G20 in Brazil and South Africa

Priorities, Agendas and Voices of the Global South

Ana Garcia, Marta Fernández
& Siphamandla Zondi (Eds)

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Introduction

Voices from Brazil and South Africa in the G20: An introduction to the book

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The G20 was originally established as a response to the recurrent financial crises of the 1990s, culminating in the global financial crisis of 2008. At the time of its creation in 1999, the world was experiencing the era of neoliberal globalization, characterized by a broad consensus around market liberalization, free trade, and the unrestricted flow of capital—reflecting the global hegemony of the United States. In that context, economic policy coordination within the G20 took place among countries that were relatively aligned with U.S. interests—including, at the time, China and Russia, whose production and financial networks were integrated with the U.S. market.

1 The authors would like to express their gratitude for the invaluable support and co-editing work of assistants Dani Dias, Lucas Carames, and Selemo Nkwe.

However, by the time the 2008 financial crisis erupted, the international landscape had changed significantly from that of 1999. The United States could no longer count on automatic alignment—whether economic or ideological—from other major powers. Until then, the G20 had functioned solely as a forum for finance ministers and central bank governors. It was precisely the 2008 crisis—distinct from previous ones for occurring at the very epicenter of global capitalism, the United States—that elevated the G20 to the level of a Leaders' Summit (Ramos and Garcia 2024). This period was also marked by China's rise as an economic power and by the political emergence of the BRICS grouping. The crisis reignited debates on global hegemony, raising questions about a possible decline in U.S. hegemony and the emergence of a new hegemonic cycle centered on China.

The G20 functions as a forum for economic and political cooperation that, despite its informal nature, has considerable representational and practical significance. Today, it is one of the few multilateral platforms capable of shaping major international public policies and agenda-setting initiatives. Despite the broaden agenda, the reform of the financial global architecture remains a fundamental pillar that serves as a catalyst for broader changes in global governance. It is essential for mobilizing resources and address climate change, hunger, and inequality, which priorities to the Brazilian and South African G20 presidencies.

The current context is unique as the G20 presidency has been held by countries from the Global South in succession since 2022. Indonesia led it in 2022, followed by India in 2023, Brazil in 2024, and South Africa in 2025. This sequence is particularly significant because each presidency sets thematic priorities that influence both the continuity and evolution of the G20's agenda while shaping its institutional and logistical structures.

G20 Presidencies in Brazil (2024) and South Africa (2025)

Brazil hosted the G20 in 2024 amid a context marked by geopolitical tensions, wars, social and climate challenges.

Following the change in government in 2022, there were high expectations for Brazil's return to an active international role under Lula da Silva, especially on issues such as the environment and social inclusion. Responding to these expectations, the government announced the presidency's motto: "Building a Just World and a Sustainable Planet**,"** with three key priorities: combating hunger, poverty, and inequality; addressing the three dimensions of sustainable development (economic, social, and environmental); and reforming global governance (Brazil, 2024).

One of the defining features of Brazil's presidency was the thematic expansion of the agenda. The Sherpa track coordinated 15 working groups covering a wide range of issues: agriculture, anti-corruption, trade and investment, culture, development, digital economy, education, women's empowerment, research and innovation, environmental and climate sustainability, employment, energy transition, disaster risk reduction, health, and tourism. In addition to these working groups, the Brazilian presidency created two cross-cutting task forces: the Global Alliance Against Hunger and Poverty and the Global Mobilization Against Climate Change, which involved different sectors of government and society. Among all these subjects, the energy transition stood out, reflecting the priorities of major powers such as China, the United States, and the European Union. However, the sheer number of topics and actors led to dispersion and a relative loss of focus, making it difficult to build consensus among the 21 members.

In the Finance track—the G20's original core—the work proceeded across seven technical groups: financial sector, international financial architecture, global economy, sustainable finance, financial inclusion, infrastructure, and international taxation. Three task forces complemented this track: the two mentioned above and the Finance and Health Task Force, created in 2021 during the Covid-19 pandemic.

One of the most notable outcomes of Brazil's G20 presidency was the proposal, within the Finance Track, for an international norm on taxing individuals with ultra-high net wealth or the "super-rich". Based on a study commissioned by the Brazilian government (Zucman, 2024), the proposal recommends an annual tax of at least 2% on individuals with net wealth exceeding US$1 billion, with flexibility for each country in its implementation. The estimated global revenue from this measure ranges between US$200 and US$250 billion per year, with the funds earmarked for public services and addressing the climate crisis.

The G20 Leaders' Declaration stated that member countries will engage in cooperative efforts to "ensure that ultra-high-net-worth individuals will be effectively taxed" (G20, 2024). It also reaffirmed the need for broad international consensus and greater coordination across existing forums, while signaling support for the development of the United Nations Framework Convention on International Tax Cooperation (UNFCITC) and its associated protocol at the UN (G20, 2024). In this sense, the recognition of these two agendas—the taxation of the super-rich and the advancement of the Framework Convention—can be considered a diplomatic victory for Brazil and other countries of the South. It is worth noting that both agendas were also included in the BRICS Leaders' Declaration at the Kazan Summit in Russia (BRICS, 2024), indicating that Brazil is likely to continue advancing these negotiations during its BRICS presidency in 2025.

Another milestone of Brazil's presidency was the creation of the Social G20, the first official initiative to formally include civil society in the group's processes. Drawing on its tradition of social participation in international forums, such as the World Social Forum, Brazil invited national and international organizations to participate in parallel activities and engage with the official G20 agenda. The Social G20 Summit took place in the days leading up to the official Leaders' Summit in November 2024 and gathered around fifty thousand people (Agencia Brasil, 2024).

At the beginning of 2024, there were uncertainties regarding the format and effectiveness of this new space. In interviews for the *"Guide for Understanding the G20"* (Garcia and

Fernandez, 2024), civil society representatives expressed doubts about its real capacity for influence. Yet, there was a widespread enthusiasm expressed in a high number of registrations for the Civil20 (C20), growing participation in Finance and Sherpa track events, and the organization of an autonomous space—the "People's Summit Facing the G20"—where topics such as a ceasefire in Gaza were central (Deister, 2024).

Another important development was the "Dialogue of Convergences," a process that brought together the Think20 (T20) and the Civil20 (C20) to produce joint recommendations for the G20 in three areas: economy and finance, environment and climate, and inclusion and digital transformation. The resulting declarations were delivered to official negotiators and to the Social G20, setting a precedent for future presidencies (BRICS Policy Center, 2024).

The South African Presidency of the G20

South Africa's presidency of the G20 in 2025, under the theme -solidarity, equality and sustainability- focuses on leveraging the forum to drive inclusive growth and sustainable development, with a particular emphasis on advancing the interests of the Global South and the African continent. South Africa is committed to building upon the work of previous presidencies (The Presidency, Republic of South Africa, 2024). This framework explicitly aims to bridge global divides by prioritizing equitable access to the opportunities presented by the digital economy and the green transition. A core objective is reforming the international financial architecture to better support countries of the South, including enhancing Multilateral Development Bank (MDB) capacity and exploring innovative financing mechanisms for sustainable infrastructure and climate resilience, recognizing Africa's significant infrastructure deficit (OECD, 2024). Championing the African Continental Free Trade Area (AfCFTA) as an engine for intra-African trade and continental integration is another key pillar, positioning Africa as a dynamic partner in the global economy rather than solely a recipient of aid (DIRCO, 2024).

Concretely, the presidency focuses on operationalizing climate justice through initiatives like advancing Just Energy Transition Partnerships (JETPs) beyond South Africa, ensuring the shift to low-carbon economies is fair and creates sustainable livelihoods (National Treasury, RSA, 2024). Addressing the digital divide is critical, with efforts aimed at building digital infrastructure, enhancing digital literacy, and fostering inclusive digital governance frameworks – often encapsulated in the "Johannesburg Principles" proposed during the Digital Economy Working Group (G20 South Africa, 2025). Furthermore, South Africa strongly advocates for increased climate finance flows from countries of the North to countries of the South to meet adaptation and mitigation needs, alongside pushing for solutions to the debt distress faced by many low- and middle-income countries, arguing for mechanisms that free up fiscal space for development spending (UNCTAD, 2024). Ultimately, the presidency seeks to ensure that the benefits of global cooperation, technological advancement, and climate action are shared equitably, placing the needs and agency of the South firmly on the G20 agenda.

About this Book

This book examines key issues and priorities of the G20 from the perspective of the countries of the Global South, with a particular focus on the Brazilian and South African presidencies in 2024 and 2025. It aims to identify key agendas and policy propositions that consider the specific realities of countries of the South. By identifying points of convergence and divergence between Brazilian and South African agendas, the book explores how these countries have sought to shape global discussions and contribute to solutions to pressing global challenges from a Global South perspective. In doing so, it seeks to fill an essential gap in the prioritization of issues and representation of voices from the Global South within the G20.

This book emerges from the work of various academic and research institutions in Think20 (T20), the G20 think tank engagement group. The successive leadership of emerging economies since Indonesia 2022 has provided an expanded platform for think tanks, universities and research institutes from different regions to engage in discussions that are more closely aligned with the priorities of countries in the Global South. As a result, it has strengthened the representation of institutions from the Global South and facilitated the formal articulation of priority agendas and perspectives through a collective, structured approach.

Methodologically, this book identifies the priorities and agendas of the Brazilian and South African G20 presidencies – Inclusive Digital Transformation; Trade and Investment; Climate Action and Just Energy Transition; Reform of the International Financial Architecture for Sustainable Development; and Global Governance and Solidarity: Addressing Inequalities, Poverty, and Hunger – and analyzes policy ideas in relation to whether they advance the Global South perspective. It presents responses from scholars actively involved in the G20 processes in Brazil and South Africa, offering insights based on academic research and policy expertise.

Chapters Outline

The first part on *Inclusive Digital Transformation* outlines the importance of digital transformation in fostering sustainable economic growth and creating a more equitable society through a progressive redistribution of resources. It highlights the need for digital inclusion and connectivity as essential components of this transformation, enhancing public services, particularly in health and education and necessitating the development of ethical and transparent regulatory frameworks for emerging technologies, including artificial intelligence, to ensure their benefits are distributed equitably. Chapter One, on *Data Governance for Inclusive Development and Decent Work* advocates for inclusive policies to ensure digital transformation promotes decent work and well-being, particularly in the Global South. It highlights the need for effective frameworks to promote fairness, address online inequalities, and foster international cooperation. Emphasising governance and data regulation, this chapter suggests G20 initiatives such as the Global Digital Compact and ILO guidelines to advance digital labour rights and ensure equitable outcomes amid uneven digital development. Chapter Two, *From G20 Brazil 2024 to G20 South Africa 2025: Unpacking the Digital Economy Themes - Comparisons and (dis) continuities,* examines the evolution and impact of Digital Economy themes within the G20, focusing on the transition from Brazil's presidency in 2024 to South Africa's in 2025 in a context of global geopolitical challenges. It outlines the significant role of the G20 in setting an agenda that incorporates the Global South, emphasizing the inclusion of the African Union and the expectation to advance the African Development agenda. The major themes discussed in the chapter include digital access, equality, AI innovation, and the need for robust regulation to mitigate societal harms.

Trade and Investment continue to grow in importance in an evolving international geopolitical landscape marked by increasing multipolarity and potential conflicts. The second part highlights the role of *Trade and Investment* as key drivers for global growth, development, and inclusive prosperity, while acknowledging the challenges posed by trade barriers, food insecurity, digitalization and the need to integrate micro, small, and medium enterprises. *Brazil, South Africa and the G20 Agenda – The Challenge of Trade and Investment* (Chapter Three) analyses the challenges and dynamics Brazil and South Africa face within the G20 concerning trade and investment, especially under the influence of geopolitical tensions. It discusses the strategic and normative convergence between Brazil and South Africa in their G20 presidencies, focusing on their roles in promoting a rules-based international trade and investment order. After evaluating the G20's effectiveness in trade and investment, and the global scenario marked by the WTO's uncertain future, its authors make recommendations for the G20 to focus on digital services, supply chain security, and reforming the WTO to ensure it remains a relevant custodian of global trade and investment rules. Chapter Four, *Trade and Investment in a Shifting Global Landscape: The G20's Role in Promoting Sustainable Development in Africa*, highlights Africa's dependency on extractive industries and trade inequalities, emphasizing the need for structural transformation, diversification, and infrastructure development.

It advocates leveraging the G20 platform, under South Africa's presidency, to reform global trade rules, regulate foreign direct investment for development, and curb illicit financial flows. Emphasizing critical minerals and regional trade, the chapter urges Africa to shift from commodity exports to value-added industries. Also, Chapter Five on *The South's approach: trade in the G20 Agenda* examines the evolution of the G20 international trade, particularly how rising protectionism impacts developing countries. The chapter compares the G20 declarations and surveys from Brazil, India, South Africa and Germany, showing broad opposition to protectionism but diverging trade preferences between developing and developed nations, highlighting tensions between multilateral rhetoric and trade practices.

The third part, *Accelerating Climate Action and Just Energy Transition through the G20*, highlights the urgency of implementing effective climate action and ensuring equitable transitions in energy production and consumption. Additionally, Chapter Six presents the G20's climate and energy agenda on Brazil and South Africa's presidencies and the shared paths, interests and objectives regarding the strengthening of multilateral climate diplomacy. It highlights the critical need for adaptation, resilience-building and just energy transitions, especially in developing countries, highlighting the significant impact of G20 countries on global carbon emissions and climate finance. This chapter also explores the alignment of the G20 agenda with Africa's priorities, emphasising the unjust burden of climate change on Africa despite its minimal contribution to global emissions. Its author recommends prioritising adaptation, building just and inclusive transitions, strengthening critical minerals, supporting African climate goals and sustaining the climate and energy agenda beyond 2025. Chapter Seven, *Opportunities and Challenges for Promoting Sustainable and Inclusive Infrastructure in the Amazon Basin*, highlights how the Amazon infrastructure projects favor private economic interests, causing deforestation, biodiversity loss, and social conflicts with limited benefit to local communities. It advocates for protecting forests and rivers while improving infrastructure through education, sanitation, energy and internet. Additionally, it emphasizes climate resilience and lessons for G20 countries to balance growth, equity and sustainability. Chapter Eight on *The IMF's Resilience and Sustainability Facility as a framework for promoting market-based solutions to decarbonization* examines the Resilience and Sustainability Facility of the IMF to explore the shift from the traditional mandate to a more environmentally aligned practice. By conducting an in-depth analysis of RST reform measures and agreements, demonstrates how the Fund makes a worthwhile innovation that still deserves amelioration with clear recommendations.

