Access to Opportunities for All
Menu of Policy Options

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Executive summary

We are facing a global landscape that is being rapidly transformed by economic, social, environmental, health, technological and demographic changes. These are now becoming even more acute with the COVID-19 crisis. Growth was already insufficiently inclusive in large parts of the world before the pandemic hit, partly reflecting that gains from technological progress and trade have not been shared evenly. The ongoing health and economic crisis may have further increased inequality as disadvantaged groups have been disproportionally impacted. Uneven access to opportunities contributes to the persistence of inequality. This results in economic and social disparities in individual outcomes, low intergenerational mobility, regional disparities and ultimately weight on economic growth. Women and youth are particularly impacted, as reflected in low participation in the labor market in many economies. In addition, small- and medium-sized enterprises (SMEs) and entrepreneurs often face impediments to growth.

G20 countries strive to foster strong, sustainable, balanced and inclusive growth and aspire to create the conditions in which all people can live, work and thrive. An inclusive approach to growth can better harness untapped economic potential, help address inequality and empower all segments of society, especially women and youth. Therefore, G20 Finance Ministers and Central Bank Governors mandated the G20 Framework Working Group (FWG) under the Saudi Presidency to develop a Menu of Policy Options that countries can draw from to enhance access to opportunities for all. The Menu, which is voluntary and non-binding, is the result of G20 members’ discussions within the FWG and builds on background notes by the IMF/World Bank and the OECD as well as case studies provided by all G20 members. The Menu aims also to help fulfill certain commitments of the G20 Action Plan on COVID-19. The policy options are structured into three sections: actions to enhance access early in life (i.e., pre-market), later in life (i.e., in-market) and through mobilizing fiscal policy (i.e., post-market). Opportunities for international cooperation are also discussed.

Subsequently, the individual sections of the Menu are summarized:

I. Pre-Market: Supporting Individuals from Birth

a. Health and Early Childhood Development. Uneven access to opportunities arises already at birth, with the impact of health inequalities and insufficient learning often persisting throughout life. Hence, policy action should mitigate deficiencies in maternal health and children's nutritional needs. Moreover, measures to strengthen early childhood development and learning, including

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1 The Menu of Policy Options draws on a joint background note by the IMF and the World Bank on “Enhancing Access to Opportunities” and a background note by the OECD on “Promoting Equal Access to Opportunities in G20 Countries.”
by enhancing access to quality pre-school programs, are deemed to be highly beneficial.

b. **Education.** As educational outcomes vary significantly, with marked deficiencies in foundational skills, policies should not only consider an adequate level of fiscal spending, but also promote the most efficient use of resources, for example by efficiently targeting disadvantaged schools, supporting the professional development of teachers as well as age- and skill-appropriate textbooks.

II. **In-Market: Leveling the Playing Field to Support Jobs for Everyone**

a. **Youth.** Youth face high levels of unemployment and labor market inactivity. In turn, careful design of structural reforms and labor market policies should complement good quality education and training, ease the transition from school to work and enhance labor force participation in the formal economy.

b. **Women.** Labor force participation is generally lower for women than for men, amid legal restrictions, disincentives to work, an uneven distribution of household duties and barriers to returning to work after childbirth. Removing gender-based legal restrictions and discrimination in the workplace, eliminating tax distortions and ensuring quality affordable childcare, reforming paid-leave policies and eliminating the wage gap are among the policies that will help level the playing field.

c. **Informal Economy.** A sizable share of economic activity takes place in the informal sector, exposing people to increased risk of poverty. On the other hand, the COVID crisis showed the critical role played by categories of workers in which informality is high such as care workers. Therefore, structural reforms in the labor and product markets could focus on removing obstacles to formal employment. For instance, reducing barriers to entry for new firms and ensuring that minimum wages appropriately balance social and economic efficiency considerations can foster job creation in the formal economy.

d. **Technology and Adult Skills.** New technologies are changing the way we work as well as the skills demanded. To allow people to adapt to continued technological change, policy focus should be on facilitating lifelong and work-based learning as well as reskilling or upskilling opportunities to meet changing skill demands. This focus would become even more important in the post COVID recovery phase when reallocation of resources across sectors could become necessary. Adequate infrastructure for reaping the benefits from technologies, for example via financial technologies (Fintech) will also be important. In turn, the spread of Fintech calls for specific investments in digital
financial literacy and a conducive regulatory environment providing adequate consumer protection.

e. **Financial Inclusion.** Many individuals, SMEs and entrepreneurs face constraints when accessing financial services. The COVID crisis demonstrated how access to emergency financial schemes could help preserve viable firms and jobs. In this respect, policies should remove barriers that result in uneven access.

### III. Post-Market: Reducing Inequality through Fiscal Policy and Social Welfare Systems

Fiscal policy can also be used to help increase access to opportunities by reducing post-market inequalities and by fostering inclusive growth. For example, progressive income tax systems can promote a more equal distribution of opportunities, both directly through their redistributive effect, and indirectly by helping to fund public services, social insurance and other social programs that enhance opportunities for all. Furthermore, transfers and social benefits can play an important role, including in combating poverty and improving childhood development. Well-designed tax systems can also help foster innovation, business formation, and job creation, promoting strong and inclusive growth.

### IV. International Cooperation

While many policies presented in the Menu are country specific, international cooperation can help to reach the first-best outcome and generate positive spillover through higher global growth. This includes knowledge sharing regarding successful policies, as provided via the attached Menu of Policy Options. In addition, several challenges are global in nature and require global solutions, including those related to international taxation; global health; facilitating cross border continuity of physical and digital infrastructures; and reducing barriers to trade and direct investment to facilitate the diffusion of knowledge across countries.
I. Introduction

As growth remains insufficiently inclusive in large parts of the world, the global landscape is being rapidly transformed by economic, social, environmental, health, technological and demographic changes. The COVID-19 pandemic will further accelerate some of these changes and increase inequality, as low-skilled workers, informal workers and disadvantaged groups, including women and youth, have been particularly impacted. Uneven access to opportunities contributes to the persistence of inequality, as people born into different socioeconomic circumstances do not have equal access to health care and high-quality education. Furthermore, as such inequalities tend to persist throughout life, they are often passed down through generations.

Uneven access to opportunities often varies according to age and gender, but is present in many and often overlapping aspects of life. For example, disadvantaged and vulnerable groups – in particular, those born in poor families, youth, and women - often face sizable gaps in their labor market integration. Uneven access to technology and finance may also hold back firms' ability to innovate and grow, particularly impacting small- and medium-sized enterprises (SMEs), entrepreneurs and less-established businesses.

G20 countries strive to foster strong, sustainable, balanced and inclusive growth, and create the conditions in which all people can live, work and thrive. An inclusive approach to growth can better harness untapped economic potential, help address inequality and empower all segments of society, especially women and youth. To promote strong, sustainable, balanced, and especially inclusive growth, the G20 will seek to strengthen inclusion by putting increased focus on enhancing access to opportunities for all. To do so, G20 Finance Ministers mandated the G20 Framework Working Group under the Saudi Presidency to develop a Menu of Policy Options that countries can draw from to enhance access to opportunities for all.

This Menu is built on previous work undertaken by the Framework Working Group, including the 2016 Enhanced Structural Reform Agenda and the 2018 Menu of Policy Options for the Future of Work in the context of challenges posed by technological changes. It also connects with initiatives undertaken under other G20 work streams such as the Employment Working Group and G20 agenda on financial inclusion. The Menu therefore should not be read as a stand-alone document but as taking stock from G20 experience. More broadly, parts of the Menu are also intertwined with other multilateral efforts, for example the United Nations' Sustainable Development Goals (SDGs).

The Menu of Policy Options for Enhancing Access to Opportunities (hereon after “The Menu”) will present options, derived from members’ experience, to enhance access early in life prior to entering the labor market (pre-market) and to address gaps in the labor market as well as challenges for firms (in-market). In addition, reducing inequalities through fiscal policy and social welfare systems (post-market) is essential to enhance access to opportunities for everyone, including...
youth and women. The Menu is the result of G20 members’ discussions within the FWG and draws on a joint background note by the IMF and the World Bank and a background note by the OECD, as well as case studies provided by G20 members, and should be considered as a non-binding set of policy options to leverage to support the response to the COVID-19 pandemic and move towards a strong, sustainable, balanced and inclusive recovery.

The Menu, with this regard, aims to help fulfill selected commitments of the G20 Action Plan on COVID-19. More details on this and on the impact of the recent global crisis caused by the spread of COVID-19 on the Menu of Policy Options is provided in the subsequent box “Relevance of the Menu of Policy Options in times of COVID-19”.

While recognizing overlap across the various areas, policies could be categorized based on the individual’s position vis-à-vis the labor market. One can identify three areas:

- **Pre-Market: Supporting Individuals from Birth.** Policies include those that help strengthen (i) Health and Early Childhood Development; and (ii) Education and Skills development.

- **In-Market: Leveling the Playing Field to Support Jobs for Everyone.** Policies span a range of areas, including related to (i) youth; (ii) women; (iii) the informal economy; (iv) adult skills and technology; and (v) financial inclusion.

- **Post-Market: Reducing Inequalities through Fiscal Policy and Social Welfare Systems.** Enabling fiscal policy plays a supportive role through expenditures to enhance access to opportunities in the pre- and in-market; transfer systems can help reduce poverty and taxes facilitate redistribution and generate resources for other policies to promote equal access to opportunities, while also promoting strong growth.

For each underlying area, The Menu will discuss the key challenges and policy options for addressing these challenges. With the aim of learning from experiences across G20 member countries, The Menu will present country examples of interventions aimed at enhancing access to opportunities for youth, women, SMEs and entrepreneurs\(^2\). In addition, The Menu will discuss the importance of fiscal policy for enhancing access to opportunities and reducing inequality as well as opportunities for international cooperation.

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\(^2\) The examples of policy options provided in the Menu are meant to be illustrative only and are in no way exhaustive. Many countries have other policies relevant to each of the themes included in the Menu that are not highlighted in the tables.
Relevance of the Menu of Policy Options in times of COVID-19

The health and economic crisis brought by the spread of COVID-19 throughout the world will likely impact access to opportunities for youth, women, SMEs and entrepreneurs. A recent study from IMF economists reports that major epidemics in the past 50 years disproportionately hit the employment prospects of low-skilled workers compared to people with advanced degrees. Recent evidence from the International Labour Organization shows that one in six young people has stopped working due to the COVID-19 crisis, and that women have been disproportionately impacted. Additionally, in the world’s least developed countries (LDCs), “900 million people are at risk from coronavirus” and the number of poor could increase by 40 million.

This has been recognized by G20 member countries and FMCBGs have endorsed on 15 April 2020 the G20 Action Plan – Supporting the Global Economy Through the COVID-19 Pandemic. As part of the Action Plan, G20 member countries committed to support the vulnerable and maintain conditions for a strong, sustainable, balanced and inclusive growth.

