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G7 Research Group  
at the Munk School of Global Affairs at Trinity College in the University of Toronto  
presents the

## 2017 Taormina G7 Final Compliance Report

27 May 2017 to 25 May 2018

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*“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”*

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

*G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues – a year later, or three years later, what have you accomplished?*

Achim Steiner, Administrator, United Nations Development Programme, in [G7 Canada: The 2018 Charlevoix Summit](#)

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## 16. Labour and Employment: Work Conditions

“We also need to address new forms of work and improve working conditions by implementing sound labor market policies and by making adjustments to our welfare systems, when necessary, in a multi-stakeholder approach, so as to provide stability for our labor force.”

*G7 Taormina Leaders’ Communiqué*

### Assessment

Member	Lack of Compliance	Work in Progress	Full Compliance
Canada			+1
France			+1
Germany	-1		
Italy			+1
Japan			+1
United Kingdom			+1
United States	-1		
European Union			+1
Average Score	+0.50		

### Background

A stable labour force is important to economic growth in the aggregate, but it is also made up of individuals who benefit from stability. In addition to providing disposable income, employment provides social relationships, identity in society and individual self-esteem.<sup>1945</sup> In other words, a stable labour force is key to both the wellbeing of the economy and of society.

The 2017 Taormina leaders’ communiqué identifies that the factor challenging the maintenance of stability in the labour force is new forms of work brought on by the Next Production Revolution (NPR).<sup>1946</sup> NPR describes a set of current and expected changes that will radically transform the production process. These changes are caused by the integration of digital technology, new materials, and new processes into the production process. Examples of digital technology include advanced robotics, 3D printing, and the internet of things. New materials could, but are not limited to be, bio- or nano-based. Finally, examples of new processes are data-driven production and artificial intelligence.<sup>1947</sup>

Olivier Scalabre from the Boston Consulting Group predicts that the NPR will have a greater effect than all the previous industrial revolutions, boosting industrial productivity by a third.<sup>1948</sup> Such dramatic transformations to the production process will no doubt shock the labour market. The Organisation for Economic Co-operation and Development expects significant shocks to the labour market. In the United Kingdom, jobs in production are likely to disappear in favour of investments in automation and self-employment, which has already increased by more than 30% since 2010, is

<sup>1945</sup> Liliana Winkelmann and Rainer Winkelmann, “Why are the Unemployed So Unhappy?: Evidence from Panel Data,” *Economica* 65: no. 257 (1998):1-15. <http://www.jstor.org/stable/2555127>.

<sup>1946</sup> 2017 G7 Taormina Leaders’ Communiqué, G8 Information Centre (Toronto) 27 May 2017. Access date: 15 October 2017. <http://www.g8.utoronto.ca/summit/2017taormina/communique.html>.

<sup>1947</sup> “The next production revolution: Key issues and policy proposals”, in *The Next Production Revolution: Implications for Governments and Business*, OECD (Paris) 10 May 2017. Access date: 14 October 2017. <http://dx.doi.org/10.1787/9789264271036-5-en>.

<sup>1948</sup> Address by Olivier Scalabre at TED@BCG, TED Institute (Paris) May 2016. Access date: 13 October 2017. [https://www.ted.com/talks/olivier\\_scalabre\\_the\\_next\\_manufacturing\\_revolution\\_is\\_here/transcript](https://www.ted.com/talks/olivier_scalabre_the_next_manufacturing_revolution_is_here/transcript).

likely to increase due to the rise of digital platforms.<sup>1949</sup> Clearly, this change in work conditions will require new labour market policies and welfare adjustments.

The G7 members have begun preparing at the national level and collectively as a group. During the 2017 Taormina Summit, a People-Centered Action Plan on Innovation, Skills and Labor was issued. The two key policy priorities related to labour in this action plan were identified to be dialogue and inclusiveness.<sup>1950</sup>

The 2017 Taormina Summit was the first G7 summit to address the impact of the NPR on employment. Prior to the summit, concerns about high unemployment were addressed at the 1993 Tokyo Summit and commitments were made to reduce unemployment.<sup>1951</sup> More recently during the 2011 Deauville Summit, G8 members called for macroeconomic policies that would lead to unemployment reduction and quick re-entry into the labour market.<sup>1952</sup> During the 2012 Camp David Summit, the G8 members committed to supporting employment in transition countries through vocational training, partnering to finance post-secondary institutions and supporting small and medium-sized enterprises (SMEs).<sup>1953</sup>

### **Commitment Features**

The goal of this commitment is to see stability in the labour force. Stability in the labour force should not be understood to mean the same as unemployment. Unemployment ignores individual experiences in the labour market such as job creation and destruction. For this report, job stability is defined to be retention rate, the probability that a job with a particular employer will last one more period, as a measure.

To address the impact of new forms of work and working conditions on job stability, G7 members are called upon to 1) implement sound labour market policies and 2) make adequate adjustments to their welfare systems.

As technological change increases the demand of some skills and decreases the demand of others, labour market policies need be improved to provide skills training in complex tasks that complement new technologies. This could be accomplished by providing education and technical training to encourage creativity, flexibility, and communications skills. Labour market policies could also include labour reforms to protect workers' rights in the growing number of non-standard work arrangements created by the NPR.<sup>1954</sup>

Welfare system adjustments are changes to social insurance programs or tax burdens with the intention of protecting workers, especially those whose jobs are affected by technological change. Changing the coverage of social insurance programs such as healthcare, unemployment insurance,

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<sup>1949</sup> The Next Production Revolution: Implications for Governments and Businesses, OECD 10 May 2017. Access Date: 25 October 2017. [http://www.oecd-ilibrary.org/science-and-technology/the-next-production-revolution\\_9789264271036-en](http://www.oecd-ilibrary.org/science-and-technology/the-next-production-revolution_9789264271036-en).

<sup>1950</sup> People-Centered Action Plan on Innovation, Skills and Labor, G8 Information Centre (Toronto) 27 May 2017. Access date: 15 October 2017. <http://www.g8.utoronto.ca/summit/2017taormina/action-plan.html>.

<sup>1951</sup> World Economy, G8 Information Centre (Toronto) 9 July 1993. Access Date: 15 October 2017. <http://www.g8.utoronto.ca/summit/1993tokyo/communique/world.html>

<sup>1952</sup> Macroeconomics, G8 Information Centre (Toronto) 18 May 2012. Access date: 14 October 2017. <http://www.g8.utoronto.ca/evaluations/2011compliance-final/02-11-final-unemployment.pdf>

<sup>1953</sup> Labor and Employment, G8 Information Centre (Toronto) 14 June 2013. Access date: 14 October 2017. <http://www.g8.utoronto.ca/evaluations/2012compliance/13-12-final-labour.pdf>.

<sup>1954</sup> The Impact of the Technological Revolution on Labour Markets and Income Distribution, United Nations Department of Economic and Social Affairs (New York) 31 July 2017. Access Date: 15 October 2017. [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/2017\\_Aug\\_Frontier-Issues-1.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/2017_Aug_Frontier-Issues-1.pdf).

and pensions are potential adjustments. Another potential adjustment is changing tax burdens to improve incentives to work.<sup>1955</sup>

The communiqué also suggests that a multistakeholder approach be pursued when necessary. A multistakeholder approach can be adopted through the promotion of dialogue between “policy-makers, social partners, the private sector, education and training providers, innovation analysts and other relevant actors” on how to address the impact of the NPR on the labour market.<sup>1956</sup>

G7 members can achieve compliance with principle 1) by implementing labour policies that provide skills training and/or protect workers’ rights. G7 members can achieve compliance with principle (2) by adjusting social insurance programs and/or tax burdens to assist those whose jobs are affected by technological change. Evidence of dialogue with stakeholders should be seen positively as working towards compliance.