The urgency to *Reforming the International Financial Architecture for Sustainable Developmen*t is central to address financial instability, development challenges, and the marginalization of the Global South. Chapter Nine, *Achievements and Limits in Reforming the International Financial Architecture: A Critical Assessment of Brazil's G20 Presidency* revisits the G20's historical role and evolution as a financial crisis management non-official forum to bring into context the G20 Brazil discussions within the Reform of the International Financial Architecture topic. The chapter gives a panoramic but thorough view of the proposals and contributions to the specific agendas of reform, comprising the tax architecture, MDB's reform, and debt, and shares an overview of specific recommendations made within the T20 Brazil process. Chapter Ten critically examines the gap between the G20 commitments to gender and equality and women's financial exclusion in Brazil and South Africa. Employing the decolonial perspective to highlight structural barriers to women's economic empowerment, and examples from Brazil's Banco Palmas and South Africa's Women's Economic Assembly, the chapter outlines transformative strategies for leveraging microfinance and SMME support to achieve collective economic sovereignty for women. Chapter Eleven argues that the G20 must lead multilateral development banks toward expanded lending capacity, improved governance, and enhanced access to global challenge funds. Given inadequate current commitments, necessary reforms include establishing dedicated windows for global challenges with equitable governance structures. The authors emphasize simplifying financial architectures and creating appropriate incentives, while advocating for country-based platforms in the countries of the South to address climate, pandemics, biodiversity, and food security through more effective global responses.

The concluding part, *Global Governance and Solidarity: Addressing Inequalities, Poverty, and Food Security,* highlights the necessity of reforming the multilateral governance system to effectively tackle interconnected global challenges like inequality, poverty, and food security. Chapter Twelve on *The Politics of Defending Inequality: Hate Speech, Visibility, and Symbolic Containment* discusses ways in which inequality is actively defended through moral, discursive, and symbolic practices. It analyzes the backlash triggered by redistributive proposals, such as wealth taxation, exemplified by the campaign "Tax the Super-Rich for the Right to the City," launched during Brazil's G20 presidency. The authors demonstrate how reactions are rooted in narratives that legitimize privilege and devalue marginalized groups, using digital platforms to discredit advocates. The campaign's example highlights that the legitimacy of redistribution is not only a policy issue but also a struggle over communication and symbolic representation. Chapter Thirteen, *The International Financial System Through Intersectional Lenses: The Ethics of Care as a Global Alternative* analyses the international financial system through an intersectional lens, demonstrating how austerity, debt, and tax regimes deepen inequalities of gender, race, and class. The chapter highlights how racialised women from the Global South suffer an increased burden of care, precariousness, and debt. It criticises the financialization of care and proposes a care ethics as an economic alternative centred on life. The chapter advocates for fiscal reforms, debt relief, universal public policies and paths to a just and sustainable economy. *The G20 and the need to reform the UN System,* Chapter Fourteen, suggests that the G20 can improve global governance by addressing legitimacy and efficiency issues in the UN system. This is achieved through integrating institutions, forming a UN Reform task Force within the G20, adopting a three-country presidency, and engaging more with

Global South organisations. Priority areas are UNSC reform, ECOSOC collaboration, and fostering consensus to strengthen multilateralism and enhance global governance. The Chapter Fifteen on the *G20 and Accelerated Implementation of Sustainable Development Goals: An Accountability Framework* analyses the evolution and impact of the G20's Accountability Framework on the accelerated implementation of the SDGs. It outlines the inception of the G20 Development Working Group in 2010. It traces significant reforms to the framework, such as structured reporting and peer review processes aimed at improving transparency and policy consistency. Despite the progress, the chapter highlights persisting challenges such as enforcement and data quality, suggesting strategic proposals to enhance accountability measures. The authors recommend the need for continued refinement of the framework to ensure effective tackling of global issues. Chapter Sixteen on *Multilateralism: Its Objects, and Implications for Africa in an Evolving Global Order* addresses the challenges and opportunities encountered by multilateralism in the face of global transition and the urgent need for reforms in global governance. It highlights the UN-centric approach towards a more inclusive G20 framework that acknowledges the need for global governance reforms to better represent the geopolitical realities of the 21st century, including the voices of the Global South and Africa. The chapter encompasses the urgent call for reforms across various sectors, including financial systems, security frameworks, and digital transitions, to address global challenges like climate change, development finance, and equitable global governance. It emphasizes the importance of strengthening multilateralism through inclusivity, accountability, and solidarity, aiming for a just and equitable global order that aligns with Africa's aspirations and the broader Global South. The closing chapter seventeen, *Morbid Symptoms in the Time of Monsters*, explores how the G20's approach exacerbates global polycrises through the interconnected nexus of climate change, inequality, and unsustainable development patterns. Despite progressive leadership from Brazil and South Africa's presidencies emphasizing solidarity and sustainability, the analysis reveals a significant disconnect between rhetorical flourish and meaningful transformative praxis. The research highlights demand from African and South American civil societies for climate reparations, just transitions, and localized solutions that reject global North impositions. The chapter advocates for comprehensive systemic reforms using transformative and equitable strategies to prevent imminent ecological and social collapse.

Conclusion

This book offers a comprehensive examination of the G20's evolving role in global governance, based on the contributions and perspectives from the Global South, specifically during the Brazilian and South African presidencies. Through an in-depth analysis of key issues such as inclusive digital transformation, trade and investment, climate action, the reform of international financial architecture, and the reform of global governance to address inequalities, the authors emphasize the significance of addressing global challenges through multilateral cooperation and the inclusion of the voices of the Global South. By highlighting the strategic priorities set by Brazil and South Africa, the book sheds light on the potential of the G20 presidencies to influence global policy agendas from a Global South perspective, seeking to foster a more inclusive and equitable global order.

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Part 1

Inclusive Digital Transformation

Chapter One

Data governance for inclusive development and decent work

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Abstract

This chapter proposes ways to achieve digital transformation through the adoption of inclusive policies in the deployment of emerging technologies, particularly related to the world of work. It analyses how digital transformation can help foster decent work and increase well-being instead of furthering precarity, especially in the global South. It has been argued that digital technologies and digital data can accelerate the implementation

of the Sustainable Development Goals (SDGs). As digital development is uneven between and within countries, such advances must be grounded on effective normative frameworks, so that they promote fairness and inclusivity, rather than exacerbate inequalities. To explore this possibility, the chapter examines the case of work and the digitally deliverable services (DDS) market in the global South. Given the global nature of these changes, international cooperation and governance are essential. Data governance is crucial to addressing the intersectional inequalities amplified online, while coordinated regulatory policies are needed to ensure equitable outcomes. The G20 can advance digital labour rights through initiatives like the Global Digital Compact and reinforce frameworks such as the ILO's guidelines, promoting fairer impacts of data-driven technologies.

Keywords: digitalization – decent work – development – inequalities

1. Diagnosis of the Issue: systemic inequalities

Digital development is uneven between and within countries (Figures 1 and 2). From Internet access to complex and vital issues of literacy, privacy and agency, countries in the global South face various challenges in their digital transformation processes. The asymmetric nature of digital development, therefore, further accentuates previously existing inequities in the world economy, reinforcing the need for actions that enable developing countries to effectively participate in a digitalized economy.

The G20's Rio de Janeiro Leaders 'Declaration (2024a) acknowledged those inequalities and looked to digital and emerging technologies as having the potential to contribute to their reduction via a process of digital inclusion which "requires universal and meaningful connectivity". The document also emphasised the "contribution of digital public infrastructure to an equitable digital transformation" and described as "transformative" the power of digital technologies to bridge existing divides and empower societies and individuals. (G20, 2024a, paragraph 29).

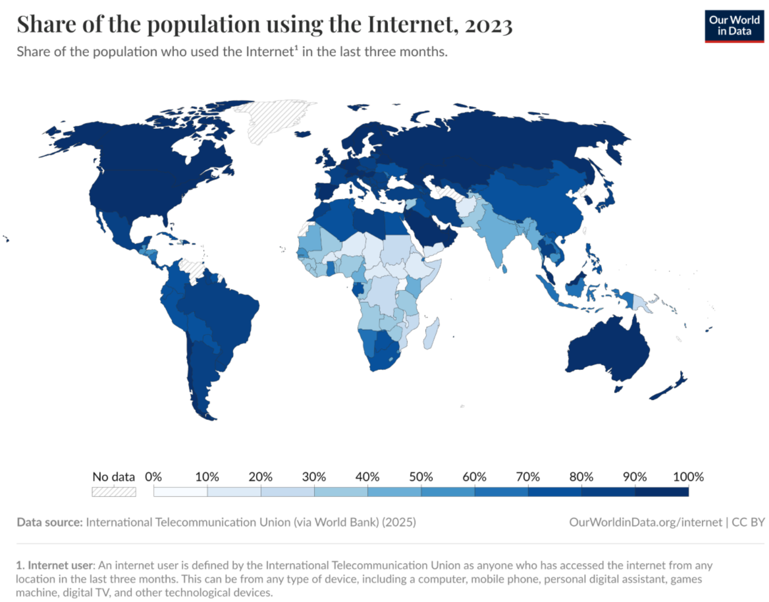


Figure 1: Percentage of the population using the internet. Source: Our World in Data, 2025, ITU (via World Bank)

However, it is increasingly clear that said potential will continue unrealised unless the issue of digital inequality among countries is effectively addressed, a sentiment echoed by the 2025 South Africa presidency of the G20 under the theme "Solidarity, Equality, Sustainability". The focus has been on ensuring that "regional perspectives are integrated into the international discourse on an inclusive digital transformation" (G20, 2024b, p.13).

Many aspects of the digital economy are especially sensitive for the global South precisely due to the challenges posed by the multifaceted nature of existing inequalities and to the need to make timely use of windows of opportunity for growth and innovation in scenarios ridden with structural limitations.

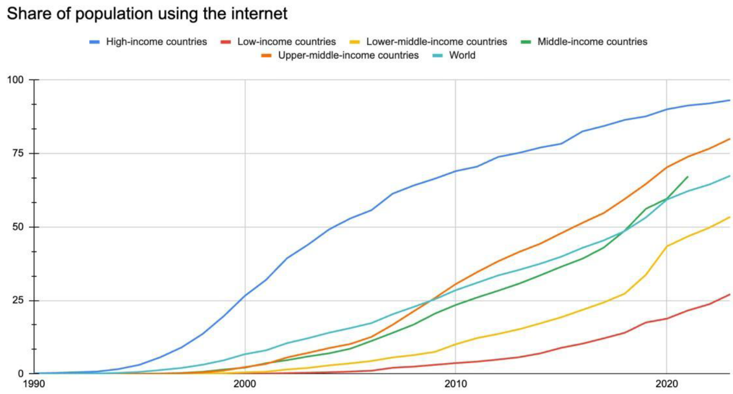
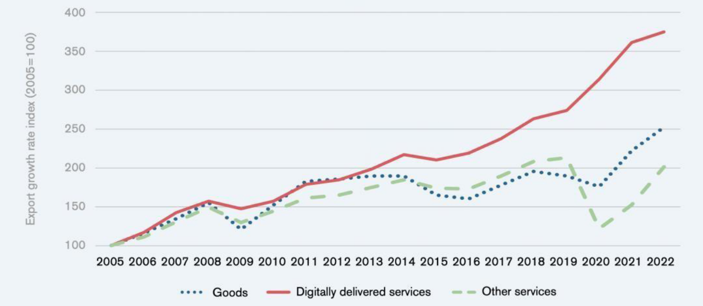


Figure 2: Percentage of the population using the internet. Source: Our World in Data, 2025, ITU (via World Bank)

Let us take the case of digital services or services provided through digital platforms. For lower- and high-middle income countries such as those composing the G20, the sector that has generally seen the most significant economic increase is that of the digitally deliverable services (DDS), mainly because of the impact of digital technologies (Figure 3). These services can be defined as those delivered remotely over computer networks (IMF, 2023), however it should be noted that this definition does not exclude the possibility of human-to human interaction in the delivery of the service in question. That impact was noted on the G20'S Rio de Janeiro Leaders 'Declaration, which recognised that "digital platforms have reshaped the digital ecosystem and online interactions by amplifying information dissemination and facilitating communication within and across geographical boundaries" (G20, 2024a, paragraph 29).



Source: WTO (2023b).

Note: The figure displays the growth rate of exports of goods, digitally delivered services and other services. The base year of the growth rates is 2005 (2005=100).

Figure 3: Global exports of digitally delivered services have grown faster than exports of goods and other services. Source: WTO 2023

The figures offered by e-commerce reports clearly showcase the potential for growth of digital services: ‘in China, sales almost tripled from $1.6 trillion in 2016 to $4.5 trillion in 2022 and in the United States, e-commerce sales by businesses increased from $7 trillion in 2016 to an estimated $11 trillion in 2022. ’However, while in some countries more than 80% of the population shop online, in some developing countries with the lowest levels of connectivity, this figure is below 10% (UNCTAD, 2024, p. 144). Some sales take place in dedicated e-commerce websites, but much is done through social media platforms. Online platforms ‘act as market makers, facilitating transactions between multiple buyers and sellers who communicate through the platform’, and often selling their own products (as Amazon) (UNCTAD, 2024, p. 147).

