

C20 TURKEY COMMUNIQUÉ

A WORLD ECONOMY
THAT INCLUDES ALL



BACKGROUND & RATIONALE

BACKGROUND

Organisations from 91 countries around the world, representing close to 500 civil society organisations and almost 5,000 individuals, have been working together for the last 18 months via the Civil 20 (C20) to engage with G20 governments on some of the critical issues facing today's world.

The C20 process for 2015 identified four key issues through a participatory online consultation process:

- Inclusive Growth,
- Gender Equality,
- Governance (with a focus on International Taxation and Anti-Corruption)
- Sustainability.

Four C20 working groups corresponding to these issues developed policy recommendations, which were refined through further national and international consultations, and finalised at the C20 Summit, held on 15th-16th September at Boğaziçi University.

This communiqué summarises the recommendations of the C20 to G20 Leaders in 2015.

Please consult www.c20turkey.org for more detail of the policy papers which were developed by the C20 Working Groups and which provide a base to this communiqué.

RATIONALE

Dramatic and increasing inequalities and discrimination on the basis of *inter alia* gender, socio-economic class and ethnic identity are the contemporary reality experienced by millions of people throughout the world. Such exclusions and divisions are both a cause and consequence of an unjust division of labour, deny citizens their human rights and dignity, and have reached a level that is no longer economically, politically or socially sustainable.

The increasing signs of social, economic, environmental and political disruption all over the world send an imperative signal: world leaders need to urgently come together to find sustainable solutions to today's problems, including fighting against poverty. They need to become champions of a world governed according to the principles of an inclusive growth that respects human life, rights and dignity, and planetary boundaries.

The right to organise and the freedom to speak out against poverty, inequality and injustice require legal, political and social space for civil society. This space enables citizens to participate and hold governments and large corporations to account. Civil society space is therefore a critical enabler in the fight against poverty and pursuit of social justice. Yet in recent years there has been an alarming trend – both in the global North and South - towards a reduction in civil society space. In many countries, governments are imposing laws, policies and restrictions that severely limit the space for civil society to operate. Limited space for civil society leads to limited space for dissent, contributing to political capture of the state and its resources by elites. The C20 believes it is vital that G20 leaders ensure that all citizens are able to realize their rights, freely voice their interests and priorities, monitor public affairs and influence decisions that affect their lives.

The G20's work on financial regulatory reform, transparent cross-border tax policies, infrastructure connectivity, and global governance reform is not distinct from the question of inclusive growth. Achievement of the G20's stated vision of inclusive growth and sustainable development would necessitate an inclusive and complete understanding of what the "economy" really means, which counts all types of economic activity, including unpaid care work. It also requires an open and transparent analysis of the individuals and groups for whom economies work.

The C20 calls upon G20 leaders to address the multi-faceted inequalities facing our world today by integrating inclusive growth, gender equality, sustainability, anti-corruption and tax justice into all aspects of its work, and finding solutions that create a world economy that works for all.

INCLUSIVE GROWTH

Contrary to earlier predictions, economic growth does not guarantee an automatic reduction in discriminatory outcomes for economically excluded sections of society, especially women, young people and other marginalised groups. In order to be inclusive, growth must target poverty and inequality and benefit the whole of society including the most-excluded groups. Furthermore, the excluded must actively participate not only in the growth process, but also in determining the policies that will best foster “their” growth. Inclusive growth requires a shift from a government-client philosophy to a growth model with citizens and citizens’ rights at its centre. There is an urgent need to go beyond the rhetoric and devise growth strategies that are inclusive in their impacts, and to put in place redistributive measures whereby everyone reaps the benefits of growth more equally. The G20 has a special responsibility for policies of inclusive growth, as the Group includes some of the most unequal countries of the world.

SYSTEMATICALLY TRACK THE INCOME GROWTH RATES OF THE POOREST 40% AGAINST THE RICHEST 10%

The disturbing global context of rising inequality manifests itself in a number of ways such as income inequality, persistently high levels of unemployment, poverty, extreme concentration of wealth and power, social unrest, and exclusionary practices that prevent many from benefiting from economic growth. Discrimination based on gender, ethnicity, race, caste, social position, age, disability, religion, sex, gender identity or sexual orientation negatively impacts women and men’s access to the social, economic and political benefits created by growth, and undermines their full human potential. Growth practices that do not take sufficient measures for protection of the environment and natural resources create further social and economic vulnerabilities and threaten human sustenance.

