


**G20 Performance Possibilities**G20 Argentina 

## G20 Performance on Labour and Employment

**Meredith Williams**

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*As the G20 leaders seek common ground amid the future of work in the age of digital revolution, Meredith Williams, research associate, G20 Research Group, assesses the G20's efforts regarding labour and unemployment issues.*

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G20 leaders will discuss the future of work in the age of the digital revolution as one of their top three priorities when they meet for the Buenos Aires Summit. As host, Argentina will focus on unleashing peoples' potential through innovative and coordinated skills development policy and by improving labour conditions and shaping an equitable and inclusive future of work for all.

The global unemployment rate is expected to fall from 5.6% in 2017 to 5.5% in 2018, after three years of rising unemployment. However, there are significant variations in employment outcomes among regions. Ageing populations will inevitably lead to an increased average age in the labour force, challenging global workers' ability to keep up with innovation and structural changes.

With 9% of jobs across the members of the Organisation for Economic Co-operation and Development (OECD) likely to be automated in the next 15 years, G20 leaders will face demographic trends and technological changes that will transform jobs in the global economy. The G20 has laid a solid foundation to take strong policy action to minimise digital disruption in labour markets.

### Commitments

The G20 summit has made 126 commitments on labour and employment – or 5.3% of the total 2,398 commitments made – since 2008. Only one refers to digitalisation. Leaders made no commitments on labour and employment at their first summit in 2008 in Washington DC or at the 2010 summit in Toronto. They made four at the 2009 London Summit, followed by three commitments at the 2009 Pittsburgh Summit. The 2011 Cannes Summit had eight commitments, followed by 18 at Los Cabos in 2012. The 2013 summit in St Petersburg saw a spike to 29, in the wake of the global unemployment crisis – the most made by far. At the summit in Brisbane in 2014 the G20 leaders made 16 commitments, followed by 10 commitments at Antalya in 2015, nine at Hangzhou in 2016 and 25 at Hamburg in 2017.

### Compliance

Of the 126 commitments on labour and employment, 16 have been assessed for compliance by the G20 Research Group. They average compliance of 75%. Six commitments made at the 2013 St Petersburg Summit were assessed, and averaged 86%.

Two commitments, one on creating fair labour markets and the other on exploring mechanisms to share work-linked training, had the lowest scores each of 48% from London and 20% from Brisbane. Cannes had two commitments assessed for compliance, on encouraging labour participation, with an average of 74%. Brisbane had two commitments assessed, on implementing social protection systems and committing to reducing youth unemployment, with an average of 82%. Antalya had four commitments assessed on integrating youth into the employment market and monitoring the implementation of the 2015 employment plan, with an average of 67%. One commitment from Los Cabos was assessed, on stimulating job creation. It received 100% compliance.

## Causes and Consequences

The effects of the 2008 global financial crisis and the digital revolution stand out as causes of this commitment and compliance.

The global financial crisis led to a significant increase in unemployment, especially in the European Union and among youth, resulting in decreased household income and hitting youth the hardest. Consequently, the G20 committed to invest in lifelong learning programmes to provide skills portability and better prospects, facilitate mobility and enhance employability. However, global unemployment is still expected to grow by a 13 million by 2018, as global trends such as the digitalisation and automation of jobs take their toll.

Structural sectoral shifts towards services will create further complex pressures on global job equality, as many jobs will be automated. A large portion of the population will see their employability shrinking. According to the International Labour Organization (ILO), internal and external employment forces such as technological progress, digitalisation and labour force demographics will likely continue to reallocate employment across production sectors. It will therefore be challenging for G20 members to achieve higher compliance if the labour sector globally continues to worsen.

## Corrections

The G20 has a solid understanding of the causes and effects of labour and unemployment issues, especially since the 2013 global unemployment crisis. At Buenos Aires, leaders should focus on developing collaborative solutions to encourage more opportunities for inclusive, fair, sustainable employment opportunities. They should continue to develop and implement their G20 employment plans. They should focus on supporting the ILO and OECD agendas to overcome the changes the future of work might bring, with the growth of the digital economy, to prepare for the effects on the labour market. They should encourage the active involvement of diverse actors, such as trade unions and employers' organisations, in promoting effective collective strategies to achieve inclusive employment.

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