Those are all elements that compose windows of opportunity and potentialities for emerging economies. However, there are many bumps on the way.

For all these economic activities to function effectively, data needs to flow across borders. The cross-border flow of data, however, requires the coordination of infrastructure and economics policies, laws and regulations, as well as the design of institutions that enable data to deliver its potential benefits while safeguarding against harmful outcomes (World Bank, 2021). The coordination of these elements is translated in the concept of *data governance*, which can therefore be seen as a tool that can guide the use of data in the direction of inclusive development and positive social change (Fumega, 2024).[1]

The data capabilities of a country "involves not just the presence of digital resources, and access to data literacy, but also involves the freedoms and opportunities for skills and resources to be put to use in service of wider social goals" (ILDA, 2022, p. 33). As these capabilities remain unequal between countries, two potential risks for increasing inequality arise: the danger of reducing worker's access to rights and safety in countries where the 'gig economy 'has taken up most of the significant increase in the DDS market, such as the emerging economies of the G20; and the danger of placing such countries in an even more disadvantaged position in the global economy, since "countries with adequate ICT infrastructure and overall digital readiness are more capable of taking advantage of the opportunities arising from the digitalization of services (UNCTAD, 2022, p. 6). Moreover, it is also known that the "extent of a country's export volumes of goods and services is positively associated with its internet connectivity (United Nations, 2016) with supporting infrastructure and extending digital literacy", further reflecting the potential for compounding inequalities. Indeed, a report by United Nations Trade and Development (UNCTAD) in 2024 highlighted the centrality of the digital divide as a key impediment for the fulfillment of the digital services 'promising opportunities, indicating the need to address the 'highly uneven levels of digital readiness 'among countries (UNCTAD, 2024, p. 147).

The Employment Working Group (EWG) for G20 South Africa 2025 indicates the decline in labor income share as

1 Data governance is addressed in both the G20s latest Leaders' Declaration (Rio de Janeiro, 2024) and the concept note for its upcoming South Africa 2025. The latter emphasizes that an effective global data governance would allow for a shift "away from the individualistic, exploitative model of data ownership towards one that emphasises collaboration, community control and the equitable distribution of data's value" (G20, 2024a, p. 13).

evidence of a rising inequality which is exacerbated by non-standard forms of employment, such as temporary, part-time, and platform work, especially in the informal sector (2024, p.8).

For some researchers of these tendencies, however, exclusion-based approaches to these inequalities might only go so far in helping address them. That is because while undoubtedly many are still excluded from access to digital technologies, especially in the global South, as mentioned, we observe digital inequalities intensifying as a phenomenon *within* the group of individuals who do have access to these resources. Among these are small businesses and farmers trading on digital platforms, workers employed by gig platforms, communities that have been digitally mapped and others (Heeks, 2022). What is required, thus, is both a theoretical and practical new framework that is capable of encompassing the complexity of these dynamics, not least in times of trade war and increasing unpredictability. Newly-coined notions such as 'data colonialism', 'data literacy', and 'data feminism 'can offer rich contributions (Rocha de Siqueira, 2023). The practicalities of this engagement, in turn, concern aspects of regulation, governance and public policies. We seek below to indirectly mobilize the first as lenses in order to elaborate recommendations that can contribute to the development of these practical tools.

2. Digital technologies and workers' rights

If we are to focus on the intensification of inequalities within the group of those who do have access to digital technologies, as seen, workers employed by the so-called gig economy are a key subset of especially affected individuals.

Digital technology and online platforms are in nearly every business and workplace, reshaping the world of work (ILO, 2022). This rapid digitalization has not only transformed how work is organized and performed but also opened up new markets for businesses, generating employment and income opportunities. For some workers, it offers greater flexibility and is often characterized by low entry barriers, further reinforcing its role as a key driver of change in the modern labor landscape.

Informal self-employed workers are engaged in the “gig economy” and the global North is increasingly outsourcing digital workers to the global South. In a world economic scenario characterised by the constant transformation of supply chains, non-standard jobs in information and communication technology (ICT) are an alternative for low-skilled men and women in the poorest areas (Mexi, 2020; ILO, 2024).

Informal self-employed workers in ICT-dependent and on-demand jobs are the most vulnerable to coverage gaps in social security and labour laws, especially in the global South (ILO, 2022; 2024). In addition, outsourcing self-employed and informal workers may foster economic asymmetry in territories with low educational and income levels.

In the global South, where the use of computers and laptops is still lower than in the developed regions, participation in digital jobs is predominantly performed on smartphones with no guarantee of a minimum salary and lack of commitment to the ILO’s (1998) Fundamental Principles and Rights at Work (ILO, 2022).

Given this context, as Costa and Pagani (2021) point out, the central issue surrounding digitalization is not merely the potential loss of jobs due to technological advances, but rather the emergence of a large number of new jobs that lack the minimum conditions necessary for dignified work, and are therefore misaligned with the promotion of decent work. Decent work refers to employment that upholds labor and human rights, contributing to the worker’s self-realization. Its effectiveness is closely tied to ensuring that all workers have access to the basic guarantees needed for a dignified existence (Costa and Pagani, 2021).

Illustrating this precariousness, in Brazil, a middle-income developing country, 91.7% of the platform workers are associated with on-demand services, such as UBER and other food delivery platforms, with 77.1% of them self-employed men, with medium and low levels of education (IBGE, 2023) and informality corresponding to 70.1% of the total of the self-employed in platforms. This is higher than the level of informals among the total occupied population in the private sector in Brazil, 44.2% (IBGE, 2023). However, it is important to highlight that, unlike in developed countries, where platform work is generally a secondary source of income, in Brazil, 52.2% of the total digital workers have it as their primary source of income (ILO, 2022; IBGE, 2023).

The distribution of these workers within Brazil is also unequal. The Southeast stands out both in the share of DDS workers among its workforce (2.2%) and in its dominance of the national distribution (57.8%) In contrast, regions like the North and Central-West, despite high internet access rates, account for smaller shares of DDS workers. This suggests that while internet access is a necessary condition for platform-based work, other factors, such as regional economic structures and labor market dynamics, play a significant role in shaping the distribution of digital labor.

Table 1: Internet Access and Regional Distribution of DDS Workers in Brazil Source: Own work, based on *IBGE, 2022 and IBGE, 2023.*

Region	**Internet access by household (%)**	**DDS workers**	
		Percentage of DDS workers among total workers (%)	**Percentage of DDS workers by region (%)**
North	90.4	1.4	6.4
Northeast	89.1	1.3	16.6
Southeast	94.1	2.2	57.8
South	93.5	1.3	12.1
Central-West	95.4	1.4	7.1

Considering the increasing informality in DDS with a high presence of self-employed and contract workers, there is a risk that economic uncertainty could threaten the welfare and health of individuals and reduce the revenues of social security public systems (EU Council, 2018 p.8). Cooperation and governance are, therefore, critical points of departure to tackle the new challenges facing the world of work with a commitment by governments, employers and workers' organisations of the G20 countries to guarantee a minimum standard of rights to DDS workers worldwide. Furthermore, the existing inequities in the local, regional and international contexts, such as the gender divide in Internet usage, might influence the transformations in the field of work due to the digitization process. In order for digital technologies to fulfil their promises of generating new possibilities of employment, facilitating access to educational resources and enabling broader social and economic development, coordinated policies must be simultaneously developed.

3. Recommendations for decent work, inclusive development and fair digitization

3.1. Advance meaningful access and connectivity

As digital technologies transform the global landscapes of markets and work, underlying inequalities may allow those better positioned to respond to emerging opportunities to benefit from open regimes, thus perpetuating existing extreme asymmetries.

If the global scenario already demonstrates the differences in access and usage of the Internet, with 70% of the male population using it versus only 65% of the women (ITU, 2024), the regional realities showcase even more striking inequities. As an example, in the African region 43% of the male population is counted as using the Internet, compared to only 31% of the women (ITU, 2024). There is the need to acknowledge and address the issue of grave inequity in opportunities as a result of the lack of meaningful access and connectivity. According to the International Telecommunication Union (ITU, 2022), this type of connectivity entails a "safe, satisfying, enriching and productive online experience at an affordable cost" (p. 19).

The counting, categorisation and visualisation of development issues in lower- and middle-income countries have been increasingly spearheaded by large corporations that offer their own or user-provided data to donors and investors. That expression of data colonialism – the merging of the extractive logic of historical colonialism with the quantification methods of digital technologies (Couldry and Mejias, 2018) – has been denounced by researchers as yet another manifestation of North-South divide.

In the Global South, understanding Big Data means recognizing capitalism's growing reliance on this new form of appropriation, which operates through today's networks of connection. Just as historical colonialism enabled industrial capitalism, data colonialism is laying the foundations for a future phase of capitalism centered on the extraction of human life through data. Rather than speculating about this future, the urgent task is to resist the ongoing expansion of data colonialism (Couldry and Mejias, 2018).

Finally, advancing meaningful access and connectivity also means providing the ones who are currently the most distanced from the economic digitalization process with a chance to be effectively included in this changing economy.

The Digital Economy Group (DEWG) of the G20 South Africa 2025 has committed itself to examining continuing challenges to meaningful connectivity, namely, examine the different aspects of policy, regulation, and data governance required for Digital Public Infrastructure (DPI) to be transformational and an incremental approach to investment in the DPI critical infrastructures. The group also warns that "without the institutional, human and financial resources and without innovative economic regulation to redress digital inequalities, the efficiencies offered by DPIs will disproportionately benefit those with access to these infrastructures and the services they offer" (2024a, p.3).

In line with the acknowledgement of the need for universal and meaningful connectivity (G20, 2024a), the G20 should seek to advance common principles and practices in relation to access, interoperability, security, privacy, and sovereignty of data, especially in initiatives such as the Global Digital Compact, the Tech Envoy AI Advisory Council and proposed AI framework.

Under the auspices of the Brazilian presidency of the G20, and building on previous declarations of the group, the DEWG has developed a measurement framework for universal and meaningful connectivity. The adoption of a multi-dimensional measurement framework is a crucial step towards achieving this connectivity, as it allows for "effective policy planning, the adjustment of already implemented action routes, and the accurate allocation of invested resources" (DEWG, 2024b, p. 16).

3.2. Reduce digital inequalities

There are various expressions of inequality within the digital economy and digital employment landscape. These encompass the exclusion of minority groups, often due to insufficient skills and limited access to digital infrastructure and connectivity.

Despite the common misconception of youth as digital natives, their capacity to engage in the digital economy is contingent upon the socio-economic status of their families. Additionally, gender, ethnic minority, and disability-related inequalities in ICT remain prevalent (ILO, 2022). Accessing opportunities, rights, and services online requires affordable, secure, fast internet and the skills required to navigate it and assess the reliability of digital media. These requisite inputs vary by sociodemographic profile (wealth, income, race, rurality, etc.) and gender.

The G20, in line with the recognition of digital education as an enabler for human dignity and empowerment stated in its Rio de Janeiro Leaders 'Declaration (2024a, paragraph 27) should:

- Implement comprehensive digital skills training programs aimed at equipping individuals from minority groups, youth, and those with disabilities with the necessary skills to thrive in the digital economy. In addition, it is also important to integrate digital literacy and STEM education into school curriculums from an early age to ensure all students have equal access to essential digital skills.
- Develop roadmaps to encourage businesses and industries to adopt inclusive hiring practices that prioritise diversity

and equal opportunity. This includes providing mentorship programs, internships targeted at underrepresented groups in the digital environment.
- Develop roadmaps to the implementation of policies aimed at reducing socioeconomic disparities that hinder access to the digital economy. This may include providing financial assistance for internet access, affordable devices, and digital services for low-income families.

3.3. International regulation and governance

As digital labour platforms expand across borders, existing national frameworks struggle to guarantee basic rights and social protections for platform workers. The transnational and often opaque nature of web-based and *crowdwork* platforms demands international regulatory approaches that promote fairness, accountability, and social justice (ILO, 2019a). Without coordinated action, digital work risks deepening precariousness, especially in vulnerable economies. Strengthening global governance mechanisms is therefore essential to ensure that digital transformation supports decent work rather than undermining it.

The G20 should:

- Encourage public and private (self-) regulation on digital work in the form of bipartite, tripartite multi-stakeholder dialogue (ILO, 2019a).
- Seek solutions to the gaps on social protection calling cross border social dialogue in the ILO sectorial, regional and global meetings.
- Incentivise the commitment of digital platforms to the ILO Multinational Enterprises
    - Declaration, OECD Multinational Enterprises guidelines and UN guidelines on Business and Human Rights.

3.4. Democratic governance models

As digital platforms increasingly take on public functions – such as creating jobs and organizing labor across borders – they wield significant influence over economic and social outcomes. Despite their growing role, these platforms remain largely unaccountable to the public, with governance structures that lack democratic oversight and worker representation. The absence of transparent, participatory decision-making processes within these platforms' risks perpetuating undemocratic practices and exacerbating social and economic inequalities. A shift towards democratic governance is essential to ensure that the benefits of digital platforms are distributed fairly and responsibly.

The need for enhanced transparency and accountability of digital platforms in line with relevant policies and legal frameworks was highlighted by G20 leaders in their Rio declaration (2024a, paragraph 29). The DEWG, under the 2025 South African G29 Presidency, honing its focus on AI, once more emphasises the centrality of data governance, including issues of protection, access, and utilisation (2024, p.9).

