# To Growing Together from Growing Apart: G20 Governance for More Equitable Economic Growth

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## Introduction

### The Challenge of Growing Economic Inequality

Intense and increasing economic inequality has been and remains a dramatic feature of most of the G20 countries and the global community as a whole. While such inequality arose long before the global financial crises of 1997-99 and 2008-10, and before the advent of the G20 finance ministers and central bank governors' forum in 1999 and its leaders summits in 2008, its persistence represents a failure of the G20's ability to meet one of its central missions — to ensure that globalization works for the benefit of all. As the global community struggles to escape from the great economic crisis that started in 2008, this intense, increasing, widespread economic inequality — in income, wealth, employment, and health — reduces economic growth, social cohesion and even the political stability of states. There are thus good grounds for making the reduction of economic inequality a central priority of the G20's next summit, to be held in St. Petersburg on September 5-6, 2013.

### The Debate about G20 Governance for Equality

Amidst the broader conversation about the course, causes and consequences of economic inequality, there is a more specific debate about G20 governance of the phenomenon, centered on several competing schools of thought.

The first school suggests that the G20 has, at least indirectly, made global economic governance and thus economic inequality worse due to the exclusive nature of the group. Anders Åslund argues that the G20 threatens the development or enhancement of more inclusive and representative forms of global governance (Åslund 2009). He questions the legitimacy of a group which named itself as the premier economic forum, without clear criteria for membership, agreed rules of governance and with the expectation that 20 countries could make the rules for the remaining 173. Anthony Payne (2010) similarly questions how the G20 can work well with a "marginalized" majority left out including Africa and poorer countries.

A second school views the G20's attempts to remedy inequality as a failure (Akyüz 2012). So far incremental actions to establish an international monetary and financial system in support of sustainable development have not yielded tangible results. Yılmaz Akyüz proposes that a complete overhaul is needed and should be based on a broader view of sustainable development, instead of narrow financial perspectives which have dominated the debate in international institutions including the G7 and G20. He claims that there have been no global reforms and that the G20 has been ineffective evidenced by the fact that the world economy is still fragile. This failure challenges the G20's core mission, to provide financial stability and to make globalization work for all. Sylvia Ostry (2010) felt that the Toronto Summit failed on the big issues of world income polarization among others.

The third school argues the G20 as an essential cornerstone for global economic governance but that it could be more effective in decision-making and macroeconomic policy coordination. The G20 emerged as a crisis response forum in 1999 due to the Asian financial crisis and was elevated to a meeting of leaders in 2008 to respond to the U.S-centred financial crisis. According to Ignazio Angeloni (2011), in both cases after the risks receded, the G20 turned to the more routine task of crisis prevention, through attempts at economic policy coordination and its performance has been less convincing. Others argue that the G20 London Summit in April 2009 had a major impact on the crisis and arguably helped to stabilize the global economic situation (Bollino 2011).

## The Argument

On the basis of the existing analysis and evidence and due to the complexity of the issue, it is too soon to tell how effective G20 governance has been in governing economic equality in its member countries and beyond. There are good grounds for suggesting that the G20 has effectively combated economic inequality in several ways. Where it has directly addressed the problem it has succeeded to some degree, proving that it can be an effective instrument for addressing the problem. However it has not yet directly dealt with economic inequality on a sufficiently focused, direct and comprehensive scale, to clearly reduce increasing inequality in the world and thus reap the economic, social and political rewards that greater equality brings. The G20 can and should do more to combat economic inequality, given its core missions is to make globalization work for the benefit of all and given the economic, social and political benefits that economic equality brings. It can do so by acting now, through priority principles, policies and processes for adoption at the St Petersburg summit in September 2013.

To identify the content of such a St Petersburg economic equality initiative, however, it is first necessary to thoroughly consider on a multi-stakeholder basis the current cadence, causes and consequences of economic equality in each G20 member and the global community as a whole, where, when, how and why the G20 summit has been counterproductive, ineffective and effective in governing economic inequality, and, on this basis, what specific, realistic initiatives could and should be recommended for G20 action at St. Petersburg.

### The Analysis

This discussion paper starts this work. It first identifies the character, cadences, causes and consequences of economic inequality. It then describes how the G20 summit has acted in ways that have appeared to compound and add to the problem. It next suggests some recommendations for consideration and a list of questions for multi-stakeholder consideration before specific proposals can be confidently produced.

## The Common Problem of Growing G20 Economic Inequality

### The Definition and Dimensions of Economic Inequality

For purposes of this paper, economic inequality is defined as the different income, wealth, employment and health status of individuals within a country and the G20 and global community as a whole. Income inequality is the first indicator used to measure equity, based on data on household disposable income. According to the OECD, income is defined as the maximum amount that a household, or other unit, can consume without reducing its real net worth. It is used as an indicator of economic well-being (OECD 2011). The Gini coefficient is the main indicator used to measure income distribution. It ranges between 0 for perfect equality to 1 for perfect inequality. More emphasis is usually placed on the change in the level of inequality rather than its specific level. Higher levels of income inequality are generally considered to be negative as they can cause conflict, limit cooperation, and lead to health problems (OECD 2011).

### The Cadence of Growing Equality among G20 Members

At first glance, the recent record on global income equality looks very promising for developing economies. The new millennium has witnessed a rapid rise of the South. From 2003 to 2008, the average growth of developing economies exceeded that of advanced economies by approximately 5 percentage points, compared to around one point in the 1980s and 1990s. The difference widened between 2008 and 2011 as most developing economies proved resilient to the economic crisis while most advanced economies collapsed (South Centre 2012).

Measures of economic growth and GDP per capita have proved not comprehensive enough. Measuring GDP and GDP per capita can easily hide inequality as growth in capital gains without public service redistribution can only benefit a few in the population. New measures such as the United Nations Development Program's Human Development Index (HDI) and the Inequality Adjusted Human Development Index (IHDI) are efforts to compute a more comprehensive measure of growth and inequality across income, health and education.

The UNDP's Inequality Adjusted Human Development Index (IHDI) analysis of 66 countries found that between 1990 and 2011 worsening income inequality has offset large improvement in health and education inequality (UNDP 2011).

The 2011 UNDP report also indicated that the large gaps in human development between the North and South narrowed considerably during this period, even while income gaps tended to widen. Average per capita income in the South in 1987 was still roughly 6% of the North's. However, its average life expectancy was 80% and its average literacy rate 66% of the North's. The gap in life expectancy narrowed from 23 years in 1960 to 12 years in 1987, and the literacy gap from 54 percentage points in 1970 to less than 40 percentage points in 1985. Furthermore, countries in the South reduced their average infant mortality from 200 deaths per 1,000 live births to 79 between 1950 and 1985 (UNDP 2011).

While progress has been made in narrowing the human development gap in the North and South, there is still a large population in the developing world that are without equal economic opportunities. In addition, gaps in science and technology have failed to close in the same way development gaps have, which threatens the South's future economic growth. In order to further address the gaps in development and equality, the UNDP report suggests cuts are needed in spending on the military, on inefficient institutions and social subsidies (UNDP 2011).

This suggests that that there is a high level of inertia in the evolution of inequality over time. There have been advancements in some areas but not in others. Therefore, questions remain about what policy instruments offer the best hope to lower inequality and poverty without causing losses in other areas. How can the G20 as a self proclaimed forum for global economic governance, composed equally of both developed and emerging market economies, best address inequality domestically and globally?

## The Cadence of Growing Inequality within G20 Members

In January of 2012, Oxfam released a report on economic inequality and the G20 by comparing the inequality of net household incomes in all G20 member countries, with the exception of Saudi Arabia where data was not available. The most unequal countries identified are the emerging market economies, including South Africa, Brazil, Mexico, Russia, Argentina, China and Turkey. The G20 countries that are the most equal are France, Germany, Canada, Italy and Australia, those with higher than average incomes.

However, the Oxfam report showed that in terms of widening disparity the developed, wealthier countries are worse off. Oxfam's report shows that the only countries within the G20 that have experienced improved equality since 1990 are Brazil, Korea, Mexico and Argentina (Oxfam 2012) (see Appendix A).

Based on a measurement of income in G20 countries between 2005 and 2009, the most equal countries are France, Korea and Germany, which all have Gini coefficients under 0.30. Canada, Italy, Australia, India, UK, Japan, US, and Indonesia follow with Gini coefficients between 0.30 and 0.40. They are followed by Argentina, Turkey, China, Russia, Mexico, Brazil and South Africa as the most unequal (Oxfam 2012).

A comparison of income data from 1990 to the mid 2000s, before the G20 summits began, shows that Turkey, Germany, Indonesia, Australia, India and South Africa have

all experienced rising rates of inequality. This is partially due to inequalities in wages. For Brazil and Argentina, two countries that have become more equal since the 1990s, progress can be attributed to government policies and more favourable economic conditions. In terms of government policies, Brazil in particular, made efforts in the mid-nineties to provide universal access to primary education. Rising employment and wages also contributed to the narrowing of the gap, in addition to an increase in GDP due to rising migrant remittances (Oxfam 2012).

## The Consequences of Growing Economic Inequality

In 2010, over half of the world's poor lived in G20 countries. And since income inequality is growing in almost all G20 countries, there is much to be done to assure that the world's poorest can benefit from economic growth. Research has shown that when inequality is growing, economic growth has less impact on poverty, therefore disproving the idea of a trickle-down approach (Oxfam 2012).

Inequality is a barrier to economic growth. A recent International Monetary Fund (IMF) study concluded that "longer growth spells are robustly associated with more equality in income distribution" (Berg and Ostry 2011). Lower income individuals consume more and increase demand and employment as a result. (Stiglitz 2012) Inequality prevents productive investment, limits the productive and consumptive capacity of an economy and undermines institutions. In terms of credit markets, those that are less wealthy and with less access to credit are unable to diversify investments. In many parts of the world, low income and lack of representation often leads to denied access to education and healthcare further exacerbating the cycle of poverty. Those most vulnerable are often women and girls, who due to their subordinate status, have less access to credit, education and political representation (World Bank 2012).

Inequality also leads to social instability. This has been evident in both the United States and Europe in recent years. The widening gap between the rich and poor has led to street protests in Europe. The issue dominated the most recent American presidential election. Large differences in income lead to tensions in the social stability and social fabric of society. In Europe, large cuts to social programs have added to the instability and social strife in the region. If people are deprived of incentives to participate in the economy, this leads to poor discipline among workers, poor quality of goods and services, and slow technical progress, all things that add to slower economic growth. Inequality has also been linked to high rates of crime, lack of trust, and poor mental health (Oxfam 2012).

High economic inequality also leads to political instability. This occurs when people become dissatisfied with their economic status and it becomes difficult to reach political consensus between groups with large disparities in income. Political instability also makes investment in a country riskier, therefore undermining potential economic growth. Evidence suggests that inequality contributes to the weakening of institutions and bad governance (Oxfam 2012). As then Managing Director Dominique Strauss-Khan (2011) put it "ultimately employment and equity are building blocks of economic stability and prosperity, of political stability and peace."

