

Prepared For

B20 2015 Employment Task Force Policy Recommendations

Based upon the voice of the real economy participants on the ground level

9 July 2015



RECOMMENDATIONS FOR 2015 B20 EMPLOYMENT TASK FORCE

Premise

As a foundation for developing our recommendations for the 2015 B20 Employment Task Force, our comments are based upon the following:

- **Analyzing proposals from previous G20 Summits** - The Russia, Australia and Turkey B20 Employment task forces are to be applauded, as many of their recommendations are rightly focused on the need for training to address mismatches between skills required and education.
- **Listening to the voice of the real economy participants at the ground level** - The G20 Nations Case Study results to date covering 37% of the G20 population have yielded that 90% want new digital tools to improve their competencies and their processes to enhance competitiveness in the global market place.
- **Understanding Task force interdependencies** - While the B20 Task Forces have developed independent objectives, due to the global economy interdependency, it is evident their proposals overlap thus requiring a highly integrated approach for their implementation.

Given the urgency to create 600 million jobs over 15 years, out of the box thinking is required to kick-start the global economy.

A reality check yields that market expansion is required to create more jobs and this demands a focus on the real economy of manufacturing, agriculture and the services industry. Since it is easier to maintain jobs than to create them, we must also provide our workforce the tools, training, monitoring and motivation.

Whilst current and past thinking leads us to a particular focus we would recommend a more holistic approach which encompasses the needs of participants on the ground and the interdependencies of all task forces. The digital economy is the means to facilitate such an outcome.

Past & Current

TURKEY

- Develop and Finance Programs aimed at reducing skills mismatches in an era of rapid changes in technology and innovation

- Place an emphasis on building flexible and inclusive labour markets for women and youth and change the regulatory environment so as to remove barriers that inhibit female and youth labour force participation

AUSTRALIA

- Establish a national innovation agenda and pipeline with supporting structural reforms

- Increase the level of alignment and responsiveness between the learning ecosystem and workforce needs

- Remove barriers inhibiting entrepreneurs from starting and growing businesses

- Undertake structural reform to increase flexibility, adaptability and mobility within and across labor markets

RUSSIA

- To make employability a top priority in national education and training systems

- To create an enabling environment for enterprises and entrepreneurship

- To master the demographic challenge

Reality Check

— ***Why isn't the real economy the driving theme in the global arena and how do the B2O recommendations address this?***

Lack of demand is forcing the emphasis on financial engineering for fast wealth creation. However, this comes at the cost of growing the real economy that drives sustainable employment.

— ***How do the B2O recommendations address poor market demand?***

The world's demographics are changing. In high income countries the population is aging yet salaries remain high. This is a productive community challenged with low market demand. In mid and low income countries, birth rates are high, the population is growing, but salaries are low.

— ***How can the B2O recommendations effectively counter the mismatch between the skills needed for capacity building and current and future job requirements?***

Lack of visibility to industry employment needs places a burden to build human capacity that matches employment requirements.

— ***How do we properly measure corporate productivity to drive employment?***

There is an absence of proper training, required tools and performance measurements to drive efficiency.

— ***What are the tools needed at the national level to motivate human capacity and productivity?***

The emphasis only on short-term personal financial gain as a main motivation, versus long term job security, could limit human capacity and country productivity growth. In other words there is no visibility of individual contributions to his/her organization and societal economic growth representing a vital foundation to his/her future generation's prosperity.

Recommendation

The Real Economy must be the driving theme to deliver sustained employment growth

Our efforts must be concentrated on the following three main economic pillars of the real economy; manufacturing, agriculture and the services industries that support them.

Sustaining global market demand is essential to build youth employment

We must connect the youthful workforce of the mid and low income countries with the expertise of the high income countries thus building the buying power of the mid and low income countries creating an unprecedented new global market demand that could result in more than 100 million new jobs.

Human capacity building must be effectively synchronized with projected employment market opportunity

Greater visibility is required on future production volumes as well as product and services planning. This will allow the development of human capital to meet employment market demands.

Increased employment productivity must be a corporate strategic objective

Employment productivity is optimized when the proper tools are provided to perform a specific duty, training is performed to use the tools efficiently, and a performance monitoring mechanism with escalation capabilities for accountability is implemented.

Provide the tools and national economic progress visibility to build a better future for our generations

Visibility of economic progress & the prospects of job security can promote stronger motivation. We need national real economy dashboards that provide the required indicators for increased productivity today & for the generation to come.

NB: The boxes in lighter shade illustrates the wider scope of our recommendations

2015 B20 TASK FORCES INTERDEPENDENCIES TOWARDS ACHIEVING SUSTAINED ECONOMIC GROWTH