The G20 should:

- Present legislation proposals to amend the existing corporate laws and include workers' representation on the board of directors in digital value chains.
- Present legislation proposals to create community-shared ownership models and support special finance schemes and tax exemptions to enhance their local competitiveness.
    - A Kenyan court decided that Meta can be sued by workers employed in its African Hub operated by another company, thus rejecting the company's argument of lack of jurisdiction (Africa News, 2024).
    - Following an agreement with Meta, Kenyan digital creators will start getting paid for their content on the platform (Mwangi, 2024).

3.5. Need for algorithmic transparency of all digital platforms

Workers and governments are not informed of the impact of surveillance through algorithm controls by digital platforms in decision-making regarding contracting, payments and customers (Fairwork UK, 2023). The complexity of creating unions and legal representation for digital workers is a fact and it needs to be addressed.

Under Brazil's 2024 Presidency, G20 Labor and Employment Ministers decided to establish guidelines for the safe, secure and trustworthy use of AI in the world of work, in collaboration with other relevant workstreams (2024a, paragraph 78).

The G20 labour agencies and social security schemes should make it compulsory for digital platforms to report annually specific information on the numbers, profiles of their workers, job classifications, and salaries per category of DDS.

The G20 countries should respect freedom of association and effectively recognize the right to effective bargaining. The platforms should disclose information about mathematical and algorithmic formulae to workers' representations reducing effects of asymmetric negotiations.

Against decent work?

In Brazil, 97.3% and 84.3% of drivers and deliverers connected to digital platforms, respectively, said that it was the "apps" that determined the amount to be received for each ride and task, and for 87.2% and 85.3%, respectively, the app determined the customers to be served. (IBGE, 2023).

3.6. Enhance formalisation and social protection coverage.

The rise of digital platforms has led to an increase in non-standard forms of employment, with many workers classified as self-employed. However, the employment status of digital platform workers remains unclear, leaving them without the same legal protections as traditional employees. This ambiguity often results in a lack of access to essential rights such as occupational health and safety, fair compensation, and regulated working hours. To ensure that the growing workforce in the digital economy enjoys decent working conditions, it is crucial that all workers – regardless of their status – are covered by robust social protection systems. Aligning these protections with the ILO's Decent Work Agenda and the Future of Work Centenary Declaration (ILO, 2019b) will ensure a more inclusive and fair digital economy.

The topic should be discussed by the G20 in 2025, as the EWP under South Africa's Presidency has expressed the intention to consider addressing, among others issues, how to ensure decent work in the digital economy; and it has signaled as a possible outcome the strengthening of legal protection and rights of workers including unionisation, access to social security, and fair wages within the group's countries. Other measures to be contemplated, according to the EWP, are enhancing collective bargaining and enforcing minimum wage laws to non-standard and informal workers. (2024, p. 7).

The governments of the G20 countries should incorporate non-standard employees in ICT dependent jobs, especially in platforms, into existing labour and social protection regimes, regardless of their classification.

The governments of the G20 countries should encourage the formalisation of self-employed and contract workers, who will adhere to digital job contracts.

Good practices:

The Riders' Law which came into force in August 2011 in Spain, included a presumption of dependent employment status, rights on algorithmic management and social protection to platform workers.

In March 2024, the Brazilian government launched a law proposal establishing minimum rights for transport platform workers. The proposal created a special status to the category of "autonomous platform workers", with a minimum salary, limits in hours of work, obligation of payments to social security and right to maternity leave.

4. Way ahead

Without digital transformation under rights-preserving conditions, the advances of digital technology, despite the promise of work creation and increased productivity, are likely to exacerbate existing inequalities.

Digital technologies have undoubtedly transformed the landscape of markets and the world of work, however, the benefits of the digital transformation have not been similarly enjoyed by all – as the global *centre* develops, the periphery finds itself increasingly alienated from digital development.

Thus, the discourse and the initial promise of a *sharing economy* has shifted and been replaced by the unavoidable acknowledgement that, far from sharing, asymmetrical power relations have shaped a highly extractive global economy (Zuboff, 2019; Couldry and Meijas, 2019).

In that context, the best hope of addressing the inequalities and improving opportunities for equitable inclusion in a globalised, complex and adaptive digital and data systems lie in collaborative global governance and collective action. The resulting documents from Brazil's 2024 Presidency and the concept and issue notes published in preparation for the South African 2025 Summit are evidence of the relevance and timeliness of the discussion. They present a shared diagnosis of increasing economic inequality and deteriorating worker protection exacerbated by digital inequalities, incipient regulation and undemocratic data sharing practices.

The recommendations presented seek to address that inequality and foment cooperative action that advances the implementation of the Sustainable Development Goals (SDG), especially related to decent work.

Advancing meaningful access and connectivity should strengthen a resistance to data colonialism and act to reduce the individual and collective vulnerabilities to misinformation, privacy breaches, and online repression.

Reducing digital inequalities can enable minority groups to better position themselves in the digital job market. This can also contribute to enhancing diversity within digital work environments.

Attention to **international regulation and governance** may lead to a permanent dialogue between workers' legal representations, government, state agencies, and to an enhanced commitment to fundamental labour rights and human rights principles worldwide in digital value chains. Beyond the specific scope of labour relations, initiatives such as global tax regimes, for example, could be better deployed for revenue generation and increased social protection (Onuoha, R., & Gillwald, A. 2022).

Democratic governance models are expected to increase the influence of workers' demands on employment and working conditions in digital value chains and promote economic growth at the community level.

Enhancing **transparency** can offer workers more leverage for engaging in collective action and bargaining. Moreover, it is expected to lead to adequate public policy responses to gaps in rights and social protection and to advance worker's protection against discrimination and the violation of their fundamental rights.

Finally, **enhancing formalisation and social protection coverage** should lead to broader access by workers to state services and to an increased revenue for social security systems, the latter an increasingly challenging matter in some of G20 countries. Moreover, the formalisation of self-employed and contract workers in digital supply chains provides visibility of work relations and information for the construction of efficient public policies integrating gender, ethical, educational, cultural, among other relevant factors.

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Chapter Two

From G20 Brazil 2024 to G20 South Africa 2025: Unpacking the Digital Economy Themes – Comparisons and (Dis)continuities

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Abstract

The G20 in 2025, being hosted by South Africa, takes place in the context of various geopolitical fractures and conflicts. It brings the potential of a Global South agenda into the final year of the Southern nations hosting the event, and for the first time incorporates the African Union (AU) in the G20 in a hyper-competitive world with little policy space for middle power nations. The Digital Economy themes have gained prominence in recent years at the G20, with a dedicated working group focusing on key issues - digital access, equality, and AI governance, safety, innovation, and sustainability, while ensuring robust regulation to prevent societal harms. This chapter focuses on the G20 Digital Economy themes of Brazil in 2024 - and its (dis)continuities as South Africa hosts the G20 in 2025.

Keywords: Digital Economy; South Africa; Global South; G20

Introduction

The global Covid-19 pandemic crisis was one of the gravest global disasters of century. A combination of rapid globalization, inequalities of the trade system, offshoring, outsourcing, rapid urbanization and borderless world of travel and commerce and lack of investment in health systems ensured a 'warp like' spread of the Covid-19 pandemic. Humanity was presented with unique opportunity to co-operate with the United Nations (UN) around a common crisis. Sadly, leading powers and nation states rapidly descended into the most rabid nationalistic forms of Covid-19 vaccine nationalism and selfishness, especially with regards to the Covid 19 vaccine development and distribution, entrenching geopolitical divides. The globalization model developed as espoused by elite forums like the G20, G7, World Economic Forum (WEF) was exposed in core areas from supply chains to labor mobility and exploitation, and the erosion of the development agenda.

In his speech to the WEF 2021 virtual conference on 27 January 2021, President Cyril Matamela Ramaphosa, made a heartfelt appeal to wealthy nations not to hoard Covid-19 vaccines and free it up for the South. For a leader of a leading African economy, and South Africa as member of the G20 and BRICS to plead in this manner, shows emphatically the stark unequal power relations of the rich North vis a vis the precarious position of the South. Despite appeals for patent exceptions in this global health emergency, pharmaceutical corporations profiteering intensified, and even - while receiving mega subsidies worth billions of dollars, 80% of Covid vaccines were produced and hoarded for nations of the North, while the Global South was denied any technology transfer, leaving the majority of the world's population unvaccinated

The United Nations Sustainable Development Goals (SDGs), officially known as Transforming our World: the 2030 Agenda for Sustainable Development sets out a clear agenda for global sustainability. Spearheaded by the United Nations through a deliberative process involving its 193 member states, as well as global civil society, the goals are almost a blueprint of the 'Future We Want' by the UN member nations. All these goals are highly dependent on the skills we develop for the labour market.

In this context, the WEF's 2021 publication, Covid-19: The Great Reset, co-authored by the CEO WEF's Dr Klaus Schwab is timely as it provides thought-provoking expert insights on the varying and structural impacts in a Covid world order and contours of a global post Covid economic recovery. The authors propose that the global pandemic presents a new opportunity to institute a new policy narrative that integrates social thinking, and this needs a 'radical rethink' on key issues ranging from new green pathways to reform of the Bretton Woods institutions. (Schwab and Malleret, 2020)

1. 4IR and AI - Panacea of Paradox?

The report further elucidates that options to boost growth performance and economic recovery are better known (i.e. addressing basic distortions), yet new approaches will have to be found as the manufacturing-led development model, so crucial for job creation has higher barriers to entry, and competition intensifies with the adoption and dissemination of the Fourth Industrial Revolution(4IR).This is a critical statement from the WEF as the erosion of manufacturing capacity especially in the South in general and Africa in particular will mean the path towards normal industrialization of the Kuznets-type mode - structural transformations through manufacturing, the engine room for job creation - will face insurmountable headwinds as the tools and processes of the 4IR (robotics, AI, IOT), penetrate economic, public sector, and industrial recovery programs. The report has a sobering assessment:

> In the pre-pandemic era, new artificial intelligence (AI)-based technologies were being gradually introduced to automate some of the tasks performed by human employees. The COVID-19 crisis, and its accompanying measures of social distancing, has suddenly accelerated this process of innovation and technological change. Chatbots, which often use the same voice recognition technology behind Amazon's Alexa, and other software that can replace tasks normally performed by human employees, are being rapidly introduced. These innovations provoked by necessity (i.e. sanitary measures) will soon result in hundreds of thousands,

> and potentially millions, of job losses. As consumers may prefer automated services to face-to-face interactions for some time to come, what is currently happening with call centres will inevitably occur in other sectors as well. "Automation anxiety" is therefore set for a revival, which the economic recession will exacerbate. The process of automation is never linear; it tends to happen in waves and often in harsh economic times, when the decline in companies' revenues makes labour costs relatively more expensive. (Schwab and Malleret, 2020, p.43).

These sobering observations suggest some kind of 'Covid-19 4IR' austerity' order emerging post 2022, with social sectors - especially labour should expect in the coming months and years ahead. It is a textbook case of the 1980s Thatcherite dictum 'There is No Alternative' TINA. The report further points to a dystopian reality awaiting workers everywhere and especially for Africa:

> In emerging and developing countries (particularly those with a "youth bulge"), technology runs the risk of transforming the "demographic dividend" into a "demographic nightmare" because automation will make it much harder to get on the escalator of economic growth. (Schwab and Malleret, 2020, p.44).

This emerging 'demographic nightmare' scenario enabled by the displacing character of 4IR technologies is especially concerning for the development agenda of African countries where the youth bulge was seen as a powerful engine and source of human capital to propel African nations towards industrialization, growth and social development. In this short term, this scenario is now less feasible in the post-Covid recovery scenario, with restructuring resulting in job losses and investments in education systems for a 4IR era is a long-term project.

The WEF's Covid-19: The Great Reset report does a detailed assessment on all components – economics, politics, technology, labour, climate change, gender and environmental impacts. It does acknowledge and promote a social market-social democratic model and calls for a 'social compact' economy, inclusive of stakeholders.

An interesting observation is that in this latest report the WEF and World Bank 2024 reports – those bastion and cheerleaders of free market globalization over four decades, are now reviewing their orthodox economic stance, with the acknowledgment of the need for a developmental model and social investments in addressing the public health crisis and economic recovery (Schwab and Malleret, 2021).

Emerging middle power nations like South Africa, India, Brazil face a multitude of developmental realities. It is in this context of areas of globalization and inequality that a new developmental and inclusive model is required. Information and Communication Technologies (ICTs) and online learning platforms have been a boon that allowed professional classes to continue work. However, on the other side of the digital divide and 'dirt tracks' blue-collar workers, poor students, rural folk and SMME's have largely been excluded, partly due to our unaffordable data rates and uncoordinated national program to provide broadband and teacher training for the public education system. Sadly, current ICT policy-regulatory disconnect and dominance of telco mobile operators create distorted market and price outcomes, with implications for social welfare. The real challenge for our basic and higher education system going forward will be manifold: new organizational readiness for online learning, capacity building for administrators, new forms of pedagogical training for teachers, investing in Learning Management Systems (LMS) and restructuring the TVET college system to upgrade learners for the technology enabled global economy.

2. Can the G20 move from a mainstream globalized model to a more socially inclusive model?

As more of our everyday lives become digital – from paying bills and reading news to contacting companies and services, keeping in touch with your friends and family, and even voting – it has become crucial to include everyone in the online world. But the meaning of digital inclusion keeps on changing and with it also the set of skills that are necessary to be ‘digital’ (Jaeger et al., 2012). What type of skills do people need to ‘be digital’ today? Is access to the internet enough, or do people need to understand how the internet works as well? Which kind of training programmes should be developed? Should there be one type of skills and training programme or different ones that cater to people from different backgrounds and needs (able-ism, age, education, gender, race, religion)? With the automation of many jobs, how can we foresee what skills will be needed for future work? These questions have been occupying the private sector and policy makers, and as more tasks become automated and digitalised, addressing them becomes ever more crucial.