### Scoring Guidelines

-1	Member does not implements changes to labour market AND does not make adjustments to welfare systems with the intention of encouraging stability
0	With the intention of encouraging stability in the labour market, member implements changes to labour market policies OR makes adjustments to welfare systems.
+1	With the intention of encouraging stability in the labour market, member implements changes to labour market policies AND makes adjustments to welfare systems.

*Lead Analyst: Ivan Hsieh*

### Canada: +1

Canada has fully complied with its commitment to implement sound labour market policies and to make adjustment to their welfare system, when necessary, in a multi-stakeholder approach, so as to provide stability for the Canadian labour force.

On 5 June 2017, the Alberta provincial government passed a labour reform bill with the stated aim of adapting to the changing nature of work and family life. Significant aspects of the bill include extending maternity leave, lowering the threshold for unpaid leave to deal with personal situations, and simplifying union certification.<sup>1957</sup>

On 14 June 2017, the Government of Canada launched CanCode, a CAD 50 million program that will give 500,000 students from kindergarten to grade 12 the opportunity to learn digital and coding skills over the next two years. The program is part of the Government of Canada’s Innovation and Skills Plan, a multi-year strategy initiated in the federal 2017 budget.<sup>1958</sup>

On 29 June 2017, the Canada-Ontario Job Grant Program reported several changes for the to be effective on April 1, 2017. This includes employee training financial aid and cost caps for funding per

<sup>1955</sup> The Impact of the Technological Revolution on Labour Markets and Income Distribution, United Nations Department of Economic and Social Affairs (New York) 31 July 2017. Access Date: 15 October 2017. [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/2017\\_Aug\\_Frontier-Issues-1.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/2017_Aug_Frontier-Issues-1.pdf).

<sup>1956</sup> G7 Labour and Employment Ministers' Declaration, G8 Information Centre (Toronto) 30 September 2017. Access date: 15 October 2017. <http://www.g8.utoronto.ca/employment/2017-labour-declaration.html>.

<sup>1957</sup> Workplace Legislation Changes, Government of Alberta (Edmonton) 5 June 2017. Access Date: 21 January 2018. <https://www.alberta.ca/workplace-legislation-changes.aspx>.

<sup>1958</sup> Government of Canada Launches \$50-million Coding Program for Young Canadians, Innovation, Science, and Economic Development Canada (Ottawa) 12 June 2017. Access Date: 21 January 2018. [https://www.canada.ca/en/innovation-science-economic-development/news/2017/06/government\\_of\\_canadalaunches50-millioncodingprogramforyoungcanad.html](https://www.canada.ca/en/innovation-science-economic-development/news/2017/06/government_of_canadalaunches50-millioncodingprogramforyoungcanad.html).

trainee and other restrictions on funding proposals to ensure effectiveness in supporting local businesses.<sup>1959</sup>

On 5 July 2017, the Government of Canada launched the Strategic Innovation Fund, a CAD 1.26 billion fund aimed at creating jobs, skills, and business opportunities for Canadians by attracting high-quality investments. The fund is part of the Government of Canada's Innovation and Skills Plan, a multi-year strategy initiated in the federal 2017 budget.<sup>1960</sup>

On 28 August 2017, the Government of Canada announced the creation of 60,000 work placements over the next five years. This includes a CAD 73 million investment in the Student Work-Integrated Learning Program to create 10,000 student placements, along with CAD 221 million of funding for the not-for-profit Mitacs to provide 10,000 research internships over each of the following five years.<sup>1961</sup>

On 24 October 2017, the Forum of Labour Market Ministers met to discuss priorities concerning Canada's labour market. The discussion included the Government of Canada's pledge to invest CAD 20 billion over the next six years for training programs, expanding labour mobility of certified workers, and improving labour market information.<sup>1962</sup>

On 22 November 2017, the Ontario provincial government passed a labour reform bill with the stated aim of creating more opportunities and stability for workers amid the changing nature of work. The change was identified by the Changing Workplaces Review, a report commissioned by the Ontario provincial government, as the increasing proportion of Ontario workers hired in precarious part-time, contract, or minimum wage positions. Significant aspects of the bill include raising the Ontario's minimum wage, mandating equal pay for employees of with different hours doing the same job as full-time employees, and requiring fairer employee scheduling.<sup>1963</sup>

On 3 December 2017, changes to employment insurance rules allowed new parents to spread their federal benefits over a longer period of time. The government's goal was to adapt to changing working conditions by making it easier for families to balance work and life.<sup>1964</sup>

On 27 February 2017, the Government of Canada announced through its 2018 budget that it would invest CAD 2 billion over the next five years, and CAD 408.2 million per year, to support the

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<sup>1959</sup> Rules Change for Canada-Ontario Job Grant Program, the Globe and Mail (Toronto) 29 June 2017. Access Date: 10 January 2018. <https://www.theglobeandmail.com/report-on-business/small-business/talent/rules-change-for-canada-ontario-job-grant-program/article35476795/>.

<sup>1960</sup> Government of Canada Launches Strategic Innovation Fund, Innovation, Science, and Economic Development Canada (Ottawa) 5 July 2017. Access Date: 21 January 2018. [https://www.canada.ca/en/innovation-science-economic-development/news/2017/07/government\\_of\\_canadalaunchesstrategicinnovationfund.html](https://www.canada.ca/en/innovation-science-economic-development/news/2017/07/government_of_canadalaunchesstrategicinnovationfund.html).

<sup>1961</sup> Government of Canada launches student work placements, Employment and Social Development Canada (Toronto) 28 August 2017. Access Date: 10 May 2018. [https://www.canada.ca/en/employment-social-development/news/2017/08/government\\_of\\_canadalaunchesstudentworkplacements.html](https://www.canada.ca/en/employment-social-development/news/2017/08/government_of_canadalaunchesstudentworkplacements.html).

<sup>1962</sup> Labour Market Ministers take action to help Canadians succeed in a changing economy, Employment and Social Development Canada (Ottawa) October 24, 2017. Access Date: 25 November 2017. [https://www.canada.ca/en/employment-social-development/news/2017/10/labour\\_market\\_ministerstakeactiontohelpcanadianssucceedinachangi.html](https://www.canada.ca/en/employment-social-development/news/2017/10/labour_market_ministerstakeactiontohelpcanadianssucceedinachangi.html).

<sup>1963</sup> Ontario Introduces New Legislation to Create Fairer Workplaces Better Jobs, Ministry of Labor (Toronto) 1 June 2017. Access Date: 21 January 2018. <https://news.ontario.ca/mol/en/2017/06/ontario-introduces-legislation-to-create-fair-workplaces-better-jobs.html>.

<sup>1964</sup> Feds announce expanded parental leave, new caregiver benefits that'll come into effect Dec. 3, Toronto Star (Toronto) 9 November 2017. Access Date: 25 November 25 2017, <https://www.thestar.com/news/canada/2017/11/09/ottawa-to-announce-expanded-parental-leave-thatll-come-into-effect-next-month.html>.

creation of a new Indigenous Skills and Employment Training Program. The goal is to provide indigenous peoples with the skills and training necessary for high-quality jobs.<sup>1965</sup>

On 16 April 2018, the Government of Canada introduced a medical inadmissibility policy which fixed previous labour exclusions to disabled persons. Increasing the cost threshold for medical inadmissibility and fixing the definition of social services will allow businesses to further support the participation of disabled persons in the Canadian workforce.<sup>1966</sup>

On April 24 2018, the Alberta provincial government announced it would invest CAD 15 million over the next three years to provide skills training opportunities to Albertans. This funding expanded Alberta's Transition to Employment Services program.<sup>1967</sup>

Canada has complied with its commitment to implement sound labour market policies, and to improve upon their welfare system to provide stability for the Canadian labour force. The federal government is investing heavily in innovation through its multi-year Innovation and Skills Plan, while select provincial governments are updating provincial labour policies to adapt to the changing nature of work.