## G20 Governance as a Cause and a Cure of Inequality

### The G20's Core Mission of Making Globalization Work for All

Addressing economic inequality effectively is arguably essential if the G20 is to fulfill one of the core missions it was created and crafted and continued to meet. At the outset of the communiqué from the first meeting of finance ministers and central bank governors, held in Berlin on Dec 15-16, 1999, the G20 stated that its core purpose was to "promote cooperation to achieve stable and sustainable world economic growth that benefits all." The main champion of this new institution was Canadian Finance Minister Paul Martin, who had a comprehensive and ambitious mission and agenda for the G20 from the very beginning. From the outset, Martin stated that the G20 would "focus on translating the benefits of globalization into higher incomes and better opportunities everywhere", which included those for working people around the world (Beattie 1999, Kirton 2013). It was clear from the beginning that Martin believed the G20's core mission was to both promote financial stability but also make globalization work for all (Kirton 2032). Roughly eight months later, Martin elaborated on his vision for the G20 when he stated that "the G20 has a mandate to explore virtually every area of international finance. This includes the devastating effects of financial crises, the growing gap between the rich and the poor (Kirton 2013). He believed that it was time for the G20 to "tackle the broader problems associated with globalization" (Kirton 2013). Thus the G20, from the very beginning, was committed to achieving sustainable economic growth for all, including both the rich and the poor. Economic equality was an essential mission of G20 governance from the start.

The G20 has supported more inclusive and balanced growth since its inception, with substantive efforts to rebalance the global economy and workforce. Most notably, the G20 addressed inclusive global development in its 2009 "Framework for Shared, Sustainable and Balanced Growth" at Pittsburgh, USA, in its 2010 "Seoul Development Consensus for Shared Growth," the launch of the "Global Partnership for Financial Inclusion" and the implementation of the "Financial Inclusion Action Plan" — all at Seoul, Korea in 2010.

### G20 Governance as a Cause of Economic Inequality

To assess how G20 summit governance may have caused or compounded economic inequality, it is useful to examine the G20's treatment of those practices, principles and policies that are commonly thought to cause inequality. Here the key components are unqualified trade liberalization, agricultural subsidies, capital market liberalization, financial market liberalization and commodity price volatility (Stiglitz 2012). A consensus has emerged within the international community on inequality, its causes and the grave impacts on sustainable economic growth. The consensus is focused on the financial and macroeconomic architecture which influences the development trajectory of a country and the conditions in which people are born, grow, live, work and age, otherwise known by the health community as the social determinants of health.

The initial agenda of the G20 in its role as a crisis response forum prioritized macroeconomic policy coordination, finance and financial regulation, trade and the flow of capital with the overall objective of both global and domestic growth. The private sector influences decision-making in many of these areas governed by the G20 as a substantial contributor to the flow of finance, and capital (Angeloni 2011). Further, markets are central to the determination of income and therefore without due reflection of the policies enacted by the governments of the most systemically significant countries to facilitate globalization, inequality in its various forms can be exacerbated.

When the G20 leaders met in November 2008 to address the financial crisis they identified macroeconomic factors contributing to the crisis and noted that regulators and supervisors, in some advanced countries, did not adequately address the risks in financial markets. (G20 2008) However, even though the leaders acknowledged a lack of regulation as being a cause of the crisis, the communiqué concluded with a statement reaffirming the G20 mandate that "our work will be guided by a shared belief that market principles, open trade and investment regimes, and effectively regulated financial markets foster the dynamism, innovation, and entrepreneurship that are essential for economic growth, employment, and poverty reduction." (G20 2008) Even though poverty reduction and employment were identified as targets, the impacts of the liberalization of finance, capital and trade on inequality and poverty reduction were not considered. The effects on inequality of these policies at both the national and global level were not tangible, verbalized or documented.

The group is a proponent of anti-protectionism and the reduction of trade barriers; however, trade liberalization has the potential to destroy jobs faster than create them. Further, advanced countries can have an unfair advantage in trade agreements with access to resources to subsidize priority export sectors, hindering industrial development and job creation in a developing country. (Stiglitz 2012) For open trade to 'work for all', trade agreements must assess the contextual information to ensure a pro-poor trade framework upon engagement. One clear failure of the G20 has been its inability to conclude the Doha Development Round, or eliminate trade barriers facing the least developed countries.

Finance, specifically financial regulation, a main pillar of the G20 agenda has had considerable attention and detailed commitments crafted since the Washington Summit. International institutions, mainly the IMF, have been included in the negotiations to consult, monitor and advise on the progress of the commitments. The position of the G20 is clear, to "not retreat into financial protectionism, particularly measures that constrain worldwide capital flows, especially to developing countries." (G20 2009) However, the potential risks of financial liberalization and under regulated capital flows to developing countries are many. The danger is the instability caused by short-term capital flows, coupled with the fact that generally speaking short-term capital flows do not generate growth. If capital market liberalization contributes to inequality through the crises it brings about, should developing countries open themselves up to this type of investment? (Stiglitz 2012) Financial liberalization has different risks relating to the expansion of international banks to developing country markets. The entry of an international bank

into a developing market economy can negatively affect access to finance. An international bank often lacks the detailed information and comprehensive understanding of the new clientele and therefore inadvertently diminishes the access to finance as lending to microenterprises and small and medium businesses is perceived as risky.

Although the development of markets is essential for employment creation, the facilitating policies and their impacts on inequality have not been overtly considered by the G20.

The G20, especially at the first three summits paid no attention to education, or health, and very little to attention to women, and indigenous populations. In sum there are inequality reducing policies and a wide agenda to facilitate inclusive growth. The G20 has contributed to inequality by working at times from a paradigm without questioning the underlying assumptions, limitations and working from an agenda narrowly focused on classic macroeconomics, finance and trade without adequate consideration for the social elements of the economy.

In terms of the civil society process, the Business 20 (B20) a group of the world's top business leaders congregated and submitted recommendations to the G20 leaders. Although not fully integrated into the G20 process this parallel process has enhanced and facilitated the emphasis on business in the G20 communiqués.

## G20 Governance as a Cure for Economic Inequality

The G20 has increasingly acted to contain and cure economic inequality. It has done so primarily by directly addressing development, primarily through establishing the Seoul Development Consensus, employment including by convening a meeting of Employment and Labour Ministers, social protection and financial regulation.

### *Development*

Advances on and implementation of the development agenda can be a powerful cause of employment and a critical cause of economic growth. The first step to expand the G20 development agenda was at the 2010 Toronto Summit when the G20 Development Working Group was established and the communiqué concluded with a statement from the leaders to narrow the development gap and "[to] consider the impact of our policy actions on low-income countries." (G20 2010) It was at the following Seoul Summit four months later in November 2010 that a major advance for global development was made. There the leaders approved the Seoul Development Consensus which offered a new approach to the central problem of development. The resulting documents were the Seoul Development Consensus and the Multi-year Action Plan, outlining a mandate for engagement and actions to be implemented. (G20 2010b) The defining premise of the approach was in the commitment to work in partnership with other developing countries, and low-income countries in particular, to help them build the capacity to achieve and maximize their growth potential, thereby contributing to global rebalancing. The consensus was progressive as it placed a model of partnership at its core and moved away

from the donor-beneficiary model of overseas development assistance employed by the traditional G7 donors.

***Employment***

The employment agenda has evolved from being a distant target into tangible discrete commitments. References to employment can be traced back to the London Summit however; the most significant advances emerged at the Seoul Summit coupled with the development commitments. In addition to commitments to take domestic actions to provide decent work, increase participation in the labour market and foster job creation, the G20 incorporated a heavy employment component into the Seoul Development Consensus directed toward developing and low-income countries. Analysis of the rate of implementation of the domestic employment commitments from the Seoul Summit showed a high degree of compliance. Prior to the Cannes Summit, the first meeting of the Labour and Employment Ministers was held in Paris. The leaders endorsed the ministers conclusions and annexed them to the declaration. (G20 2011) The Seoul Summit also concluded with the leaders asking the OECD, the ILO, World Bank, and the WTO to report on the benefits of trade liberalization for employment and growth. (G20 2010b) This request was a positive step to begin the inquiry on the impacts of trade on equality and employment creation.

***Social Protection***

Prior to the Seoul Summit social protection was only mentioned as a secondary target with no specific implementing actions but was included as a substantive pillar of the Seoul Development Consensus. The leaders continued with the attention to detail at the Cannes Summit when they committed to promote tax and benefit reforms to reduce long-term unemployment. (G20 2011)

***Health***

Health as an issue area has historically been left to the G8 leaders to address at their annual summits, however, since 2008 health has appeared in the G20's final outcome documents but rather sparsely. At Washington, health appeared in 2 paragraphs containing 118 words making up of roughly 3.2% of the communiqué's total words. Specifically, references were made to the importance of meeting the Millennium Development Goals (MDGs) and a commitment to address critical challenges like disease. When the leaders met in 2009 at the London summit, health appeared again in two paragraphs but declined slightly to 59 words at 0.9% of the communiqué's total. Here too was a reaffirmation of the commitment to meet the MDGs. At Pittsburgh in 2009, health appeared in five paragraphs with a total of 284 words at 3.0% of the communiqué. G20 leaders acknowledged the impact that the financial crisis has had on health, particularly in low-income countries (LICs). In 2010 at the Toronto summit, attention decreased to two paragraphs with 139 words at 1.2% of the communiqué. In Toronto under the Framework for Strong, Sustainable and Balanced Growth, leaders committed to strengthening social safety nets. References to health peaked at the Seoul summit in 2010, with references in 10 paragraphs with 643 words amounting to 4.1% of the communiqué. Leaders reiterated commitments to the MDGs, access to health care but also sought to create internationally comparable skills indicators that could identify gaps

between "education, health problems, gender gaps and lifelong skills development". It was also in 2010 at Seoul, that the G20 leaders acknowledged the growing global burden of non-communicable diseases (NCDs), which the G8 has thus far failed to do. At the 2011 summit in Cannes, attention to health began to decline again. It appeared in six paragraphs containing 470 words making up 2.9% of the communiqué. Attention was paid again to the MDGs and access to health care but also included the link between food security and health. Finally at the most recent G20 summit in Los Cabos, attention to health declined again. It appeared in four paragraphs with 250 words at 1.9% of the communiqué. References included reaffirmations to meeting the MDGs and creating new industries through innovations in healthcare. While the G20 has made important strides in recognizing specific components of health, like the link between health and poverty and the economic burden in both high and low income countries from NCDs, more attention is needed particularly in identifying and addressing the link between inequality and health.

The challenge is to reinforce the way the G20 delivered on Seoul's development commitments, by mobilizing its good performance in employment and by innovatively forging the link between development and employment.

