

B20-L20 Statement 2025

South Africa 2025

The Business Engagement Group (B20) and Labour Engagement Group (L20) welcome the G20 South African presidency for 2025 and its chosen theme *Solidarity, Equality and Sustainability*. We also consider the four priorities of this year's employment track to be timely, relevant and critical:

1. Inclusive growth and youth employment
2. Gender equality in the workforce
3. Addressing inequality and a declining labour income share and the implications for living standards
4. Digitisation and an inclusive future of work.

The Role of Social Partners in Addressing Global Challenges

Social partners, representing the actors in the real economy, play a key role in providing insights and policy recommendations on the priorities of the G20. Their engagement is crucial in designing and implementing policies that lead to the creation of new, quality jobs, decent work, a just transition, reduced inequality and economic resilience. Social partners' actions and recommendations can also help advance decent work and sustainable development in the world of work.

Social dialogue, when based on representative and autonomous social partners, and done effectively can be a unique driver to build trust, social cohesion and promote better design and implementation of policies.

The B20 and L20 recognise the vital role of multilateral cooperation in addressing global economic, labour, environmental and social challenges, which is aligned with the concerns and priorities of the G20 South Africa presidency. The G20 Labour and Employment Ministers have a crucial role to ensure that social partners actively contribute to shaping labour, employment and social policies in the world of work, and in the multilateral system.

Promoting Employment, Decent Work and Addressing Informality with more ambition

Employment policies, if well-designed and effectively implemented, can promote decent work and serve as a catalyst for social progress and economic growth. The transformation of the world of business and world of work is profound and investing in skills development, education, and vocational training is more essential than ever to ensuring that all workers, including youth, women and older workers, have the opportunity to participate in and benefit from the labour market. In order to promote decent work, G20 countries should respect, promote and realize the fundamental principles and rights at work which are the subject of those Conventions, including freedom of association and the effective recognition of the right to collective bargaining.

Persistent informality remains a significant challenge across many economies, with detrimental impacts on workers and on the economy as a whole. Informal employment often lacks fundamental rights and social protection, exacerbating economic inequalities, deepening

poverty and limiting opportunities for sustainable development while undermining resilience to shocks, including climate change. More ambitious and targeted policies are required to facilitate the transition from the informal to the formal economy, consisting of strengthened incentives, compliance and enforcement measures. Governments should ensure adequate regulations and policies that address the root causes of informality and undeclared work and enable both companies and workers to have access to activities in the formal economic system which provides legal certainty and protections, while promoting decent jobs with adequate social protections. By investing in economic and employment policies and strong enforcement that facilitate formalisation and decent jobs, governments can drive much better inclusive economic growth and reduce poverty.

The 2025 ILO Resolution concerning the general discussion on innovative approaches to addressing informality offers practical guidance to promote the transition to formality for decent work. It examines the key challenges, the main lessons learned to accelerate the formalisation process, and, most importantly, how governments and social partners—supported by the ILO—can advance: (1) good governance and integrated strategies, (2) enabling environments for transition, (3) policy coherence and strategic guidance, (4) research and data, (5) capacity building, and (6) leadership, and strategic partnerships.

The G20 should support national efforts to simplify business registration and development, and set up or extend social protection schemes to support informal workers. Key enablers include tax and other incentives for formal job creation, access to affordable finance for small businesses, and investments in the use of digital technologies, quality public services and skills systems, labour protection, wage policies including living wages, and policies to ensure the correct classification of employment relationships. Strengthening labour statistics and institutional capacities is essential to monitor progress and shape evidence-based interventions.

As a follow-up to the Resolution above, the International Labour Organization will have to develop a global, time-bound roadmap—through consultation with tripartite constituents—towards effective formalisation. This roadmap should be adaptable to national circumstances and legal frameworks, include short-, medium- and long-term objectives, and provide a clear monitoring framework. Both the B20 and L20 encourage the G20 to participate in the development of this roadmap and to facilitate its discussion at the national level in advance, in collaboration with social partners.

On gender equality and youth employment, the B20 and L20 support the G20 targets outlined in the **Brisbane–eThekweni Roadmap (2025–2035)** and the **Nelson Mandela Bay G20 Target on Youth Employment (2025–2030)**.

Regarding the **Brisbane–eThekweni Target**, which aims to reduce the gender gap in labour force participation by 25% by 2035, both the B20 and L20 endorse the *G20 Roadmap Towards and Beyond the Brisbane Target*. This roadmap focuses on: increasing the quantity and quality of women's employment; tackling the gender pay gap; promoting a more even distribution of women and men across sectors and occupations; encouraging a more balanced sharing of paid and unpaid work; and addressing discrimination and gender stereotypes in the labour market. Increasing investments in care would highly contribute to advance this roadmap.

In relation to the **Nelson Mandela Bay Target**, the B20 and L20 support G20 commitments to reduce NEET (Not in Employment, Education or Training) rates by a further 5% by 2030, enhance the effectiveness of youth employment strategies, and strengthen youth skills for the future of work. This target also includes references to boosting youth entrepreneurship by improving young people's access to affordable finance, business development services, mentoring, and counselling; establishing incubation hubs in both urban and rural areas; and ensuring the full inclusion of youth in labour market policies and programmes.