Thus, Canada receives a score of +1.

*Analyst: Danielle Zbuo*

#### **France: +1**

France has complied with its commitment to implement sound labour market policies and to make adjustment to their welfare system, when necessary, in a multi-stakeholder approach, so as to provide stability for the labour force.

On 11 September 2017, French Prime Minister Edouard Philippe presented the Action Plan for Company Investment and Growth. The plan includes the progressive reduction of corporate taxes, transforming the competitiveness and employment tax credit by reducing employers' contributions, establishment of a single flat-rate tax on capital income, replacement of the wealth tax (impôt de solidarité sur la fortune) by a real estate tax, and the establishment of workgroups. Some of the relevant themes the workgroups will focus on are the conquest of international markets, digitisation and innovation, and training and professional development.<sup>1968</sup>

On 22 September 2017, French President Emmanuel Macron signed a series of five decrees amending France's labour laws. Employers were given more ability to fire and hire workers and remuneration for unfair dismissals was restricted.<sup>1969</sup> An upper limit has also been set on the payouts employees may receive after an unfair dismissal, but severance payments were increased from 20% of an employee's annual salary to 25%. Labour Minister Muriel Penicaud stated that these reforms were meant to address the unwillingness of firms to hire workers "due to the fear of not being able to

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<sup>1965</sup> Budget 2018: Chapter 3 - Reconciliation, Government of Canada (Ottawa) 27 February 2018. Access Date: 10 May 2018. <https://www.budget.gc.ca/2018/docs/plan/chap-03-en.html>.

<sup>1966</sup> Government of Canada brings medical inadmissibility policy in line with inclusivity for persons with disabilities, Immigration, Refugees and Citizenship Canada (Ottawa) 16 April 2018. Access Date: 30 April 2018. <https://www.newswire.ca/news-releases/government-of-canada-brings-medical-inadmissibility-policy-in-line-with-inclusivity-for-persons-with-disabilities-679872763.html>.

<sup>1967</sup> Provincial employment supports expanded, Government of Alberta (Edmonton) 24 April 2018. Access Date: 10 May 2018. <https://www.alberta.ca/release.cfm?xID=55822B2F2D6DB-ABFE-19BE-21DD477A5CBA39F6>.

<sup>1968</sup> Action plan for company investment and growth, Government of France (Paris) 11 September 2017. Access Date: 12 May 2018. <https://www.gouvernement.fr/en/action-plan-for-company-investment-and-growth>.

<sup>1969</sup> "Macron signs French labor reform decrees" Reuters (Paris) 22 September 2017. Access Date: XX <https://www.reuters.com/article/us-france-reform-labour/macron-signs-french-labor-reform-decrees-idUSKCN1BX1K7>.

adapt.”<sup>1970</sup> Labour Minister Pénichaud also stated that these reforms are the result of over “300 hours of consultation with unions.”<sup>1971</sup>

On 22 September 2017, in the same set of decrees, collective bargaining was decentralized so that individual companies will work with their labour forces to come to company-wide agreements. (under the previous system, bargaining had been industry-wide). Furthermore, firms were able to change the length of short-term contracts.<sup>1972</sup>

On 12 October 2017, the French government began talks to reform unemployment insurance. President Macron has proposed expanding the scope of those covered by the program to include people who are self-employed and people who have chosen to quit their jobs.<sup>1973</sup>

On 21 November 2017, a 2018 budget proposal was introduced into the National Assembly and passed by that body. The budget included a cut of 1,600 civil service jobs and EUR 15 billion in spending cuts.<sup>1974</sup>

On 5 March 2018, Labour Minister Muriel Pénicard announced large changes to France’s training schemes in an effort to meet the skills gap. Over the next five years, an additional EUR 15 billion will be spent of training unemployed and young workers. The central government will also take control of training schemes, which were previously run by employers and unions.<sup>1975</sup>

On 19 March 2018, the labour ministry announced that it would be placing restrictions on unemployment insurance. Starting next year, unemployed individuals who turn down a reasonable job offer or do not report on their job-seeking activities will not be permitted to collect their unemployment insurance for a period of one, two, or four months.<sup>1976</sup>

France has fully complied with its commitment to implement sound labour market policies, and to improve upon their welfare system to provide stability for the French labour force. The reforms that are in the process of being implemented attempt to protect the labour market from technological change.

Therefore, France receives a score of +1.

*Analyst: Kelly Cholwat*

### **Germany: -1**

Germany has not complied with its commitment to address new forms of work and improve working conditions by implementing sound labour market policies and by making adjustments to

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<sup>1970</sup> “France sets 2-year goal to overhaul welfare” Financial Times 4 September 2017. Access date: 12 January 2018.

<https://www.ft.com/content/4e6fffc4-9086-11e7-bdfa-eda243196c2c>.

<sup>1971</sup> “France sets 2-year goal to overhaul welfare” Financial Times 4 September 2017. Access date: 12 January 2018.

<https://www.ft.com/content/4e6fffc4-9086-11e7-bdfa-eda243196c2c>.

<sup>1972</sup> “Emmanuel Macron pushes through French labour law reforms” Financial Times (Paris) 22 September 2017.

<https://www.ft.com/content/a9ad1728-9f68-11e7-9a86-4d5a475ba4c5>.

<sup>1973</sup> “Macron launches second round of labour reforms” The Local 12 October 2017. Access date: January 13 2018.

<https://www.thelocal.fr/20171012/macron-launches-second-round-of-labour-reforms>.

<sup>1974</sup> “French MPs back Macron’s cost-cutting first budget” RFI (Paris) 22 November 2017. Access date: 15 January 2018.

<http://en.rfi.fr/france/20171122-french-mps-back-macrons-cost-cutting-first-budget>.

<sup>1975</sup> Mind the Gap: France’s new labour problem—skills shortages, The Economist 8 March 2018. Access Date: 26 April 2018. <https://www.economist.com/news/europe/21738382-after-years-unemployment-push-training-frances-new-labour-problemskills-shortages>.

<sup>1976</sup> French Government Plans Tighter Controls of the Unemployed, Reuters 20 March 2018. Access date: 24 April 2018.

<https://www.reuters.com/article/us-france-politics-unemployment/french-government-plans-tighter-controls-of-the-unemployed-idUSKBN1GV2S6>.

welfare systems, when necessary, in a multi-stakeholder approach, so as to provide stability for the labour force.

On 2 June 2017, the Bundestag produced a legislative report on the progress of Germany's "Digital Agenda" for 2014-2017. This agenda includes adapting to "the digital economy and the digital workplace."<sup>1977</sup> It outlines efforts such as "the establishment and expansion of research and technology programmes with high transferability to industry" and "assisting small and medium-sized IT enterprises with their internationalisation efforts and facilitating their access to growth capital."<sup>1978</sup> The Bundestag report outlines the success of the federal government's efforts to improve access to financial capital for growing startups and describes the continuation of the "Industry 4.0" plan, which includes the opening of "centers of excellence" to provide technical expertise and advice to startups.<sup>1979</sup> However, this report has yet to inform any policy change.

On 25 August 2017, the German Bundesregierung reported that 13% of employed Germans worked "mini-jobs," part-time marginal employment which pays less than EUR 450 per month.<sup>1980</sup> However, the German government has taken no concrete steps to improve work conditions for workers in "mini-jobs."