As part of Section 2 of the Action Plan, “Economic and financial response – support the vulnerable and maintain conditions for a strong recovery”, G20 member countries committed to “providing substantial support to businesses, especially small-medium sized enterprises, and households most affected by this crisis” as well as to “promote financial inclusion by maintaining accessible and affordable financial products [...]”. In Section 3, “Returning to strong, sustainable, balanced and inclusive growth once containment measures are lifted”, G20 member countries committed to “support workers through active labour market, training and reskilling policies” and to “support an environmentally sustainable and inclusive recovery”.

The Menu offers a set of long-term policy options that can be leveraged to achieve and meet these commitments, by focusing on supporting the most vulnerable fragments of society to release untapped growth potential in the recovery during and after the COVID-19 crisis.

It is worth pointing out that irrespective of the scale and long-term impact of COVID-19, the Menu of Policy Options, with its focus areas and provided country experiences, serves as a valuable source for countries that envision to enhance access to opportunities via targeted policies.

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3 D. Furceri, P. Loungani, J. D. Ostry (2020), How Pandemics Leave the Poor Even Farther Behind, IMF Blog, 11 May 2020
6 World Economic Forum 2020, Coronavirus is coming for the world’s poor. Here are six ways to help.
II. PRE-MARKET: SUPPORTING INDIVIDUALS FROM BIRTH

A. Health and Early Childhood Development

Challenge
Many children born into low socioeconomic status have insufficient access to health care and to adequate nutrition, including at the pre-natal stage. This impacts their health as well as development and adds to learning difficulties. Access to high-quality early childhood education and care (ECEC) is often also lower for children from low socio-economic status—adding to their already lower educational legacy from being often born in lower-educated families. Moreover, many children in the G20—and more broadly in emerging market and low-income countries— are unable to read and comprehend a simple text by age 10. That is, they exhibit “learning poverty.” As childhood is a crucial period for human capital formation, these challenges adversely impact education outcomes, skill levels and earnings throughout life. In turn, children often retain a similar socioeconomic status as their parents.

Policy options
Goal. Mitigate deficiencies in maternal and child health and nutrition and strengthen early childhood development and learning.


Improving health and nutrition:
Depending on needs, considerations should be given to enhancing access to clean water as well as sanitation and improving health, nutrition and social protection. Nutritional supplement programs for low-income mothers and young disadvantaged children can address malnutrition. Access to adequate health care from an early age both facilitates early intervention and results in lower costs in the future.

Options for improving maternal health also include targeted interventions to improve access to and quality of care for poor and vulnerable women of childbearing age. These interventions could be done through health insurance, reproductive health care and family planning services. Routine pre-natal care should screen for individual and family factors that have the potential to impact neo-natal health and parents’ ability to meet the needs of new-born babies.

Strengthening early childhood development:
Policies to enhance access to quality early childhood education and care can facilitate skills acquisition early in life, which has a long-term impact on individual outcomes. Notably, ECEC has been shown to provide a wide range of benefits, including supporting social and emotional well-being, lowering likelihood of school dropout and contributing to higher learning as well as employment outcomes later in life. Furthermore, gaps that emerge in early childhood and that
are difficult and costly to narrow in later stages highlight the importance of early intervention.

Specific actions could include (i) targeting national pre-school programs to support children of low-income families and disadvantaged communities or neighborhoods; (ii) improving access to early childhood education and care, including by removing barriers related to cost, proximity, and availability of ECEC facilities; (iii) ensuring quality of care, for example through low staff-child ratios and qualified educational staff; and (iv) providing national ECEC curricula guidelines and frameworks and standards for monitoring facilities.

Table 1: Members Experiences: Health and Early Childhood Development

<table>
<thead>
<tr>
<th>Australia: Additional Child Care Subsidy</th>
<th>Policy measure:</th>
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<tbody>
<tr>
<td></td>
<td>In addition to the universal Childcare Subsidy, that is available to families to assist with the cost of childcare, the Additional Child Care Subsidy (ACCS) provides further support to vulnerable or disadvantaged families and children to access early childhood education and care. This support is made available to children at risk of serious abuse and neglect, families experiencing temporary hardship, grandparent principal carers receiving income support payments and families transitioning back to work from income support. This support recognizes the preventative and protective influence of quality childcare on a child’s health, wellbeing and development; and the importance of continuity of care.</td>
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<tr>
<td>Brazil: Citizen Company Program</td>
<td>Outcome and lessons learned:</td>
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<tr>
<td></td>
<td>The ACCS was introduced on 2 July 2018 as part of the new childcare package. In most instances, the ACCS covers the full cost of childcare for eligible families. The initial indications are that families and childcare services were able to transition to the new childcare system successfully and that overall sentiment towards the package is positive.</td>
</tr>
<tr>
<td></td>
<td>Policy measure:</td>
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<td></td>
<td>Law 11,770/2008 provides tax incentives for firms that enroll in the “Citizen Company” program, which extends maternity leave from 120 to 180 days.</td>
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<td>Outcome and lessons learned:</td>
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<tr>
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<td>Until July 2019, more than 22,000 firms joined the program. It allows mothers to stay at home for a longer period to support early childhood development. Moreover, it reduced the wage gap between men and women in the early period of their children's lives by ensuring greater job stability for women.</td>
</tr>
</tbody>
</table>
What have G20 members and guest countries done to improve access to healthcare, nutrition, and early childhood development?

### China:
**Policy measure:**
To address the shortage of pre-school education resources, China has implemented three phases of “Expanding Pre-school Action Plan” since 2011, to expand the pre-school education resources by providing central government budget support to both private and public pre-schools across the country. The “Pre-school Education Supporting Fund” has been set up in central government, and its priority was given to western rural areas and poor areas.

**Outcome and lessons learned:**
The programme has improved China’s pre-school enrolment rate, the general pre-school enrolment rate has increased from 50.9% in 2009 to 83.4% in 2019, meanwhile students’ size in pre-schools has increased from 26.58 million to 47.13 million. The shortage of pre-school education resources faced by Chinese people has been effectively alleviated.

### Indonesia:
**Policy measure:**
The Smart Indonesia Cards Program (Kartu Indonesia Pintar) is an implementation of the Government’s commitment to provide financial assistance for children from disadvantaged families in accessing education up to the completion of high school/vocational school. To ensure the program is well-targeted, the financial assistance is directly disbursed to a student’s account.

**Outcome and lessons learned:**
Primary school participation rate almost reached 100% in 2019. The underlying payment system also increased efficiency and governance for the education support of 20.1 million students. It also improved education levels by introducing digital onboarding of financial services in an early stage.

### Singapore:
**Policy measure:**
The Early Childhood Development Agency has been set up to enhance accessibility, affordability and quality of preschools. The Agency develops new preschools centers in tandem with public housing developments. Fees are capped, quality standards implemented and a subsidy for childcare provided to all. A program “KidSTART” guides parents on child development, facilitates family services, and monitors the development of children.

**Outcome and lessons learned:**
## What have G20 members and guest countries done to improve access to healthcare, nutrition, and early childhood development?

### More than 90% of kids aged 4-6 are enrolled in preschool. The number of full-day preschool places doubled from 2012 to 2019. Over 1,000 children from low-income families benefitted from KidSTART to date. Surveys show that parents feel better supported and more confident in their parenting skills. Children have also become more expressive. Health and development issues are detected earlier, and children on KidSTART enrolled earlier in preschool.

### United States: Parental Leave for All Public Servants

**Policy measure:**
An increasing number of children in the United States live in households where both parents are employed. Families often struggle to balance the demands of employment schedules against the time requirements of children. Parental time pressures are particularly acute in the first few weeks and years following a child’s birth or adoption. The lack of paid parental leave is a barrier to working and labor force attachment, especially for women. In 2019, the Administration worked with Congress to secure paid parental leave for all Federal employees through the National Defense Authorization Act.

**Outcome and lessons learned:**
The Act guarantees 2.1 million federal employees 12 weeks of paid parental leave. Offering paid family leave for new parents should also raise the long-run probability of parental employment, especially for mothers. As the country’s largest employer, the federal government leads by example for private companies through this Act.

### Saudi Arabia: Qurrah program

**Policy measure:**
The Human Resources Development Fund (HADAF) introduced Qurrah, a program that supports working women in the private sector to financially cover the cost of pre-school education for a period of four years. The fund provides monthly instalments given to eligible beneficiaries with 800 Saudi Riyal (USD 213) in the first year, 600 Saudi Riyal (USD 160) in the second year, 500 Saudi Riyal (USD 133) in the third year and 400 Saudi Riyal (USD 106) in the fourth year. Conditions include that the child should be less than 6 years old and the mother earnings should not exceed 8,000 Saudi Riyal.

**Outcome and lessons learned:**
The number of women leaving work because of social conditions such as the lack of having childcare has declined from 9.0% in the third quarter of 2017 to 0.0% in the third quarter of 2019.
What have G20 members and guest countries done to improve access to healthcare, nutrition, and early childhood development?

Some females still struggle to find a suitable place for their children. The cost of most of day-care options are overpriced, and some rural areas do not have pre-school service providers.

B. Education

Challenge
Learning outcomes are closely linked to students’ socio-economic background, as in many countries, the socioeconomic context of schools influences the quality of the education children receive. Results from the OECD Programme for International Student Assessment (PISA) 2018 show that disadvantaged students perform below advantaged students across reading, mathematics, and science.

Policy options

Goal. Equip everyone with the necessary skills to succeed in life.

Approach. Build education and training systems that equip the next generation and where adequate spending is allocated to its most efficient use to produce quality education outcomes.

Ensuring adequate spending on education:
In countries where spending is relatively low and learning outcomes lagging, additional financial resources for education may be needed. To ensure the provision of quality education, careful targeting of expenditures is essential. For example, disadvantaged schools, facing financial and staffing constraints, are typically most in need of support.

Increasing efficiency of existing fiscal spending on education to maximize learning outcomes:
While there is a positive relationship between investment in education and average learning outcomes, at each level of spending, how resources are spent plays a critical role. Successful schooling systems tend to invest more in high-quality school leaders, teachers, and trainers. Spending on underprivileged schools and students often has strong impacts. Where learning-adjusted years of education are low, efforts should be made to reprioritize spending to enhance its efficiency and effectiveness. Efforts can consider specific options for enhancing foundational cognitive and non-cognitive skills, including measures to promote teacher professional development, using digital online learning, as well as age- and skill-appropriate textbooks.