Advancing Inclusive Digitalisation and Bridging the Digital Divide

The rapid evolution of AI and digital technologies is reshaping industries and societies in profound ways. These changes present opportunities for sustainable economic growth and decent job creation but also raise legitimate concerns about rights, privacy, possible job destruction or displacement and augmentation. To manage this transition effectively, policymakers must work closely with social partners to ensure that appropriate regulatory frameworks are in place, that rights are respected, enterprises are supported, and the workforce is equipped with the necessary skills and social protections to navigate the digital transformation. Furthermore, bridging digital gaps, ensuring affordable access to data and technology and improving infrastructure must be a top priority to ensure that all workers, including those in developing and least developed countries, benefit from these advancements.

Expanding opportunities for youth employment is essential for reducing NEET rates, building a future-ready workforce and fostering innovation-driven growth. By equipping workers with AI literacy, digital and entrepreneurial skills, businesses can tap into new talent pipelines, enhance productivity, drive sustainable economic development with net employment growth and decent work. This is also important for countries which have a high youth population.

As the digital economy expands, disparities in digital access, affordability and infrastructure must be addressed. The majority of workers and companies in developing economies, face strong barriers to digital tools and training. Public policies are needed to promote better investments in digital infrastructure and skills training, and to lower the cost of data and provide free access to essential sides, to ensure inclusive participation in the digital economy.

Investments and commitment to strengthen education and training systems

The G20 has a critical role to play in shaping inclusive, sustainable, and future-ready economies—and investing in education and training systems is central to this mission. Robust education systems lay the foundation for economic resilience, social cohesion, and innovation. From early childhood to adult learning, investment in cognitive, critical thinking, and human socio-emotional skills prepares individuals to adapt and thrive in rapidly evolving labour markets. Prioritising such skills from an early age helps cultivate adaptable, creative problem-solvers who can navigate uncertainty and contribute meaningfully to society.

To effectively match education with labour market demands and enable effective school to work transitions for youth, the G20 can promote quality apprenticeships and strengthen skills councils that bring together governments, employers, workers and education providers. Quality apprenticeships offer a proven model of work-based learning that bridges theory and practice, especially for youth and vulnerable groups. 2023 ILO Recommendation 208 on Quality

Apprenticeships can offer practical and policy guidance. Skills councils provide an institutional platform for aligning curricula with sector-specific needs, anticipating future skills, and ensuring standards for qualifications. Social dialogue among employers, workers, and policy-makers ensures these systems remain agile, inclusive, and responsive, creating a shared commitment to quality, access and equity in skills development.

Adult learning and lifelong learning must also be prioritised as transitions between jobs and sectors become more frequent due to technological changes and older workers prevail in the workforce. G20 countries can lead by example through investment in upskilling and reskilling initiatives, partnerships for digital training, and flexible learning pathways. Encouraging recognition of prior learning and micro-credentials can increase participation and ensure that no one is left behind. By embedding lifelong learning into employment and economic policy, the G20 can empower workers, boost productivity, and build more resilient future-ready societies.

Enhancing Inclusive Economic Growth and Reducing Inequalities

As outlined in the ILO Centenary Declaration for the Future of Work and the 2030 Agenda, decent work is key to sustainable development, addressing inequality and ending poverty. Increasing productivity and fostering an enabling environment for sustainable enterprises are fundamental for economic prosperity.

Governments should strongly support policies that enhance inclusive growth, sustainable enterprises and reduce inequalities. This can be done by promoting, among others: social dialogue including collective bargaining and tripartite cooperation, as well as progress on wages and working conditions. In this regard, G20 Members should work to implement the principles agreed in the ILO conclusions of the Meeting of experts on wage policies, including living wages, and promote wage-setting approaches that consider the needs of workers and their families alongside economic factors. G20 Members should additionally work to encourage entrepreneurship, innovation, and the growth of micro, small, and medium enterprises (MSMEs). Strengthening MSMEs leads to net job creation and can foster decent work, economic stability, and inclusive growth, particularly in developing economies.

Furthermore, skills development and lifelong learning must be prioritised to ensure that workers can adapt to the evolving labour market. Investing in reskilling and upskilling initiatives will not only create opportunities for new jobs, but also drive productivity and economic growth. Governments, workers, businesses, and educational institutions must work together to create accessible and inclusive learning opportunities for all.

Promoting Peace and Social Dialogue

Sustainable economic and social progress cannot be achieved without a foundation of peace, social justice, sustainable development, economic resilience and social dialogue in the world of work. Social dialogue is crucial for fostering stable and well-functioning labour markets.

The B20 and L20 call on G20 leaders to reinforce multilateralism based on the principle of sovereign equality, prioritise inclusive employment policies, and support the role of social partners in shaping the future of work. By working together, we can create a more sustainable global economy that benefits all.