Technology is one of the main reasons why incomes have stagnated, or even decreased, for a majority of the population in high-income countries: the demand for highly skilled workers has increased while the demand for workers with less education and lower skills has decreased. The result is a job market with a strong demand at the high and low ends, but a hollowing out of the middle. This helps explain why so many workers are disillusioned and fearful that their own real incomes and those of their children will continue to stagnate. It also helps explain why middle classes around the world are increasingly experiencing a pervasive sense of dissatisfaction and unfairness (Brynjolfsson and McAfee, 2016).

Leading MIT economists, Brynjolfsson and McAfee (2016) argue that the fourth industrial revolution “could yield greater inequality, particularly in its potential to disrupt labor markets. As automation substitutes for labor across the entire economy, the net displacement of workers by machines might exacerbate the gap between returns to capital and returns to labor. As automation substitutes for labor across the entire economy, the net displacement of workers by machines might exacerbate the gap between returns to capital and returns to labor. On the other hand, it is also possible that the displacement of workers by technology will, in aggregate, result in a net increase in safe jobs. We cannot foresee at this point which scenario is likely to emerge and history suggests that the outcome is likely to be some combination of the two"(https://www.weforum.org/agenda/2016/01/the-fourth-industrialrevolution-what-it-means-and-how-to-respond/).

3. The 4IR trilemma- trapped between jobless growth, de-industrialization and inequality

With the advent of the 4th Industrial Revolution (4IR) discourse going mainstream, flowing from northern circuits of the Davos WEF and G20, it has also found its way into daily discourses of the South, posing challenges for policy makers and social partners – labour, community and gig workers. A poignant feature is the rapid rise of micro-workers (professional workers without formal employment), which is morphing into a new 'precariat class'; and together with the concomitant mass lay-offs in the manufacturing industry has created both a vulnerable, industrial, blue-collar' proletariat and a new, vulnerable, 'white collar' services precariat. New Schumpeterian modes of technology disruption have again created new waves of opportunity – instability.

The rise of Uber aptly symbolizes this new wave of disruptive business models, monetization of new apps – sucking in local labour/drivers, automobiles, fuel, – into its system, with no concomitant social investment in terms of healthcare, pension or accident insurance for Uber drivers. Many nations and city states have responded differently. For instance, China with its data development and on data transfer model, Uber has failed and Chinese owned hailing companies have thrived. In cities of London and Berlin there has been protracted regulatory changes to push Uber towards recognizing workers as employees, with social benefits.

Shortly after his attendance at the World Economic Forum (WEF) in Davos in 2018, South African President Ramaphosa announced at the State of the Nation (SONA), the creation of the PC4IR. Through the Commission, technologies would be used to elevate SA's developmental agenda in line with Vision 2030. The PC4IR consists of leaders from academia, business and civil society. It began its work in May 2019, combining research and stakeholder engagements to generate a comprehensive perspective of SA's current conditions and prospects in the 4IR. Since its inception, the PC4IR has discussed the opportunities that will enable the country to craft a shared 4IR future. It has also looked at the factors that prevent SA from moving forward. These discussions have included international benchmarking. The intention is to gain insights into how PC4IR can provide a framework to position SA in the global 4IR landscape.

By contrast the International Labour Organization's (ILO) Commission on the Future of Work (2019) put forward its core recommendations about a developmental role for the state as well as inclusion and protection of workers and unions despite the global context of 4IR technocentrism. President Ramaphosa also happened to co-chair the ILO's Commission on the Future of Work. In many ways, South Africa's complex and complicated pathways and policy approaches to the new digital economy and 4IR are rooted in the contestations of 4IR narratives, values and discourses such as those of the World Bank/WEF on one hand and the ILO and union networks on the other. policy makers and leadership across the domains of government, business, labour and society.

The advent of the 4IR within global elite formations (WEF, G20 and World Bank) is a continuation of 'informational capitalism' and 'space of flows' as described in Castells' critical information theorization and as the highest forms of a new imperialism (Harvey, 2013). Even progressives within mainstream institutions, such as Professor Joseph Stiglitz (2009) have come to acknowledge information power asymmetries and deep-seated challenges. By applying a 'Knowledge for Development' discourse, albeit within the reformist agenda of the World Bank they suggest that the knowledge society discourse has varying perspectives, experiences and impacts, especially for the South and Africa.

These have major implications for economies, with potential for mega wealth creation but also disrupting standard everyday modes of life and work as we know it.

4. G20 Southern Presidencies - Continuity of Change pathways?

The G20 is the elite global governance forum. It is one of the few multilateral platforms capable of shaping major international public policies and agenda-setting initiatives. Originally established as a response to the recurrent financial crises of the 1990s - culminating in the global financial crisis of 2008 - the G20 has since broadened its agenda considerably mirroring those of the UN in tackling the 'big global issues' of climate change, AI and digital economy and peace and security. Most G20's foundational references are the United Nation SDGs and various UN agreements; but the G20 as an elite forum has convening power for agenda setting which feeds into UN processes.

However, many global social justice movements have decried that the G20, while a prominent global forum, faces several critiques. They argue that its exclusive nature undermines democratic participation and that the G20 has not effectively addressed pressing global challenges like climate change and economic inequality and digital dystopias. Additionally, the G20's effectiveness is questioned due to a lack of accountability and its inability to translate ambitious statements into concrete action. Some also argue that the G20's focus on the interests of the powerful nations marginalizes the concerns of the those on the lower rung of the Global South, and in the current geopolitics, actually weakens existing multilateral organizations such as the WTO and UN entities.

5. United Nations Global Digital Compact

This year's G20 Digital Economy working group comes at a time of major challenges of the global digital economy. the global call for regulation of social media giants, and Big Tech, t the need for promoting digital equality and literacy etc. It is in this context that, on 22 September, the United Nations adopted the Global Digital Compact (GDC), a set of fundamental principles and recommendations to create an "inclusive, open, sustainable, fair, safe and secure digital future for all".

The GDC is built on foundational principles, including human rights online, safe and secure digital environments, and digital innovation for sustainable development, among others. Aspects such as the protection of privacy and freedom of expression, addressing threats of misinformation, and improving transparency and accountability among online social media companies are included in its recommendations (www.un.org.-global-digital-compact).

In many ways the UN GDC themes have shaped South Africa's 2025 Digital economy themes and program priorities.

The "Knowledge Society" has been adopted by the United Nations Educational Scientific and Cultural Organization (2003) within its established policies. In an interview published in the last issue of "A World of Science", the quarterly newsletter of UNESCO's Natural Sciences Sector, Abdul Waheed Khan, the Organization's Assistant Director-General for Communication and Information explains how information and knowledge can contribute to development in a world where 80% of people still lack access to basic telecommunication tools (UNESCO, 2003).

6. International Telecommunications Union ITU Global Symposium for Regulators

The ITU still remains the core global telecommunication coordination forum representing all nation states. Over the years it has led on the information society debates, and in recent years its innovative Global Symposium for Regulators GSR has been lauded as setting the information regulation framework. At the launch of the ITUs best practice guidelines

> With one-third of humanity still offline and women and other vulnerable groups on the wrong side of the globe's digital divides, GSR-24 and the Best Practice Guidelines highlight the innovation, trust, and inclusivity that we need in the policy and regulatory environment," "With change being the only certainty facing regulators and policymakers, we must work together to pursue regulatory approaches to leverage transformative technologies such

> as AI, promote the space economy, encourage innovation, and support climate action and the UN Sustainable Development Goals" (ITU Secretary General Doreen Bogdan-Martin, ITU GSR, Kampala, June 2024),

7. Brazil's Digital Economy DEWG working group themes in 2024

Brazil's presidency of the G20 under President Lula lasted until 18 November 2024. The key priority issues were rooted in Brazil's deep commitment to the UN Sustainable Development Goals SDGs. They are:

1. The fight against hunger, poverty and inequality
2. The three dimensions of sustainable development (economic, social and environmental)
3. The reform of Global Governance with focus on IFIs and WTO.

Throughout the year, more than 100 working meetings and task forces that make up the G20 were held, both face-to-face and virtual, at the technical and ministerial levels, in the host cities of the five regions of Brazil. The goal was to decentralize activities, transforming the G20 into a more accessible and representative forum, with a broad-based Social Forum S20, and culminating in the G20 Leaders' Summit, on November 18 and 19, 2024 in Rio de Janeiro, with the presence of the leaders of the 19 member countries, plus the African Union and the European Union.

7.1. Brazil's G20 Digital Economy priority themes in 2024 were:

Connectivity, as a significant part of the world's population remains disconnected from the digital environment. The challenge of connecting people living in rural and remote areas remains relevant, as well as providing digital abilities to those with access to the internet;

Digital Government, which is about improving the relationship between governments and their citizens, providing high-quality public services and seizing the opportunities of the digital economy. These require secure digital public infrastructure, reliable and inclusive. This topic must be addressed with a focus on the components of digital identification and data sharing;

Integrity of information, since the ubiquity of global digital platforms has reshaped the mass communication landscape, transforming economic, social, cultural, and political interactions around the world;

Artificial Intelligence, as the intense debates, which are mainly focused on generative models and issues of ethical and responsible use, are not deep enough in relation to issues arising from the concentration of capacities, datasets and infrastructure in a few actors. That concentration does not reflect the diversity of linguistic, cultural, racial and geographical contexts.

Context of Information development in Brazil

Brazil has made notable strides in expanding internet access over the past decade. According to the Brazilian Internet Steering Committee, as of 2022, approximately 83% of the Brazilian population had internet access. This figure represents a substantial improvement from previous years, indicating a positive trend towards greater digital connectivity. Despite this progress, stark inequalities persist. Rural areas, particularly in the North and Northeast regions, lag significantly behind urban centers in terms of internet penetration and quality. A study by the Regional Center for Studies on the Development of the Information Society (CETIC) found that only 41% of households in rural areas have internet access, compared to 89% in urban areas. (www.wsa-global.org)

The work of the Task Force also connects to the debate initiated by the UN in 2024 regarding technology governance aligned with the SDGs. The focus on data governance and AI is present in the Global Digital Compact, adopted by Member States at the Summit of the Future (SoF) last September. Thus, the G20 has the opportunity to invest in policies aligned with the SDGs through a shared agenda, while catalyzing domestic actions aimed, in this moment, at the Global South.

The Brazilian Presidency forms the Troika alongside India and South Africa, setting an agenda that addresses the inequalities and injustices arising from technologies produced in the Global North. Under Brazil's leadership, the group has been able to advance important topics such as information integrity, DPI, and AI, as well as invest in meaningful connectivity so that citizens have effective access to the Internet and its benefits.

Throughout the Brazilian presidency of the G20, AI has repeatedly been brought up as a priority issue. President Luiz Inácio Lula da Silva was particularly vocal about the need for advancing AI that is attuned to Brazilian culture, language, and social demands. This culminated in the delivery of the Brazilian Artificial Intelligence Plan, in August of 2024.

In light of this momentum on AI, and the perceived fragmentation of the discussions surrounding it – and related areas such as data governance – the T20's task force on Inclusive Digital Transformation has worked towards building bridges between different groups for finding common positions on the topic. Understanding the G20's role in agenda setting and the encouragement for social participation led by the Brazilian Presidency, the task force actively collaborated with other engagement groups to provide actionable policy recommendations on AI.

This resulted in the launch of the São Luís Declaration, which presents consensual perspectives on AI among four G20 engagement groups: Civil20 (civil society group); the L20 (labor sector group); the T20 (research centers and think tanks group); and the W20 (women's group). Before the São Luís Declaration, the T20 and C20 had already issued a joint statement on economic, environmental, and digital areas, including addressing principles for AI. Culminating from a six-month process of negotiations, which included an in-person meeting, the São Luís Declaration represents a milestone for the plural construction of policies on AI, by outlining a shared vision of its future within the G20 framework.

The Declaration's recommendations are informed by two complementary perspectives: data justice, which addresses global power asymmetries in data use and promotes equitable AI governance; and an intersectional approach, to ensure that AI systems protect rights. These approaches prioritize the protection of vulnerable groups, especially women and girls, increasingly at risk of technology-facilitated gender-based violence. The recommendations touch on issues such as the development of a collaborative position on data governance within the G20, strategies for promoting decent work and climate justice, the need for rights and risk-based approaches to AI regulation, and better coordination among international bodies on the subject.

7.2. Brazil's programs in addressing internet connectivity and digital literacy

Brazil has a range of program intervention in meeting connectivity goals. The *Programa Internet Para Todos*, a government effort aimed at bringing high-speed internet access to remote and underserved regions. By partnering with local municipalities, this program used satellites to provide connectivity to communities that traditionally lacked internet access. The *Projeto Telecentros.BR*, launched by the Ministry of Communications in collaboration with states and municipalities. This project established community telecenters in underserved urban and rural areas, offering free internet access and computer training programs. A *Conecta Biblioteca* project transforming public libraries into centers of digital and social inclusion by training librarians (Gustavo Pello).

In assessing Brazil's social inclusion policies, it is important to note that Brazil has made significant gains in social development, expanding the social development and economic transformation.

Digitalisation has played an important role as core infrastructure and service at all levels in government and society to achieves its objectives and with the advent of AI it is prioritizing the potential of AI in industrialization, agriculture as well as developing robust regulation AI and societal impacts.