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8 See IMF/WB G20 Note on Access to Opportunities, page 29.
## Table 2: Members Experiences: Education

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
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<tbody>
<tr>
<td><strong>Australia:</strong></td>
<td><strong>Policy measure:</strong> Commonwealth funding for schools is distributed based on a Schooling Resource Standard (SRS), which estimates how much total public funding a school needs to meet its students' educational needs. The SRS contains base funding for every student, as well as student loadings for disability, remoteness, Aboriginal and Torres Strait Islander background, socio-educational disadvantage and low English proficiency.</td>
<td><strong>Outcome and lessons learned:</strong> In 2019, schools covering more than 1,917,000 students received additional funding support through the socio-educational disadvantage loading. The needs-based model also provides additional funding to high priority cohorts such as students with disability and Aboriginal and Torres Strait Islander students. The National School Resourcing Board is charged with reviewing elements of this model to ensure it continues to meet the needs of disadvantaged students in the future.</td>
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<td><strong>Canada:</strong></td>
<td><strong>Policy measure:</strong> Several measures have been introduced to make post-secondary education and training more affordable and accessible. Most recently, Canada lowered interest rates on Canada Student Loans. It makes the six-month grace period after graduation interest-free for 200,000 student loan borrowers graduating each year as they look for a job and is allowing students who temporarily leave studies because of having a child or facing health issues to take an interest-free break from paying back their student loans. In response to the COVID-19 crisis, the government suspended student and apprentice loan repayments until September 30, 2020. It also changed the program's eligibility requirements in 2020-21 to allow more students to qualify for support and to be eligible for greater amounts, in addition to other emergency supports for students and recent graduates.</td>
<td><strong>Outcome and lessons learned:</strong> Lowering interest rates on Canada Student Loans helps nearly one million people currently repaying their student loans, saving the average borrower approximately CAD$2,000 over the lifetime of their loan. The measure has a progressive impact, benefitting lower-income Canadians.</td>
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<td><strong>Germany:</strong></td>
<td><strong>Policy measure:</strong> Completion of recognized dual training (apprenticeships) is crucial for sustainable labor market integration for youth. Thus,</td>
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</table>
### What have G20 members and guest countries done to improve access to high-quality education?

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<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
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</thead>
<tbody>
<tr>
<td><strong>Germany:</strong></td>
<td>Germany introduced the Assisted Training as a new instrument targeted at disadvantaged young people to help them successfully conclude a dual apprenticeship programme. The support for companies includes administration and implementation of training, stabilization of the vocational training relationship on top of general education, language learning and specialized knowledge transfer for trainees.</td>
<td>Facilitates integration of disadvantaged youth and young adults into the labor market via the dual training programme (apprenticeships).</td>
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<tr>
<td><strong>India:</strong></td>
<td>Scheme for Higher Education Youth in Apprenticeship and Skills (SHREYAS) was launched by Government of India in 2019. SHREYAS is a programme conceived for students in degree courses, primarily non-technical, with a view to introduce employable skills into their learning, promote apprenticeship as integral to education and also amalgamate employment facilitating efforts of the Government into the education system so that clear pathways towards employment opportunities are available to students during and after their graduation.</td>
<td>With the primary aim of imparting relevant job skills to as wide a category as possible, this first-of-its-kind programme targets students enrolled in non-technical degree courses. The Scheme is proposed to cover 5 million students by 2022. The scheme establishes a sustainable connection between the education system and the requirements of employers. With this in view, the programme attempts to impart students with skills that are most in demand. The outcomes of this program would also allow the interns to become job-ready while still studying, and a wide range of businesses would be able to zero in on quality manpower without needing any candidate hunt.</td>
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<tr>
<td><strong>Indonesia:</strong></td>
<td>Issuance of Presidential Instruction 9/2016 aims to revitalize vocational high school (SMK) through a link and match program that aligns its SMK curriculum with the competencies required by industries. The program involves industries by providing access to internships as well as fieldwork practices and encourages them to participate in providing support for the development of teaching factories. To do so, the Government provides fiscal incentives for firms that recruit SMK graduates or give trainings to SMK.</td>
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<tr>
<td>Country</td>
<td>Program/Policy Measure</td>
<td>Outcome and lessons learned</td>
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<td>------------------</td>
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</tr>
<tr>
<td>Mexico</td>
<td>Youth Building the Future</td>
<td>Since launch in 2017, the program involved 2,612 vocational schools and 899 firms. The program has attracted students to enter SMK, indicated by the increase of new entrants by more than 100 thousand students from 1.71 million new entrant students in 2016 to 1.82 million new entrant students in 2019. The program has resulted in improving the skills of the graduates, allowing them to have a better opportunity to be absorbed by the industries. It is confirmed by the decline of the level of open unemployment of this segment.</td>
</tr>
<tr>
<td>Spain</td>
<td>Vocational training for employment</td>
<td>Youth unemployment declined from 33.54% in Q4 2018 to 30.51% within one year. It has been awarded by the European Commission as an inspiring practice for the European network of public employment services.</td>
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<tr>
<td>United Kingdom</td>
<td>T Levels</td>
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What have G20 members and guest countries done to improve access to high-quality education?

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<tr>
<td>choose a technical pathway with high quality options that support their progression and meet the needs of employers. T Levels are two-year technical study courses that will be available in colleges and further education providers. They will be classroom based with a substantial industry placement element. T Levels are being introduced in a phased approach over the next four years</td>
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**Outcome and lessons learned:**
The primary purpose of T Levels is to prepare students for entry into skilled employment in technical sectors, an apprenticeship or further study.

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**III. IN-MARKET: LEVELING THE PLAYING FIELD TO SUPPORT JOBS FOR EVERYONE**

**A. Youth**

**Challenge**
In many economies, youth faces high rates of unemployment. For example, a youth unemployment rate at about 18 percent in the average emerging market and developing economy is well above that for the working-age population. In the average advanced economy, youth unemployment stands at about 13 percent. In addition, in emerging G20 economies, young people are also much more likely than prime-aged workers to engage in temporary or informal work.

However, youth unemployment is only part of the picture. Around two-thirds of youth that are neither in education, employment, nor in training in G20 economies (where data are available) are inactive⁹. Inactivity can have long-lasting effects, as prolonged periods of joblessness early on in a young person’s career tend to negatively impact earning and employment opportunities later in life. Young people from disadvantaged families find it particularly challenging to successfully transition from school to work, as they typically have poorer learning outcomes. In addition, they may lack access to networks, informal knowledge, and financial resources that can help them to kick-start a career.

Tackling these challenges will help to make progress towards the G20 commitment of reducing the share of young people who are most at risk of being permanently left behind in the labor market by 15 percent by 2025 (Antalya Goal).

**Policy options**

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⁹ Notably, the rate is much higher for young women than for young men.
**Goal.** Support youth to stay in education and training and develop skills to enter and compete in the labor market.

**Approach.** Identify training, social support, labor market policies, and reforms to help youth stay longer in education and training and enhance their labor market participation.

**Training policies:**
Relevant and quality vocational education and training, including apprenticeships, that allows young people to develop a mix of general and job-specific skills, helping them to acquire the required knowledge and tools to successfully enter and compete in the labor market.

**Labor market policies:**
Actions to increase the relevant skills of young people, provide them with better access to quality jobs, and promote participation in activities that help address educational and non-educational barriers can provide significant benefits. This could include support for job search and job matching, training programs, as well as private sector wage subsidies to enhance skills among the more disadvantaged and make them more attractive for employers.

Tailored, country-specific structural policies that encourage job formality would also be beneficial, including the provision of efficient safety nets to help buffer workers through the transition. In this respect, reforms should be designed in a way to enhance their distributive impact. Easing overly strict job protection legislation for workers can also support the overall labor force participation and employment, including for youth. While in some instances minimum wages play an important role in alleviating poverty and reducing broader inequality, their level need to be consistent with economic efficiency and country circumstances, in order not to hinder employment opportunities for disadvantaged workers, including young ones.

Table 3: Members Experiences: Youth

<table>
<thead>
<tr>
<th>Argentina: “Progresar” Scholarship Program</th>
<th>Policy measure:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On average, 40% of young people (18-24) did not complete formal secondary education. “Progresar” is a scholarship programme established in 2014 for young people from low income households that generates opportunities for social and labor inclusion. It aims to facilitates access to completing compulsory schooling, higher education and training experiences.</td>
</tr>
</tbody>
</table>

**Outcome and lessons learned:**
“Progresar” stimulates the inclusion of young people in higher education (76% did not entered tertiary education before),
### What have G20 members and guest countries done to improve access to opportunities for Youth?

<table>
<thead>
<tr>
<th>China: College Graduates Employment</th>
<th>reduces the interruption of educational trajectories (30% would have abandoned their studies without it) and improves the conditions of access to labor market within the formal labor regime (50% of scholarship holders are unemployed).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy measure:</strong></td>
<td>There are around 8 million students graduate from colleges every year in China, to facilitate their employment, multi-measures have been implemented, including: 1) encourage mass entrepreneurship and innovation to develop the economy and expand employment opportunities; 2) provide subsidies, tax and fee deduction to support employment; 3) provide free employment counselling for all job seekers, nearly 100 million people benefited in 2019; 4) establish an employment assistance mechanism to help the youth add working experiences and find jobs.</td>
</tr>
<tr>
<td><strong>Outcome and lessons learned:</strong></td>
<td>From 2014 to 2019, the employment rate of college graduates remained above 91%. In 2019, an average of 20,000 business startups were set up daily and totally 550,000 college students started their own businesses. Through more internship programs and training, the college graduates’ vocational skills and employment rate keeps increasing.</td>
</tr>
<tr>
<td><strong>European Union (EU): Youth Guarantee</strong></td>
<td>The EU Youth Guarantee is a commitment by all EU Member States to ensure all young people in the EU, in particular young people Not in Education, Employment or Training (NEET), receive a good-quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education. The measures are applied by Member States and vary in nature, with common objectives and an approach of early intervention and activation, including supportive measures for labor market integration. Since 2014, each year 5 million young people have been registered in Youth Guarantee schemes, and 3.5 million young people have accepted each year an offer of either employment, continued education, traineeship or apprenticeship. A proposal to reinforce the Youth Guarantee and make it more inclusive was put forward on 1 July.</td>
</tr>
<tr>
<td><strong>Outcome and lessons learned:</strong></td>
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</table>
### What have G20 members and guest countries done to improve access to opportunities for Youth?

The experience learned highlights the importance to reach out to the most vulnerable young people and provide targeted, holistic and integrated support (young people and NEETs are a heterogeneous group).

Main enablers: strategic approach and flexibility in implementation, prevention and early intervention; mapping and tracking of NEETs, tailoring strategies and services to young people’s needs.

Important to take into consideration the evolution of labor market (e.g. technological developments such as automation and digitalization, green economy transition) in the school-to-work transition.

### Italy: Young workers and permanent contracts

**Policy measure:**
A series of reforms since 2013 has been targeted to permanently reduce social security contributions to support permanent hiring, especially of young workers and in the most disadvantaged Southern regions.

More recently, the Budget Law 2018 (Law No 205/2017) has introduced social security contributions rebates in favour of permanent hiring of under 35 years-old people, or less than 30 from 2019. It consists of a partial (50%) employers’ contribution relief for a maximum period of three years, amounting to a maximum allowance of 3000 euro per year per person. The tax relief reaches the full coverage (100%) for hiring in the Southern Areas.

**Outcome and lessons learned:**
The Italian Statistical Institute (ISTAT) has evaluated the impact of de-contribution measures on permanent hiring to be quantitatively important, but different over the years: from 16% in 2014 to 61% in 2015 to 10% in 2017. In the first 9 months of 2018 the incidence is positive (15%) and provides promising signals of growth. Overall, the impact is substantial and higher for transitions to permanent positions rather than for new hiring.

As for the coverage rate, over the 2015-2017 period more than one-thirds of firms with permanent employees benefits from at least one subsidized contract.