The political will and determination to translate economic growth into inclusive and sustainable human development and wellbeing is no longer a choice, but an imperative for the protection of our planet and humanity.

Therefore, the C20 calls upon G20 leaders to:

- Devise inclusive growth strategies at the urban and rural level that explicitly target decreasing inequality and fight against poverty. To that end, systematically track the income growth rates of the poorest 40% against the richest 10% and modify growth strategies accordingly.
- Commit to tackling the multidimensional nature of inequality by way of facilitating access to social protection and public services, including education and health, especially for the most-excluded groups, e.g. through progressive tax systems and investment in public infrastructure.
- Ensure quality public education systems open to citizen participation to increase the compatibility of abilities of women and men of all ages for inclusion in labour markets, and strengthen children’s access to early education. Give priority to education as a central topic in the G20 Employment Working Group.
- Implement explicit employment strategies that apply rights-based approaches and operationalise the Decent Work agenda, guaranteeing a living wage, and providing more, better-paid and safer jobs for women, men, and especially young people.
- Grant representation to NGOs in policy-making and legislative processes at national, local and regional level.
- Strengthen the opportunity for civil society to contribute to G20 processes by providing a permanent seat for the C20 at G20 Working Groups, particularly the G20 Development and Employment Working Groups.
- Coordinate strategies for tackling the development challenges faced by Low Income Developing Countries (LIDCs) in line with the UN guiding principles on business and human rights.
- Develop coordinated responses, mobilise resources, and support the efforts of relevant humanitarian agencies as well as host countries to address the plight of refugees, respecting the right to life, asylum, and human dignity. We call upon leaders to issue a statement to this effect.

GENDER EQUALITY

Gender inequalities are manifested in women being burdened with an unequal share of unpaid and informal work, gender-based gaps in wages, income, the lack of ownership of land, capital and other assets, and poor access to other productive inputs such as technology, credit, education and knowledge.

It is essential that gender equality and women's empowerment be mainstreamed across all policies and programs, including the implementation of the 17 Sustainable Development Goals to be adopted in September 2015.

The C20 welcomes recent commitments on gender equality made by G20 leaders; however, these commitments and women's economic empowerment must be located within a framework of women's human rights, including the right to bodily integrity and autonomy for gender-justice, inclusive, sustainable human development and eradication of poverty.

It is essential that commitments made by G20 governments are implemented in partnership with women's organizations' full involvement in planning, implementation and monitoring at national level.

RECOGNIZE AND MEASURE ALL FORMS OF WORK AND EMBARK ON NATIONAL INCOME ACCOUNTING THAT INCLUDES UNPAID CARE WORK

Recognizing that women are agents of change, it is essential that governments of the G20 ensure all women across ethnicities, class, age and sexual orientation can realise their full potential as economic and political actors and participate in decision making at all levels of policy-making in order to realize the global commitment to gender-just, inclusive, sustainable development that upholds the human rights and dignity of all.

Therefore, the C20 calls upon G20 leaders to:

RECOGNIZE AND REDUCE WOMEN'S UNPAID WORK

- Recognise and measure all forms of work and embark on national income accounting that includes unpaid care work.
- Promote programs and policies that recognize and reduce women's unpaid care work through mechanisms such as paid family care leave and paid care work, thus easing the burden of unpaid care work on women.
- Remunerate the unpaid organizing and advocacy work undertaken by local communities, especially by grassroots women, to upgrade the living conditions of their communities including upgrading infrastructure, enhancing access to basic services, reducing corruption and facilitating delivery of government programs.
- Increase public investment in infrastructure that enhances access to basic services –water health, sanitation, education, etc – which are prioritized by women and serve to ease their burden of care.

CREATE GENDER-RESPONSIVE POLICIES AND LEGISLATION

- Champion constructive engagement with women's organizations on gender responsive budgeting and gender equitable macroeconomic policies, such as equitable and progressive national and international tax systems, including the lowering of regressive taxes like VAT, and advance women's access to financial resources and secure women's property rights, particularly to land and housing.
- Establish legal and policy frameworks that eliminate gender-based wage gaps and occupational segregation, penalize gender based discrimination at work and introduce gender quotas for employment, public procurement and representation on corporate boards up to 50%, as well as policies that address the rights and well being of women in the informal economy, both in urban and rural areas.