7.3. Brazil's G20's focus on privacy and consumer protection for Digital Public

Infrastructure

Brazil Think 20 working group on Digital Economy were wide ranging and policy briefs covered a range of issue under the G20 themes. and can foster inclusive and sustainable digital transformation, it can also have harmful impacts. Within Digital Public Infrastructure (DPI), frameworks the need for robust consumer protection given the ubiquity of DPI. In this context, Professor Luca Belli, a Brazil T20 academic expert elaborated:

> These risks are disproportionately present in the Global South, where significant populations lack meaningful connectivity, and regulatory frameworks and institutional capacities may be incipient. For example, digital payment methods that only function online can deepen financial disenfranchisement for those without internet. Additionally, scams, fraud, and data malpractice are ongoing risks, especially to women, low-income and rural populations, and other communities with lower rates of digital and financial literacy. It is concerning that large-scale DPI has been implemented in countries without prior regulation of financial services nor information communication technologies. Abuses of DPI-dependent identification, payment and data-sharing mechanisms that can arise without comprehensive frameworks of standards and protections are dangerous to consumers. (Belli et al, Brasil T20, 2024)

8. South Africa's G20 Digital economy priorities in 2025

The South African Presidency of the G20 comes at a time of increased international focus from Trump 2.0 trade wars, multiple conflicts and the climate crisis and lack of Development finance. In this context, the digital economy, particularly its instrumental role in development and economic and social reconstruction following the COVID-19 pandemic, with the Africa Union AU participating effectively for the first time. Generally, it follows the Brazilian 2024 themes on Digital economy, but with some refinements.

Under the banner of 'Solidarity, Equality, Sustainability', South Africa's G20 leadership frames itself as people-centred, development-driven and attuned to the poly-crisis confronting the global order.

During the pandemic, governments relied on accurate data and connected digital platforms to manage public health responses and social support. South Africa's Covid response was sub-optimal given multiple challenges around access, the lack of connectivity to rural areas and health centres as well as lack of usability of systems and data-sets.

According to Rennie Naidoo:

> The problem is that these digital systems are not neutral. Nor are they equitably distributed. We must push for African inclusion in global AI governance, including at the standards-setting and ethical oversight levels. Across much of the continent, digital infrastructure is fragmented. Data travels through cables and servers governed by foreign jurisdictions. Cloud platforms are owned mainly by a small group of global providers. Cyber security frameworks are often imported wholesale and are ill-suited to African realities. This is not just about access – it's about control. Digital sovereignty means more than localisation. It is about strategic autonomy – that is, the capacity to build, govern and protect our digital systems on our terms. (Rennie Naidoo, 23 May 2025, IT Web)

At the first Digital Economy Working Group DEWG meeting in February 2024, Solly Malatji, Minister of Communications and Digital technologies explained that:

> The recent United Nations (UN) Summit of the Future and its Global Digital Compact (GDC) set out objectives, principles, commitments and actions for a new global digital cooperation that will lead to more equitable and just outcomes. In 2025, the 25th review of the foundational framework for global digital cooperation provided by the World Summit on the Information Society (WSIS) outcomes is a pivotal opportunity for global action to strengthen and broaden efforts towards an inclusive digital economy and society that is people-centred and that meets the development aspirations of the international community. (Solly Malatsi, DEWG meeting no 1, 7 February 2025)

The South African G20 Presidency follows a sequence of the southern countries that have provided leadership to the G20. The focus will be to harness the transformative power of digital technologies to bring about inclusive development for all. We will also continue to consider the importance of having suitable frameworks to guide their adoption of new technologies in a way that will optimise their benefits and limit potential harms.

In this context, South Africa looks forward to building on the achievements of past presidencies, focusing on the following key issues:

- Connectivity for inclusive digital development
- Digital public infrastructure and transformation
- Digital innovation ecosystems: unleashing the potential of Micro, Small and Medium Enterprises (MSMEs)
- Equitable, inclusive, and just artificial intelligence (AI)

The following were the priorities

Priority 1: Connectivity for Inclusive Digital Development

Deliverables

- Workshop on modernising statistics and sustainable financing models
- Paper on regulatory, business, and community strategies to ensure the provision of connectivity as the foundational requirement for effective social and economic participation of citizens.
- Drawing on international experiences, develop a framework for analysing and measuring the socio-economic impact of, and funding models to achieve universal and meaningful connectivity through the connecting of government institutions and piloting the implementation of this framework to connect the unconnected.

Priority 2: Digital Public Infrastructure and Transformation

Deliverables

- A virtual workshop on applications of DPI from G20 members and others, as well as a research or survey document providing an update on the different experiences and initiatives in DPI implementation globally and drawing on key learnings.
- Development of possible instruments to support DPI implementation, such as a readiness self-assessment tool and roadmap, and DPI blueprints that reflect regional context for the development of sector-specific DPIs.
- Templates for cost-benefit analysis, among other tools, to measure benefits to the citizens and government in designing citizen-centric digital services using DPI.
- Guidelines on Integrated Governance Frameworks for Equitable DPI.

Priority 3: Digital Innovation Ecosystems and Unleashing the Potential for MSMES

In terms of deliverables the priority on digital innovation seeks to boost South African nascent tech start up ecosystem creating localized solutions that can scale.

Deliverables

- A showcase of MSME innovation in the ICT event for MSMEs from G20 members, working with the other government departments. It will speak to economic development, local solutions, and higher-value employment in the digital economy.
- A workshop on digital innovation ecosystems, drawing on international best practices and expertise.
- A future-orientated paper on MSMEs and digital innovation ecosystems
- Workshop on strategies, programmes, and initiatives for digitalising MSMEs and encouraging participation in the digital economy.

Priority 4: Equitable, Inclusive and Just Artificial Intelligence (AI)

In terms of South Africa's commitment to an inclusive AI, in line with its themes of socially inclusion and solidarity principles and rooted in the UN Pact for the Future and the UN GDC.

- Workshop on AI and inequality
- Toolkit to reduce inequalities connected to the use of AI
- Guidelines for access to data for MSMEs and researchers, and promoting data sharing with and by the public and private sectors
- Workshop on generative AI and its evolving ability to produce high-quality deep fakes at a lower cost, and the impact on information integrity, and consideration of possible recommendations.
- Draw on international experience to identify key elements of strategies, policy and regulatory frameworks to assist countries to respond to AI.

However, South Africa road to equity and access in Digital transformation faces several structural, economic and global trade and economic headwinds.

International knowledge partners to include: the ITU, UNESCO, UN Development Programme, UN Industrial

Development Organisation, OECD. Local Knowledge Partners are also being identified.

Conclusion: Confronting the Unique African structural economic conditions and 4IR vulnerabilities

Given the diversity of country, policy and cultural contexts in Africa, a crucial challenge is how to generalise findings from one country to other African contexts. Typically, national policies are formulated in the absence of evidence, but even where they are evidence based, often little impact analysis is done. Where impact or evaluation studies are conducted, the findings are normally unique and specific to the country context. Finding ways of conducting empirical policy review and impact studies that provide effective learning for other countries is needed; perhaps these are better modelled on qualitative best practices and case study methodologies than quantitative economics-driven approaches. From a more individual – but no less important – perspective, there is even less known, especially about the impacts. For instance, despite the fact at least one million workers in Africa are currently doing crowdsourced and micro-work, little is known about their experiences. This applies even more to the more formally employed digital labourers.

Given Africa's very high economic inequality in the labour market, with the relative shortage of high skills versus the over-supply of un-/semi-skilled labour, individual digital labour issues right across the spectrum are likely to be much more pronounced than in the developed world. Research is needed among highly skilled IT professionals to assess the unexpected and negative consequences of their privileged position in the market (such as overwork, lifework balance, quality of life, burn-out). But perhaps more importantly, research is needed on the impact of outsourcing and impact-sourcing to African countries and offshoring away from African countries on individual's wellbeing, ideally using a partly qualitative and overall, more holistic approach than just economic measures.

As yet, the G20 in 2025 is a work in progress with only some continuities from Brazil's G20 Digital economy agenda which had a much deeper and more dynamic engagement with Labour 20 and Civil 20 thus ensuring broad based civil society participation and ownership that ensured a progressive AI development agenda rooted in sustainability, inclusivity, safety and governance for the public interest.

Will South Africa follow suit?

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Part 2

Trade and Investment

Chapter Three

Brazil, South Africa and the G20 Agenda: The challenge of trade and investment

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Abstract

The purpose of this chapter is to provide an analytical tour of the issues, dynamics, and challenges that confront Brazil, South Africa, and the G20 in the increasingly complex domains of trade and investment. Against the backdrop of rising geopolitical tensions, it examines areas of strategic and normative convergence between Brazil and South Africa in their G20 presidencies. This serves as bases for a review of the changed geopolitical context of trade and investment and the major trends that are relevant in this regard. The chapter then proceeds to assess the G20 scorecard on trade and investment, followed by a profile of the vexed future of the WTO as the global custodian of rules governing trade and investment. Recommendations are offered which focus on trade and investment as a core G20 policy objective; the potential of digital services as drivers of economic growth; providing incentives for business and the private sector; strengthening supply chain security; and steps to be taken to ensure a prudential role for the G20 in reforming the WTO.

Keywords: trade and investment; geopolitics; restrictive measures; digital services; WTO

1. Introduction

The current state of global trade and investment has been profoundly affected by the chaotic return of the United States President Donald Trump to the White House for a second term, characterised by more aggressive regimes of crude neo-mercantilism, economic nationalism, and transactional forms of diplomacy. These currents will certainly test the adaptive resolve of the G20 in navigating its way through an increasingly destabilised global trading system and investment environment, both of which have direct implications for the adherence of Brazil and South Africa to the letter and spirit of multilateralism. Indeed, and during his presidential term, Trump's heretical anti-globalism will serve as a proverbial battleground for the G20 as the *de facto* guardian of the global commons.

Trump's capricious and arbitrary tariff measures were directed at 57 countries, including the BRICS cohort particularly China and South Africa, countries of the Global South, and the European Union. The broad systemic repercussions of these arbitrary and cynical tariff hikes have already been registered in the distortion of complex and intricate supply chains, and in a dramatic increase of input costs while depressing global demand. Nearshoring of important supply chains such as steel, pharmaceuticals, and electronics add to protectionist impulses. The emerging signals of a weakened US Dollar have further fuelled market volatility, cost inflation, a reduction in efficiencies, and increased global uncertainty across established circuits of commerce, trade, finance, and investment (CFR 2025).

These developments not only spur isolationist impulses in the US but undermine economic cooperation through retaliatory measures while increasing fuelling geopolitical rivalries. Within the context of the G20, it is important for Brazil and South Africa to more assertively champion the cause of a rules-based international trade and investment order where the essential *raison d'etre* of the World Trade Organisation (WTO) is upheld and restored amid its recent existential stresses and strains to promote stability and certainty in global trade. This will require Brazil and South Africa to act in concert by ensuring collective action in the G20 to forge a new strategic calculus and normative consensus on global trade and investment.

A more robust approach is, therefore, needed for maintaining the integrity of regional trade agreements, restoring stability to supply chains, and ensuring that there is adaptive capacity to address economic disruptions. All these measures will require building healthy resilience against current turbulence and upheaval in global trade and investment. Moreover, the imperative of collective action points to the increasing importance of recourse to methodologies of prudent hedging, pragmatism, dialogue, and negotiation to deal with the multiple risk premiums that affect the entire geopolitical landscape of global trade and investment. Building on their close cooperative ethos, Brazil and South Africa are thus well placed to develop matrices of opportunities in the G20 for diversifying alliances for global trade and investments, while also crucially asserting greater strategic autonomy on behalf of the Global South.

Against this background, it is worth examining the principled positions of Brazil and South Africa on trade and related matters. These are critical markers that should be taken into account in an attempt to impose analytical order on the changing global milieu of trade and investment.

2. Brazil and South Africa: Strategic Alignment in the G20

In terms of comparative political economy, Brazil and South Africa resemble each other across a range of domains that shape their respective structural profiles so much so that the two countries have been referred to as an 'odd couple' (van der Westhuizen 2017). While comparative indices such as race relations, poverty, inequality, levels of development, and democratisation are common referents, there are also lineages of active internationalism and norm entrepreneurship as anchors of their foreign policies. For example, Brazil and South Africa have been major players in promoting modalities of 'southern multilateralism' that speaks to greater cooperation among emerging powers and countries of the South (Alden and le Pere 2023). This has been most profoundly manifested in their roles in the India-Brazil-South Africa (IBSA) Dialogue Forum along with India, and latterly through BRICS and currently in the G20. More to the point, there is great synergy in their approaches to trade and development in the G20.

2.1 Brazil's Approach

In terms of Brazil's G20 principles, there is an emphasis on the importance of international cooperation and finding multilateral solutions to challenges of improving livelihoods, employment, and promoting sustainable development. In this regard, trade should play a mutually supportive role. The logic of the principles find expression in a variety of measures in Brazil's G20 communique of 2024 under the theme of "Building a just world and sustainable planet". These include:

- pursuing public policy objectives through sovereign regulation, especially with regard to issues of sustainable development, economic and social priorities, and environmental safety;
- ensuring coherence between national development priorities and commitments to relevant international and multilateral agreements. These must be evidence-based and subject to review as new information and data dictate;
- meaningful consultation and responses to proposed measures must be underpinned by transparency so as to promote trust and provide opportunities for effective cooperation on matters related to trade and sustainable development;
- measures must be sensitive to the needs, constraints, and challenges of countries at different stages of development. In line with WTO rules this should include technical assistance, capacity building, financial support, and voluntary technology transfer; and
- the normative goal of these measures is to ensure fair, just, and inclusive pathways that promote welfare, inclusivity,

economic diversification, and the production of value-added goods and services.

2.2 South Africa's Approach

Inspired by and building on the Indian and Brazilian presidencies in 2023 and 2024, respectively, the theme of South Africa's G20 presidency for 2025 is "Solidarity, Equality, and Sustainability". With regard to the trade-investment-development nexus, three priorities were identified: firstly, economic growth, industrialisation, employment, and inequality; secondly, food security; and thirdly, artificial intelligence (AI). These priorities have been predicated on the normative imperatives of distributional equity and fairness for countries of the South; and thereby, ensuring that the welfare gains that are realised address challenges of poverty and inequality.