## The G20's Performance in Governing Global Inequality

The performance of G20 summits, like other summits of a similar format, can be assessed according to six dimensions of global governance.

### *Domestic Political Management*

The first dimension of performance is domestic political management, which determines the degree to which G20 leaders use their presence at the summit to influence and manage their domestic policies and politics. One way to do this is to determine the number of compliments given to a member country in the summit's collective communiqué. For the purpose of this report, the number of communiqué compliments that relate directly to economic inequality are particularly relevant. At the first summit in Washington in 2008, there were no compliments given to G20 members. In London in 2009 there was one compliment given to Mexico, but did not relate directly to inequality. There were no compliments given again at Pittsburgh in 2009. At Toronto in 2010 there was an increase in compliments given to 7, however none that were directly related to inequality. In 2010 at Seoul, Canada Korea and the United States were complimented for providing funding and grants to the SME Finance Framework. Small and medium-sized enterprises often face constraints accessing finance which is a fundamental component to equitable financial inclusion. At the most recent summit in Los Cabos in 2012, there were six communiqué compliments given, but only one that related to inequality. It welcomed the launch of Mexico's Financial Inclusion Challenge (see Appendix J).

Another more general measure of domestic political management is the attendance rate of G20 heads of state at each summit. From 2008 to 2009, at its Washington, London and Pittsburgh summits, the G20 had full attendance. The G20's perfect attendance record was broken in 2010, when members Australia and Brazil were represented by their

deputy prime minister and finance minister. Since Toronto, there has been full attendance at all G20 summits with the exception of King Abdullah bin Abdul Aziz of Saudi Arabia who has been represented by his foreign minister and minister of finance ever since.

***Deliberation***

The second measure of performance is deliberation, which is determined by the amount of time the leaders spend together and the number of final outcome documents that are issued. Since its beginning in 2008, the G8 summit has spanned two days. However, at the last two summits in Cannes and Los Cabos, there was a slight increase in the number of hours leaders actually spent face-to-face.

On the second function of this dimension, the number of documents issued has stayed relatively consistent over the last four years. Starting with two in Washington, three in London, peaking with five in Toronto and eventually falling back down to two in Los Cabos. More specifically, the percentage of official documents dedicated to economic inequality experienced a slight increase at the early summits, peaking at 15.9% in Pittsburgh. However has consistently declined since Seoul, hitting an all time low of 1.8% in Los Cabos. At both the Toronto and Seoul summits the leaders issued stand alone documents dedicated to economic inequality but did not continue to do this at the most recent Cannes and Los Cabos summits (see Appendix J)

***Direction Setting***

The third dimension of performance is direction setting, which is determined by the affirmation or invention of principles and norms. In order to assess the G20's direction setting performance in regards to inequality, references were categorized by principle, problem, group and solution. There have been very few references to principles of equality, the most being three at the Seoul summit. This included references to social equality, equal partners and gender equality. Since then there was one reference at each of the Cannes and Los Cabos summits. References to the problems associated with inequality have been more present in the G20's outcome documents. There was a gradual increase from Washington to Pittsburgh, with a slight dip at Seoul and reaching an all time high at Los Cabos with 18. References to groups steadily increased from Washington to Pittsburgh but has since declined. Affirmations peaked in Pittsburgh with 17 and included references to the "poorest", "most vulnerable", "most at risk", and "unemployed". Finally, there has been a gradual increase in references to policies from 0 in Washington to 5 in Cannes, down to three in Los Cabos. These include references to things like social protection, social support and employment insurance (See Appendix E).

***Decision Making***

On the fourth measure of performance of decision-making, determined by the number of collective commitments made by the G20 members at each summit. On this measure of performance the G20 has done relatively little. On economic inequality in particular, there was one commitment made in Washington, five in London, one in Pittsburgh, three in Toronto, a high of eight in Seoul, three in Cannes, and zero in Los Cabos (see Appendix xxx).

***Delivery***

The fifth measure of performance, delivery, measures the compliance of the members with the commitments they make at each summit. While there have been no compliance assessments done of the commitments regarding economic inequality specifically, one could extrapolate from the overall compliance scores from each summit. Assessments produced by the Higher School of Economics and the University of Toronto indicate that the G20 had a strong start at its first two summits, fell slightly at its next two summits and rose again to reach a peak of 77% in Cannes.

A special study on the implementation of 25 of the Seoul development and employment commitments exposed trends and insights into the rate of compliance by member. The results show that implementation of the commitments based on the actions in the immediate year after the summit, was lead by several advanced members and a few emerging members. When the time period for analysis was extended implementation rose among members not in the Group of Seven (G7) or Group of Eight (G8) and among emerging country members, especially those beyond the BRICS group of Brazil, Russia, India, China and South Africa. This suggests that the G20 is becoming a genuine group of equals where development implementation is concerned. It further suggests that the Seoul Development Consensus and its corresponding commitments have generated a genuine partnership. However, high compliance is still skewed toward the advanced, G7/8 members of the G20 and those that belong to the Organisation for Economic Co-operation and Development (OECD), save for Japan and Italy. Specifically the G20 members performed well on the domestically focused employment commitments. Furthermore, implementation was higher among members who have internalized the responsibilities of G20 as host at the summit and ministerial levels and have been socialized into and supported in their responsible summitry by their involvement in the continuously operating OECD and the G7, two institutions that have established finance ministers' forums.

***Development of Global Governance***

The sixth and final measure of performance is the development of global governance. This is measured by the creation of or reference to institutions both within and outside the G20 system. Here there has been a steady rise in the number of references in G20 outcome documents since its Toronto summit in 2010. In addition, the spread of institutions referenced has also gradually increased including references to different multilateral development banks, UNESCO, the World Health Organization. This may indicate that the G20 not only increasingly deals with institutions more likely to target economic inequality but also institutions in regions where there is greater disparity.

## Does One Size Fit All or Most or Some?

On specific aspects of equality, such as youth employment and health there have been significant shortcomings (Kirton and Kulik 2012). But on key aspects, such as gender and women, the evidence suggests that the most recent Los Cabos Summit marked a new peak in the attention accorded by the G20 (Kulik 2012), which may suggest that moving forward economic inequality and its impact on those who are most vulnerable will be a

part of the G20's agenda.

In the case of globalization that works for the benefit of all, there are widely varying levels of citizens' inequality in income, wealth and employment across the countries of the G20. Moreover, long before G20 summit governance began, both in cases such as the United States, where inequality has been expanding since the 1970s and in Brazil where it has been decreasing since the start of the Lula years. More research is required before the G20 summit can be declared a success or a failure in ensuring that economic benefits are more equally shared among the citizens in its members or in the world beyond. What can be said with confidence at this stage is that there is much more the G20 summit can do, in its actions and in its institutionalization, to improve economic inequality

## A G20 Action Plan for Economic Equality for Growth

There is already a robust set of recommendations from some civil society components of the G20 process about what the G20 could do to generate greater economic equality. These recommendations can be utilized to begin to craft a G20 action plan for economic equality and growth.

When the labour and employment ministers met on May 17th, 2012 in Mexico, they released a series of recommendations for the G20 leaders at their meeting in Los Cabos one month after. The recommendations included: improving labour markets and creating high levels of employment especially for youth in order to contribute to social stability, increase the sustainability of social protection systems that take into consideration the characteristics of each country, and strengthen education and training systems to prepare youth for the labour market.

Prior to the 2012 G20 Summit in Los Cabos, the L20 issued a statement to the G20 leaders about global unemployment. In this statement, the L20 representatives acknowledged the impact that high rates of unemployment have on social conditions. They indicate that unemployment is likely to continue to rise with several economies in recession as well as several experiencing low rates of growth and growth slowing in emerging economies. This will continue to weaken social cohesion and political stability. Therefore, the L20 suggests that G20 leaders prioritize the implementation of their past commitments, shift away from austerity towards inclusive growth policies, increase quality employment, improve financial regulation and put in place a social protection floor (L20 2012).

Similarly, the Girls 20 summit produced a communiqué, which provided recommendations for the G20 leaders to adopt to address the issues facing women and girls around the world. Here, the communiqué points to equal access to productive resources, land and credit as ways to increase the economic potential of women worldwide. The World Economic Forum in a report in 2011 has indicated that if women are educated and engaged as fundamental components of the economy, countries and companies will thrive. The Girls 20 has asked G20 leaders to consider undertaking agricultural interventions that increase the self-sufficiency of female smallholder farmers, increase independent land ownership by women, improve access to water, introduce food,

agriculture, and nutrition into the education curriculum, and apply a gender lens to future policies and regulations on food security (Girls 20, 2012).

It could be useful to review in addition, the equality-relevant recommendations from the Youth 20, Young Entrepreneurs Summit, the Think Tank 20, the B20 and others.

## Questions for Consideration

In order to craft a set of recommendations that can be offered to G20 governors as part of a prospective "St Petersburg Initiative on Economic Equality," it is important to conduct a multistakeholder conversation, and come to an evidence-based consensus, on several key questions, as follows:

1. How important should economic inequality be for the St. Petersburg summit, amidst all the other pressing global problems that this G20 summit will and should address? Why should economic inequality be such a priority?
2. Should economic inequality be positioned as a stand alone subject, with specialized policies and a process within the G20 system? Or be positioned as a cross cutting value that should be mainstreamed throughout most or all sections of the G20's work?
3. What core components of economic inequality should command priority attention, while recognizing that they are all related in important ways. These components consist of income inequality, wealth and asset inequality, employment inequality, educational inequality, and health inequality. Cross cutting dimensions of inequality including those based on gender, generation and ethnicity
4. What principles and policies has the G20 summit endorsed that have increased economic inequality directly or indirectly,
5. What evidence is available to support these claims?
6. Should additional elements of inequality — for example ecological inequality be added to the list?
7. What are trends in inequality in your country?
8. How much is economic inequality a public policy priority in your government?
9. How does your government conceive of inequality problem, the causes, and the cures?
10. How common is the inequality challenge across G20 countries and elsewhere in its context, its causes and its cures?
11. To what extent should the G20 address inequality through common principles, promises and processes or rely on a more differentiated country and region specific approach?