GENDER EQUALITY

- Provide state support for women owned micro, small and medium enterprises, including alternative institutions such as women's cooperatives and federations that foster women's leadership, entrepreneurship and access to productive resources.

MONITOR COMMITMENTS MADE BY G20

- Set up and finance a national monitoring mechanism that includes representation of women's organizations, including grassroots women's organizations; puts in place baselines and systematically measures progress in gender equality and empowerment through quantitative and qualitative data; and recognizes, utilizes and resources community surveys, and data collection undertaken by local, and national CSOs.

Taxation is key to financing sustainable development, and the reform of international corporate taxation is essential to restoring its legitimacy, as well as to ending the use of the tax haven and offshore secrecy system for facilitating capital flight and concealing the proceeds of crime and corruption.

COMMIT TO A MULTILATERAL MECHANISM FOR AUTOMATIC EXCHANGE OF INFORMATION WITH ALL WILLING COUNTRIES

Therefore, the C20 calls upon G20 leaders to:

- Commit to a multilateral mechanism for automatic exchange of information with all willing countries, including Beneficial Ownership information. This should include a transitional mechanism to allow developing countries to benefit from receiving information while adapting to the requirements to send information.
- Collect and publish annually statistics on the aggregate sums passing through their financial systems, broken down by country of residence of the account holder and of controlling persons.
- Allow direct filing of Country-by-Country reports with all tax authorities where the multinational enterprise (MNE) has a taxable presence and publishing of these reports.
- Re-affirm that the aim of international tax rules should be to ensure that multinational enterprises are taxed where their economic activities take place and value is created.
- Establish mechanisms for public participation in decisions relating to government expenditures, such as participatory processes for tax budgeting.
- Adopt a High Level Declaration committing states to end all harmful tax practices and ensure transparency, especially of tax incentives and tax rulings.
- Commit to rapid incorporation of development friendly provisions in their treaties with developing countries, and anti-abuse provisions in all their tax treaties.
- Regard the outcomes of the project on Base Erosion and Profit Shifting (BEPS) as the beginning of a longer and more inclusive process to achieve reforms benefiting all countries.

GOVERNANCE: ANTI-CORRUPTION

Corruption is a major obstacle to democracy and the rule of law. Public and private offices and institutions lose their legitimacy when and if they are misused for personal gain. This is harmful in established democracies as well as in emerging ones as it is an extreme challenge to develop accountable political and social leadership in a corrupt climate.

The world loses at least \$1 trillion each year to corruption in public and private sectors. Hindering the development of fair market structures, distorting competition, and mismanaging needed development and humanitarian aid, corruption affects millions of people all around the world, from financial sectors to the people on the street.

Secrecy in governance systems is used to divert public funds through money laundering, illegal tax evasion and embezzlement. Globalisation and information technology enable corrupt persons to use new means and methods to exploit national borders for avoiding prosecution, making it possible for them to act with impunity.

A regulatory environment with high standards of transparency and accountability in public and private sectors, including a well-regulated banking sector, forms the best base for an accountable governance framework and responsible behaviour by all actors. The G20 is perfectly placed to lead on this by example.

ENSURE THE LEGAL RIGHT TO ACCESS PUBLIC INFORMATION AND RELEASE ALL KEY DATA SETS IN OPEN DATA FORMATS

Therefore, the C20 calls upon G20 leaders to:

- Publish a plan of action on the implementation of the Beneficial Ownership Transparency Principles, reporting on progress at regular intervals. Make the Beneficial Ownership registry system public and extend it to all jurisdictions worldwide, ensuring access at least by all authorities to this information by the establishment of a central (unified) registry.
- Ensure transparency in procurement processes through disclosure of awarded contracts, including any annexes, schedules or reference documents, and information on the execution, performance, and completion of the contract in open data formats in a timely and routine manner as proposed by the Open Contracting Initiative. The G20 should also ensure independent monitoring by non-governmental actors of all stages of the procurement cycle including e-participation.
- Ensure the legal right to access public information and release all key data-sets crucial in tackling corruption in open data formats. This includes but is not limited to data for government budgets, government procurement, extractives payments, construction and infrastructure projects, regulatory impact assessments and all court decisions as granted, as well as allowing identification of individuals, companies and countries by name.
- Implement the Los Cabos High Level Principles on Asset Disclosure by Public Officials. Make National Income and Asset Disclosure (IAD) registries publicly available and harmonised across G20 countries.
- Strictly limit domestic immunities for public officials and ensure transparent and effective procedures for suspension of immunities.
- Establish specialised independent anti-corruption mechanisms to investigate and prosecute high level corruption.