On 7 February 2018, the Social Democratic Party and the Christian Democratic Union reached a deal to establish a Grand Coalition. Major policies agreed upon in the draft coalition treaty include a EUR5.95 billion investment in education, research, and digitization by 2021, a EUR12 billion investment to ensure all regions have fast internet by 2025, and the goal of stabilizing pensions at 48% of the average wage by 2025.<sup>1981</sup>

Though the German government acknowledges the changing nature of work and have proposed reforms to labor market policies and to Germany's welfare system, it has not implemented these proposals as of 17 May 2018.

Thus, Germany receives a score of -1.

*Analyst: Ben Prystawski*

### **Italy: +1**

Italy has fully complied with its commitment to implement sound labour market policies and to make adjustment to their welfare system, when necessary, in a multistakeholder approach, so as to provide stability for the Italian labour force.

On 6 June 2017, new legislation promoting flexible work scheduling in addition to formalizing protection and benefits for self-employed workers entered into effect in Italy. The legislation also

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<sup>1977</sup> Digital Agenda 2014-2017, German Federal Ministry for Economic Affairs and Energy (Berlin). August 2014. Access Date: 24 November 2017. [https://www.bundesregierung.de/Content/DE/\\_Anlagen/2014/08/2014-08-20-digitale-agenda-engl.pdf?\\_\\_blob=publicationFile&v=6](https://www.bundesregierung.de/Content/DE/_Anlagen/2014/08/2014-08-20-digitale-agenda-engl.pdf?__blob=publicationFile&v=6).

<sup>1978</sup> Digital Agenda 2014-2017, German Federal Ministry for Economic Affairs and Energy (Berlin). August 2014. Access Date: 24 November 2017. [https://www.bundesregierung.de/Content/DE/\\_Anlagen/2014/08/2014-08-20-digitale-agenda-engl.pdf?\\_\\_blob=publicationFile&v=6](https://www.bundesregierung.de/Content/DE/_Anlagen/2014/08/2014-08-20-digitale-agenda-engl.pdf?__blob=publicationFile&v=6).

<sup>1979</sup> Legislaturbericht Digitale Agenda 2014 bis 2017, Deutscher Bundestag (Berlin). 2 June 2017. Access Date: 24 November 2017 <http://dip21.bundestag.de/dip21/btd/18/121/1812130.pdf>.

<sup>1980</sup> Minijobs in Deutschland, Deutscher Bundestag (Berlin). 25 August 2017. Access Date: 25 November 2017. [https://www.bundestag.de/presse/hib/2017\\_08/-/525270](https://www.bundestag.de/presse/hib/2017_08/-/525270).

<sup>1981</sup> "Factbox: Main Points of German Coalition Agreement", Reuters March 4 2018. Access Date: 28 April 2018. <https://www.reuters.com/article/us-germany-politics-pact/factbox-main-points-of-german-coalition-agreement-idUSKBN1GG0GY>

established the Technical Discussion Board on Autonomous Work under the Ministry of Labour and Social Policies to oversee self-employment.<sup>1982</sup>

On 29 September 2017, Italy's Ministry of Labour and Social Policies, in partnership with the Italian Cooperatives Alliance, organized an event involving close to 300 co-operators to discuss changes technological innovation will bring to the labour market, and ways cooperatives can respond. Italian Minister of Labour and Social Policies Giuliano Poletti stated, "Innovation-related transitions must be governed and not suffered. Cooperatives have the ability to promote economic and social responses to the challenges of change embedded in their DNA."<sup>1983</sup>

On 27 December 2017, the Italian government passed its budget law for 2018. It include a three-year reduction in social-security contributions for private employers hiring permanent employees under 30. For 2018, a tax credit up to a maximum of EUR 300,000 was introduced for the training of employees in the technology sector. The tax credit is part of the "National Business Plan 4.0," a government plan launched in the September of 2016 that seeks to prepare Italy for industrial change through industry policy, research, and infrastructure funding. The budget also refinanced EUR 330 million as part of the Nuova Sabatini measure for the 2018 to 2023 period. This measure aims to grant micro, small and medium-sized enterprises subsidized loans to invest in new machinery, plant and equipment, with 30% of the resources reserved for "industry 4.0" investments.<sup>1984</sup>

On 10 January 2018, Italian Prime Minister Paolo Gentiloni highlighted the importance of continued labor market reform during an interview at the South EU Summit. He acknowledged the fundamental role the Job Act has played in increasing labour market flexibility and in reducing unemployment and talked about making this trend more "structural" by making the "incentives to hire young workers more stable and stronger, and by reducing the North-South divide."<sup>1985</sup> Furthermore, he emphasized the importance of investment in education, training and innovation, and reduction of tax wedge to improve the competitiveness of the Italian system and to continue the current Italian economic momentum.<sup>1986</sup>

On 16 March 2018, proposed by President Paolo Gentiloni and the Minister of Labor and Social Policies Giuliano Poletti, the Council of Ministers approved in preliminary examination a legislative decree that implements the minimum requirements of Directive 2014/50/EU of the European Parliament and of the Council. The legislation aims to facilitate the free movement of workers by adopting the necessary measures to ensure that pension rights of 'outgoing' workers do not face obstacles regarding supplementary pension schemes.<sup>1987</sup>

The Italian government has implemented changes to labour market policies, has pursued dialogues with stakeholders, and has made adjustment to welfare system with the intention of labour market stability.

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<sup>1982</sup> Italy: Provisions on Self-Employed Workers and Flexible Work Schedules, Library of Congress (Washington, D.C.) 7 July 2017. Access Date: 24 November 2017. <http://www.loc.gov/law/foreign-news/article/italy-provisions-on-self-employed-workers-and-flexible-work-schedules/>.

<sup>1983</sup> G7 Labour and Employment Ministers' Declaration refers to cooperatives, International Labour Organization (Geneva) 20 October 2017. Access Date: 23 November 2017. [http://www.ilo.org/global/topics/cooperatives/news/WCMS\\_584685/lang-en/index.htm](http://www.ilo.org/global/topics/cooperatives/news/WCMS_584685/lang-en/index.htm).

<sup>1984</sup> Legge di Bilancio 2018, Italian Government (Rome) 3 January 2018. Access Date: 15 January 2018. <http://www.governo.it/approfondimento/legge-di-bilancio-2018/8744>.

<sup>1985</sup> Interview with H.E. Mr. Paolo Gentiloni, Prime Minister of Italy, South EU Summit. 10 January 2018. Access Data: 30 April 2018. <https://www.southeusummit.com/europe/interview-with-h-e-mr-paolo-gentiloni-prime-minister-of-italy/>

<sup>1986</sup> Interview with H.E. Mr. Paolo Gentiloni, Prime Minister of Italy, South EU Summit. 10 January 2018. Access Data: 30 April 2018. <https://www.southeusummit.com/europe/interview-with-h-e-mr-paolo-gentiloni-prime-minister-of-italy/>

<sup>1987</sup> Comunicato stampa del Consiglio dei Ministri n. 74, Governo Italiano (Rome). 16 March 2018. Access date: 30 April 2018. <http://www.governo.it/articolo/comunicato-stampa-del-consiglio-dei-ministri-n-74/9120>

Thus, Italy receives a score of +1.

*Analyst: Bonnie Li*

### **Japan: +1**

Japan has fully complied with its commitment to implement sound labour market policies and to make adjustments to their welfare system, when necessary, in a multi-stakeholder approach, so as to provide stability for the Japanese labour force.