### Japan: Hello Work* for New Graduates

**Policy measure:**
In 2010, ‘Hello Work* for New Graduates’ was established, aiming to support students in graduate schools, universities, junior colleges, colleges of technology, and special training colleges, as well as graduates of these schools to find jobs. This system provides career-design consultation and coaching on job-seeking activities by personal job supporters.
### What have G20 members and guest countries done to improve access to opportunities for Youth?

| Republic of Korea: Youth Employment Promotion Allowance | Policy measure: The Youth Employment Promotion Allowance provides young people (18-34) who earn less than 120% of the basic median income and who are not employed within two years after graduation with a grant for up to six months of job seeking period. The allowances are paid by monthly points allocated to special debit cards. It addresses the fact that many highly educated youths spent a large amount of time and money on preparing for employment. | Outcome and lessons learned: Job search activity has been increased among recipients of support and time spent on part-time job reduced. As a result, the financial burden could be eased on young people and job search activities be promoted. |
| Russia: Supporting Youth Entrepreneurship | Policy measure: The program “You are an entrepreneur” fosters youth entrepreneurship. Participation is free and available for young people (16-30). Experienced coaches help these young people to increase their business knowledge and formulate business ideas. Participants also take courses, interact with mentors, communicate with entrepreneurs and receive consultations. | Outcome and lessons learned: 500,000 people have been trained in youth entrepreneurship programs in 60 regions of the Russian Federation. |
| Switzerland: Two-year Vocational and Education Training | Policy measure: Creation of legal framework for a two-year Vocational Education and Training (VET) to obtain the Federal VET Certificate (secondary II level). Thereby, a new type of VET for mainly practically gifted school leavers was designed. It was added to the traditional based 3-4 years VET programmes. It aimed to: i) integrate graduates into labor market and provide required skills; ii) broaden general education; iii) promote personal development. | Outcome and lessons learned: |
### What have G20 members and guest countries done to improve access to opportunities for Youth?

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned:</th>
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<tbody>
<tr>
<td><strong>United Arab Emirates (UAE): Youth Participation in Boards of Government Entities</strong></td>
<td>The UAE Cabinet adopted a policy to promote the participation of Emirati youth in the Boards of government entities and companies, in order to ensure that their views are reflected in government decisions. According to this policy, at least one young Emirati under 30 years member must be included in the Boards of Directors of all government entities.</td>
<td>Expected outcomes are: 1) Enhancing the role of youth in setting national policy agenda; 2) Ensuring their views are considered in government policies; 3) Leveraging the contribution of youth in economic development; 4) Increasing the confidence of youth to participate in policy-making processes; 5) Providing future leaders with the experience in government management.</td>
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<tr>
<td><strong>United Kingdom: Youth Obligation</strong></td>
<td>The UK provides a programme of intensive support for all 18-21-year olds. The programme lasts for 6 months and includes an intense activity period with workshops and interventions aimed at improving work search and job application skills, followed by ongoing work coach support and progress review. After six months, claimants who remain unemployed have the option of being referred to provision (e.g. traineeship).</td>
<td>There have been at least 63,000 participants between October 2018 and April 2019. The policy aims to support young people into employment, work related training or an apprenticeship. It encourages young people to think more broadly about their skills and job goals to better manage their expectations and how their skills align with the local labor market. Figures show that 2 in 3 claimants who complete the programme journey find work; and over half of participants who find work, do so within 2 months.</td>
</tr>
<tr>
<td><strong>United States: Re-entry Employment</strong></td>
<td>The Re-entry Employment Opportunities (REO) program promotes opportunity by preparing justice-involved youths (18-24 year olds who have been involved in the juvenile or adult</td>
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<tr>
<td>What have G20 members and guest countries done to improve access to opportunities for Youth?</td>
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<tr>
<td><strong>Opportunities (REO)</strong></td>
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<tr>
<td>justice system or are high school dropouts) for the job market. It helps participants obtain employment and/or occupational skills training in industries that offer high wages and opportunities for advancement. REO participants receive comprehensive career assistance and supportive services to help them complete the workforce development programs that they have started.</td>
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<tr>
<td>The REO program uses evidence-based and evidence-informed interventions, that theory or research suggests are promising, or a combination of both to improve employment outcomes of young adults in high-crime, high-poverty areas.</td>
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<tr>
<td><strong>Outcome and lessons learned:</strong></td>
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<tr>
<td>In June 2018, the U.S. Department of Labor awarded USD 84.4 million in REO grants to 41 nonprofits and local and state governments. These grants will serve either young adults, between the ages of 18 to 24 who have been involved in the juvenile or adult justice system, or adults, ages 25 and older, formerly incarcerated in the adult criminal justice system.</td>
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<tr>
<td><strong>Saudi Arabia: Doroob</strong></td>
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<tr>
<td><strong>Policy measure:</strong></td>
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<tr>
<td>The aim of the initiative is to extend assistance to jobseekers, students and even current employees who are eager to develop their careers further. Doroob extends its services to companies and business owners to match jobseekers’ skills with the Saudi labor market needs as this will enhance productivity. In addition, it helps in cutting the cost of training and development for business owners specially SMEs and micro-scale businesses. This E-learning platform is available to everyone for free. It allows all beneficiaries to have equal access to training and development courses anywhere and anytime. All beneficiaries are offered accredited certificates that are officially recognized by top employers in Saudi Arabia. After receiving accredited certificates, beneficiaries will be prioritized when applying for a job.</td>
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<tr>
<td><strong>Outcome and lessons learned:</strong></td>
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<tr>
<td>Since the launch of the program, the youth unemployment rate decreased from 30.12% at the end of 2014 to 25.7% by the end of 2018. Providing access to training and on-job-training through electronic platforms has minimized the skill mismatch and skills imbalance as more people would attend training and development programs and are equipped with the required skills to actively participate in the workforce.</td>
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</table>
B. Women

**Challenge**
Despite major improvements in girls’ education and widespread laws against gender discrimination, women still do not have the same labor market opportunities as men and are less likely to participate in the labor market. In addition, on average when employed, women work in jobs of poorer quality, with lower earnings, and with a greater incidence of involuntary part-time work and informal employment. Women are also disproportionately affected by the economic impacts of COVID-19 due to their concentration in the informal economy and their increased burden of care in the context of school closures and reduced provision of public and private care services.

Granting equal “in-market” access to opportunities for women has a clear link with “pre-market” access for early childhood development – in particular for single mothers. Access to affordable and high-quality childcare would allow parents, especially mothers, to enter or stay more easily in the labor market and having more equal chances to succeed. The other way around, giving parents, particularly mothers, equal access to labor market opportunities would improve the social-economic background of their children.

Despite improvements, legal restrictions and disincentives to work persist that hinder progress towards the G20 commitment of reducing the gender gap in labor force participation rates between men and women by 25 percent by 2025 (Brisbane Goal):

- Legal restrictions encompass access to institutions, property, jobs, finance, the court system, and effective protection against violence. Although such restrictions have lessened across the world, they remain notable in some regions.
- Disincentives for women to participate in the labor market arise across multiple dimensions, including through lack of access to affordable and quality childcare and long-term care, insufficient family leave benefits cultural norms and discrimination in the workplace. Distortions in the tax system and their interactions with the transfer system can adversely impact the second earner in a family, who is often a woman.

**Policy options**

**Goal.** Ensure a level playing field across gender in the labor market and eliminate gender pay gaps.

**Approach.** Remove restrictions and disincentives for women to participate in the labor market and address structural distortions that sustain gender pay gaps.

**Removing legal and other restrictions:**
In places where gender-based legal restrictions are in place, removing these would help level the playing field. Legal rights —such as equal rights to property and other
economic rights (for example, being allowed to head households, open a bank account, and sign contracts)—are associated with smaller gender gaps in labor force participation in a statistically and economically significant way. Improving security for women at work, including by promoting safe means of transport and securing legal protection against violence and harassment is also important.

**Removing distortions and other deterrents:**

Leveling the playing field can also be enhanced through targeted interventions to ensure the availability of affordable and high-quality childcare and long-term care, increasing working-at-home arrangements and facilitating a better burden-sharing across gender of the unpaid domestic and care work, thus supporting women to pursue formal employment. Promoting paid family-leave programs and other policies that support parents (both mothers and fathers, and including single parents) would help working parents balance family care with work responsibilities, particularly when caring for young children. Tackling gender segregation by occupation would allow women to take advantage of employment and leadership opportunities in traditionally male occupations. Assessing taxes at the individual level rather than joint taxation within a family can help put all income earners within a family on a more equal footing. Reducing gender pay gaps, increasing female representation in leadership positions, and improving other aspects of job quality for women are important to improve women’s integration into labor markets and close gender gaps.

**Table 4: Members Experiences: Women**

<table>
<thead>
<tr>
<th>What have G20 members and guest countries done to improve access to opportunities for Women?</th>
</tr>
</thead>
</table>
| **China:** Subsidized Microcredit Scheme for Women | **Policy measure:**  
In 2009, China included women in the subsidy policy of small-sum guaranteed loans which adjusted into policy of subsidized interest and compensation for entrepreneurial loans in 2015: 1) start-up guarantee loans for women are fully subsidized by Ministry of Finance; 2) Raise maximum amount of loans to up to USD 29,000; 3) Lowering the application threshold, remove the counter-guarantee requirement, improving women’s access to concessional loans.  
**Outcome and lessons learned:** The results are as follows: 1. Issuance of micro-credit loans increased from about USD 900 million (2010) to USD 54.9 billion in 2018; 2. The number of women involved increased from 184,400 to 6.56 million; 3. It promoted modern agriculture production, rural development and local economic growth; 4) It promoted gender equality in rural areas, safeguarded women’s rights and interests for development and improved their social status. |
| **European Union (EU):** | **Policy measure:** |
What have G20 members and guest countries done to improve access to opportunities for Women?

<table>
<thead>
<tr>
<th>Work-Life Balance Directive</th>
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<tbody>
<tr>
<td>Directive aims at giving more rights to conciliate profession and family, with an emphasis on the involvement of men in caring responsibilities. It foresees paid paternity leave for fathers, 4 months for each parent and carers’ leave of at least 5 working days per year per worker. Parents with children up to 8 years and carers will have the right to request flexible working arrangements.</td>
</tr>
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</table>

**Outcome and lessons learned:**
The Directive – which all EU countries need to transpose into national legislation until 2022 – modernizes the EU legal framework as for family-related leaves, childhood care and flexible working arrangements. It also enhances female labor market participation through a wide range of measures tackling work-life balance for men and women.

**Policy measure:**
The Career Choice Act requires firms with more than 50 employees to publish annually a "gender equality index" (100-point index grounded in indicators such as wage levels, salary increases and promotions) and measures taken to reduce inequality. Companies whose index on 1 March 2022 is less than 75 points could be charged penalty of up to 1% of total payroll.

**Outcome and lessons learned:**
Policy aim is to increase transparency on gender pay gap and to encourage companies to improve practices. The evolution of the companies’ rating and of the gender pay gap will be used to evaluate the impact of the measure.