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United Nations Conference on Trade and Development, *Trade and Development Review*

United Nations Development Programme, *Human Development Report*

UNICEF, *The State of the World's Children*
World Bank, *World Development Report*
World Bank, *World Development Indicators*
World Bank, *Annual Bank Conference on Development Economics* (www.worldbank.org/abcde)
Worldwatch Institute, *State of the World*

**Periodicals**

*Journal of Development Economics* (JDE)
*Journal of Development Studies* (JDS)
*Economic Development and Cultural Change* (EDCC)
International Labour Organization, *International Labour Review*
International Monetary Fund/World Bank, *Finance and Development*
World Bank *Economic Review*
World Bank *Research Observer*
*World Development*

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G20 Information Centre: www.g20.utoronto.ca
G(irls)20 Summit: www.girls20summit.com
World Health Organization: www.who.int

# Appendix A:
# Inequality-Adjusted Human Development Index
# G20 Country Ranking, 2011

Julia Kulik, December 3, 2012

| Country | Inequality-Adjusted HDI Value | Rank |
|---|---|---|
| Australia | 0.856 | 1(2) |
| Germany | 0.842 | 2(9) |
| Canada | 0.829 | 3(6) |
| France | 0.804 | 4(30) |
| United Kingdom | 0.791 | 5(28) |
| Italy | 0.779 | 6(24) |
| United States | 0.771 | 7(4) |
| Korea | 0.749 | 8(15) |
| Russia | 0.670 | 9(66) |
| Argentina | 0.641 | 10(45) |
| Mexico | 0.589 | 11(57) |
| Turkey | 0.542 | 12(92) |
| China | 0.534 | 13(101) |
| Brazil | 0.519 | 14(84) |
| Indonesia | 0.504 | 15(124) |
| India | 0.392 | 16(134) |
| Japan | N/A HDI (0.901) | N/A(12) |
| Saudi Arabia | N/A HDI (0.770) | N/A(56) |
| South Africa | N/A HDI (0.619) | N/A(123) |

Note: The first value under ranking is the G20 member's ranking within the G20 based on the IHDI value. The second value is the G20's members ranking among all 187 countries measures based on the initial HDI value.
Source: UNDP (2011), "Inequality-adjusted Human Development Index" *Human Development Report*. 2011. Date of Access: 3 December 2012. hdr.undp.org/en/statistics/ihdi/

# Appendix B:
# Equality in G20 Countries, 2005-2009, Based on Gini Coefficient

Julia Kulik, December 3, 2012

| Country | Rank |
|---|---|
| France | 1 |
| Korea | 2 |
| Germany | 3 |
| Canada | 4 |
| Italy | 5 |
| Australia | 6 |
| India | 7 |
| United Kingdom | 8 |
| Japan | 9 |
| United States | 10 |
| Indonesia | 11 |
| Argentina | 12 |
| Turkey | 13 |
| China | 14 |
| Russia | 15 |
| Mexico | 16 |
| Brazil | 17 |
| South Africa | 18 |

Source: Oxfam (2012), "Left Behind By the G20?" Oxfam. 19 January 2012. Date of Access: 3 December 2012. www.oxfam.org/sites/www.oxfam.org/files/bp157-left-behind-by-the-g20-190112-en.pdf
Note: Data unavailable for Saudi Arabia

# Appendix C:
# G20 Summit Performance

Julia Kulik, October 1, 2012

| | | Domestic Political Management | | Deliberation | | | Direction Setting | | | Decision Making | Delivery | Development of Global Governance | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | Internal | | External | |
| | Attendance | # compli-ments | % members compli-mented | # days | # doc-uments | # words | Demo-cracy | Liberty | Total | # com mit-ments | Comp-liance score | # refer-ences | Spread | # refer-ences | Spread |
| 2008 Washington | 100% | 0 | 0% | 2 | 2 | 3,567 | 10 | 2 | 12 | 95 | 0.53 | 0 | 0 | 40 | 11 |
| 2009 London | 100% | 1 | 5% | 2 | 3 | 6,155 | 9 | 0 | 9 | 88 | 0.42 | 12 | 4 | 116 | 27 |
| 2009 Pittsburgh | 100% | 0 | 0% | 2 | 2 | 9,257 | 28 | 1 | 29 | 128 | 0.28 | 47 | 4 | 117 | 26 |
| 2010 Toronto | 90% | 7 | 15% | 2 | 5 | 11,078 | 11 | 1 | 12 | 61 | 0.28 | 71 | 4 | 171 | 27 |
| 2010 Seoul | 95% | 3 | 15% | 2 | 5 | 15,776 | 18 | 4 | 22 | 153 | 0.50 | 99 | 4 | 237 | 31 |
| 2011 Cannes | 95% | 11 | 35% | 2 | 3 | 14,107 | 22 | 0 | 22 | 282 | 0.54 | 59 | 4 | 251 | 29 |
| 2012 Los Cabos | 95% | 6 | 15% | 2 | 2 | 12,682 | 31 | 3 | 34 | 180 | N/A | 65 | 4 | 143 | 22 |
| Total | N/A | 28 | N/A | 14 | 22 | 72,622 | 129 | 11 | 140 | 987 | N/A | 353 | 28 | 1075 | 173 |
| Average | 96.42% | 4 | 12.14% | 2.00 | 3.14 | 10,375 | 18.43 | 1.57 | 20 | 141 | 0.43 | 50.43 | 4 | 153.57 | 24.71 |

Notes:
N/A=Not Applicable
a. Domestic Political Management: 100% attendance includes all G20 members and at least one representative from the European Union, excludes those invited on a year-to-year basis. Number of compliments includes all explicit references by name to the full members of the Summit that specifically express the gratitude of the institution to that member. The % of members complimented indicates how many of the 20 full members received compliments within the official documents.
b. Direction Setting: includes the number of statements of fact, causation and rectitude relating directly to open democracy and individual liberty
c. Decision Making: indicated the number of commitments as identified from all official documents by members of the G20 Research Group in coordination with representatives from the Higher School of Economics in Moscow.
d. Delivery: Compliance scores are measured on a scale from -1 to +1, -1 indicating no compliance and +1 indicating full compliance. A commitment is fully complied with if a Summit member succeeds in achieving the specific goal set out in the commitment.
e. Development of Global Governance: the number of internal references includes the number of references made to G20 institutions within the official documents and the spread indicates how many different internal institutions were mentioned. The number of external references includes the number of references made to institutions outside the G20 and the spread indicates how many different institutions were mentioned.

# Appendix D:
# G20 Leaders Conclusions on Financial Crises

Zaria Shaw and Sarah Jane Vassallo, January 3, 2012

| | # of Words | % of Total Words | # of Paragraphs | % of Total Paragraphs | # of Documents | % of Total Documents | Total Dedicated Documents |
|---|---|---|---|---|---|---|---|
| 2008 Washington | 1865 | 50.9 | 25 | 35.2 | 1 | 100 | 1 |
| 2009 London | 2135 | 34.1 | 30 | 32.6 | 3 | 100 | 3 |
| 2009 Pittsburgh | 3118 | 33.4 | 33 | 30.2 | 1 | 100 | 1 |
| 2010 Toronto | 3082 | 27.3 | 46 | 31.9 | 2 | 100 | 0 |
| 2010 Seoul | 3536 | 22.3 | 42 | 19.2 | 5 | 100 | 0 |
| 2011 Cannes | 1947 | 13.7 | 33 | 17 | 3 | 100 | 0 |
| Average | 2614 | 30.2 | 34.8 | 27.7 | 2.5 | 100 | 0.83 |

Notes:
Data are drawn from all official English-language documents released by the G8 leaders as a group. Charts are excluded.
"# of Words" is the number of financial crises-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.
"% of Total Words" refers to the total number of words in all documents for the year specified.
"# of Paragraphs" is the number of paragraphs containing references to financial crises for the year specified. Each point is recorded as a separate paragraph.
"% of Total Paragraphs" refers to the total number of paragraphs in all documents for the year specified.
"# of Documents" is the number of documents that contain financial crises subjects and excludes dedicated documents.
"% of Total Documents" refers to the total number of documents for the year specified.
"# of Dedicated Documents" is the number of documents for the year that contain a financial crises-related subject in the title.

This analysis focuses on the global governance of systemic financial crises, defined as sudden, significant losses of confidence, liquidity and solvency in private financial institutions, financial markets or governments that national governments are unable to control or contain. These crises spread to other countries and endanger the broader global financial system. A crisis can come in different varieties, especially in the current era of intensifying or "third wave" globalization. This period has brought increased "hot money" flows, credit risk, transmission of shocks, increasingly sophisticated financial institutions, highly leveraged institutions, and regulatory arbitrage.

Inclusions: Banking systems, confidence, credit risk, crisis/crises (financial), crisis management, cross border crisis management, financial instruments, financial shocks, financial system, global crisis, hedge fund, hot money, leverage, liquidity, liquidity risk/facilities, regulatory arbitrage, regulation of financial institutions, restore stability, solvency, threats to market stability, vulnerability

Exclusions: Adaptation of standards and codes, currency exchange crises, exchange rate misalignments, financial architecture, Financial Stability Board (FSB), Financial Stability Forum (FSF), global imbalance, international financial institution architecture, International Monetary Fund reform

Coding Rules
The unit of analysis is the paragraph/sentence.
A direct reference to financial crises or a cognate term is required.
Cognate or extended terms can be used without a direct reference to financial crises if they have previously been directly associated together in summit communiqué history.

# Appendix E:
# G20 Leaders Conclusions on Financial Regulation

Zaria Shaw and Sarah Jane Vassallo, G20 Research Group, September 25, 2012

| | # of Words | % of Total Words | # of Paragraphs | % of Total Paragraphs | # of Documents | % of Total Documents | Total Dedicated Documents |
|---|---|---|---|---|---|---|---|
| 2008 Washington | 2877 | 78.6 | 59 | 83 | 1 | 100 | 0 |
| 2009 London | 2948 | 47.1 | 38 | 41.3 | 2 | 66.6 | 1 |
| 2009 Pittsburgh | 2022 | 21.6 | 19 | 17.4 | 1 | 100 | 0 |
| 2010 Toronto | 3419 | 30.2 | 48 | 33.3 | 1 | 50 | 0 |
| 2010 Seoul | 2005 | 12.6 | 26 | 11.8 | 2 | 40 | 0 |
| 2011 Cannes | 2451 | 17.2 | 27 | 13.8 | 3 | 100 | 0 |
| 2012 Los Cabos | 1708 | 47.0 | 15 | 37.5 | 2 | 100 | 0 |
| Average | 2490 | 36.3 | 33.1 | 34.0 | 1.7 | 79.5 | 0.1 |

Notes:
Data are drawn from all official English-language documents released by the G20 leaders as a group. Charts are excluded.
"# of Words" is the number of financial regulation-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.
"% of Total Words" refers to the total number of words in all documents for the year specified.
"# of Paragraphs" is the number of paragraphs containing references to financial regulation for the year specified. Each point is recorded as a separate paragraph.
"% of Total Paragraphs" refers to the total number of paragraphs in all documents for the year specified.
"# of Documents" is the number of documents that contain financial regulation subjects and excludes dedicated documents.
"% of Total Documents" refers to the total number of documents for the year specified.
"# of Dedicated Documents" is the number of documents for the year that contain a financial regulation-related subject in the title.