On 26 August 2017, the Japanese Ministry of Health, Labour, and Welfare announced that it is aiming to increase spending by JPY 280 billion in order to promote labour reform. The efforts follow Prime Minister Shinzo Abe's renewed emphasis on labour reform as one of his cabinet's key policies. The ministry plans to use the funding to improve employment conditions especially for non-regular workers, by expanding subsidies for companies, adding sector-by-sector manuals, and increasing the number of inspection monitors.<sup>1988</sup>

On 8 September 2017, the Japanese Labour Policy Council released a statement approving the Ministry of Health, Labour, and Welfare's "Outline of Legislation for the Promotion of Work Style Reform." The Ministry had requested review of the outline, which is based on the "Action Plan for the Realization of Work Style Reform" that had been put out by Prime Minister Abe and the Diet earlier in April. The ministry's outline touches upon several key provisions, which include restrictions on overtime hours, expanding protections on workers' health, and eliminating unreasonable differences in working conditions of regular employees and those of non-standard workers, such as "part-time employees, fixed-term employees, and dispatched employees." The ministry will prepare draft legislation based on this outline to submit to the next session of the Diet.<sup>1989</sup>

On 1 November 2017, Prime Minister Abe cabinet's released its policy goals. The cabinet plans to institute policies that will modify the current welfare system to better accommodate and cover a more diverse range of Japan's demography. In addition, the government will continue to pursue reforms to the labor market to protect workers from long hours and realizing equal pay for equal work.<sup>1990</sup>

On 1 November 2017, the Japanese Ministry of Health, Labour and Welfare put a new law into effect, strengthening protection of foreign workers and trainees' rights. The law aims to protect foreign technical trainees from human rights abuses, such as working excessive hours, and specifically implements a new penalty fine on such violations. A new framework, overseen by the Organization for Technical Intern Training (OTTI), will enforce a strict screening process for businesses who wish to employ foreign trainees, and then will also authorize training plans submitted by the businesses, in order to increase supervision and prevent foreign trainees from being subject to unfair conditions and potential exploitation. Under the OTTI's new program, foreign trainees will

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<sup>1988</sup> Labor Ministry to Seek ¥280 Billion for Labor Reform in '18, The Japan Times (Tokyo), 26 August 2017. Access Date: 24 November 2017. <https://www.japantimes.co.jp/news/2017/08/26/business/economy-business/labor-ministry-seek-%C2%A5280-billion-labor-reform-18/#.WhkTOvkrK01>.

<sup>1989</sup> Outline of Japanese Legislation for the Promotion of Work Style Reform Held Reasonable, Lexology (Tokyo), 26 October 2017. Access Date: 22 November 2017. <https://www.lexology.com/library/detail.aspx?g=86f9b9f9-0caf-484e-a59e-d98a627c40c2>.

<sup>1990</sup> Basic Policy (Cabinet decision on November 1, 2017), Office of the Prime Minister of Japan (Tokyo), 1 November 2017. Access Date: 25 November 2017. [http://japan.kantei.go.jp/98\\_abe/decisions/2017/basic\\_policy.html](http://japan.kantei.go.jp/98_abe/decisions/2017/basic_policy.html).

now also be able to work for a contract period of five years, as opposed to a three-year maximum previously.<sup>1991</sup>

On 21 February 2018, Prime Minister Abe announced upcoming plans to reform the Japanese immigration system to allow more professional and skilled foreign workers to enter the Japanese labor force. Economic and Fiscal Policy Minister Toshimitsu Motegi later stated in reference to the changes that information technologies, artificial intelligence, and increased participation from female and elderly workers will be encouraged before reliance of foreign workers.<sup>1992</sup>

On 28 February 2018, Prime Minister Abe announced that his planned package of labour-related reforms initially presented in November 2017 was now currently being put on hold. Specifically mentions of the discretionary labor system, which would have expanded employee flexibility in work hours and guaranteed a fixed wage, were to be removed from the reform bills.<sup>1993</sup>

On 27 April 2018, work-style legislation was debated in a plenary meeting of the House of Representatives after being put on hold back in February. Abe reiterated his commitment to reducing long work hours and combating the increasing number of deaths from overwork. The legislation proposes a cap on maximum overtime work at 100 hours per employee and a total of 720 hours a year. Prime Minister Abe is hoping to have the bills passed before the Diet session ends on 20 June 2018.<sup>1994</sup>

Japan has taken steps to reform both its labour laws by implementing new policies, as well as corresponding adjustments in the social welfare system by increasing its coverage to accommodate a more diverse portion of the population.

Thus, Japan receives a score of +1.

*Analyst: Apanuba Mahmood*

### **United Kingdom: +1**

The United Kingdom has fully complied with its commitment to address new forms of work and improve working conditions by implementing sound labour market policies and by making adjustments to their welfare systems, with the intention of providing stability for their labour force.

On 28 September 2017, the Education and Skills Funding Agency published guidance information for post-16 institutions on work placement capacity and delivery funding. It explained that the Department of Education is investing in post-16 institutions to develop their capacity to provide 16- to 18-year-olds in vocational and technical study programmes with full time work placements.<sup>1995</sup>

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<sup>1991</sup> Law to Protect Foreign Trainees Goes Into Force in Japan, Nikkei Asian Review (Tokyo), 1 November 2017. Access Date: 25 November 2017. <https://asia.nikkei.com/Politics-Economy/Policy-Politics/Law-to-protect-foreign-trainees-goes-into-force-in-Japan>.

<sup>1992</sup> Abe Calls For Foreign Employment Review To Bring In Skilled Workers From Overseas, The Japan Times (Tokyo), 21 February 2018. Access Date: 1 May 2018. <https://www.japantimes.co.jp/news/2018/02/21/national/abe-calls-foreign-employment-review-increase-skilled-workers/#.Wufl6dPwbVo>.

<sup>1993</sup> Japan's PM Climbs Down On Contentious Labor Reform After Data Flaws, Reuters (Tokyo), 28 February 2018. Access Date: 30 April 2018. <https://www.reuters.com/article/us-japan-economy-labour/japans-pm-climbs-down-on-contentious-labor-reform-after-data-flaws-idUSKCN1GD3IV>.

<sup>1994</sup> Ruling Camp Begins Work-Style Reform Debates Despite Opposition Boycott, The Japan Times (Tokyo), 27 April 2018. Access Date: 1 May 2018. <https://www.japantimes.co.jp/news/2018/04/27/national/politics-diplomacy/ruling-camp-begins-work-style-reform-debates-despite-opposition-boycott/#.Wuf3u9PwbVo>.

<sup>1995</sup> Work Placements — Capacity and Delivery Fund from April 2018 to July 2019, Education and Skills Funding Agency (London) 28 September. 2017. Access Date: 15 November, 2017. [www.gov.uk/guidance/work-placements-capacity-and-delivery-fund-from-april-2018-to-july-2019](http://www.gov.uk/guidance/work-placements-capacity-and-delivery-fund-from-april-2018-to-july-2019).

On 1 October 2017, the Education Secretary Justine Greening announced that the government planned to raise the earning threshold for student loan repayments from GBP 21,000 to GBP 25,000. Other significant announcements on changes to education include freezing tuition fees for the 2018/2019 school year, launching 27 new projects to promote degree-apprenticeships routes to employment, and the latest round of the GBP 140 million Strategic School Improvement Fund. These changes aim to “build the skills needed to secure the nation’s prosperity.”<sup>1996</sup>

On 15 October 2017, an independent review led by experts in industry and academia on UK’s artificial intelligence (AI) industry was released. It provided 18 recommendations on how the UK can be made more suitable for AI businesses. The accompanying press release stated that the recommendations are now being considered in discussions towards a potential Industrial Strategy sector deal between government and the AI industry.<sup>1997</sup>

On 28 October 2017, Prime Minister Theresa May called on companies to ensure greater female representation at senior levels, publish gender pay data, and make workplaces more flexible by advertising them as such.

