

C20 Communiqué

THE URGENT NEED FOR BETTER INTERNATIONAL COOPERATION

Conclusion of the Civil20 Summit, Hamburg, 19 June 2017

Over 300 civil society organizations from all regions of the world came together on 18-19 June 2017 at HafenCity University in Hamburg, Germany to advise the governments of the Group of 20 (G20) nations on how to achieve “the world we want.”¹ It is clear to all of us that the challenges are enormous and our global economic system is on the wrong track. The world has never seen such massive inequality: eight super-rich individuals now own as much wealth as the bottom half of the world’s population. The gap between rich and poor is widening in most countries around the globe. This is also reflected in the persistent gender inequalities.

Without important policy changes, the 2030 Agenda and its Sustainable Development Goals (SDGs) that the world’s heads of state and government adopted only two years ago at the United Nations will not be achieved. The world also remains vulnerable to new economic crises and environmental degradation. Moreover, unless governments commit themselves to social security systems and widespread job creation efforts, digitalization and automation will increase unemployment, potentially leading to lower wages, eroding labor rights and political instability. Bold actions are needed by all governments, especially by those meeting at the G20 Summit next month. The principle of “Leave No One Behind” means affirmative action for the poor, disadvantaged, discriminated, excluded persons and countries. It also means adjusting trade, fiscal, energy, climate, agricultural and other policies accordingly.

The recent announcement by the US Government to step out of the Paris Climate Agreement was not only rejected by the global civil society but by many states, cities and companies - in the US and worldwide. The global climate crisis represents one of the largest risks to sustainable development, gender equality, inclusiveness, equitable economic growth, and financial stability, and even survival itself for the most vulnerable. A just transition and cooperation for a sustainable future can boost economic development, create jobs, improve productivity, and reduce inequalities. We expect the remaining 19 members of the G20 to reaffirm their unfaltering commitment to comprehensive and concrete implementation measures of the Paris Agreement.

Just a few weeks ago, the G20 and other governments met at the UN Financing for Development Forum and agreed that the “current global trajectory will not deliver the goal of eradicating poverty by 2030.”² We need to take immediate steps toward more effective and progressive tax policies and better tax administration, including deeper international cooperation to boost tax collection and curtail illicit financial flows. These steps, coupled with honoring commitments on official development assistance, are needed to mobilize the necessary funds to attain the Sustainable Development Goals.

The world remains excessively vulnerable to financial crisis as the financial sector and its institutions have grown. Today, instead of improving financial regulation (which was one original reason to upgrade the G20 to Summit level), there is the prospect of unraveling regulation standards. Moreover, the absence of an internationally agreed mechanism for fair, transparent and effective restructuring of external sovereign debts is worrying, as the IMF judges more and more developing countries as being at

¹ The World We Want is an initiative co-led by the United Nations and civil society (see <https://www.worldwewant2030.org/>).

² Intergovernmentally agreed conclusions and recommendations, Follow-up and Review of the Financing for Development Outcomes and the Means of Implementation of the 2030 Agenda for Sustainable Development (United Nations document E/FFDF/2017/L.1), adopted by consensus on 25 May 2017, paragraph 2.

increased risk of debt distress.³

While the 2030 Agenda to achieve the SDGs requires large-scale and long-term investment, including in infrastructure, we are concerned that the G20 governments are primarily looking to for-profit investors to provide the bulk of the financing. We fear that the proposed terms of the investments, especially public private partnerships (PPPs), may significantly handicap governments' capacity to protect the public interest. We call for responsible and transparent deliberation on appropriate risk sharing before unwarranted standardized PPP contractual provisions are adopted.⁴

Many of the recent global health gains will be at risk if the world's largest economies do not strengthen and better fund the multilateral health organizations and health systems. The consequences of inadequate preparedness to tackle outbreaks and antimicrobial resistance will not respect borders and will put global health at risk. Similarly, we recognize the importance of education to eradicate poverty, requiring the G20 to provide scaled up financial and political support for inclusive and equitable quality education.

In sum, we need a radical transformation of the present neoliberal economic system by:

- No longer treating the environment, oceans and the atmosphere as though they were limitless sinks for pollution and greenhouse gases (GHGs),
- Regulating financial markets so that they are no longer a casino of speculation but serve the needs of the real economy,
- Strengthen public investment and social welfare by no longer tolerating a system of tax evasion and avoidance by multinational corporations and super-rich individuals, while encouraging progressive tax policies,
- Implementing rapidly the Paris Agreement by ambitious long term climate strategies, phasing out fossil fuel subsidies, setting effective and fair carbon price signals, shifting the finance flows to promote transformation and resilience as well as sticking to the promises to ramp up climate financing,
- Reforming trade agreements so that they facilitate fair trade in goods and services, benefiting the many rather than the few, and cancel provisions deregulating economies, securing intellectual property rights, liberalizing procurement, and shifting rights and wealth from states to investors,
- Ending the imposition of austerity policies and encouraging public budgets that promote development, poverty eradication and social justice, and
- Regulating labor markets in ways that secure working people's rights to decent work and a living wage.

We therefore urge the G20 leaders to take bold steps to fundamentally re-design the present global financial and economic system so that it respects human rights and serves the people and the planet.

For our detailed C20 Recommendations, see the seven policy briefs attached:

³ Inter-Agency Task Force on Financing for Development, *Financing for Development: Progress and Prospects, 2017* (United Nations publication, Sales No. E.17.I.5), page 94.

⁴ See World Bank Group, 2017 Edition, Recommended PPP Contractual Provisions (forthcoming).