In the context of the G20, financial regulation mostly refers to standards and codes. In general, financial regulations oblige domestic financial institutions to meet specific requirements, restrictions, principles and guidelines to maintain integrity of the financial system and conduct appropriate reporting, monitoring, inspection and enforcement of regulations. Regulations can be administered by the government or a non-governmental organization (such as an industry association or professional standards board). The issue area of financial regulation consists, in crisis and non-crisis situations, of the activities at the international, national, and sub-federal levels to shape through hard law regulation or soft law supervision the government and industry regimes (principles, norms, rules and decision-making procedures) for the activities of sectors of and firms in the financial services industry, including banking, securities, accounting, credit, rating agencies, hedge funds, private equity, other alternative investments, derivatives, exchanges, insurance, mutual funds, pension funds and sovereign wealth funds.

Inclusions: Accounting standards, authorities, banking regulation, banking standards, banking supervision, Basel II Capital Framework, Basel Committee on Banking Supervision (BCBS), bond regulation, capital standards, codes, corporate governance, corporate responsibility, credit rating agencies, derivatives, financial crime, financial disclosure, financial innovation, financial markets, financial markets reform, financial regulation, Financial Sector Assessment Program (FSAP), financial services industry, Financial Stability Board (FSB), Financial Stability Forum (FSF), financial supervision, hedge funds, illicit finance risks, international code of good practice, international organization of securities regulators, market regulation, prudential standards, reform, regulators, regulatory arbitrage, reserve ratios, reserve requirements, securities regulation, standard setting bodies, standards, stock regulation, stress tests, structural reform, supervisory colleges, tax havens, Washington Action Plan

Exclusions: Financial Action Task Force (FATF), money laundering, terrorist financing

Coding Rules
The unit of analysis is the sentence (if stand alone) or paragraph.
A direct reference to financial regulation or a cognate term is required.
Cognate or extended terms can be used without a direct reference to “financial regulation” if they have previously been directly associated together in summit document history.

# Appendix F:
# G20 Leaders Conclusions on Development

Zaria Shaw and Sarah Jane Vassallo

| | # of Words | % of Total Words | # of Paragraphs | % of Total Paragraphs | # of Documents | % of Total Documents | # of Dedicated Documents |
|---|---|---|---|---|---|---|---|
| 2008 Washington | 651 | 17.8 | 9 | 12.6 | 1 | 100 | 0 |
| 2009 London | 1726 | 27.6 | 28 | 30.4 | 3 | 100 | 1 |
| 2009 Pittsburgh | 2292 | 24.5 | 20 | 18.3 | 1 | 100 | 0 |
| 2010 Toronto | 3899 | 34.5 | 61 | 42.3 | 2 | 100 | 1 |
| 2010 Seoul | 9195 | 58.1 | 105 | 47.9 | 5 | 100 | 2 |
| 2011 Cannes | 2545 | 17.9 | 33 | 16.9 | 3 | 100 | 0 |
| 2012 Los Cabos | 4021 | 31.3 | 49 | 33.3 | 2 | 100 | 0 |
| Average | 3475.6 | 30.2 | 43.6 | 28.8 | 2.4 | 100 | 0.6 |

Notes:
Data are drawn from all official English-language documents released by the G20 leaders as a group. Charts are excluded.
"# of Words" is the number of development-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.
"% of Total Words" refers to the total number of words in all documents for the year specified.
"# of Paragraphs" is the number of paragraphs containing references to development for the year specified. Each point is recorded as a separate paragraph.
"% of Total Paragraphs" refers to the total number of paragraphs in all documents for the year specified.
"# of Documents" is the number of documents that contain development subjects and excludes dedicated documents.
"% of Total Documents" refers to the total number of documents for the year specified.
"# of Dedicated Documents" is the number of documents for the year that contain a development-related subject in the title.

The G20 recognizes that each country has primary responsibility for its own economic and social development, and for this reason it is important to respect the development of country-owned strategies. With regard to the diversity of growth models and approaches, following the G8, the G20 is committed to strengthening the dialogue on varying development philosophies, strategies and policies from which all countries can benefit. The G20 has called upon developing countries to establish sound economic and social policies to attract more private capital flows, and for developed countries to support these actions through improved and more effective lending (through the IMF, World Bank and other multilateral development banks), an open trading system and increased development assistance. The G20 is committed to a shared vision for global development and continues to develop a global partnership among developed and developing countries.

Inclusions African Development Bank (AfDB), African Union (AU), debt relief, development aid, development assistance, Development Assistance Committee (DAC), developing countries, development financing, development gap, donor, emerging economies, European Bank for Reconstruction and Development (EBRD), global rebalancing, highly/heavily indebted poor countries (HIPC), InterAmerican Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), international development assistance, International Development Association (IDA), International Finance Corporation (IFC), international financial institutions (IFIs), International Monetary Fund (IMF), least developed countries (LDCs), Millennium Development Goals (MDGs), multilateral development banks (MDBs), New Partnership for Africa's Development (NEPAD), North-South relations, Organisation for Economic Co-operation and Development (OECD), official development assistance (ODA), Paris Club, poorest of the poor, poverty reduction, sustainable development, World Bank, United Nations (UN)

Coding Rules
The unit of analysis is the paragraph/sentence.
A direct reference to development or a cognate term is required.
Cognate or extended terms can be used without a direct reference to development if they have previously been directly associated together in summit communiqué history.

# Appendix G:
# G20 Leaders Conclusions on Health, 2008-2012

Zaria Shaw and Sarah Jane Vassallo, G20 Research Group, June 25, 2012

| Year | # of Words | % of Total Words | # of Paragraphs | % of Total Paragraphs | # of Documents | % of Total Documents | # of Dedicated Documents |
|---|---|---|---|---|---|---|---|
| 2008 Washington | 118 | 3.2 | 2 | 2.8 | 1 | 100 | 0 |
| 2009 London | 59 | 0.9 | 2 | 2.1 | 1 | 33.3 | 0 |
| 2009 Pittsburgh | 284 | 3.0 | 5 | 4.5 | 1 | 100 | 0 |
| 2010 Toronto | 139 | 1.2 | 2 | 1.4 | 1 | 50 | 0 |
| 2010 Seoul | 643 | 4.1 | 10 | 4.6 | 4 | 80 | 0 |
| 2011 Cannes | 470 | 2.9 | 6 | 3.0 | 3 | 100 | 0 |
| 2012 Los Cabos | 250 | 1.9 | 4 | 2.7 | 2 | 100 | 0 |
| Average | 280.4 | 2.5 | 4.4 | 3.0 | 1.9 | 80.5 | 0 |

Notes:
Data are drawn from all official English-language documents released by the G20 leaders as a group. Charts are excluded.
"# of Words" is the number of health-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.
"% of Total Words" refers to the total number of words in all documents for the year specified.
"# of Paragraphs" is the number of paragraphs containing references to health for the year specified. Each point is recorded as a separate paragraph.
"% of Total Paragraphs" refers to the total number of paragraphs in all documents for the year specified.
"# of Documents" is the number of documents that contain health subjects and excludes dedicated documents.
"% of Total Documents" refers to the total number of documents for the year specified.
"# of Dedicated Documents" is the number of documents for the year that contain a health-related subject in the title.

This report catalogues all G20 final statements, referred to as "conclusions", related to the issue area of health. It refers to all official statements and annexes released by the leaders, as a group, at each G20 leaders' summit since their beginning in 2008 to the present.

Definition of Issue Area
Health is defined as the human condition of being sound in mind, body and spirit, and being free from physical disease or pain. This definition becomes more complex when health is considered in terms of its economic effect, as is the case with the heavy burden of HIV/AIDS in sub-Saharan Africa. The G20 are working to support the health-related Millennium Development Goals and to ensure more equitable, affordable and available healthcare for populations worldwide.

Inclusions: Antiretroviral treatment, avian influenza (flu), biological pathogen, bird influenza (flu), cholera, communicable diseases, disease, DNA, drugs (medical), Ebola, epidemic, famine, guinea worm, health, healthcare, HIV/AIDS, human influenza (flu), hunger, infectious disease, malaria, malnutrition, measles, Millennium Development Goals (MDGs), nutrition, pandemic, pneumonia, polio, river blindness, severe acute respiratory syndrome (SARS), tuberculosis, vaccine, virus, World Health Assembly (WHA), World Health Organization (WHO).

Exclusions: Bioterrorism

Coding Rules
The unit of analysis is the paragraph/sentence.
A direct reference to health or a cognate term is required.
Cognate or extended terms can be used without a direct reference to "health" if they have previously been directly associated together in summit document history.

# Appendix H:
# G20 Leaders Conclusions on Economic Inequality

John Kirton and Zaria Shaw, G20 Research Group, September 18, 2012

| Year | # of Words | % of Total Words | # of Paragraphs | % of Total Paragraphs | # of Documents | % of Total Documents | # of Dedicated Documents |
|---|---|---|---|---|---|---|---|
| 2008 Washington | 93 | 2.5 | 1 | 1.4 | 1 | 100 | 0 |
| 2009 London | 248 | 4.0 | 4 | 4.3 | 1 | 33.3 | 0 |
| 2009 Pittsburgh | 1422 | 15.2 | 15 | 13.8 | 1 | 100 | 0 |
| 2010 Toronto | 723 | 6.4 | 5 | 3.5 | 2 | 100 | 1 |
| 2010 Seoul | 2092 | 13.2 | 27 | 12.3 | 4 | 80 | 1 |
| 2011 Cannes | 371 | 2.6 | 5 | 2.6 | 3 | 100 | 0 |
| 2012 Los Cabos | 237 | 1.8 | 3 | 2.0 | 1 | 50 | 0 |
| Average | 740.9 | 6.5 | 8.6 | 5.7 | 1.9 | 80.5 | 0.3 |

Notes:
Data are drawn from all official English-language documents released by the G20 leaders as a group. Charts are excluded.
"# of Words" is the number of economic inequality-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.
"% of Total Words" refers to the total number of words in all documents for the year specified.
"# of Paragraphs" is the number of paragraphs containing references to economic inequality for the year specified. Each point is recorded as a separate paragraph.
"% of Total Paragraphs" refers to the total number of paragraphs in all documents for the year specified.
"# of Documents" is the number of documents that contain economic inequality subjects and excludes dedicated documents.
"% of Total Documents" refers to the total number of documents for the year specified.
"# of Dedicated Documents" is the number of documents for the year that contain an economic inequality-related subject in the title.

This report catalogues all G20 final statements, referred to as "conclusions," related to the issue area of economic inequality. It refers to all official statements and annexes released by the leaders, as a group, at each G20 leaders' summit since their beginning in 2008 to the present.

Definition of Issue Area
The G20 has supported more inclusive and balanced growth since its inception, with substantive efforts to rebalance the global economy and workforce. Most notably, the G20 addressed inclusive global development in its 2009 "Framework for Shared, Sustainable and Balanced Growth" at Pittsburgh, USA, in its 2010 "Seoul Development Consensus for Shared Growth," the launch of the "Global Partnership for Financial Inclusion" and the implementation of the "Financial Inclusion Action Plan" — all at South Korea.