On 8 November 2017, the Minister of State for Climate Change and Industry Claire Perry announced a GBP 84 million investment to support the research and development of robotic, smart energy, and AI technology. Of that, GBP 45 million will be used to set up four new research hubs based at the University of Manchester, University of Birmingham, University of Surrey, and Heriot-Watt University in Edinburgh. This investment is part of the government’s Industrial Strategy Challenge Fund, a GBP 4.7 billion fund supporting UK businesses and researchers to meet the major industrial and social challenges.<sup>1998</sup>

On 14 November 2017, the first Digital Skills Partnership Board with representatives from the public, private, and charity sectors met to discuss cooperative approaches to train those who lack digital skills. This meeting was part of a government’s “Digital Strategy” launched in March of 2017, which as of November 2017 trained two million people in digital skills in partnership with industry.<sup>1999</sup>

On 23 November 2017, Secretary of State for Work and Pensions David Gauke provided details on a GBP1.5 billion package to support Universal Credit. Improvements were centred around streamlining the payment process and abolishing the week-long waiting period for payments.<sup>2000</sup>

On 25 January 2018, the Government’s ‘Digital Charter’ was published. At the World Economic Forum on the same day, Prime Minister Theresa May explained at the World Economic Forum that

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<sup>1996</sup> New Education and Skills Measures Announced, Department of Education, (London) 1 October 2017. Access Date: 28 January 2018. [www.gov.uk/government/news/new-education-and-skills-measures-announced](https://www.gov.uk/government/news/new-education-and-skills-measures-announced).

<sup>1997</sup> Industry-led review details plans to supercharge UK Artificial Intelligence industry, Department of Digital, Culture, Media, and Sport (London) 15 October 2017. Access Date: 31 January 2018. <https://www.gov.uk/government/news/industry-led-review-details-plans-to-supercharge-uk-artificial-intelligence-ai-industry>.

<sup>1998</sup> Funding for 84 million for artificial intelligence and robotics research and smart energy innovation announced, Innovate UK (London) 8 November 2017. Access Date: 30 January 2018. <https://www.gov.uk/government/news/funding-for-84-million-for-artificial-intelligence-and-robotics-research-and-smart-energy-innovation-announced>.

<sup>1999</sup> Government backed scheme helps train two million people in digital skills, Department for Digital, Culture, Media and Sport (London) 14 November 2017. Access Date: 30 January 2018. <https://www.gov.uk/government/news/government-backed-scheme-helps-train-two-million-people-in-digital-skills>.

<sup>2000</sup> More Detail on £1.5 billion package of support for Universal Credit, Department for Work and Pensions, 23 November 2017. Access Date: 28 December 2017. <https://www.gov.uk/government/news/more-detail-on-15-billion-package-of-support-for-universal-credit>.

the Charter would allow the technology sector in the UK to thrive by managing the opportunities, challenges, and risks of new technologies such as artificial intelligence.<sup>2001</sup>

On 7 February 2018, the government set out proposals to ensure workers are aware of their rights and that action can be taken against employers who breach workers' rights. The proposals come in response to the independent Taylor Review, which studied the impact on modern working practices on the labor market. Ensuring holiday and sick pay for vulnerable workers' and making it a right for all workers to request a more stable contract were significant to the proposals.<sup>2002</sup>

On 27 April 2018, the Industrial Strategy Challenge Fund will invest GBP 20 million to help the accountancy, insurance, and legal industries take advantage of new technologies. The funding is part of a GBP 1 billion deal between the government and the private sector to make the UK a leader in Artificial Intelligence technology.<sup>2003</sup>

On 9 May 2018, the government's Director of Labour Market Enforcement Sir David Metcalf set out 37 recommendations to stop the exploitation of UK's lowest paid workers. The recommendations included bigger financial penalties for employers who break the law, enforcing holiday pay, and making brands jointly responsible for non-compliance in their supply chains. The government will respond formally the report later in 2018.<sup>2004</sup>

United Kingdom has made substantial progress towards compliance by improving skills training opportunities, funding for technological research, and adjusting social welfare.

Thus, the United Kingdom receives a score of +1.

*Analyst: Fred Randall*

### **United States: -1**

The United States has not complied with its commitment to address new forms of work and improve working conditions by implementing sound labour market policies and by making adjustments to their welfare systems.

On 7 June 2017, the United States Department of Labor rescinded two informal guidances on "joint employment and independent contractors" that were made in 2015 and 2016 by the Obama administration<sup>2005</sup> These guidances clarified the interpretation of the National Labor Relations Act

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<sup>2001</sup> Digital Charter will set new online standards for years to come, Department for Digital Culture, Media and Sport (London) 25 January 2018. Access Date: 31 January 2018. <https://www.gov.uk/government/news/digital-charter-will-set-new-online-standards-for-years-to-come>.

<sup>2002</sup> Millions to benefit from enhanced rights as government responds to Taylor review of modern working practices, Department of Business, Energy & Industrial Strategy (London) 7 February 2018. Access Date: 16 May 2018. <https://www.gov.uk/government/news/millions-to-benefit-from-enhanced-rights-as-government-responds-to-taylor-review-of-modern-working-practices>.

<sup>2003</sup> Next-generation services: new fund for industry and research, Innovate UK (London) 27 April 2018. Access Date: 17 May 2018. <https://www.gov.uk/government/news/next-generation-services-new-fund-for-industry-and-research>.

<sup>2004</sup> Director of Labour Market Enforcement calls for measures to tackle exploitation of low paid workers, Department of Business, Energy & Industrial Strategy (London) 9 May 2018. Access Date: 17 May 2018. <https://www.gov.uk/government/news/director-of-labour-market-enforcement-calls-for-measures-to-tackle-exploitation-of-low-paid-workers>.

<sup>2005</sup> US Secretary of Labor withdraws joint employment, independent contractor informal guidance, United States Department of Labor (Washington, D.C.) 7 June 2017. Access Date: 25 November 2017. <https://www.dol.gov/newsroom/releases/opa/opa20170607>.

(NLRA) regarding employees jointly employed by two or more companies.<sup>2006</sup> Without these guidances, there is ambiguity in the NLRA's interpretation by both employers and employees.<sup>2007</sup>

On 17 November 2017, Ambassador Robert Lighthizer, the United States trade representative, released negotiating objectives for the fourth round of negotiations of the North American Free Trade Agreement (NAFTA), some which included provisions to strengthen labour provisions within NAFTA.<sup>2008</sup> These specific objectives refer to improving and prioritizing labour dispute provisions outlined in NAFTA's side agreement on labour, the North American Agreement on Labour Cooperation.<sup>2009</sup>

On 20 November 2017, the White House Press Secretary Sarah Huckabee Sanders announced that there are plans to unveil a welfare reform plan sometime at the beginning of 2018.<sup>2010</sup> President Donald Trump indicated that he is "looking very strongly at welfare reform," and that it will occur after tax reform is passed in Congress.<sup>2011</sup> As of 12 January 2018, there has been no evidence indicating there has been concrete action by the United States to make adjustments to the American welfare system; however, President Trump and Congress are taking steps to do such actions.<sup>2012</sup>

On 14 December 2017, the National Labor Relations Board (NLRB) overruled a previous ruling made that held contractors and franchisees accountable for their actions.<sup>2013</sup> The NLRB claimed that this ruling "adheres to the common law and is supported by the NLRA's policy of promoting stability and predictability in bargaining relationships."<sup>2014</sup> The overruling by the NLRB limits workers who have "indirect or unexercised control" over a worker are no longer jointly-employed.<sup>2015</sup>

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<sup>2006</sup> U.S. Labor Department rescinds Obama-era rule on 'joint employment', Reuters (Albany) 7 June 2017. Access Date: 12 January 2018. <https://www.reuters.com/article/usa-labor/u-s-labor-department-rescinds-obama-era-rule-on-joint-employment-idUSL1N1J41RF>.

