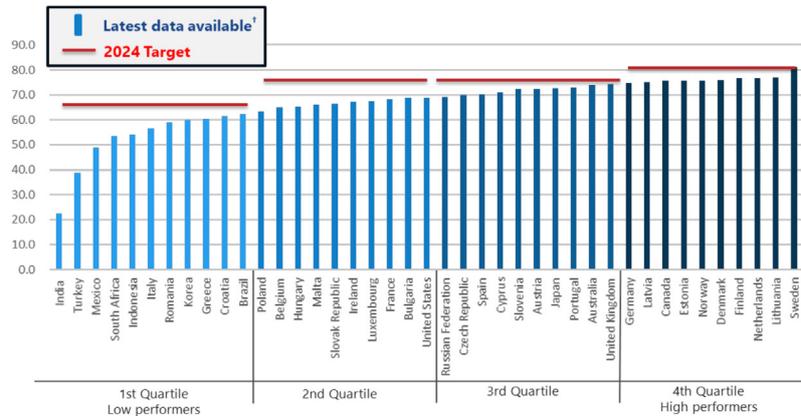
Countries in the 3rd Quartile:

- Baseline: 71.8%
- 2024 Target: 76.4% or higher

Countries in the Bottom (4th) Quartile (highest participation rate):

- Baseline: 76.4%
- 2024 Target: 81.1% or higher

Female participation in labour force, % of total female population (aged 15-64)



† Data source is OECD. Analysis by Accenture. Latest data is from 2019, except for India (2018). Data covers G20 countries except Argentina, China and Saudi Arabia.

** Baseline figures are a simple average of the participation rates for each quartile, using the latest data as of June 2021.

** 2024 Target for 1st Quartile is the average of the total sample using the latest data as of June 2021.
 2024 Target for 2nd and 3rd Quartiles is the average of the 4th Quartile using the latest data as of June 2021.
 2024 Target for 4th Quartile is the highest performer using the latest data as of June 2021.

Acronyms

ALMPs	Active Labour Market Policies
VET	Vocational Education and Training
D&I	Diversity and inclusion
LTC	Long-Term Care

Schedule of Taskforce Exchanges

#	Date	Event	Location	Theme
1	21-22 01/2021	Inception Meeting	Virtual	B20 Kickoff
2	26/02/2021	Conference Call I	Virtual	Review of 1 st Draft of Policy Paper
3	26/03/2021	Conference Call II	Virtual	Review of 2 nd Draft of Policy Paper
4	30/04/2021	Conference Call III	Virtual	Review of 3 rd Draft of Policy Paper
5	04/06/2021	Conference Call IV	Virtual	Review of 4 th Draft of Policy Paper

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USA	11	Germany	4	India	1	Romania	1
France	6	Mexico	4	Belgium	1	Netherlands	1
Brasil	6	China	3	Australia	1	Hong Kong	1
Argentina	5	Canada	2	Egypt	1	Poland	1
Switzerland	5	Spain	2	South Africa	1	Japan	1
Saudi Arabia	4	South Korea	2	United Kingdom	1		

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