Inclusions: Balanced growth, economic equality, economic equity, economic inequality, equity, development impact, financial inclusion, financing for the poorest, "Framework for Strong, Sustainable and Balanced Growth," "Global Partnership for Financial Inclusion" (GPFI), imbalances, income disparity, income equality, income equity, income inequality, income inequity, living standard, market inclusion, prosperity, shared growth, social impact, social protection, Seoul Development Consensus

Coding Rules
The unit of analysis is the paragraph/sentence.
A direct reference to economic inequality or a cognate term is required.
Cognate or extended terms can be used without a direct reference to "economic inequality" if they have previously been directly associated together in summit document history.

# Appendix I:
# Conclusions on Economic Inequality in G20 Leaders Summit Documents

## 2008: Washington DC, November 14-15

### Declaration of the Summit on Financial Markets and the World Economy

***Commitment to an Open Global Economy***

We recognize that these reforms will only be successful if grounded in a commitment to free market principles, including the rule of law, respect for private property, open trade and investment, competitive markets, and efficient, effectively regulated financial systems. These principles are essential to **economic growth and prosperity and have lifted millions out of poverty**, and have significantly raised the **global standard of living**. Recognizing the necessity to improve financial sector regulation, we must avoid over-regulation that would hamper economic growth and exacerbate the contraction of capital flows, including to developing countries.

## 2009: London, April 1-2

### Global Plan for Recovery and Reform

3. We start from the belief that **prosperity is indivisible**; that **growth, to be sustained, has to be shared**; and that our global plan for recovery must have at its heart the needs and jobs of hard-working families, not just in developed countries but in emerging markets and the poorest countries of the world too; and must reflect the interests, not just of today's population, but of future generations too. We believe that the only sure foundation for sustainable globalisation and rising prosperity for all is an open world economy based on market principles, effective regulation, and strong global institutions.

### Ensuring a fair and sustainable recovery for all

We are determined not only to restore growth but to lay the foundation for a fair and sustainable world economy. We recognise that the current crisis has a disproportionate impact on the vulnerable in the poorest countries and recognise our collective responsibility to mitigate **the social impact** of the crisis to minimise long-lasting damage to global potential. To this end:

- we reaffirm our historic commitment to meeting the Millennium Development Goals and to achieving our respective ODA pledges, including commitments on Aid for Trade, debt relief, and the Gleneagles commitments, especially to sub-Saharan Africa;
- the actions and decisions we have taken today will provide $50 billion to support social protection, boost trade and safeguard development in low income countries, as part of the significant increase in crisis support for these and other developing countries and emerging markets;…

## 2009: Pittsburgh, September 24-25

### Global Plan for Recovery and Reform

### Strengthening Support for the Most Vulnerable

14. We need to shift from public to private sources of demand, establish a pattern of growth across **countries that is more sustainable and balanced, and reduce development imbalances**. We pledge to avoid destabilizing booms and busts in asset and credit prices and adopt macroeconomic policies, consistent with price stability, that promote adequate and balanced global demand. We will also make decisive progress on structural reforms that foster private demand and strengthen long-run growth potential.

### A Framework for Strong, Sustainable and Balanced Growth

4. We will need to work together as we manage the transition to a **more balanced pattern of global growth**. The crisis and our initial policy responses have already produced significant shifts in the pattern and level of growth across countries. Many countries have already taken important steps to **expand domestic demand, bolstering global activity and reducing imbalances**. In some countries, the rise in private saving now underway will, in time, need to be augmented by a rise in public saving. Ensuring a strong recovery will necessitate adjustments across different parts of the global economy, while requiring macroeconomic policies that promote adequate and balanced global demand as well as decisive progress on structural reforms that foster private domestic demand, narrow the global development gap, and strengthen long-run growth potential. The IMF estimates that only with such adjustments and realignments, will global growth reach a strong, sustainable, and balanced pattern. While governments have started moving in the right direction, a shared understanding and deepened dialogue will help build a more stable, lasting, and sustainable pattern of growth. **Raising living standards** in the emerging markets and developing countries is also a critical element in achieving sustainable growth in the global economy.

5. Today we are launching a Framework for Strong, Sustainable, and Balanced Growth. To put in place this framework, we commit to develop a process whereby we set out our objectives, put forward policies to achieve these objectives, and together assess our progress. We will ask the IMF to help us with its analysis of how our respective national or regional policy frameworks fit together. We will ask the World Bank to advise us on progress in promoting development and poverty reduction as part of the **rebalancing of global growth**. We will work together to ensure that our fiscal, monetary, trade, and structural policies are collectively consistent with more sustainable and balanced trajectories of growth. We will undertake macro prudential and regulatory policies to help prevent credit and asset price cycles from becoming forces of destabilization. As we commit to implement a new, sustainable growth model, we should encourage work on measurement methods so as to better take into account the social and environmental dimensions of economic development.

8. These policies will help us to meet our responsibility to the community of nations to build a more resilient international financial system and to **reduce development imbalances**.

**Modernizing our Global Institutions to Reflect Today's Global Economy**

17. Modernizing the international financial institutions and global development architecture is essential to our efforts to promote global financial stability, foster sustainable development, and **lift the lives of the poorest**. We warmly welcome Prime Minister Brown's report on his review of the responsiveness and adaptability of the international financial institutions (IFIs) and ask our Finance Ministers to consider its conclusions.

**Reforming the Mission, Mandate and Governance of Our Development Banks**

24. We agree that development and reducing global poverty are central to the development banks' core mission. The World Bank and other multilateral development banks are also critical to our ability to act together to address challenges, such as climate change and food security, which are global in nature and require globally coordinated action. The World Bank, working with the regional development banks and other international organizations, should strengthen:

- its focus on **human development and security** in the poorest and most challenging environments;
- support for private-sector led growth and infrastructure to **enhance opportunities for the poorest, social and economic inclusion, and economic growth**;…

**Strengthening Support for the Most Vulnerable**

34. Many emerging and developing economies have made great strides in **raising living standards** as their economies converge toward the productivity levels and living standards of advanced economies. This process was interrupted by the crisis and is still far from complete. The poorest countries have little economic cushion to protect vulnerable populations from calamity, particularly as the financial crisis followed close on the heels of a global spike in food prices. We note with concern the adverse impact of the global crisis on low income countries' (LICs) capacity to protect critical core spending in areas such as health, education, safety nets, and infrastructure. The UN's new Global Impact Vulnerability Alert System will help our efforts to monitor the impact of the crisis on the most vulnerable. We share a collective responsibility to mitigate the social impact of the crisis and to assure that all parts of the globe participate in the recovery.

35. The MDBs play a key role in the fight against poverty. We recognize the need for accelerated and additional concessional financial support to LICs to **cushion the impact of the crisis on the poorest**, welcome the increase in MDB lending during the crisis and support the MDBs having the resources needed to avoid a disruption of concessional **financing to the most vulnerable** countries. The IMF also has increased its concessional lending to LICs during the crisis. Resources from the sale of IMF gold, consistent with

the new income model, and funds from internal and other sources will double the Fund's medium-term concessional lending capacity.

43. The prompt, vigorous and sustained response of our countries has saved or created millions of jobs. Based on International Labour Organization (ILO) estimates, our efforts will have created or saved at least 7 — 11 million jobs by the end of this year. Without sustained action, unemployment is likely to continue rising in many of our countries even after economies stabilize, with a **disproportionate impact on the most vulnerable** segments of our population. As growth returns, every country must act to ensure that employment recovers quickly. We commit to implementing recovery plans that support decent work, help preserve employment, and prioritize job growth. In addition, we will continue to provide **income, social protection**, and training support for the unemployed and those most at risk of unemployment. We agree that the current challenges do not provide an excuse to disregard or weaken internationally recognized labor standards. To assure that global growth is broadly beneficial, we should implement policies consistent with ILO fundamental principles and rights at work.

44. Our new **Framework for Strong, Sustainable, and Balanced Growth** requires structural reforms to create more inclusive labor markets, active labor market policies, and quality education and training programs. Each of our countries will need, through its own national policies, to strengthen the ability of our workers to adapt to changing market demands and to benefit from innovation and investments in new technologies, clean energy, environment, health, and infrastructure. It is no longer sufficient to train workers to meet their specific current needs; we should ensure access to training programs that support lifelong skills development and focus on future market needs. Developed countries should support developing countries to build and strengthen their capacities in this area. These steps will help to assure that the gains from new inventions and **lifting existing impediments to growth are broadly shared**.

## Annex: Core Values for Sustainable Economic Activity

2. We, the Leaders of the countries gathered for the Pittsburgh Summit, recognize that concerted action is needed to help our economies get back to stable ground and prosper tomorrow. We commit to taking responsible actions to ensure that every stakeholder — consumers, workers, investors, entrepreneurs — can participate in a **balanced, equitable, and inclusive** global economy.

3. We share the overarching goal to promote a **broader prosperity for our people through balanced growth within and across nations**; through coherent economic, social, and environmental strategies; and through robust financial systems and effective international collaboration.

4. We recognize that there are different approaches to **economic development and prosperity**, and that strategies to achieve these goals may vary according to countries' circumstances.

5. We also agree that certain key principles are fundamental, and in this spirit we commit to respect the following core values:

- We have a responsibility to recognize that all economies, rich and poor, are partners in building a **sustainable and balanced global economy** in which the **benefits of economic growth are broadly and equitably share**d. We also have a responsibility to achieve the internationally agreed development goals.

## 2010: Toronto, September 26-27

### The G20 Toronto Summit Declaration

### Annex I: The Framework for Strong, Sustainable and Balanced Growth

4. The Framework for Strong, Sustainable and Balanced Growth we launched in Pittsburgh is the means to achieving our shared objectives. G20 members have a responsibility to the community of nations to assure the overall health of the global economy. We committed to assess the collective consistency of our policy actions and to strengthen our policy frameworks in order to meet our common objectives. Through our collective policy action, we will ensure **growth is sustained, more balanced, shared across all countries and regions of the world**, and consistent with our development goals.

8. We are committed to taking concerted actions to sustain the recovery, create jobs and to **achieve stronger, more sustainable and more balanced growth**. These will be differentiated and tailored to national circumstances. We agreed today on:

- strengthening **social safety nets**, enhancing corporate governance reform, financial market development, infrastructure spending, and increasing exchange rate flexibility in some emerging markets;
- pursuing structural reforms across the entire G20 membership to increase and **sustain our growth prospects**; and
- Making further progress on **rebalancing global demand**.

15. We are committed to narrowing the development gap and that we must consider the impact of our policy actions on low-income countries. We will continue support development financing, including through new approaches that encourage development financing from both public and private sources. The crisis will have long lasting impact on the **development trajectories** of poor countries in every region of the world. Among these effects, developing countries are likely to face increased challenges in securing financing from both public and private sources. Many of us have already taken steps to help address this shortfall by implementing innovative approaches to financing, such as advance market commitments, the SME challenge and recent progress with respect to financial inclusion. Low-income countries have the potential to **contribute to stronger and more balanced global growth**, and should be viewed as markets for investment.