These priorities were further elaborated into four conceptual parameters and policy areas:

- trade and inclusive growth: an important substantive focus will be on the African Cooperation Agenda to promote and support structural transformation in general and the African Continental Free Trade Area (AfCFTA) in particular. In this regard, South Africa intends to advance the international trade agenda in a manner that is inclusive, developmental, and prosperous. In addition, there must be demonstrable progress on the Africa Partnership and implementation of the AfCFTA, together with harnessing the collective capacity of G20 members to strengthen and diversify global supply chains while ensuring meaningful integration of the South into them.
- responsive trade and investment: the major concern is how the G20 can address the threats and challenges of climate change through more consequential mitigation strategies. There are negative measures that have been implemented by some G20 members which are anathema to meeting agreed climate thresholds and which induce further trade fragmentation. To ensure a just climate and energy transition, the G20 must show more urgency in mobilising

financial and technological resources to bridge the gaps which countries of the South have to face. Furthermore, the G20 agenda must include how trade and investment could enhance equitable production and improve global mechanisms for protecting public health to obviate the threat of future pandemics.

- green industrialisation and sustainable development: the goal is to further develop the constituent elements of a G20 Framework on Inclusive Green Industrialisation. The Framework must provide the momentum towards a grand bargain that diversifies green industries and accelerates the integration of countries of the South into green driven global value chains. The ultimate objective of such a bargain is to promote predictable and meaningful trade and investment, as well as advancing value addition and industrial development in a manner that has lasting impacts for sustainable development.
- reform of the WTO: there is a growing imperative for G20 members to improve their levels of cooperation, crucially to ensure better outcomes leading to the WTO Ministerial Conference in March 2026. The concerns are linked to advancing the stalled development aspects of the WTO relating to seriously addressing asymmetries in global economic development and restoring faith and confidence in the multilateral trading system, especially by ensuring a fair and functionally effective dispute settlement mechanism. In addition, agricultural trade reform and expediting the pace of negotiations are particularly significant in finding solutions to ongoing global food insecurity.

As with the presidencies of Indonesia, India and others before them and in pursuit of their objectives, the Brazilian and South African G20 presidencies confront a changed global landscape in trade and investment, propelled in the main by the great recession of 2008 and the global impacts of the COVID-19 pandemic from 2020 to 2022. This has been compounded by a multilateral and global governance landscape that has become more volatile, uncertain, fragmented, and complex characterised, inter alia, by rising military tensions; disruptive trade and commercial relations; growing protectionism and new forms of neo-mercantilism; insidious environmental degradation due to climate change; and increasing inequalities between rich and poor countries. These geo-political features and dynamics have a direct bearing on the functional anatomy of the G20. It is, therefore, necessary to examine the various features of this changed landscape and the extent to which it has an impact on global trade and investment.

3. Assessing the geopolitical landscape

Over the decades following the post-war period, the global economy has been profoundly shaped and influenced by the Bretton Woods philosophy (Helleiner, 2014). This was informed and underpinned by the pursuit of real growth and global stability through multilateral cooperation with the aim of promoting trade liberalisation and foreign direct investment. By the 1990s, the age of unfettered globalisation represented the apotheosis of the Washington Consensus which defined the intellectual, institutional, and political *zeitgeist* of that age. This was subsequently shaken by financial crises in Mexico, Russia, and Asia in the mid-1990s which showed how vulnerable emerging markets were to volatile flows of capital and liquidity shocks. However, the 2008/2009 global financial crisis also exposed the vulnerability of developed economies to market volatility such that governments began to reassert their control over stabilisation efforts both at national and international levels by granting liquidity support to foreign and domestic banks alike. Against expectations, the 2008/2009 crisis did not trigger protectionist impulses but helped free and open trade to remain resilient.

Political resistance was nevertheless brewing before the crisis as a consequence of advances in technology while the costs of trade were declining due to low-cost relocation of manufacturing and the reorganisation of production into complex supply chains. The essential lesson that emerged from the crisis was to shatter the myth of self-regulating markets and their ability to ensure economic stability.

Trump's first term beginning in 2016 was coterminous with the rise of right-wing populism and organised movements serving its cause which, inter alia, was a rebellion against free and open trade that was increasingly viewed as unequal and inequitable, thus opening cracks in the foundations of multilateral cooperation. The result was growing geopolitical tensions which widened these cracks not only among rival trading blocs but also among longstanding allies. In Trump's second term, we are now witness to turbocharged and chaotic protectionism, fuelled by steep tariffs and new trade barriers. This situation that currently prevails points, *a fortiori*, to the need for a G20 compact of coordinated action (Corsetti 2025).

3.1 Distilling major trends

The global trading system and investment environment have historically been underpinned by multilateral cooperation which assisted real growth and stability as well as the liberalisation of transnational trade and investment. The two Bretton Woods axes of expanding free trade in goods and services on one hand, and opening circuits for greater capital mobility on the other provided further systemic strength.

Over the past decade and against the background of wars in Europe and the Middle East, sluggish growth and inflationary pressures, there has been a decided weakening of these systemic foundations. A synthesis of five major trends provides an explanatory framework for how the global trading system and investment environment have reached something of an inflection point (Ismail 2025).

- China's global rise has provided the gravitational pull for increasing the share of countries of the South in the global economy by enhancing their role in global economic governance. The formation of BRICS and its subsequent expansion have been critical manifestations of this development as well as the formation of Southern coalitions in the WTO.
- A rising China together with other emerging markets was a major factor that led countries of the North, mainly the US

and the European Union (EU) member states, to introduce protectionist measures such as tariffs and subsidies. This was accompanied by a concerted political backlash against the WTO which, to and intents and purposes, sounded the death knell of the Doha Development Round, represented, for example, by the collapse of the WTO Appellate Body.

- The development of new technologies, especially the power of digitalisation, artificial intelligence, the internet of things, and new energy sources such as wind, solar, and electric batteries have seen critical and rare earth minerals becoming a new battleground frontier between the northern and southern countries. The pressures among countries of the North to decarbonise their production systems in line with climate change demands and imperatives have given rise to the securitisation of trade and controlling supply chains through 'reshoring' and 'friendshoring'.
- There has been a revival of industrial policy among countries of the North due to planning requirements of transitions to lower carbon economies. The variable and uneven development of low carbon products and technologies have been contributing factors. China and other emerging markets have managed to take a lead in developing a wider spectrum of such products and technologies. For example, the exports of digital services have grown over 8 per cent on average, outpacing goods at 6 per cent and reaching a global value of almost US$4 trillion. As a consequence, countries of the North such as the US and members of the EU have deemed it necessary to make strategic industrial interventions to keep abreast of these developments while trying to remain globally competitive. In the case of the EU, its Carbon Border Adjustment Mechanism is aimed at preventing the risk of carbon leakage and supporting its climate mitigation goals. Exporters will be expected to pay a carbon price as a contribution to emissions reduction targets.
- Increasing regionalisation has become the stock-in-trade response to geopolitical tensions. Since the COVID-19 pandemic put the brakes on decades-long globalisation by splintering supply chains and collapsing just-in-time

delivery networks, there has been growing recourse to bilateral and multilateral trade agreements. These include the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the AfCFTA. Their normative ambition is to deepen inter-regional trade corridors by reducing trade barriers, harmonising regulations, improving infrastructure and connectivity, strengthening institutional frameworks, and enhancing social and cultural ties regionally.

These trends are indicative of the extent to which structural changes in the global economy are deeply intertwined with trade and investment. It is important, therefore, to review how the G20 has responded to tectonic shifts across the trading and investment landscape, crucially since there is mounting evidence that uncertainty in the global economy is a consequence of inward-focused and unilateral policy decisions.

4. An assessment of the G20 trade and investment scorecard

Following the global financial crisis of 2008/2009, G20 members committed themselves to refraining from introducing new barriers to trade and investment. However, according to the joint summary by the WTO, the Organisation for Economic Cooperation and Development (OECD), and the United Nations Conference on Trade and Development (UNCTAD), there has been an increase in G20 trade restrictions (2024). With regard to both imports and exports, such restrictions contribute to shortages, price volatility, and uncertainty. While G20 members have certainly been party to wide-ranging measures for liberalising trade, they have contributed to intensifying trade tensions through their industrial policies and other regulatory interventions, especially by the developed country cohort in the G20. In particular, since 2009 there has been a marked increase in the stockpile of G20 trade restrictions. For 2024, the value of G20 import restrictions was valued at US$2.3 trillion or 9.4 per cent of global imports.

When it comes to foreign direct investment (FDI), flows have declined in 2023 which continues the downward trajectory, thus remaining below pre-pandemic levels for two consecutive years. While FDI did surge by 78 per cent in the first quarter of 2024 from the low levels in the final quarter of 2023, they remain comparable to what was recorded in the first quarter of 2023. These declining flows are a function of the turbulent geopolitical context described above as well as climate-related crises while the policy adjustments made by the G20 are more a response to managing security risks that accompany certain forms of FDI.

Consequently, there has been a widening investment gap in developing countries which undermine any momentum towards meeting the Sustainable Development Goals (SDGs) in terms of the 2030 threshold.

It is worth examining these unfolding trade and investment dynamics in more detail.

4.1 The trade dimension

In the year between October 2023 and October 2024, the economies of the G20 have been responsible for 91 new trade restrictions and 141 trade facilitation measures on goods, most of which are import related. This is symptomatic of growing trade fragmentation. The value of trade restrictive measures was estimated at US$830 billion (up from US$246 billion for 2021 to 2022); while trade facilitation measures were estimated at US$1 trillion (up from US$320 billion for 2021 to 2022). Concerning services, G20 members introduced 50 new measures targeted at facilitating trade. Many support measures were aimed at climate change, reducing environmental impacts, and supporting transitions to low-carbon and more resource efficient economies.

Since 2020, there has been an increase in the number of G20 export restrictions primarily due to the COVID-19 pandemic and latterly as well because of the Russia-Ukraine war and its implications for food security. National security considerations also come into play regarding trade-related measures.

Central banks in the North have been able to cut interest rates because of declines in levels of inflation. This has increased consumption and investment, with salutary effects for the gradual recovery of trade in goods which is expected to grow to 3 per cent in 2025 compared to 2.7 per cent in 2024.

There has also been growing concern about agricultural trade policies that are implemented by G20 economies, especially relating to domestic support and export-limiting measures. The wider dialogue on food security has been prominent regarding the concerns of Least Developed and Net Food Importing Developing Countries.

4.2 The investment dimension

There has been a decline in investment in the broad-based endeavour to reach the SDGs. A joint OECD and UNCTAD report in 2024 show that FDI flows among G20 members have been declining since 2023 after two consecutive years of recovery. There was a moderate increase in FDI among G20 economies overall in the first quarter of 2024 compared to the last quarter of 2023, but these remained below levels recorded in most quarters of 2021 and 2022. In the first half of 2024, there was an uptick in greenfield investment with a 22 per cent increase in capital expenditure, largely driven by the manufacturing sector and infrastructure.

It is also worth noting that G20 members have made adjustments to their investment policies, significant shares of which have been dedicated to managing potential security implications. Others were aimed at reducing barriers to market access for foreign investors in particular industries. Furthermore, with inflation gradually receding toward established central bank targets, global financial conditions have improved mainly due to rallying equities and the narrowing of bond spreads. The confluence of these factors has been positive for portfolio inflows to emerging markets in the first half of 2024, amounting to US$175 billion of which US$132 billion went to G20 emerging markets.

These considerations are, therefore, germane to considering the future role of the WTO as the global institutional custodian of trade and investment where G20 members have featured prominently.

5. The future of the World Trade Organisation

The future of the WTO should concern Brazil and South Africa as long-standing and active members. Indeed, its future has been a subject of increasing scrutiny. In view of the changing geopolitical landscape described, particularly rising protectionism and evolving trade dynamics, the WTO has to face major obstacles in fulfilling its mandate with regard to facilitating international trade and settling trade disputes (Wolf 2023). Both Trump presidencies have contributed to scepticism about the WTO's remit and functional integrity. While reflective of his administration's wider antagonisms toward multilateralism, including the threat to withdraw US membership of the WTO, the concerns highlight what the appropriate and future role of the WTO should be.

The thrust of the critique even among loyal advocates is that the WTO is an anachronism in an increasingly complex and crisis-ridden trading and investment landscape; and as such, it lacks authority, flexibility, and effectiveness especially on contentious matters such as digital trade and environmental concerns. There has thus been a clarion call to reform the organisation as currently constituted so as to enhance its responsiveness and improve its relevance. Furthermore, its dispute settlement mechanism has not functioned optimally because of paralysis in its Appellate Body, making the enforcement of its rules difficult.

There is, therefore, added urgency for the WTO to adapt to an increasingly divided global setting while remaining faithful to its duty and obligations to the multilateral trade and investment orders. There is a unique opportunity for Brazil and South Africa to forge consensus in the G20 that will lead to a judicious examination of how the WTO can become a credible institutional guardian of global trade and investment relations by averting further risk to increasingly unstable regimes of global trade and investment.

There are several critical areas that must be addressed:

- There is an impasse on the Appellate Body, mainly due to the US's unwillingness to resolve it. There are not enough members of the Body to unanimously hear appeals and approve amendments. This compromises its ability to address and adopt proposed reforms as agreed at the 13th WTO Ministerial Conference in Abu Dhabi of March 2024. The paralysis of the Appellate Body is historical in nature since there have been successive US administrations that view it as overstepping its jurisdiction by actively creating new rules that have a negative impact on US industries and jobs. The US rather prefers individual countries having recourse to national security exceptions to trade rules.
- The WTO has struggled to achieve the necessary consensus among its 146 members in the promotion of free trade and the prevention of unilateral measures. Consequently, it has registered little progress in key multilateral negotiations whether on agricultural trade, the elimination of fishing subsidies, or investment facilitation. This is a portent of its inability to regulate more challenging trade challenges such as digital and environmental trade.
- In terms of the WTO's evolving role, it will be called on to facilitate global green and digital trade where there are promising signs. At the end of 2021, it adopted decisions that emphasise combating climate change as a priority for global trade. Its Investment Facilitation for Development Agreement could promote climate-aligned capital flows that, in turn, could generate climate FDI flows to developing countries. The phasing out of fossil fuel subsidies could occur through its Trade and Environment Sustainability Structured Discussions, made up of 76 WTO members many of which are in the G20 and which are dedicated to cooperating on how to create and sustain supply chains. Digital services are another area that invites innovation in permanent rule making since such services lubricate the wheels of the free flow of trade and investment.

