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

2017 G7 Taormina Interim Compliance Report

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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

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14. 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		0	
Average Score		+0.38	

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.[1272] 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 Product Revolution (NPR).[1273] 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.[1274]

Olivier Scalabre from the Boston Consulting Group predicts that NPR will have a greater effect than all the previous industrial revolutions, boosting industrial productivity by a third.[1275] Such dramatic transformations to the production process will no doubt shock the labour market. The Organisation for Economic Co-operation and Development (OECD) expects significant shocks to the labour market. In the United Kingdom, jobs in production are likely to disappear in favour of investments

[1272] 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.
[1273] 2017 G7 Taormina Leaders' Communique, G8 Information Centre (Toronto) 27 May 2017. Access date: 15 October 2017. http://www.g8.utoronto.ca/summit/2017taormina/communique.html.
[1274] "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.
[1275] Address by Oliver 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.

in automation and self-employment, which has already increased by more than 30% since 2010, is likely to increase due to the rise of digital platforms.[1276] 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.[1277]

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.[1278] 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.[1279] 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 (SME).[1280]

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 NPR.[1281]

[1276] 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.

[1277] 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.

[1278] World Economy, G8 Information Centre (Toronto) 9 July 1993. Access Date: 15 October 2017. http://www.g8.utoronto.ca/summit/1993tokyo/communique/world.html

[1279] 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

[1280] 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.

[1281] 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.

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, and pensions are potential adjustments. Another potential adjustment is changing tax burdens to improve incentives to work.[1282]

The communique also suggests that a "multi-stakeholder approach" be pursued when necessary. A multi-stakeholder 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 NPR on the labour market.[1283]

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.[1284]

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

[1282] 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.

[1283] 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.

[1284] Workplace Legislation Changes, Government of Alberta (Edmonton) 5 June 2017. Access Date: 21 January 2018. https://www.alberta.ca/workplace-legislation-changes.aspx.

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.[1285]

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 trainee and other restrictions on funding proposals to ensure effectiveness in supporting local businesses.[1286]

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.[1287]

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.[1288]

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.[1289]

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.[1290]

[1285] 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.

[1286] 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/.

[1287] 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.

[1288] 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.

[1289] Ontario Introduces New Legislation to Create Faire 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.

[1290] 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.

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 Zhuo

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 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.[1291] 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 adapt."[1292] Labour Minister Pénichaud also stated that these reforms are the result of over "300 hours of consultation with unions."[1293] These reforms have the potential to increase the competitiveness of small businesses and start-ups which can lead to greater employment and shows the use of a multi-stakeholder approach.

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.[1294]

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.[1295] The French government also allocated EUR 15 billion over five years to support adult education for the unemployed.[1296]

[1291] "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.

[1292] "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.

[1293] "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.

[1294] "Emmanuel Macron pushes through French labour law reforms" Financial Times (Paris) 22 September 2017. https://www.ft.com/content/a9ad1728-9f68-11e7-9a86-4d5a475ba4c5.

[1295] "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.

[1296] New regulations on occupational pensions in Germany, European Commission (Brussels) July 2017. Access Date: 11 April 2018. http://ec.europa.eu/social/BlobServlet?docId=18229&langId=en

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.[1297]

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 Cholvat

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

There have been no significant changes to German labour market policy since 27 May 2017. Germany's employment rate increased steadily in 2017, though this increase is consistent with the average in the Organisation for Economic Co-operation and Development, and is not the result of a change in labour market policy.[1298]

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."[1299] 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."[1300] 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.[1301] 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.[1302] However,

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[1297] "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.

[1298] Employment Outlook 2017, Organisation for Economic Co-operation and Development (Paris). 13 June 2017. Access Date: 22 November 2017. http://www.oecd.org/germany/Employment-Outlook-Germany-ENG.pdf.

[1299] 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.

[1300] 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.

[1301] 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.

[1302] Minijobs in Deutschland, Deutscher Bundestag (Berlin). 25 August 2017. Access Date: 25 November 2017. https://www.bundestag.de/presse/hib/2017_08/-/525270.

the German government has taken no concrete steps to improve work conditions for workers in "mini-jobs."

On 6 September 2017, the Bundesregierung issued a report describing the prospect of the establishment of a national poverty strategy as "not promising."[1303] Germany has not made meaningful adjustments to welfare systems to provide stability for the labour force, and no upcoming legislation that suggests this will change.

On 1 January 2018, a law strengthening company-based pension schemes entered into force that introduces greater tax incentives and a higher state subsidy with the objective of making such schemes more attractive, particularly for workers with lower incomes.

Though Bundestag reports acknowledge many of the problems brought about by the changing nature of work, the German government has not passed any significant legislation to deal with these problems since 27 May 2017.

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 multi-stakeholder 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 established the Technical Discussion Board on Autonomous Work under the Ministry of Labour and Social Policies to oversee self-employment.[1304]

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."[1305]

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

[1303] Keine nationale Armutsstrategie, Deutscher Bundestag (Berlin). 6 September 2017. Access Date: 25 November 2017. https://www.bundestag.de/presse/hib/2017_09/-/525886.
[1304] 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/.
[1305] 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.

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.[1306]

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.