## Principles for Innovative Financial Inclusion

Innovative financial inclusion means improving access to financial services for poor people through the safe and sound spread of new approaches. The following principles aim to help create an **enabling policy and regulatory environment for innovative financial inclusion**. The enabling environment will critically determine the speed at which the financial services access gap will close for the more than two billion people currently excluded. These principles for **innovative financial inclusion** derive from the experiences and lessons learned from policymakers throughout the world, especially leaders from developing countries.

1. **Leadership**: Cultivate a broad-based government commitment to **financial inclusion** to help alleviate poverty.
2. **Diversity**: Implement policy approaches that promote competition and provide market-based incentives for delivery of sustainable financial access and usage of a broad range of affordable services (savings, credit, payments and transfers, insurance) as well as a diversity of service providers.
3. **Innovation**: Promote technological and institutional innovation as a means to expand financial system access and usage, including by addressing infrastructure weaknesses.
4. **Protection**: Encourage a comprehensive approach to consumer protection that recognises the roles of government, providers and consumers.
5. **Empowerment**: Develop financial literacy and financial capability.
6. **Cooperation**: Create an institutional environment with clear lines of accountability and co-ordination within government; and also encourage partnerships and direct consultation across government, business and other stakeholders.
7. **Knowledge**: Utilize improved data to make evidence based policy, measure progress, and consider an incremental “test and learn” approach acceptable to both regulator and service provider.
8. **Proportionality**: Build a policy and regulatory framework that is proportionate with the risks and benefits involved in such innovative products and services and is based on an understanding of the gaps and barriers in existing regulation.
9. **Framework**: Consider the following in the regulatory framework, reflecting international standards, national circumstances and support for a competitive landscape: an appropriate, flexible, risk-based Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime; conditions for the use of agents as a customer interface; a clear regulatory regime for electronically stored value; and market-based incentives to achieve the long-term goal of broad interoperability and interconnection.

These principles are a reflection of the conditions conducive to spurring **innovation for financial inclusion** while protecting financial stability and consumers. They are not a rigid set of requirements but are designed to help guide policymakers in the decision making process. They are flexible enough so they can be adapted to different country contexts.

## 2010: Seoul, November 11-12

### G20 Seoul Summit Leaders' Declaration

9. Today, the Seoul Summit delivers:

- the **Financial Inclusion Action Plan**, the **Global Partnership for Financial Inclusion** and a flexible SME Finance Framework, all of which will significantly contribute to improving access to financial services and expanding opportunities for poor households and small and medium enterprises.

### The Seoul Summit Document

***The Seoul Action Plan: Framework for Strong, Sustainable and Balanced Growth***

1. Our unprecedented and highly coordinated fiscal and monetary stimulus worked to bring back the global economy from the edge of a depression. This has highlighted that the world would benefit from more effective international cooperation. In Pittsburgh, we launched the **Framework for Strong, Sustainable and Balanced Growth** and committed to work together to assess the collective implications of our national policies on **global growth and development**, identify potential risks to the global economy, and take additional actions to achieve our shared objectives.

7. Trade and Development Policies: We reaffirm our commitment to free trade and investment recognizing its central importance for the global recovery. We will refrain from introducing, and oppose protectionist trade actions in all forms and recognize the importance of a prompt conclusion of the Doha negotiations. We reaffirm our commitment to avoid financial protectionism and are mindful of the risks of proliferation of measures that would damage investment and harm prospects for the global recovery. With developing countries' rising share in world output and trade, the **goals of global growth, rebalancing and development are increasingly interlinked**. We will focus efforts to resolve the most significant bottlenecks to inclusive, sustainable and resilient growth in developing countries, low-income countries (LICs) in particular: infrastructure, human resources development, trade, private investment and job creation, food security, growth with resilience, **financial inclusion**, domestic resource mobilization and knowledge sharing. In addition, we will take concrete actions to increase our financial and technical support, including fulfilling the Official Development Assistance (ODA) commitments by advanced countries.

### Seoul Development Consensus for Shared Growth

47. At the same time, narrowing the development gap and reducing poverty are integral to achieving our broader Framework objectives of strong, sustainable and balanced growth by generating new poles of growth and **contributing to global rebalancing**. We are therefore using our best efforts for a rapid increase in the share of global growth and prosperity for developing countries, LICs in particular.

50. The Seoul Consensus and the Multi-Year Action Plan are based on six core principles:

- First, an enduring and meaningful reduction in poverty cannot be achieved **without inclusive, sustainable and resilient growth**, while the provision of ODA, as well as the mobilization of all other sources of financing, remain essential to the development of most LICs.

51. The Seoul Consensus also identifies nine key pillars where we believe actions are necessary to resolve the most significant bottlenecks to **inclusive, sustainable and resilient growth in developing countries**, LICs in particular: infrastructure, human resource development, trade, private investment and job creation, food security, growth with resilience, **financial inclusion**, domestic resource mobilization and knowledge sharing. The Multi-Year Action Plan then outlines the specific, detailed actions to which we commit in order to address these bottlenecks, including to:

b) Improve the development of employable skills matched to employer and labor market needs in order to enhance the ability to attract investment, create decent jobs and increase productivity. We will support the development of **internationally comparable skills indicators** and the enhancement of national strategies for skills development, building on the G20 Training Strategy;

f) Improve income security and resilience to adverse shocks by assisting developing countries enhance **social protection programs**, including through further implementation of the UN Global Pulse Initiative, and by facilitating implementation of initiatives aimed at a quantified reduction of the average cost of transferring remittances;

g) Increase access to finance for the poor and small and medium enterprises (SMEs). Our action plans for **financial inclusion** and associated implementation mechanisms are discussed in paragraphs 55 to 57 below;

h) Build sustainable revenue bases for **inclusive growth and social equity** by improving developing country tax administration systems and policies and highlighting the relationship between non-cooperative jurisdictions and development; and

54. We further mandate the Development Working Group to monitor implementation of the Multi-Year Action Plan, so that we may review progress and consider the need for any further steps at the 2011 Summit in France. **Development based on the Seoul Consensus** will therefore be an enduring part of future G20 Summits. What we promise, we will deliver.

***Financial Inclusion***

55. We reiterate our strong **commitment to financial inclusion** and recognize the benefits of improved access to finance to lift the lives of the poor and to support the contribution of SMEs to economic development. We welcome the stock taking report on successful and scalable models of SME financing in developing economies. We have developed the Financial Inclusion Action Plan based on our **Principles for Innovative Financial Inclusion** as the work program for the coming year.

56. Working with the **Alliance for Financial Inclusion**, the Consultative Group to Assist the Poor and the International Finance Corporation, we commit to launch the Global

Partnership for Financial Inclusion (GPFI) as an inclusive platform for all G20 countries, interested non-G20 countries and relevant stakeholders to carry forward our work on financial inclusion, including implementation of the Financial Inclusion Action Plan. The GPFI's efforts over the next year will include helping countries put into practice the Principles for Innovative Financial Inclusion, strengthening data for measuring financial inclusion, and developing methodologies for countries wishing to set targets. We agree that the GPFI should report to us on its progress at our 2011 Summit in France.

## Annex I: Seoul Development Consensus for Shared Growth

"Narrowing the development gap and reducing poverty are integral to our broader objective of achieving strong, sustainable and balanced growth and ensuring a more robust and resilient global economy for all."
—Toronto Declaration, June 26-27, 2010

In the wake of the most severe economic shock in recent history, the G20 has the opportunity to contribute to the reconstruction of the world economy in a form **conducive to strong, sustainable, inclusive and resilient growth**. Through the Seoul Development Consensus for Shared Growth, we seek to add value to and complement existing development commitments, particularly those made at the recent High-Level Plenary Meeting on the Millennium Development Goals, and in other fora.

### *Why Growth Must Be Shared*

At Pittsburgh we agreed to work together in an unprecedented process of mutual assessment to ensure our individual economic policies collectively achieved an **outcome of strong, sustainable and balanced growth**. This Framework was borne of a recognition that for the world to enjoy continuing levels of prosperity it must find new drivers of aggregate demand and more enduring sources of global growth. We recognize as a crucial part of this exercise that we need to enhance the role of developing countries and low income countries (LICs) in particular, for the following reasons:

First, because for prosperity to be sustained it **must be shared**.

Third, as the premier forum for our international economic cooperation, because the G20 has a role to play, complementing the efforts of aid donors, the UN system, multilateral development banks (MDBs) and other agencies, in assisting developing countries, particularly LICs, achieve the Millennium Development Goals (MDGs). Our role must relate to our mandate on global economic cooperation and recognize that consistently high levels of **inclusive growth** in developing countries, and LICs in particular, are critically necessary, if not sufficient, for the eradication of extreme poverty.

Our overarching objective of helping LICs improve and maintain the levels and quality of growth, thereby reducing poverty, improving human rights and creating decent jobs, requires strengthening the relationships among high, middle and low income countries. This entails promoting sustainable economic, social and environmental development; **honoring equity in the partnerships that exist**; building stronger and more effective

partnerships among advanced countries, emerging countries and LICs; engaging the private sector and civil society; and refocusing our priorities and efforts to remove the bottlenecks for LIC growth. We further believe there is no "one-size-fits-all" formula for development success and that developing countries must take the lead in designing and implementing development strategies tailored to their individual needs and circumstances.

***G20 Development Principles***

We therefore commit ourselves to a Multi-Year Action Plan to achieve these objectives. This Plan will be based on the following principles, intended to capture the key characteristics of our actions and policies:

1. Focus on economic growth. Be economic-growth oriented and consistent with the **G20 Framework for Strong, Sustainable and Balanced Growth**, which requires narrowing of the development gap. More robust and sustainable economic growth in LICs will also go hand-in-hand with their capacity to achieve the MDGs. Actions and policies should have the capacity to significantly improve the prospects for inclusive, sustainable and resilient growth above business as usual.

3. Global or regional systemic issues. Prioritize actions that tackle global or regional systemic issues such as regional integration where the G20 can help to catalyze action by drawing attention to key challenges and calling on international institutions, such as MDBs, to respond. Focus on systemic issues where there is a need for collective and coordinated action, including through South-South and triangular cooperation, to create synergies for maximum **development impact**.

In close consultation with our developing country and LIC partners, as well as relevant international and regional organizations with development expertise, we have also identified nine areas, or "key pillars," where we believe action and reform are most critical to ensure **inclusive and sustainable economic growth** and resilience in developing countries and LICs. These areas are: infrastructure, private investment and job creation, human resource development, trade, financial inclusion, growth with resilience, food security, domestic resource mobilization and knowledge sharing. Creating optimal conditions for strong, sustainable and resilient economic growth in developing countries will require reform and transformation across each of these interlinked and mutually reinforcing key pillars.