SUSTAINABILITY: CLIMATE CHANGE AND ENERGY

In accordance with the Intergovernmental Panel on Climate Change's (IPCC) 5th Assessment Report, countries must take immediate action to limit the average increase in global warming to 1.5/2°C, and avoid catastrophic impacts of climate change especially on vulnerable communities. Renewable energy and energy efficiency technologies are therefore urgently required.

The G20 Leaders' Summit follows the adoption of a new set of Sustainable Development Goals, and comes just two weeks ahead of the crucial Paris climate summit. G20 leaders need to focus on the implementation of the SDGs, and should send a strong signal in support of a successful climate agreement in Paris – yet current commitments to address climate change - whether commitments to reduce emissions or provide financial support - are inadequate. As G20 countries account for 76% of global greenhouse gas emissions, it is essential that they take steps towards deep decarbonisation immediately, with those countries most responsible and capable moving first and fastest, and providing finance and technology to support developing countries.

Fossil fuels are expensive. G20 countries continue to pay over USD1,000 per citizen in subsidies despite their pledge to phase out inefficient fossil fuel subsidies, repeated at every G20 leaders' summit since 2009. Fossil fuel exploration receives USD 88 billion per year in public funding from G20 countries. Shifting these subsidies to renewable energy, energy conservation and pro-poor investments will have multiple benefits for climate, health and finance. More broadly, public climate finance will need to be scaled up, and new and innovative sources of finance identified and introduced, to help to avoid the diversion of Official Development Aid from its intended purpose.

AGREE ON A FAIR AND EQUITABLE LONG TERM EMISSION REDUCTION AND DECARBONIZATION GOAL

Investment in megaprojects is counterproductive and unsustainable when economic gains are privatised, and social and environmental costs and damages are socialised. Investment in energy efficiency and renewable energy will provide in itself ample economic benefits such as jobs, improved productivity, and competitiveness. Such investment will also, clearly, benefit the billions who continue to have no access to modern energy services. Many studies show that, by 2050, 100% of global energy demand can be met through renewable resources.

Therefore the C20 calls upon G20 leaders to:

- Agree on a fair and equitable long term emission reduction and decarbonisation goal, and commit to a 100% renewable energy future by 2050
- Make energy efficiency and renewable energy an infrastructure investment priority.
- Take the lead in supporting reliable, safe, sustainable and clean energy access for all by 2030.
- Shift investments from unsustainable mega projects to decentralised, local infrastructure projects.
- Take immediate action to completely and equitably phase out fossil fuel subsidies by 2020.
- Shift investments from dirty to clean, and significantly increase public climate finance – including from new, innovative sources - to help developing countries adapt to the impacts of climate change (including climate-resilient agriculture), and allow every country to participate in the just transition to decarbonisation. As part of the G20 work on financial stability, the G20 needs to develop a permanent body and work-plan with the aim of regulating the disclosure of climate and carbon risks in their key financial institutions.

CONCLUSION

The C20's recommendations to the G20 presented in this communiqué are vital – but not exhaustive – steps towards tackling global inequalities that have reached unsustainable economic, political and social levels.

Without determined action to reverse current trends, including militarism and fundamentalism, the future of peaceful coexistence in the world will be put at risk, and the chance of future economic, social and/or political disruptions will increase, threatening the well being of generations of citizens, families and communities. There is an urgent need to halt the further exclusion of women and men living in poverty, and to stop further degradation of their rights and dignity.

Civil society across the world is keen to continue dialogue with G20 leaders in order to find a comprehensive solution for shared human development and to jointly create a world of unity where the benefits of growth are genuinely enjoyed by all.

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