**France: Gender Equality Index**

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**Outcome and lessons learned:**
Policy aim is to increase transparency on gender pay gap and to encourage companies to improve practices. The evolution of the companies’ rating and of the gender pay gap will be used to evaluate the impact of the measure.

**India: Stand-Up India**

**Policy measure:**
Stand Up India Scheme aims to promote entrepreneurship at grass root level for economic empowerment and job creation. This scheme seeks to leverage the institutional credit structure to reach out to underserved sections of the population such as Scheduled Caste (SC), Scheduled Tribe (ST) and Women Entrepreneurs to enable them to participate in the economic growth. The objective of this scheme is to facilitate bank loans between Rs.10 lakh and Rs.1 crore (approximately USD 13,225 and USD 132,250) to at least one SC/ST borrower and at least one woman borrower per bank branch for setting up a Greenfield enterprise. This enterprise may be in manufacturing, services or the trading sectors.

**Outcome and lessons learned:**
The initiative develops women entrepreneurship on the margins of society to achieve gender-inclusive economic growth. Key success factors include large scale awareness campaigns,
## What have G20 members and guest countries done to improve access to opportunities for Women?

Coordination among different Government entities and levels as well as participation from a large variety of banks. As on 17.02.2020, more than 81% account holders under Stand Up India Scheme are women. 73,155 accounts have been opened for women. Rs. 16712.72 crore (approximately USD 2.2 Billion) has been sanctioned for women account holders and Rs. 9106.13 crore (approximately USD 1.2 Billion) has been disbursed for women account holders.

### Italy:

**Mandatory quotas for women in boardroom**

**Policy measure:**
The Law 120/2011 envisaged mandatory quotas for the three board appointments, since August 2012, setting out a minimum objective of one-third of the corporate board seats for members of the under-represented gender, lowered to one-fifth for the first three years for Italian listed companies. If a firm does not comply with the quota, it is then subject to a warning procedure from the public authority responsible for regulating the Italian financial markets (CONSOB) to reach the quota within four months.

**Outcome and lessons learned:**
The impact of the reform is significantly positive. Following the entry into force of the law, the presence of women directors increased on average by 17% for the first board appointment (instant reform effect) and by 11% for the second appointment (follow-up effect). Indeed, since 2012 gender diversity has been steadily advancing. Since 2016 women directors represent over one-third of all boards’ members (from 33.6% to 36.4%), marking the highest figure ever recorded and overcoming the mandatory gender quota set forth by the Law.

### Japan:

**Female Participation and Career Advancement**

**Policy measure:**
The Act on the Promotion of Female Participation and Career Advancement in the Workplace obliges companies with more than 300 workers and national and local governments to disclose information on women’s advancement and action plans on promoting women’s advancement. Excellent efforts on promoting women’s labor participation receive the “Eruboshi” certification.

**Outcome and lessons learned:**
99% of private companies with more than 300 regular workers and all government entities have published the action plan by the end March 2020. 1056 firms received the Eruboshi by the end of March 2020. Through these measures, since 2015, when the law was enacted, the number of women in the workforce has
What have G20 members and guest countries done to improve access to opportunities for Women?

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
</tr>
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<tbody>
<tr>
<td>Republic of Korea: Women's Returning to Work Center</td>
<td>Women's Returning to Work Center, an agency to support economic activities of women with discontinued career, was established. It provides support for women whose careers have been cut off (e.g. due to pregnancy), e.g. job counselling, vocational training, internships and job placement.</td>
<td>Number of women employed through the 158 Women's Returning to Work Centers increased 2.6 times compared to 2009. It accounts for 9.3% of all women with career break as of 2019. The employment rate of women aged between 15 and 64 in Korea rose from 52.3% in 2009 to 57.8% in 2019.</td>
</tr>
<tr>
<td>Spain: Equalization of maternity and paternity leave</td>
<td>Equalization of maternity and paternity leave up to 16 weeks with the objective of taking an important step in achieving real and effective equality between men and women. The final goal is to increase paternity leave from eight weeks in 2019, to 12 weeks by 2020, and 16 weeks by 2021 (of which the first 6 after birth become mandatory). At that moment, maternity and paternity leaves will be equal, non-transferable and paid leave for 16 weeks.</td>
<td>By setting 6 weeks of compulsory leave for the father after birth, a bias is eliminated from the current regulation that negatively affects the hiring of women (paternity leave being voluntary while maternity leave mandatory). The opening up to men of leave entitlements initially designed for women has also meant an advance in co-responsibility in childcare tasks.</td>
</tr>
<tr>
<td>Turkey: Engineer Girls Project</td>
<td>The Engineer Girls of Turkey Project aims to attract and empower women in the area of engineering. It includes scholarships for students, internships and employment opportunities, English classes, “Social Engineering” and &quot;Leadership in Engineering&quot; certification programs as well as training and mentoring support. It also addresses high-school students and teachers.</td>
<td>Within the framework of these initiatives, more than 24 thousand people participated in this project. Projects with parents turned</td>
</tr>
</tbody>
</table>
## What have G20 members and guest countries done to improve access to opportunities for Women?

Out to be very effective to guide girls to the engineering fields. Moreover, the inclusion of both boys and girls in activities has led to rising awareness in all segments of the society in terms of promoting the girls to engineering.

<table>
<thead>
<tr>
<th><strong>United Kingdom:</strong> Gender Pay Gap Reporting</th>
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<tbody>
<tr>
<td><strong>Policy measure:</strong> In April 2017, the UK government introduced a legal duty for employers of 250 or more people to report gender pay gap data. Employers must report the difference in average pay and bonuses received by men and women in their organizations. Employers report on a public website as well as their own website so they are made publicly accountable for demonstrating progress.</td>
</tr>
<tr>
<td><strong>Outcome and lessons learned:</strong> Over 10,000 employers now report their gender pay gap annually and the reports are available on the central website for public scrutiny. The UK government has produced guidance, backed by robust evidence, to help employers understand the causes of their gender pay gap and what actions they can take to narrow their gender pay gaps. The requirement to publish the name of the senior manager who signs off the data has also ensured over 10,000 Board level discussions on the gender pay gap.</td>
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<tr>
<th><strong>Saudi Arabia:</strong> Wussol program</th>
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<tr>
<td><strong>Policy measure:</strong> Wussol program is designed for female workers to support them financially through HADAF fund which is a program supported by the ministry of labor and human development. The program allows employees to hire drivers or use safe transportation options since the establishment of the program in 2017. The eligibility requirements include that beneficiaries should earn less than 8,000 Saudi Riyal and the fund will support you with 800 Saudi Riyal maximum to cover the commuting cost.</td>
</tr>
<tr>
<td><strong>Outcome and lessons learned:</strong> In the third quarter of 2019, about 10,000 female workers benefitted from the program. It has reduced the reason of leaving jobs because of the lack of transportation from 9.0% in the third quarter of 2017 to 4.6% in the third quarter of 2019. The number of women participants in the workforce has increased to 23.2% by the end of the third quarter in 2019, helping women be active participants in the economy.</td>
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## C. Informality

**Challenge**

In some economies, especially in emerging markets, the informal economy accounts for a sizable share of production and employment. In fact, the informal
sector is estimated to average about one-third of GDP in emerging market and developing economies.\textsuperscript{10}

Job quality in the informal sector is on average low across the three dimensions of the G20 Jobs Quality Framework: (i) earnings quality is generally lower, with considerable gaps in average earnings and higher earning inequality; (ii) labor market insecurity is higher, owing to a greater risk of falling into extremely low-paid work or into unemployment without adequate social assistance; and (iii) the quality of the working environment is generally lower, often owing to a lack of training opportunities and lack of career progression, combined with often-absent social safety nets (including pensions) and poor application of worker protection legislation. This exposes a sizable share of the population to a greater risk of poverty; on the other hand, the informal economy can also transitorily help the poor by providing a first step in the path out of the poverty trap.

**Policy options**

**Goal.** Encourage participation of workers, entrepreneurs and firms, particularly SMEs, in the formal labor market.

**Approach.** Employ a comprehensive strategy, including by increasing the perceived benefits of formal employment, reducing the costs of formalization, and strengthening enforcement methods.

**Labor market reforms:**

In the labor market, policies should focus on removing undue obstacles to formal-sector employment. Effective employment protection regulations and improved enforcement of existing labor laws are critical, but should promote the transition from the informal economy to the formal economy and avoid unnecessarily adding to the cost of formal employment, while ensuring that effective social-assistance and unemployment-insurance systems are in place. In rapidly urbanizing countries with still-large rural populations, easing overly strict labor market regulation, while maintaining adequate protection and strengthening compliance and enforcement, could also play an important role in helping workers move into the urban, more productive, and more modern sectors.\textsuperscript{11}

**Product market reforms:**

Reforms should encourage a business-friendly environment to support formal job creation. This would include reducing barriers to entry and entrepreneurship, thereby spurring competition and encouraging firms to participate in the formal economy. In addition, the creation of new firms in the formal sector can be facilitated by establishing a “one-stop-shop” registration to simplify the process for new startups. In addition, training and business services could be provided to firms that register. Easier and less-costly firm registration can also encourage the entry of young and innovative firms, which can boost overall productivity and job creation.


## Table 5: Members Experiences: Informal Economy

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Special employment contract regime for staff working in private homes</td>
<td>The regulation applies to at least 877,583 women employed in this economic activity, not all of them being registered under the new regime. The implementation of the measure saw the percentage of domestic workers under formal conditions of work rise from around 15% to more than 25%.</td>
</tr>
<tr>
<td>Brazil</td>
<td>Economic Freedom Law</td>
<td>The Economic Freedom Law facilitates the opening of new businesses, reducing red tape and streamlining redundant regulatory processes. As part of the changes prescribed by the Law: businesses that will carry out activities defined as “low-risk” will no longer require licenses to commence operations; national bookkeeping system for collecting taxes and social security obligations has been simplified and digitalized; license requests not answered in due time will be automatically granted; higher court decisions will be extended to all cases and the Prosecutor will not be bound to contest or appeal lower court decisions.</td>
</tr>
<tr>
<td>Canada</td>
<td>Women’s Entrepreneurship Strategy</td>
<td>The law aims to create within 10 years, 3.7 million jobs and 7% of growth. It is in effect since May 2019, so it is early to isolate its effects. However, it is worth noting that the 2nd semester of 2019 registered an increase of around 27% in new firms, the highest figure since observation started in 2010.</td>
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</table>
What have G20 members and guest countries done to tackle issues related to the informal economy and encourage participation in the formal economy?