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.[1307]

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, and tentatively the legislation is planned to come into effect in early 2019.[1308]

On 1 November 2017, Prime Minister Abe's Cabinet Public Relations Office released a Basic Policy Outline decided by the Cabinet. The statement outlines Abe's newly elected cabinet's overall policy goals, and in regards to labour and welfare specifically mentioned is the creation of a "Human Resources Development Revolution," which aims to modify the current welfare system to better accommodate and cover a more diverse range of Japan's demography by "investing in families and children" through increasing health care coverage, pensions, accessibility of nursing/childcare, etc. In

[1306] 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.
[1307] 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.
[1308] 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.

addition, the government will continue to push its "Work Style Reform," which will reform the labour market in various ways to promote incentives for workers, including protecting workers from long hours, and "realizing equal pay for equal work."[1309]

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 (OTIT), 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 OTIT's new program, foreign trainees will now also be able to work for a contract period of five years, as opposed to a three-year maximum previously.[1310]

On 8 November 2017, the International Monetary Fund's Managing Director Christine Lagarde made a statement praising Japan's efforts to promote labour reform as a step in the right direction towards future economic growth. Lagarde stated that although "demographics and productivity pose major challenges in Asia," Japan's efforts at reform, including "boosting female labor participation," and "improv[ing] child care" are a good example for other countries to follow, and that such actions could become a "game changer" for the Japanese economy.[1311]

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.[1312]

[1309] 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.

[1310] 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.

[1311] IMF Chief Says Labor Reform Can Be a 'Game Changer' for Japan's Economy, The Japan Times (Tokyo), 8 November 2017. Access Date: 22 November 2017. https://www.japantimes.co.jp/news/2017/11/08/business/imf-chief-says-labor-reform-can-game-changer-japans-economy/#.WhoObPkrK00.

[1312] 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.

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."[1313]

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.[1314]

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. A McKinsey study was stating that closing the gender pay gap would add GBP 150 billion to the UK economy by 2025 was cited in the accompanying press release.[1315]

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.[1316]

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.[1317]

[1313] 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.
[1314] 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.
[1315] Prime Minister Announces New Drive to End the Gender Pay Gap, Prime Minister's Office (London) 28 October 2017. Access Date: 15 November 2017. https://www.gov.uk/government/news/prime-minister-announces-new-drive-to-end-the-gender-pay-gap.
[1316] 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.
[1317] 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.

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.[1318]

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 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.[1319]

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[1320] These guidances clarified the interpretation of the National Labor Relations Act (NLRA) regarding employees jointly employed by two or more companies.[1321] Without these guidances, there is ambiguity in the NLRA's interpretation by both employers and employees.[1322]

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.[1323] These specific objectives refer to improving and prioritizing labour dispute provisions

[1318] 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.

[1319] 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.

[1320] 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.

[1321] 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.

[1322] 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.

[1323] 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.

outlined in NAFTA's side agreement on labour, the North American Agreement on Labour Cooperation.[1324]

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.[1325] 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.[1326] As of 12 January 2017, 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.[1327]

On 14 December 2017, the National Labor Relations Board (NLRB) overruled a previous ruling made that held contractors and franchisees accountable for their actions.[1328] 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."[1329] The overruling by the NLRB limits workers who have "indirect or unexercised control" over a worker are no longer jointly-employed.[1330]

On 5 January 2018, the United States Department of Labor clarified when interns are subject to the Fair Labor Standards Act.[1331] This clarification says that students and interns are not employees and for-profit companies are not required to compensate them for their work.[1332] 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.[1333]

[1324] 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.
[1325] 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.
[1326] 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.
[1327] 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.
[1328] 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.
[1329] 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.nlrb.gov/news-outreach/news-story/nlrb-overrules-browning-ferris-industries-and-reinstates-prior-joint.
[1330] 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.
[1331] 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.
[1332] 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.
[1333] 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.

The United States has not demonstrated its intention of providing stability for its labour force by addressing new forms of works and improving working conditions. Specifically, the United States has not implemented labour policies that are sound nor has not made adjustment to American welfare systems.

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

Analyst: Steven Camit

European Union: 0

The European Union has partially complied with its commitment to implement labour market policies and make adjustments to their welfare system with the intention of providing stability for their 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.[1334]

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.[1335]

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.[1336]

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.[1337]

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

[1334] 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.

[1335] 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.

[1336] 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.

[1337] 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.

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.[1338]

On 26 September 2017, the European Commission proposed to provide Italy with EUR 3.3 million to help former workers of Almaviva. The investment comes from the European Globalisation Adjustment Fund.[1339]

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.[1340]

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 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.[1341]

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.[1342]

The EU has provided significant funding to train youth and workers with obsolete skills. The EU has also implemented labour reforms with the purpose of protecting workers' rights amidst emerging new sectors. However, there has been no change to the welfare systems of member countries.

Thus, the EU receives a score of 0.

Analyst: Sofia Lopez

[1338] 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.

[1339] Commision proposes 3.3 million from Globalization Fund to support former workers of enterprise Almaviva 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.

[1340] Commission proposes 5.4 million from Globalization Fund for former retail workers in Greece and Finland, European Commision (Brussels) 23 October 2017. Access Date: 21 January 2018. http://ec.europa.eu/social/main.jsp?langId=en&catId=326&newsId=2882&furtherNews=yes.

[1341] 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.

[1342] Commission proposes 2.1 million from Globalisation Fund to help 900 former Ericsson workers in Sweden, European Commision (Brussels) 18 December 2017. Access Date: 21 January 2018. http://ec.europa.eu/social/main.jsp?langId=en&catId=326&newsId=9026&furtherNews=yes.