

**L20 presentation to the G20 Employment Working Group
26 February 2015**

On behalf of the members of the L20, the national trade union centres in the G20 countries, it is my pleasure to participate in this meeting of the Employment Working Group (EWG). We very much value the opportunity, along with the B20 to engage with Working Group members on such critical and common concerns to us all.

I too would like to express our appreciation for the leadership of the Turkish Presidency, and the priorities (or the 3 "I"s as they are being referred to) on Inclusion, Investment and Implementation. This is a frame that is both aspirational and accountable.

We are pleased that the G20 leaders recognised the critical issue of employment and that this is now a Working Party which ensures that jobs, participation, workers' rights, wages and social protection are a permanent set of issues on the agenda and are seen to represent a critical response to tackling inequality and in driving growth.

I don't need to tell any of you that the crisis in unemployment is far from over, that women and young people are over represented in both the unemployment statistics and the desperation of those working in the informal economy.

Thus we are looking for deeper measures on jobs and wages to boost aggregate demand and reduce inequality. With inclusiveness high on this year's agenda, we look forward to strong policy proposals on addressing income inequality and promoting the integration of vulnerable groups into labour markets, with concrete benchmarks developed and delivered in collaboration with the social partners.

I remind us all of the joint commitment of the Labour and Finance Ministers in Moscow in 2014 where they committed to : *"Labor market and social investment policies that support aggregate demand and reduce inequality, such as broad based increases in productivity, targeted social protection, appropriately set minimum wages with respect to national wage setting systems, national collective bargaining arrangements, and other policies to reinforce the links between productivity, wages and employment."*

Wages and social protection are a critical piece of the equation. Retrieving even a portion of the lost wages share of national income (around 10% in the last 30 years) will boost the purchasing power for low and middle income workers. Prioritizing work on the "wage share" is very important to L20 members.

And then, there is the vast demand for jobs. The leaders' commitment to infrastructure investment will drive jobs and the additional commitments from the Australian G20 to a target for women's participation (25 by 25) will drive job creation. We also hope to see a real consideration of enabling investment in the care economy, in childcare, in aged care, in education, and health which will drive even more jobs.

You might be interested to know of some excellent research undertaken in Canada that found that investing in child care provides the greatest economic benefit of all sectors of the Canadian economy. Investing \$1 million in childcare would create 40 jobs, at least 43% more jobs than the next highest industry and 4x the number of jobs generated by \$1 million in construction spending.

The study also found strong economic stimulus, that with every \$ invested in childcare increased GDP by \$2.30. This is one of the highest direct, indirect and induced GDP multiplier. And we all know that increasing women's participation in the labour market is absolutely related to access to child care.

Investing in the care economy (and in the "silver economy" as referred to by some) has great potential to create new jobs and support the transition from the informal to the formal economy.

When we speak about structural transformation, in the context of the imperative for climate action we want to see an industrial transformation that will ensure that the industries of today are the industries of tomorrow but based on clean energy and production. The economic activity that will deliver a low carbon economy will also drive investment and jobs.

We are concerned to see that jobs are quality jobs. The commitments from the Labour Ministers meeting in Melbourne were heartening. In particular, the understanding that our corporate supply chains must change – through safe work, the formalisation of informal work and the elimination of the enslavement of forced labour. This work will bring hope and transform both lives and economies.

So you know well our priorities for this Working Group.

I refer you to the L20 room document for this meeting that we distributed earlier.

Jobs and investment in infrastructure, the care economy and climate action; Wages and social protection; A new business model for supply chains with transparency, rights, formal work, minimum living wages and an end to forced labour and slavery; The inclusion of young people through apprenticeships, increased women's participation and that of other disadvantaged groups with support for the skills required.

This is an agenda that would give working people hope and we are more than willing to work with you to realise it. We have been talking to employers in the B20 about long term value creation and that's our aim. Inclusive growth is built around the participation of people - in work, in wealth creation, in care and in consumption.

There is vital work for other G20 Working groups that is related to these priorities - including taxation (BEPS) and Long Term Investment principles. The UN's Sustainable Development Goal's must be central to the development agenda and link into the Development Working Group.

It is all important but the role of this Working Group sits at the heart of a sustainable global economy.

Ensuring policy coherence and implementation within and across the different tracks of G20 work is very important. We are encouraged by the interest to convene a Joint Labour and Finance Minister's Meeting in September.

We look forward to strengthening social dialogue, along with the B20, as was included in the Terms of Reference of this Group this morning, and to our continuing participation in the Employment Working Group.

Thank you.