<sup>2007</sup> U.S. Labor Department rescinds Obama-era rule on 'joint employment', Reuters (Albany) 7 June 2017. Access Date: 25 November 2017. <https://www.reuters.com/article/us-usa-labor/u-s-labor-department-rescinds-obama-era-rule-on-joint-employment-idUSKBN18Y2PZ>.

<sup>2008</sup> Summary of Objectives for the NAFTA Renegotiation: November 2017, Office of the United States Trade Representative (Washington DC) 17 November 2017. Access Date: 25 November 2017. <https://ustr.gov/sites/default/files/files/Press/Releases/Nov%20Objectives%20Update.pdf>.

<sup>2009</sup> Summary of Objectives for the NAFTA Renegotiation: November 2017, Office of the United States Trade Representative (Washington DC) 17 November 2017. Access Date: 25 November 2017. <https://ustr.gov/sites/default/files/files/Press/Releases/Nov%20Objectives%20Update.pdf>.

<sup>2010</sup> White House promises welfare overhaul details early next year, Reuters (Washington DC) 20 November 2017. Access Date: 25 November 2017. <https://www.reuters.com/article/us-usa-trump-welfare/white-house-promises-welfare-overhaul-details-early-next-year-idUSKBN1DK2IK>.

<sup>2011</sup> Remarks by President Trump Before Cabinet Meeting, Office of the Press Secretary, The White House (Washington DC) 20 November 2017. Access Date: 25 November 2017. <https://www.whitehouse.gov/the-press-office/2017/11/20/remarks-president-trump-cabinet-meeting>.

<sup>2012</sup> Political risk looms over Republicans' welfare tinkering, Reuters (Washington DC) 12 January 2018. Access Date: 12 January 2018. <https://www.reuters.com/article/us-usa-congress-welfare/political-risk-looms-over-republicans-welfare-tinkering-idUSKBN1F12AX>.

<sup>2013</sup> U.S. labor board overturns Obama-era 'joint employment' ruling, Reuters (Albany) 14 December 2017. Access Date: 12 January 2018. <https://www.reuters.com/article/us-usa-labor-jointemployers/u-s-labor-board-overturns-obama-era-joint-employment-ruling-idUSKBN1E838B>.

<sup>2014</sup> NLRB Overrules Browning-Ferris Industries and Reinstates Prior Joint-Employer Standard, Office of Public Affairs, National Labor Relations Board (Washington DC) 14 December 2017. Access Date: 12 January 2018. <https://www.nlr.gov/news-outreach/news-story/nlr-overrules-browning-ferris-industries-and-reinstates-prior-joint>.

<sup>2015</sup> U.S. labor board overturns Obama-era 'joint employment' ruling, Reuters (Albany) 14 December 2017. Access Date: 12 January 2018. <https://www.reuters.com/article/us-usa-labor-jointemployers/u-s-labor-board-overturns-obama-era-joint-employment-ruling-idUSKBN1E838B>.

On 5 January 2018, the United States Department of Labor clarified when interns are subject to the Fair Labor Standards Act.<sup>2016</sup> This clarification says that students and interns are not employees and for-profit companies are not required to compensate them for their work.<sup>2017</sup> The Department outlines a “primary beneficiary test” which determines at what point an intern or student should be compensated for their work and thus considered an employee at a company.<sup>2018</sup>

On 10 April 2018, President Trump signed the Executive Order Reducing Poverty in America by Promoting Opportunity and Economic Mobility, starting the process of welfare reform. The executive order mandates a review of welfare programs across all agencies. Agencies are instructed to use the nine-point Principles of Economic Mobility to guide proposed policy changes. The principles include adding work requirements to welfare programs, giving states more flexibility, and encouraging involvement from the private sector.<sup>2019</sup>

The United States has not implemented sound labor policies nor has it made adjustments to its welfare system so as to provide stability for its labour force.

Thus, the United States receives a score of -1.

*Analyst: Steven Camit*

### **European Union: +1**

The European Union has fully complied with its commitment to implement labour market policies and adjust its welfare system with the intention of providing stability for its labour force.

On 1 June 2017, Commissioner of International Cooperation and Development, Neven Mimica, announced the EU would be investing EUR 31.6 million in education and vocational training in Greenland, specifically supporting Greenland’s education programme. The goal is to diversify Greenland’s economy by producing a skilled labour force.<sup>2020</sup>

On 2 June 2017, the European Commission proposed to provide Spain with EUR 1 million to help unemployed coal miners and youth in the Castilla y León region. The investment comes from the European Globalisation Adjustment Fund which was set up in 2006 to support the victims of mass layoffs caused by globalization. Such support includes employment counselling, training, job-search assistance, incentives, contributions, and training related allowances.<sup>2021</sup>

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<sup>2016</sup> U.S. Department of Labor Clarifies When Interns Working at For-Profit Are Subject to the Fair Labor Standards, United States Department of Labor (Washington DC) 5 January 2018. Access Date: 12 January 2018.

<https://www.dol.gov/newsroom/releases/whd/whd20180105>.

<sup>2017</sup> Fact Sheet #71: Internship Programs Under The Fair Labor Standards Act, United States Department of Labor (Washington DC) 5 January 2018. Access Date: 12 January 2018.

<https://www.dol.gov/whd/regs/compliance/whdfs71.htm>.

<sup>2018</sup> Fact Sheet #71: Internship Programs Under The Fair Labor Standards Act, United States Department of Labor (Washington DC) 5 January 2018. Access Date: 12 January 2018.

<https://www.dol.gov/whd/regs/compliance/whdfs71.htm>.

<sup>2019</sup> Executive Order Reducing Poverty in America by Promoting Opportunity and Economic Mobility, The White House (Washington DC) 10 April 2018. Access Date: 1 May 2018. <https://www.whitehouse.gov/presidential-actions/executive-order-reducing-poverty-america-promoting-opportunity-economic-mobility/>.

<sup>2020</sup> Daily News Daily News 01/06/2017, European Commission (Brussels) 1 June 2017. Access Date: 21 November 2017. [http://europa.eu/rapid/press-release\\_MEX-17-1506\\_en.htm](http://europa.eu/rapid/press-release_MEX-17-1506_en.htm).

<sup>2021</sup> European Commission — Daily News Daily News 02/06/2017, 2 June 2017. Date of Access: 19 November 2017.

[http://europa.eu/rapid/press-release\\_MEX-17-1532\\_en.htm](http://europa.eu/rapid/press-release_MEX-17-1532_en.htm).