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France</strong></td>
<td>In 2008 a new self-employment regime (“auto-entrepreneur”) was implemented that substantially simplifies (i) the administrative process for starting a business, and (ii) the computation of social contributions and taxes. The access to this simplified regime is limited by a ceiling on annual sales.</td>
<td>The simplified self-employment regime has been widely used: half of business creations in 2019 opted for it. It addressed the challenge that the process of business creation in France was heavy, particularly the taxation scheme.</td>
</tr>
<tr>
<td><strong>Republic of Korea</strong></td>
<td>The Regulation-Free Special Zone is a system for easing core regulations to promote innovation in non-metropolitan areas. It was enacted in April 2019 for companies with new technologies and services to test new technologies and pursue new businesses without being caught up in regulations. It provides financial support for R&amp;D, commercialization, tax benefits and sales support.</td>
<td>So far, 14 special zones were designated, and 84 regulatory exceptions (e.g. for telemedicine or unmanned ships) were allowed, thereby enabling start-ups that were hindered by regulations in Korea to properly do their business. Tangible outcomes also included private investment and relocations.</td>
</tr>
</tbody>
</table>
What have G20 members and guest countries done to tackle issues related to the informal economy and encourage participation in the formal economy?

| Mexico: Support to MSMEs | **Policy measure:**
The program is targeted to micro, small and medium-size businesses and includes the following components: 1) Accompaniment or technical assistance (e.g. support for courses that promote knowledge transfer); 2) Productive equipment (i.e. support the acquisition of equipment to improve firm performance); 3) Certification; 4) Group training  

| Saudi Arabia: Meras Program | **Outcome and lessons learned:**
It is still too early to have impact results; however, similar financing programs have directly benefited the productivity of targeted MSMEs, especially sales and improvements of working capital. Moreover, it is expected that each of the support modalities will be satisfactorily fulfilled and that there will be feedback between the Productive Development Unit, trainers and companies.  

|  | **Policy measure:**
Meras is a government program under of Saudi Business Center aiming to facilitate procedures and provide services for conducting business, which provides all government and private sector services that is needed to start your business in one day. Meras provides a high-quality integrated service through an online and physical One-Stop-Shop centers.  

|  | **Outcome and lessons learned:**
The initiative is aimed to help business owners to know the steps and procedures to establish and manage their business in Saudi Arabia, in particular by establishing a unified platform for all eServices offered to the business sector by the government agencies to enhance business environment. Now by one click and through a consolidated form, the investors can benefit from several government services, such as: obtaining the Commercial Registration, the Chamber of Commerce Certificate, making a file at the Ministry of Labor, Social Insurance, General Authority for Zakat and Tax easily.  

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D. Technology and Adult Skills

**Challenge**
Technological change is providing opportunities for new sources of growth. However, access to technology is limited, particularly for emerging market economies and developing countries, thereby holding back productivity. For example, at the international level, a digital divide is emerging, where internet
speeds are growing much faster in developed than in developing countries. Moreover, within many countries, access to and usage of digital technologies vary, including across income levels, age, gender, and space. In an increasingly digital economy, people and firms that are less connected with new technology may also risk exclusion in other aspects of life—such as in terms of access to finance, which may increasingly be done through electronic transfers and payments.

In addition, amid technological change and increasing automation of routine jobs, the resulting change in demand for skills has led to skill-mismatch in many sectors. As discussed in the context of the Future of Work, automation can increase the risk of job losses, which could affect millions of workers. Notably, workers engaged in routine occupations are more prone to being displaced by automation. As such, quality education, followed by adequate investment in upskilling, reskilling, and lifelong learning, paying attention to skills in high demand as a result of digital transformation, is increasingly important. Yet, weak education and training, scarce lifelong learning opportunities and inadequate labor market policies may prevent the upgrading of skills, especially for the adult population.

**Policy options**

**Goal.** Make technological change a benefit and not a constraint to people and firms.

**Approach.** Promote adequate skills development and the availability of adequate infrastructure, including for the diffusion of new technologies.

**Facilitating lifelong learning and preparing people for changing technology:**
Lifelong learning and policies to ease job transitions are essential, as new technologies disrupt certain industries and create new ones. To this end, it is important to make education and training programs available, particularly those that correspond to current and future in-demand skills (e.g., strong general cognitive, ICT, and analytical skills). Support for lifelong learning also includes lowering barriers to adult learning (such as related to cost, time, and flexibility needs), linking training to individuals rather than jobs, and improving the certification of prior and current learning.

In addition, it is crucial to adapt education as well as skills systems to the demand of emerging sectors and promote stronger linkages between education institutions and industry so that learning programs remain relevant. Technical and vocational education and training, work-based learning and active labor market policies can also serve as an effective mechanism to reduce skills mismatches.

**Supporting infrastructure:**
Within each country, regional equity in internet speeds can safeguard against some regions being left behind. In addition, Fintech is changing the way people access financial services. However, like any technology, Fintech relies on the quality of infrastructure, including electricity, telephone lines, and the internet. To benefit from Fintech, policies therefore need to ensure the availability of adequate infrastructure and the appropriate legal framework, including on digital identity.
## Table 6: Members Experiences: Technology and Adult Skills

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<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
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<tr>
<td>Canada</td>
<td><strong>Policy measure:</strong> Announced in Budget 2019, the Canada Training Benefit (CTB) is a personalized, portable tool to help Canadians get the skills they need to find and keep good jobs. It includes: a new refundable tax credit that allows eligible workers to help fund future eligible tuition and fees up to a lifetime limit of $5000; an Employment Insurance benefit that will provide workers with up to four weeks of income support when they require time off to train; and new leave provisions that will protect federally-regulated workers’ ability to take time away from work to pursue training.</td>
<td>This program targets the most pressing barriers to ongoing learning and retraining. By cutting the direct cost of training by up to 50 per cent, workers can more easily save for—and benefit from—new training and new skills.</td>
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<tr>
<td>China</td>
<td><strong>Policy measure:</strong> Compared with large enterprises, SMEs are disadvantaged in accessing ICT resources and information. To address that, the Government promotes ICT adoption among SMEs, encourages large ICT service providers to improve their SME offerings and build SME’s capacity in using ICTs to start up business and innovate.</td>
<td>As of 2018, over 4,400 operations had been established by ICT service agencies, employing more than 300,000 while working with over 7,600 professional partners; over 30,000 ICT campaigns were held with a participation of 2.49 million person-times, contributing to SMEs capacity building in ICT application.</td>
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<tr>
<td>European Union (EU)</td>
<td><strong>Policy measure:</strong> Close to one fifth of adult Europeans struggle with basic reading and writing, calculation and using digital tools in everyday life, exposing them to higher risk of unemployment, poverty and social exclusion. The Upskilling Pathways initiative, one of the actions under the EU Skills Agenda, aims to help adults acquire a minimum level of literacy, numeracy and digital skills and/or acquire a broader set of skills by progressing towards an upper secondary qualification or equivalent (level 3 or 4 in the European Qualifications Framework (EQF) depending on national circumstances).</td>
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</table>
What have G20 members and guest countries done to leverage and improve access to technology for individuals and firms as well as to enhance adult (technical) skills?

<table>
<thead>
<tr>
<th>Country</th>
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<tr>
<td>Italy: Industry 4.0 Plan</td>
<td>In 2017, the Italian Ministry of Economic Development introduced the Industria 4.0 National Plan (I4.0) with the aim of boosting investment in innovation, competitiveness and development of skills in the Italian companies. The Plan included short and long run fiscal measures addressed primarily to SMEs but to be applied to any firm without any restrictions in terms of its size, sector or location over the period 2017-2020. The initiative is based on automatic tax incentives focusing on two main areas: 1) support for increasing the adoption of innovative technologies to facilitate companies’ digital transformation and increase their competitiveness; 2) foster the development of skills by promoting I4.0 education programmes, reinforcing vocational training creating Competence Centers, Digital Innovation Hubs and the financing of I4.0 Technology Clusters and Industrial PhDs.</td>
<td>A number of EU Member States are setting in motion new ambitious agendas to support the upskilling and reskilling of the adult population, showing thus a strong convergence between national policy agendas and the objectives pursued by Upskilling Pathways. While most of the measures focus on unemployed adults, EU Members seem to have started to place a stronger focus also on support to low skilled workers in employment, who represent a significant share of the target group.</td>
</tr>
<tr>
<td>Russia: Acceleration of business procedures</td>
<td>SME Business Navigator is a free web tool for entrepreneurs, who are willing to open or to expand their own business and who want to work legally, pay all obligatory taxes and charges, earning for their future and for the future of their children. The Business Navigator is created on the one-stop shop principle and covers relevant services for burgeoning entrepreneurs (e.g.</td>
<td>Outcome and lessons learned: The implemented measures aimed at generating higher flexibility of production, higher quality of products, increased productivity, higher competitiveness of the Italian companies. Results of recent empirical analysis suggest that among the enterprises that have invested in 2017, over 60 percent and nearly 50 percent say that, respectively, the “super-depreciation” and “hyper-depreciation” included in the policy package constituted a “highly” or “fairly” relevant incentive in making new investments.</td>
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</table>
What have G20 members and guest countries done to leverage and improve access to technology for individuals and firms as well as to enhance adult (technical) skills?

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<tr>
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<tr>
<td>Singapore: Digital Solutions for SMEs</td>
<td>The SMEs Go Digital programme makes going digital simple for SMEs. It includes subsidized foundational digital solutions like accounting software, step-by-step guides to select appropriate digital solutions, grants to offset up to 70% of the cost of adopting pre-curated Digital Solution and Consultancy Services at no cost to help SMEs transform digitally.</td>
<td>More than 20,000 SMEs have made use of the programme, and they are able to reap value from their digitalization and continue to digitalize at different stages of growth. E.g., many SMEs have benefitted in terms of time savings and increased market share through the adoption of digital technologies.</td>
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<tr>
<td>Spain: Strategic Framework for SME Policy 2030</td>
<td>The Strategic Framework for SME Policy 2030 entails various areas of action to enhance adult skills: It promotes the development of skills and qualifications for employment, including digital skills and innovation management; it promotes the development of the Dual University, in a similar way to dual professional training. In addition, it also leverages technology to simplify procedures, time, and cost to set up an SME.</td>
<td>The Strategic Framework for SME helps adults to develop the required skills for working at SMEs, which contributes to the improvement of the competitiveness and growth of SMEs. It also contributes to strengthening the SME culture and the promotion of entrepreneurship.</td>
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</tbody>
</table>
**What have G20 members and guest countries done to leverage and improve access to technology for individuals and firms as well as to enhance adult (technical) skills?**

| Switzerland: Easy Gov.swiss | EasyGov.swiss (EasyGov), the online desk for companies, was launched in November 2017. The platform allows companies to electronically process authorization, application and reporting procedures in a single location. Services include, e.g., registering a business, making amendments to the Commercial Register and the provision of loan guarantees for SMEs. |
| United States: Rule on Industry-Recognized Apprenticeship Programs | **Outcome and lessons learned:** EasyGov makes administrative tasks simple, fast and efficient, which results in cost savings for companies and authorities. A study by the University St. Gallen estimates that the total benefit of EasyGov is around CHF 6.3 million per year. In terms of user-friendliness, it rates 4.5 on a scale of 5. |

| Policy measure: | The U.S. Department of Labor published in March 2020 a final rule that will help expand apprenticeships in the United States by establishing a system for advancing the development of high-quality, Industry-Recognized Apprenticeship Programs (IRAPs). |
| Outcome and lessons learned: | IRAPs are high-quality apprenticeship programs, recognized as such by a third-party entity under standards established by the Department of Labor in the new rule. Through these programs, individuals will be able to obtain workplace-relevant training and progressively advance skills that result in an industry-recognized credential, all while getting paid for their work. As described in the final rule, many different types of entities may become recognized Standards Recognition Entity (SREs), including trade groups, companies, educational institutions, state and local governments, non-profits, unions, joint labor-management organizations, and certification and accreditation bodies for a profession or industry. The rule also outlines the responsibilities and requirements for SREs, as well as the Department’s standards that programs must meet to obtain and maintain IRAP status and sets forth how the administrator will oversee SREs. |

**E. Financial Inclusion**

**Challenge**
Access to financial services are a means for many individuals and entrepreneurs to acquire education or start a business. However, gaps in access to finance, including to basic services such as savings and checking accounts, exist for the poor, the
youth, women, informal workers and those out of the labor force. In addition, gaps in access to credit are prevalent for many small and medium-sized firms, even though they account for a substantial share of jobs in many economies. In turn, this may prevent innovative firms from growing and creating new jobs.