**Annex II: Multi-Year Action Plan on Development**

***Financial Inclusion***

Given that more than two billion adults are excluded from financial services and millions of micro-, small-and medium-sized enterprises (MSMEs) face serious constraints in accessing finance, **financial inclusion** is fundamental for improving the livelihoods of the poor and in supporting MSMEs, and work as the engines of economic growth and job creation.

| **Action 1: Establish the Global Partnership for Financial Inclusion** |
|---|
| We will launch the Global Partnership for Financial Inclusion (GPFI) to provide a systematic structure for implementing the G20 Financial Inclusion Action Plan in close collaboration with the Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), and the International Finance Corporation (IFC). (November 2010) The GPFI will (i) facilitate an efficient and effective information sharing mechanism; (ii) coordinate the various financial inclusion efforts (iii) provide systematic monitoring of progress over time (iv) mobilize financial support for activities as needed, and (v) launch and coordinate taskforces to address specific financial inclusion issues (e.g. financial inclusion data). The GPFI will coordinate its work with the APEC initiative and other financial inclusion initiatives. The progress and annual report of the GPFI will be submitted to the Summit in France. |
| **Action 2: SME Finance Challenge and Finance Framework for Financial Inclusion** |
| SME Finance Challenge We will announce the 14 winning proposals of the SME Finance Challenge that offer innovative models for catalyzing private capital for SME finance. (November 2010) Finance Framework for Financial Inclusion We commit to establishing a finance framework that mobilizes grant and risk capital for winning proposals from the SME Finance Challenge and for scaling up successful SME financing models. The framework will use existing funding mechanisms and the SME Finance Innovation Fund, a newly created multilateral trust fund. |
| **Action 3: Implement the Action Plan for Financial Inclusion** |
| We will adopt the G20 Financial Inclusion Action Plan to promote the application of the Principles for Innovative Financial Inclusion (the Principles) and the lessons learned from the SME stocktaking exercise. (November 2010) The actions to be implemented include (i) advancing the implementation of the Principles through a commitment by each G20 member to implement at least one of the Principles; (ii) encourage the Standard Setting Bodies to further incorporate financial inclusion objectives into their work; (iii) encouraging further private sector activities to increase access to financial services; (iv) strengthening and expanding data availability for measuring financial inclusion and methodologies for countries that wish to set financial inclusion targets; (v) supporting peer-learning capacity building and training; (vi) improving coordination at the national and international levels; and (vii) integrating financial inclusion into financial assessment programs. The GPFI will submit a progress report on implementation at the next Summit in France *(November 2011).* |

## 2011: Cannes, November 3-4

### Cannes Summit Final Declaration — Building Our Common Future: Renewed Collective Action for the Benefit of All

1. Since our last meeting, global recovery has weakened, particularly in advanced countries, leaving unemployment at unacceptable levels. Tensions in the financial markets have increased due mostly to sovereign risks in Europe. Signs of vulnerabilities are appearing in emerging markets. Increased commodity prices have harmed growth and hit the most vulnerable. Exchange rate volatility creates a risk to growth and financial

stability. Global imbalances persist. Today, we reaffirm our commitment to work together and we have taken decisions to reinvigorate economic growth, create jobs, ensure financial stability, **promote social inclusion** and make globalization serve the needs of our people.

***Development: Investing for Global Growth***

72. The humanitarian crisis in the Horn of Africa underscores the urgent need to strengthen emergency and long-term responses to food insecurity. In accordance with our Multi-Year "Action Plan on Food Price Volatility and Agriculture", we:

- Foster smallholder sensitive investments in agriculture and explore opportunities for **market inclusion and empowerment of small producers** in value chains;…

78. Recognizing that 2.5 billion people and millions of Small and Medium Enterprises (SMEs) throughout the world lack access to formal financial services, and the crucial importance for developing countries to overcome this challenge, we launched in Seoul an ambitious Global Partnership for Financial Inclusion (GPFI). We commend the ongoing work by the GPFI to foster the development of SME finance and to include **financial inclusion principles** in international financial standards. We endorse the five recommendations put forward in its report, annexed to this Declaration, and commit to pursue our efforts under the Mexican Presidency.

### Communiqué: G20 Leaders Summit

3. Today, we reaffirm our commitment to work together and we have taken decisions to reinvigorate economic growth, create jobs, ensure financial stability, **promote social inclusion** and make globalization serve the needs of the people.

### Cannes Action Plan for Growth and Jobs

We are firmly committed to support the recovery, ensure financial stability and restore confidence. Only through collective actions on all of these fronts will we move closer to **stronger, more sustainable and balanced growth**. Our ultimate objective is to provide more and better jobs for our citizens, to **promote social inclusion** in all countries, and to foster development and poverty reduction particularly in less developed countries around the globe.

## 2012: Los Cabos, June 18-19

### G20 Leaders Declaration

### Employment and Social Protection

20. Quality employment is at the heart of our macroeconomic policies. Jobs with labor rights, social security coverage and decent income contribute to more stable growth, **enhance social inclusion** and reduce poverty. We therefore endorse the recommendations of our Labor and Employment Ministers to urgently combat

unemployment through appropriate labor market measures and fostering the creation of decent work and quality jobs, particularly for youth and other vulnerable groups, who have been severely hit by the economic crisis…

**Supporting economic stabilization and the global recovery**

10. **Strong, sustainable and balanced growth** remains the top priority of the G20, as it leads to higher job creation and increases the welfare of people across the world. We are committed to adopting all necessary policy measures to strengthen demand, support global growth and restore confidence, address short and medium-term risks, enhance job creation and reduce unemployment, as reflected in the Los Cabos Growth and Jobs Action Plan (see Annex). We will implement all our commitments in a timely manner and rigorously monitor their implementation.

**Meeting the Challenges of Development**

63. Eradicating poverty and achieving **strong, inclusive, sustainable and balanced growth** remain core objectives of the G20 development agenda. We reaffirm our commitment to work with developing countries, particularly low income countries, and to support them in implementing the nationally driven policies and priorities which are needed to fulfill internationally agreed development goals, particularly the Millennium Development Goals (MDGs) and beyond.

# Appendix J:
# Communiqué Compliments Related to Economic Inequality

Julia Kulik, September 28, 2012

## Summary of Communiqué Compliments

| | Total | Argentina | Australia | Brazil | Canada | China | France | Germany | India | Indonesia | Italy | Japan | Korea | Mexico | Russia | Saudi Arabia | South Africa | Turkey | United Kingdom | United States | European Union |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2008 Washington | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2009 London | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2009 Pittsburgh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2010 Toronto | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 |
| 2010 Seoul | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| 2011 Cannes | 11 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 3 | 0 | 0 | 0 | 2 | 0 | 2 | 0 | 1 | 0 | 0 |
| 2012 Los Cabos | 6 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |

## Communiqué Compliments Related to Economic Inequality

### 2010 Seoul

***Seoul Summit Document***
Financial Inclusion

"We welcome the commitment of Canada, Korea, the United States and the Inter-American Development Bank of $528 million to the Framework through grants and co-financing."

### 2012 Los Cabos

***G20 Leaders Declaration***
Reforming the Financial Sector and Foster Financial Inclusion

"We welcome the launch of the Mexico Financial Inclusion Challenge: Innovative Solutions for Unlocking Access, a call for innovations that address barriers to financial inclusion through the creation of valuable, affordable, secure, and comprehensive financial services."

# Appendix K:
# G20 Summit Equality Affirmations by Number of References

Julia Kulik and John Kirton, October 14, 2012

| Subject | 2008 Washington | 2009 London | 2009 Pittsburgh | 2010 Toronto | 2010 Seoul | 2011 Cannes | 2012 Los Cabos |
|---|---|---|---|---|---|---|---|
| ***Principle*** | | | | | | | |
| Fair(ness) | - | 2 | - | - | - | - | - |
| Broadly Shared | - | - | 1 | - | - | - | - |
| Equitably Shared | - | - | 1 | - | - | - | - |
| Social Equity | - | - | - | - | 1 | - | - |
| Equal Partners | - | - | - | - | 1 | - | - |
| Gender Equality | - | - | - | - | 1 | - | 1 |
| Equal(ity) | - | - | - | - | - | 1 | - |
| Total Affirmations | 0 | 2 | 2 | 0 | 3 | 1 | 1 |
| Total Principles Affirmed | 0 | 0 | 2 | 0 | 3 | 1 | 1 |
| ***Problem*** | | | | | | | |
| (Un)Employment | 1 | 2 | 12 | 10 | 6 | 11 | 18 |
| Discrimination | - | - | 1 | - | - | - | - |
| Social Exclusion | - | - | 1 | - | - | - | - |
| Youth Unemployment | - | - | - | - | - | 2 | - |
| Total Affirmations | 1 | 2 | 14 | 10 | 6 | 13 | 18 |
| Total Problems Affirmed | 1 | 1 | 3 | 1 | 1 | 2 | 1 |
| ***Group*** | | | | | | | |
| Poorest | 1 | 9 | 13 | 8 | 6 | 3 | 3 |
| Most Vulnerable | - | 2 | 2 | 5 | 3 | 6 | 2 |
| Most at Risk | - | - | 1 | - | - | - | - |
| Unemployed | - | - | 1 | - | - | - | 1 |
| Total Affirmations | 1 | 11 | 17 | 13 | 9 | 9 | 6 |
| Total Groups Affirmed | 1 | 2 | 4 | 2 | 2 | 2 | 3 |
| ***Policy*** | | | | | | | |
| Social Protection | - | 2 | 2 | 2 | 2 | 4 | 2 |
| Social Support | - | 1 | - | - | - | - | - |
| Social Safety Net (Support) | - | - | 1 | - | - | 1 | - |
| Employment Insurance | - | - | - | - | - | - | 1 |
| Total Affirmations | 0 | 3 | 3 | 2 | 2 | 5 | 3 |
| Total Policies Affirmed | 0 | 2 | 2 | 1 | 1 | 2 | 2 |

Notes:
Inclusions: Equity, inequity, equality, inequality, disparity, (Un)fairness, equal (opportunity vs. outcomes), poorest, least educated, distribution, redistribute, polarization, discrimination, minimum wage, youth unemployment, employment (insurance), homes/housing/slums/homeless, social protection, most vulnerable

Exclusions: Justice

# Appendix L:
# G20 Countries Ranked in Order of the Best Places to Live as a Woman

Julia Kulik, December 3, 2012

| Country | Rank |
|---|---|
| Canada | 1 |
| Germany | 2 |
| United Kingdom | 3 |
| Australia | 4 |
| France | 5 |
| United States | 6 |
| Japan | 7 |
| Italy | 8 |
| Argentina | 9 |
| South Korea | 10 |
| Brazil | 11 |
| Turkey | 12 |
| Russia | 13 |
| China | 14 |
| Mexico | 15 |
| South Africa | 16 |
| Indonesia | 17 |
| Saudi Arabia | 18 |
| India | 19 |