On 21 June 2017, the European Commission proposed to provide Finland with EUR 3.5 million to help dismissed workers at Microsoft Mobile Oy. The investment comes from the European Globalisation Adjustment Fund.<sup>2022</sup>

On 13 July 2017, EU officials issued guidelines banning employers in 28 EU members from using data obtained through prospective candidates' social media accounts in the hiring process unless a particular job necessitates its use. Employers must issue a disclaimer stating that the vetting process will include a look into social media before a candidate submits a job application. Failing to make this disclaimer accessible would be a breach of EU data protection rules.<sup>2023</sup>

On 18 September 2017, the European Commission called for increased protection of workers' rights for those in short-term or non-standard contracts. These new forms of work, such as Uber and food delivery services, accounts for more than one third of the EU's workforce and the number is expected to grow as technology advances. In this sector, hours are flexible, pay is irregular and employment protections are not guaranteed. Youth form a large portion of this sector, so the EU proposes limitations on insecurity by increasing transparency within companies and the chance of workers to acquire a permanent contract after a few years in the same job.<sup>2024</sup>

On 26 September 2017, the European Commission proposed to provide Italy with EUR 3.3 million to help former workers of Almagia. The investment comes from the European Globalisation Adjustment Fund.<sup>2025</sup>

On 5 October 2017, the European Commission adopted a proposal for a European Framework for Quality and Effective Apprenticeships, as part of the New Skills Agenda for Europe which was launched in June of 2016. It aims to improve the learning and working conditions of apprenticeships.<sup>2026</sup>

On 23 October 2017, the European Commission proposed to provide Greece and Finland with EUR 5.4 million to help unemployed retail sector workers. The investment comes from the European Globalisation Adjustment Fund.<sup>2027</sup>

On 20 November 2017, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, launched the second European Vocations Skills Week. The objective of this week

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<sup>2022</sup> Commission proposes 3.5 million from Globalisation Fund for former Microsoft Mobile Oy workers in Finland, European Commission (Brussels) 21 June 2017. Access Date: 21 January 2018.

<http://ec.europa.eu/social/main.jsp?langId=en&catId=326&newsId=2831&furtherNews=yes>.

<sup>2023</sup> European employers must warn job applicants before checking them out on Facebook, 13 July 2017. Date of Access: 26 November 2017. <http://money.cnn.com/2017/07/13/technology/business/jobs-social-media-europe-hiring/index.html>.

<sup>2024</sup> EU seeks more protection for Uber-style jobs, 24 September 2017. Date of Access: 26 November 2017.

<https://www.reuters.com/article/us-eu-workers-gigeconomy/eu-seeks-more-protection-for-uber-style-jobs-idUSKCN1BZ0OU>.

<sup>2025</sup> Commission proposes 3.3 million from Globalization Fund to support former workers of enterprise Almagia in Italy, European Commission (Brussels) 26 September 2017. Access Date: 21 January 2018.

<http://ec.europa.eu/social/main.jsp?langId=en&catId=326&newsId=2870&furtherNews=yes>.

<sup>2026</sup> Commission adopts initiative to boost apprenticeships in Europe, European Commission (Brussels) 5 October 2017.

Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_IP-17-3585\\_en.htm](http://europa.eu/rapid/press-release_IP-17-3585_en.htm).

<sup>2027</sup> Commission proposes 5.4 million from Globalization Fund for former retail workers in Greece and Finland, European Commission (Brussels) 23 October 2017. Access Date: 21 January 2018.

<http://ec.europa.eu/social/main.jsp?langId=en&catId=326&newsId=2882&furtherNews=yes>.

is to inspire people to realize and improve their skill set. The European Commission aims to promote vocational education and training as an option equal of value to a university education.<sup>2028</sup>

On 18 December 2017, the European Commission proposed to provide Sweden with EUR 1 million help 900 unemployed Ericsson workers. The investment comes from the European Globalisation Adjustment Fund.<sup>2029</sup>

On 21 December 2017, the European Commission adopted a proposal for a new directive for more transparent and predictable working conditions across the EU. The proposal creates new minimum standards to regulate the working conditions of workers, including those with atypical contracts.<sup>2030</sup>

On 9 February 2018, the European Commission proposed to provide Germany with EUR 2.1 million help 646 unemployed Goodyear workers. The investment comes from the European Globalisation Adjustment Fund.<sup>2031</sup>

On 23 March 2018, the European Commission implemented a pilot reform project in Portugal to improve the country's vocational education and training system and to make it more accessible to the general public. The project will aim to improve digital skills and provide adult education to fit the changing needs of the Portuguese economy.<sup>2032</sup>

On 23 March 2018, the European Commission proposed to provide Portugal with EUR 4.6 million to help former workers of Belgium. The investment comes from the European Globalisation Adjustment Fund.<sup>2033</sup>

On 10 April 2018, EU members signed a declaration of cooperation on artificial intelligence (AI). Member states agreed to work together on issues created by the introduction of AI, such as the need to reskill European citizens, create new legal and ethical frameworks, and ensure European competitiveness in AI research.<sup>2034</sup>

On 23 April 2018, the European Commission provided EUR 9.8 million from the European Globalisation Adjustment Fund to former Air France employees who were let go after a steady decline in the EU's air transport market as a result of globalization.<sup>2035</sup>

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<sup>2028</sup> Daily News Daily News 20/11/2017, European Commission (Brussels) 20 November 2017. Access Date: 23 November 2017. [http://europa.eu/rapid/press-release\\_MEX-17-4766\\_en.htm](http://europa.eu/rapid/press-release_MEX-17-4766_en.htm).

<sup>2029</sup> Commission proposes 2.1 million from Globalisation Fund to help 900 former Ericsson workers in Sweden, European Commission (Brussels) 18 December 2017. Access Date: 21 January 2018. <http://ec.europa.eu/social/main.jsp?langId=en&catId=326&newsId=9026&furtherNews=yes>.

<sup>2030</sup> Commission proposes to improve transparency and predictability of working conditions, European Commission (Brussels) 21 December 2017. Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_IP-17-5285\\_en.htm](http://europa.eu/rapid/press-release_IP-17-5285_en.htm).

<sup>2031</sup> Daily News 09 / 02 / 2018, European Commission (Brussels) 9 February 2018. Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_MEX-18-724\\_en.htm](http://europa.eu/rapid/press-release_MEX-18-724_en.htm).

<sup>2032</sup> Joint Statement by President Jean-Claude Juncker and Prime Minister of Portugal António Costa, European Commission (Brussels) 23 March 2018. Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_STATEMENT-18-2401\\_en.htm](http://europa.eu/rapid/press-release_STATEMENT-18-2401_en.htm).

<sup>2033</sup> Commission proposes 4.6 million from Globalization Fund to support former Caterpillar workers in Belgium, European Commission (Brussels) 23 March 2018. Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_IP-18-2182\\_en.htm](http://europa.eu/rapid/press-release_IP-18-2182_en.htm).

<sup>2034</sup> EU Members States sign up to cooperate on Artificial Intelligence, European Commission (Brussels) 10 April 2018. Access Date: 16 May 2018. <https://ec.europa.eu/digital-single-market/en/news/eu-member-states-sign-cooperate-artificial-intelligence>.

<sup>2035</sup> Shaping globalisation: Commission mobilises €9.8 million to help former workers of Air France find new jobs, European Commission (Brussels) 23 April 2018. Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_IP-18-3461\\_en.htm](http://europa.eu/rapid/press-release_IP-18-3461_en.htm).

On 25 April 2018, the European Commission announced a series of measures to introduce the use of AI and boost European competitiveness in the field. The European Commission will invest EUR 1.5 billion between 2018 and 2020 in AI research as part of the Horizon 2020 research and innovation project. To combat the changes AI will bring to the labour market, the European Commission will support training in the digital, STEM, and entrepreneurship fields.<sup>2036</sup>

The EU has provided significant funding to train youth and workers with obsolete skills. The EU has also implemented labor reforms with the purpose of protecting workers' rights amidst emerging new sectors and provided funds to member states to support unemployed workers.

Thus, the EU receives a score of +1.

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<sup>2036</sup> Artificial intelligence: Commission outlines a European approach to boost investment and set ethical guidelines, European Commission (Brussels) 25 April 2018. Access Date: 16 May 2018. [http://europa.eu/rapid/press-release\\_IP-18-3362\\_en.htm](http://europa.eu/rapid/press-release_IP-18-3362_en.htm).