**Policy options**

**Goal.** Eliminate undue constraints for individuals and entrepreneurs in accessing financial services.

**Approach.** Address the fundamental factors that prevent access to financial services, such as information asymmetries and moral hazard, while identifying and removing regulatory barriers.

**Enhancing the provision of financial services to individuals:**

Policies to promote the supply of low-fee or free savings accounts would help people manage their finances and save for the future. The wide adoption of mobile phones also provides an unparalleled opportunity to use technology to provide access to financial services, especially payment services that would help pay bills and manage remittances.

Policies to remove unnecessary administrative burdens, strengthen education, provide identity documents, and enhance labor market outcomes for all would have the additional impact of strengthening individuals’ creditworthiness and financial literacy, thereby enhancing access to finance. With any expansion of credit to vulnerable groups, consumer protection is also warranted.

**Enhancing financial inclusion of firms, particularly SMEs:**

The lack of fixed collateral against which to borrow create problems for many small firms. Creating and enabling movable property registries can provide proof of ownership, allowing SMEs to borrow against movable collateral such as vehicles or equipment—an area of particular importance for less transparent SMEs, where the risk to the lender is higher. Continued implementation of the G20 Action Plan for SME Financing would also help.

Reforming insolvency proceedings can reduce risks to the lender and increase credit supply. In particular, lengthy and costly insolvency proceedings are particularly constraining to companies in financial distress, but they are also a risk to financial institutions, deterring them from providing credit to SMEs with uncertain cashflows. Measures to promote and facilitate firms’ recapitalization are also key to improve their creditworthiness.

In addition, maintaining a fair and transparent government procurement process can help level the playing field for SMEs, allowing them to support job creation.
Table 7: Members Experiences: Financial Inclusion

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
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<tbody>
<tr>
<td><strong>Argentina:</strong> Fostering credit to MSMEs</td>
<td><strong>Policy measure:</strong> Promote the expansion of credit supply, reducing minimum cash requirements to banks that lend to Micro, Small and Medium Enterprises (MSMEs) at lower interest rates. This is an incentive for banks to finance MSMEs so that they can meet their investment and working capital needs. As a response to the impact of Covid-19, new lines were launched with maximum lower rates; and for firms without current access to banking credit.</td>
<td>More credit to MSMEs is now granted at lower rates, with a strong countercyclical traction on the financial system as a whole, and including SMEs without previous access to credit. Commercial credit lines have increased over 40% in real terms since the lockdown started, and overall lending to the private sector has risen over 15%. Interest rates paid by SMEs have decreased by almost 15 p.p. since March.</td>
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<tr>
<td><strong>Australia:</strong> Australian Business Growth Fund</td>
<td><strong>Policy measure:</strong> The Australian Business Growth Fund (ABGF) is being established by the Government in partnership with six banks to provide SMEs with long-term minority equity capital as well as guidance to the businesses it invests in. The ABGF’s investment stake will be between 10-40%, allowing small business owners to maintain their controlling interest.</td>
<td>Once established, the ABGF hopes to fill a gap in the market for patent minority equity finance for SMEs and could invest in up to 10 SMEs per year.</td>
</tr>
<tr>
<td><strong>China:</strong> Financing for Micro- and Small Enterprises</td>
<td><strong>Policy measure:</strong> China has implemented measures for micro- and small enterprises (MSMEs) in order to: 1. Enhance support for credit services, and, through innovative use of structured monetary policy instruments, secure banks with long-term stable funding to finance private enterprises; 2. Optimize differentiated regulatory policies (e.g. favorable risk weighting and capital requirements to loans provided to MSMEs; 3. Support innovation in financing products (e.g. supply chain financing services); 4. Establish necessary financial infrastructure (e.g. a credit reference system that allows banks to better understand credit risks of an SMEs).</td>
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</table>
## What have G20 members and guest countries done to improve access to Financial Services and facilitate firm dynamism?

| **European Union (EU):** European Fund for Strategic Investments | **Outcome and lessons learned:** The measures help address the large financing gap of MSMEs in China. By the end of April 2020, the balance of inclusive loans to MSMEs grew within a year by 25.1%, with over 28 million businesses enjoying a loan balance, 1.17 m more compared with those in early 2019. **Policy measure:** The European Fund for Strategic Investments (EFSI) has the objective to reverse the negative investment gap in Europe. It is focused on two “windows”: 1) Infrastructure Investment Window; 2) Micro- and SMEs financing Window (SMEW). The financial instruments supported by EFSI ease SMEs’ access to equity or debt capital as well as guarantee-type products. **Outcome and lessons learned:** EFSI has mobilized EUR 463 billion in investments in total. Under the SMEW, EUR 190 billion of additional investments were mobilized and 1.1 million SMEs are expected to benefit. Currently, achieving the target of a total EUR 500 billion investment is fully on track. Given its success, EFSI was extended until end-2020 and its investment target was increased to half a trillion euro. |
| **Germany:** High-Tech ‘Gründerfonds’ | **Policy measure:** The ‘Gründerfonds’ (HTGF) is an early-stage fund for highly innovative, technology-oriented firms that have been in operation for no more than three years and face challenges in securing financing. Prerequisites are promising research results, an innovative technological basis and a high potential market situation. In addition to capital, the HTGF provides start-ups with management support and platform for exchange and connection with investors. **Outcome and lessons learned:** The HTGF is invested in over 500 technology firms. Evaluation results show that these companies have developed significantly better economically than peers without HTGF support. Since implementation of the HTGF in Germany, the venture capital landscape for early stage investments in Germany has grown substantially, making a significant contribution to the financing ecosystem. |
| **India:** Pradhan Mantri Mudra Yojana (PMMY) | **Policy measure:** Pradhan Mantri Mudra Yojana (PMMY), launched in 2015, is a scheme to ‘fund the unfunded’. It aims at extending affordable credit to enterprises who could not access the formal financial system. India has set up the Micro Units Development & Refinance Agency Ltd (MUDRA), which is responsible for |

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**What have G20 members and guest countries done to improve access to Financial Services and facilitate firm dynamism?**

| **India:** PMMY  (Public Sector Micro Credit) | supporting finance institutions which are in the business of lending to micro and small businesses of certain sectors (e.g. trading). Under the aegis of PMMY, MUDRA has created three products covering different stages of growth/development and funding needs of the beneficiary micro unit/entrepreneur and provide a reference point for the next phase of graduation/growth. |
| **Outcome and lessons learned:** | Since its launch, PMMY has earned the recognition of being instrumental in inclusive financing and fueling growth of underserved groups, through diversified channels such as Banks, Small Finance Banks, Non-Banking Finance Companies and Micro Finance Institutions. As on 31.01.2020, more than 225 million loans accounts have been sanctioned under the scheme since its inception. Out of this, more than 157.5 million loans have been extended to women with amount totaling to around Rs. 4.78 lakh crore (approximately USD 63 billion). Thus, 70% of the total loan borrowers are Women. |

| **Indonesia:** Ultra Micro Financing (UMi) | **Policy measure:** The Government provide loans for micro business, mostly women and without collateral. Therefore, the program can reach micro-businesses with profitable business but no access to standard financial institutions. In addition, borrowers are also given business training facilities to improve business skills with the results of empowering productive communities towards economic independence. This Government program is executed by a public service agency, i.e. Government Investment Agency (PIP). |
| **Outcome and lessons learned:** | Since launched in 2017, the UMi program has funded approximately USD 467 million (IDR 6.64 Trillion) and reached 2.14 million beneficiaries across the country (as of May 31, 2020). The Non-Performing Loans (NPL) ratio is almost 0%, indicating not only borrower’s compliance but also representing the success of their businesses. |

| **Italy:** Allowance for Corporate Equity | **Policy measure:** Allowance for Corporate Equity (ACE): introduced in 2011 to fix disparities in the tax treatment of debt and equity, with the purpose of promoting firms’ recapitalization. After being repealed with the 2019 Budget Law, the ACE regime has been reinstated with the 2020 Budget Law. |
| **Outcome and lessons learned:** | |
What have G20 members and guest countries done to improve access to Financial Services and facilitate firm dynamism?

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<tr>
<th>Country</th>
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<tr>
<td><strong>Japan: New Business Development Loans</strong></td>
<td>The Japan Finance Corporation provides a special financing system to foster growth of new business; &quot;New Business Development Loans.&quot; The services provided by the scheme could be used by those who have already started their business or those who are preparing to start a new business.</td>
<td>Soon after introduction, the scheme has widely spread among entrepreneurs as one of the most accessible sources of funding. In 2018, the New Business Development Loans was used by about 35,000 small- and medium-sized enterprise (SMEs) and sole proprietors.</td>
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<tr>
<td><strong>Mexico: Mobile Payments Platform (CoDi)</strong></td>
<td>Electronic payments are a clear pathway to enter the financial system, as these payments gives the user access to basic financial products that in time will allow said user to continue its way up in the financial inclusion pyramid, as more specialized and valued financial products will be accessible to the aforementioned user. CoDi is a request-to-pay scheme, built on Banco de México’s RTGS infrastructure; it is a functionality primarily offered by SPEI’s participants, but it also allows a limited participation of third party developers and businesses that want to offer CoDi as a new option to pay.</td>
<td>CoDi’s development was based on the premise that, in 2018, approximately 37.3 million Mexicans had a bank account and around 69.6 million people had access to smartphones, which are the two main requirements to use CoDi. CoDi has promoted the use of accounts that can be opened remotely using an ID and a smartphone, putting the entry to the financial system pathway, in the user’s hand. Currently, there are close to 3 million accounts activated for the use of CoDi. Since its launch in September 2019, this development has processed around 447 thousand transactions with a 380 million pesos value (approximately, 19 million dollars).</td>
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</table>
What have G20 members and guest countries done to improve access to Financial Services and facilitate firm dynamism?

| **Russia:** National Guarantee System | **Policy measure:** The National Guarantee System provides partial credit guarantees (50-75 percent of a loan amount) through a three-level system, comprising of the SME Corporation, the SME Bank and regional guarantee organizations.  
**Outcome and lessons learned:** The volume of issued guarantees and warranties amounted to 2.4 billion USD in 2019, or 9.1 billion USD in total during 2014-2020. Interest rates on loans guaranteed were 2 p.p. lower than market interest rate for SMEs. |
| **Turkey:** Access to Finance for SMEs | **Policy measure:** State backed guarantees were introduced in 2009 but could not reach to the projected volumes. Amendments have been made with the following aspects as the most important changes to the structure: A Credit Guarantee Fund, a Portfolio Guarantee System and a Portfolio Limit System. Main function is to ease access to finance for SMEs and to offer guarantees to SMEs.  
**Outcome and lessons learned:** After revisions, state-backed guarantees were utilized rapidly. While issued state-backed guarantees for eight thousand individual beneficiaries at the end of 2015, it rapidly increased to 515 thousand individual beneficiaries as of 2019 year-end. 73% of beneficiaries are small to medium sized entrepreneurs. |
| **Saudi Arabia:** Kafalah by Monsha’at | **Policy measure:** The Saudi government through Monsha’at has launched various programs such as Start-up Hubs and Kafalah. The business hubs in various regions within the Kingdom allow beneficiaries across the Kingdom to utilize the Business Hubs to seek entrepreneurial guidance and consultation, and to arrange business acceleration programs. In the other hand, Kafalah is a loan guarantee joint program between Saudi ministry of finance and Saudi commercial banks and financing intuitions to help overcome SMEs financing constraints. Kafalah provides a guarantee of a percentage of the risk in the event of failure to repay the financing amount back to commercial banks and financing institutions.  
**Outcome and lessons learned:** The total funding to start-ups has increased by 82% from the first half of 2018 to the first half of 2019. The start-up scene is expanding rapidly, therefore, such government initiatives will improve the eco-system for start-up businesses. |
What have G20 members and guest countries done to improve access to Financial Services and facilitate firm dynamism?

| | In 2014, the number of SMEs that benefited from Kafalah program reached 1,377 companies with a total financing amount of 3.3 billion Saudi Riyal (USD 800 million). By 2019, the number of SMEs that benefited from Kafalah program reached 2,481 companies with a total financing amount of 7.3 billion Saudi Riyal (USD 1.9 billion). |

IV. POST-MARKET: REDUCING INEQUALITIES THROUGH FISCAL POLICY AND SOCIAL WELFARE SYSTEMS

Fiscal policy can reduce inequalities in outcomes and generate resources for enhancing access to opportunities through post-market redistribution, while promoting strong growth that benefits all. Efficient and growth-friendly tax systems can help foster innovation, business formation, and job creation, serving to create the conditions for strong and inclusive growth. Taxes—in particular progressive taxation—and transfers have an important role to play. Notably, since the mid-1990s, the redistributive effect of taxes and transfers toward reducing inequality has declined in many advanced economies—on account of a decline in both redistribution by cash transfers and in tax progressivity. Removing policy-driven obstacles to spatial mobility, for example by improving infrastructure for connectivity, making safety net programs portable across space, and in the area of housing, would also help workers move to where the best jobs are available.

Social benefits can play an important role in combating poverty, including child poverty, even without a large increase in spending. For example, significant reductions in child poverty can be achieved by better targeting family and housing benefits to poor families with children (including to those with single parents) and by raising benefit take-up. In G20 emerging market economies, conditional cash transfer programs have proven very effective at delivering social transfers to poor families, while simultaneously improving child development outcomes\(^{12}\). More generally, targeted policies can be helpful in strengthening opportunities at the local level and reduce disparities across space.

\(^{12}\) In this respect, it will be important that all children grow up in communities that provide adequate opportunities for healthy socioemotional and cognitive development.
### Table 8: Members Experiences: Post-Market

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<tr>
<th>Country</th>
<th>Policy measure</th>
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<tr>
<td><strong>Argentina:</strong> Pension Moratorium</td>
<td><strong>Policy measure:</strong> “Moratorium” extended pension and health insurance benefits to people of retirement age that did not fulfil the 30-year security system’s contribution requirement. Since 76% of unpaid domestic work is done by women with a low pension coverage, the moratorium benefited in particular women.</td>
<td>The moratorium allowed raising pension coverage for elderly people from 68% in 2005 to more than 90% in 2011 after its implementation. In 2019, the coverage rate stood higher than 90%, and 65% of pension's beneficiaries receive a pension due to the moratorium. The greatest achievements were observed among elderly women: the percentage of pension beneficiaries among elderly women increased from 57% in 2005 to 92% in 2009. In 2019, 77% of female beneficiaries had access to pensions through the moratorium (while for men it was about 45% of beneficiaries). The pension moratoriums resulted in an unexpected and substantial increase in permanent income for more than 2 million women that without the regime would not have access to a pension.</td>
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<tr>
<td><strong>Brazil:</strong> Bolsa Familia</td>
<td><strong>Policy measure:</strong> High number of families live in poverty with low access to health services, discontinuity of schooling or school dropout. Bolsa Família (BF) is a conditional cash transfer program for households with per capita income of up to R$ 178 (or USD 34) per month, provided they have children or teenagers enrolled and pursuing regular school programs.</td>
<td>Participants benefit in various areas: it improves schooling results and the health of children; at least 90% of school-age children of BF beneficiary households are attending school; and at least 85% of young people between 16-18 years from beneficiary households are attending school</td>
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<td><strong>China:</strong> Nutrition Improvement Program for Rural</td>
<td><strong>Policy measure:</strong> In order to address the problem of malnutrition among rural students, especially in poor areas, the Chinese government launched a “Nutrition Improvement Program for Rural Compulsory Education Students” in 2011. The program provides 4 RMB nutritional dietary subsidy to each eligible student per day,</td>
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### What have G20 members and guest countries done to reduce inequalities in outcomes and to enable an increased access to opportunities through post-market redistribution?

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<tr>
<th>Compulsory Education Students</th>
<th>which is shared by central and local governments, to improve the quality of student meals.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome and lessons learned:</strong></td>
<td>The program has achieved remarkable results. By the end of 2019, a total of 1,762 counties in 29 provinces have implemented the program, covering 145,700 schools and more than 40 million students benefited from the program. With the support of the program, in 2019, the average height of male and female students in the implemented areas increased by 1.54 cm and 1.69 cm respectively compared to the figures in 2012, and the average weight increased by 1.06 kg and 1.18 kg, respectively. From 2011 to 2019, the Central Government has allocated a total of 147.2 billion RMB to support the program.</td>
</tr>
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</table>

| European Union (EU): Guidelines to Member States on Promoting equal opportunities for all, fostering social inclusion and combatting poverty | **Policy measure:** As part of the EU annual cycle of economic coordination and surveillance, Member States are called to modernize social protection systems to provide adequate, effective, efficient, and sustainable social protection throughout all stages of an individual’s life, fostering social inclusion and upward social mobility, incentivizing labor market participation and addressing inequalities, including through the design of their tax and benefit systems. Social protection systems should ensure adequate minimum income benefits for everyone lacking sufficient resources and promote social inclusion by encouraging people to actively participate in the labor market. **Outcome and lessons learned:** The latest Joint Employment Report of the EU, published in April 2020, shows continued progress in the delivery of the Guideline. According to the Report, the number of people who are at risk of poverty or social exclusion continued to steadily decline and wage growth gained pace in 2018, remaining overall moderate. However, it is highlighted that income inequality slightly increased overall, remaining at a high level, and gender equality remains a challenge. |

| South Africa: Study financing for students from low-income households | **Policy measure:** In 2018 South Africa introduced fully subsidized (fee-free) higher education and training for students from poor and working-class families. It is being phased in over a five-year period starting with first-time entrants in the 2018 academic year. This measure extends and strengthens Government’s support for poor students to enter public universities, and Technical and Vocational Education and Training (TVET) colleges to include the working classes. It does this by lifting the previous R122 000 |
What have G20 members and guest countries done to reduce inequalities in outcomes and to enable an increased access to opportunities through post-market redistribution?

<table>
<thead>
<tr>
<th>Country</th>
<th>Policy measure</th>
<th>Outcome and lessons learned</th>
</tr>
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<tbody>
<tr>
<td>Turkey</td>
<td>Policy measure: The “NANNY” project was carried out by a Social Security Institution with a budget of 50 million Euros between 2015-2017. Purpose was to promote registered employment of women with small children by facilitating labor market integration and supporting the formal work of women providing home-based childcare services. It included financial support to cover social security for the caregiver and part of her salary until the child reaches 3 years of age.</td>
<td>The project addressed two important problems of the Turkish labor market: low participation rate of women and very high rates of informal sector in domestic services. Totally 26,532 women benefited from the Project and returned to the labor market. 57% of beneficiary mothers stated that they would have stopped working after giving birth but decided to stay in the labor market thanks to the project.</td>
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<tr>
<td>United Kingdom</td>
<td>Policy measure: In September 2017, working families became eligible for 30 hours a week of government-funded childcare for their three and four-year-old children. In order to be eligible, both parents, or a lone parent, must each earn at least the equivalent of 16 hours a week at National Minimum Wage (currently ~£7K a year), and not above £100K a year.</td>
<td>Over 600,000 children benefitted from a place in the first two years of delivery. According to a survey, 33% of parents said that in the absence of 30 hours they would be working fewer hours and 70% reported that 30 hours had given them more flexibility in the hours they could work.</td>
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</tbody>
</table>
V. Conclusion – Opportunities for International Cooperation

To promote stronger and more inclusive growth, the G20 will need to take action to facilitate a level playing field that allows everyone to succeed, not least amid sizable gaps in access to opportunities for youth and women. This would encompass a multipronged approach that takes advantage of both fiscal and structural policies, in line with the commitments of the G20 Action Plan for Supporting the Global Economy through the COVID-19 Pandemic.

If the G20 collectively takes action, the benefits would be material. Joint action goes beyond learning from successes and failures and focusing on enhancing opportunities. Not only would enhancing access to opportunities strengthen wellbeing and growth in individual countries, but also benefits could spill over to other economies. Policies that could generate such spillovers include: easing cross-border financial transfers, notably by reducing their cost; increase access to tertiary education, including for non-residents, for example by developing the use of affordable online learning; and easing SMEs’ access to foreign markets, notably by reducing behind-the-borders barriers.

The effects are amplified when all members take a coordinated action. Concrete examples of such cases include: facilitating cross border continuity of physical and digital infrastructures; and reducing barriers to trade and direct investment to facilitate the diffusion of knowledge across countries.

Moreover, in a context of increased global economic integration, efforts to prevent international tax avoidance should be strengthened to help create a level playing field for firms, create the fiscal space to support strong and inclusive growth and finance other redistributive policies. To this end, the G20 should continue its cooperation on international taxation to respond to increased levels of capital mobility, address the use of offshore jurisdictions as a means to shelter income and assets offshore and facilitate taxation of profits where economic activities generating the profits are performed and where value is created. Additionally, effectively implementing the recommendations of standard-setting bodies such as the Financial Action Task Force is needed to fight illicit financial flows, including tax evasion, money laundering and corruption and other financial crimes that strip countries of important revenues, further decreasing the availability of public resources to promote more inclusive and resilient economies.

In addition, the G20 can collaborate to improve access to opportunities among its member countries as well as support the capacities of other countries, in particular low-income and developing economies, to enhance access to opportunities through the policy options suggested in this Menu.