6. Conclusion

Under the remits of the respective themes of their presidencies, Brazil and South Africa are well placed to provide assertive political and diplomatic leadership for promoting a multilateral trading and investment system that accords with an ethos of fairness, inclusivity, and balance. Given current geopolitical turbulence and associated unpredictable headwinds, the mutually reinforcing forces of technology and sustainability provide opportunities for the G20 to ensure greater trade and investment resilience.

The growth of digital services, technological innovation, and the growing importance of environmental goods highlight the demand for critical commodities and the possibilities of developing new trade hubs and facilitating instruments across the North-South divide. Artificial intelligence will be the leitmotif that drives many of these developments.

What emerges from this overview is that the normal circuits of trade and investment are experiencing disruptive effects which are systemic in nature and driven by geopolitics. As a consequence, supply chain strategies are bound to change and nearshoring will become the default position of governments and the private sector primarily due to the demands and imperatives of ensuring economic security and supply chain stability.

Given the vagaries of geopolitical tensions writ large across the global trading and investment landscape, working together in the G20, Brazil and South Africa could be harbingers and catalysts of the profound transformation that is reshaping the global economic order in ways that secure the strategic autonomy of the Global South.

7. Recommendations

There are several recommendations which arise from the considerations of this chapter:

1. The G20 should make trade and investment promotion a strategic policy objective, especially in emerging markets

and countries of the South. Exports and investments to countries and regions with strong growth potential should be encouraged to build new consumer bases, mitigate the impact of slow global growth, and promote resilience against economic uncertainty.

2. The growth potential of trade and investment in digital services should be prioritised. In this regard, investments in digital infrastructure, innovation ecosystems, artificial intelligence technologies are especially relevant for unlocking new opportunities for economic growth and competitiveness.
3. In an age of protectionism and unilateralism, the changing dynamics of supply chain strategies will require the G20 to provide incentives to businesses and the private sector to increase resilience and economic security. Improvements should be made to local manufacturing capabilities, the diversification of suppliers, and adoption of sustainable supply chain practices.
4. The G20 should strengthen measures relating to supply chain security in light of growing regional competition and the strategic importance of critical commodities and minerals. This should include diversifying source locations while protecting domestic production especially among developing countries which are vulnerable to the vagaries of market forces.
5. The G20 should protect and enhance the functional capacity of the WTO in fulfilling is critical mandate on global trade and investment. Working in concert with other WTO members, the G20 should exercise prudential leadership to engage in reform endeavours that address the organisation's existential challenges so as to ensure its relevance and effectiveness into the future. Crucially, the G20 should assist with finding solutions to the impasse that characterises the dispute resolution mechanism.

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Chapter Four

Trade and Investment in a Shifting Global Landscape: The G20's Role in Promoting Sustainable Development in Africa

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Abstract

This chapter explores the importance of trade and investment for sustainable growth and development in Africa. It argues that the G20 presidency in South Africa, building on the efforts of its predecessor, Brazil, has the opportunity to advance the discussion on redefining the nature of the African continent's integration into the global economy. The long-standing predicament to achieving sustainable development in Africa has been the lack of structural transformation to diversify the economies away from the extractive sector. The G20 provides an ideal platform to re-arrange the economic relations between the Global South and the Global North. Participation in global value chains is currently viewed with scepticism in the Global South, given that these countries are usually reserved the bottom spots in the international division of labour. There is a need for a regulatory framework to direct FDI in developing countries so that it is not exploitative but development-oriented. The reform of the World Trade Organization should be deliberated in the

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direction of redefining the nature of the African economies' integration into the global economy. The intensification of efforts to curb illicit financial flows is important because these could be redirected to investment in infrastructure development.

Keywords: Trade; Investment; Global Value Chains; G20, Sustainable Development

1. Introduction

The importance of trade and investment in any given economy's prosperity can never be overstated. What has often sparked debates among development economists and policy makers alike is the nature of trade policies and investment policies to adopt. A country's production structure determines where it stands in the international division of labour. The African continent has, pretty much throughout history, been positioned in an unfavourable position, relegated to the production and exportation of primary resources for processing externally. Hence, the efforts for structural transformation to inspire sustainable development. In the quest to do so, one of the most pronounced caveats to the African countries by scholars is that the late industrialisers should not attempt to replicate the models that were used by the Asian tigers and other 20th-century catch-up groups because of how fundamentally the environment has changed (Szirmai, 2012; Trindade, 2005; UNECA, 2016). Countries like those in Africa should adapt to the current conditions and devise strategies accordingly. The acceleration in the globalisation of trade, through the global value chains (GVCs), is one of these changes.

The world is still emerging from the economic downturn brought by COVID-19, with economies around the world slowly recovering (G20 SA, 2025). Many have described this period as the era of the polycrisis. Additionally, the world is adjusting to President Donald Trump's re-ascendance to arguably the most powerful office in global politics and economic order, and the "America first" approach to international engagements. Trump's tariffs on almost every country doing business with the United States have fortified the major challenge of intensified protectionism.

The overwhelming call for the reform of multilateral institutions like the World Bank, International Monetary Fund (IMF) and the World Trade Organisation (WTO), as can be seen particularly from the previous two successive G20 Presidencies of Brazil and South Africa, points to the dissatisfaction with the current order (G20 Brazil, 2024; G20 SA, 2025). Combined, these continue to change how the world has been understood over the years, more importantly, how the countries, especially in the global south, organise themselves to protect their interest pertaining to the global economic governance.

These trends trigger various questions about power in the existing world order and the future of global economic governance, particularly trade and investments, which are of greater interest to the countries of the Global South, particularly in Africa. This happens at a pivotal moment, when the Global South presides over the G20, regarded as the premier forum for international economic cooperation. The G20 members comprise 85% of global gross domestic product (GDP), 75% of international trade, and two-thirds of the world's population (G20 SA, 2025). While there may be arguments concerning the grouping's exclusive nature, to the extent that its membership is concentrated on a few countries, the weight it carries and potential influence are undeniable.

Against this backdrop, this chapter argues that the G20 presidency in South Africa, building on the successes of its predecessor Brazil, has the opportunity to advance the discussion on redefining the nature of the African continent's integration into the global economy. The long-standing predicament of sustainable development in African countries has been the lack of structural transformation to diversify their economies away from the extractive sector. The volatility of the global landscape dictates that it is untenable for the African countries to move forward with dependent economies.

This diversification is important because the nature of a country's integration into the global economy determines its devastation during economic recession. If an economy is diversified, the shock can be mitigated relatively easily, compared to an undiversified economy. Furthermore, sustainable growth and development are linked to viable infrastructure, which is a critical enabler. The African Development Bank (AfDB) in 2022 estimated that the infrastructure financing gap in Africa is between USD 130 and 170 billion, meaning there is a need of USD 68 billion per annum to close this gap (African Development Bank, 2022). The G20 is an ideal platform to begin the conversation and re-arrange the economic relations between the Global South and the Global North. The participation in the global value chains (GVCs) is currently viewed with scepticism in the global south (Scholvin et al., 2022), given that these countries are usually reserved for the bottom spots in the international division of labour.

2. Major Trends and Challenges on Trade in Africa

Scholars and policymakers, such as Adedeji (1984), Ake (1981), Asante (1997), and Mkandawire (2014), have discussed regionalism and the lower levels of intra-trade within the African continent for decades. It has not just been that which has been the challenge, but also the trading structures that have made it so that the African economies trade more with the outside world than they do with each other. These are challenges sought to be resolved through the African Continental Free Trade Agreement (AfCFTA), which aims not only to increase intra-trade but also to create a viable environment for investments (Adams et al., 2024; Erasmus, 2021; Odijie, 2019a). This intra-continental trade arrangement stems from the realisation of the indispensable nature of higher intra-continental trade; the long-term vision is also that, apart from building the biggest Free Trade Area (FTA) in the global economy, it could help accelerate the industrialisation process in Africa through the creation of regional value chains (RVCs) and free movement of the factors of production.

Above the lower trade levels within the continent, there is also a challenge of the intra-trade structures, which are heavily dominated by consumables, mainly sugar and tobacco (Clarke & Smedley, 2025). The history of economic development and industrialisation, especially in the high-income economies, shows that industrialisation can only accelerate in countries that heavily produce and trade in semi-durable and durable manufactured goods (Clarke & Smedley, 2025). Figure 1 depicts the aggregate structural composition of the Sub-Saharan

African economies and each economic sector's contribution to the Gross Domestic Product

(GDP) between 2000 and 2023, according to the World Bank's World Development Indicators. The manufacturing sector remains relatively inferior, contributing about 11% to the total economic output as of 2023. On the other hand, the service sector has been the most dominant by a huge margin, accounting for 45 per cent of the GDP.

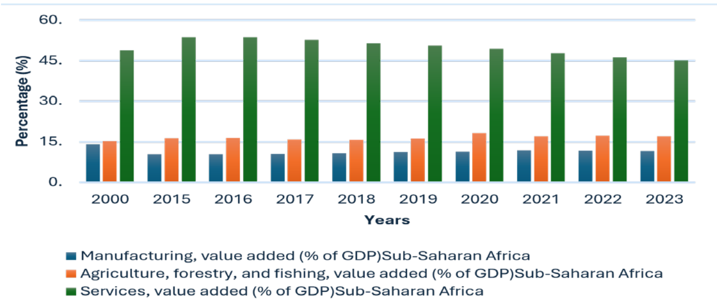

Figure 1: Sectoral composition of GDP in Sub-Saharan Africa, 2000–2023. Source: World Bank, 2025

The composition of a country's economy determines what it can trade with other countries. The similarity of the African trading structures has meant that these economies would be heterogeneous (Odijie, 2019a, 2019b). As shown in Figure 2, the continent does not produce what it consumes, with huge imports of manufactured goods. This big demand for manufacturers has meant that these economies import more than they export, exacerbating trade deficits, and the bulk of these imports comes from the high-income economies, especially Western Europe. The huge volume of merchandise exports from the African continent is destined for the high-income economies, as shown in Figure 2, a bulk of which is dominated by raw materials and commodities, as the manufacturers only account for about 21,46% of these exports. On the other hand, the manufactured imports are at 58,35% as of 2023.

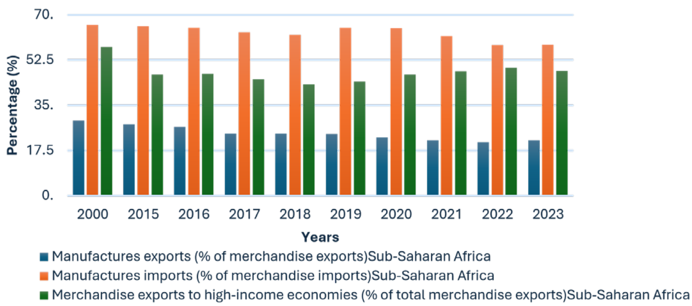

Figure 2: Trade Patterns: Manufactured exports, Imports and Merchandise Exports. Source: World Bank, 2025b

Evidently, the historical main driver of the African exports demand has been commodities, with several countries having one or two primary resources heavily dominating their export trade, like oil in Angola, diamonds in Botswana, sugar in Mauritius and Malawi, and copper in the Democratic Republic of the Congo (DRC) (Clarke & Smedley, 2025; Trends Research and Advisory, 2024). These trading structures and patterns, which have continued to reflect the colonial trade links between Africa and the former metropoles, have delayed the structural transformation and diversification.

3. Africa's Integration into the Global Economy: Barriers and Hindrances

Historically, the increase and decrease in the demand for doing business with Africa has been contingent on the global demand for primary commodities, and with African economies' reliance on these, it has meant their growth and prosperity depend on the commodities boom cycles (Duma, 2023; Page, 2018). This arrangement has led some voices in Africa to believe that integration into the global economy is not the best approach to growing economies, given how exploitative it is in its nature. Diversifying the economies and moving away from basic commodities has proved very complicated for countries in the current global trading system. In many instances, it has appeared that the current economic arrangement is, by design, configured to keep these countries as the producers of raw materials and agricultural goods.

For instance, in the 1980s, African leaders, in pursuit of economic structural transformation, wrote to the World Bank seeking assistance in creating industrial policies to build more sustainable economies by boosting the industrial sector, particularly manufacturing. In response, through what is commonly known as the Berg report, as it was coordinated by Elliot Berg, titled "Accelerated Development in Sub-Saharan Africa: An Agenda for Action", the World Bank Group (1982) argued that it was not a good idea to develop polices biased against the agricultural sector, asserting that the African economies should rather focus on their comparative advantage. This recommendation by the Berg report went against all key tenets of the Lagos Plan of Action, which proclaimed self-sufficiency for the African economies.

Critical minerals offer the African continent great opportunities to propel its pursuit of sustainable development and industrialisation, two of the main objectives underpinning Agenda 2063: The Africa We Want. This is not only within the context of the AfCFTA, which could be harnessed to create RVCs and advantageously integrate African countries into the GVCs, but also with the creation of strategic trade and industrial policies to take advantage of the just energy transition.

The African continent could benefit significantly from the latter, as it accounts for over 30 per cent of the world's mineral reserves, including nickel, lithium and cobalt (Mo Ibrahim Foundation, 2022). Moreover, critical minerals are essential across the economic sectors. This ongoing conversation around exploiting these precious minerals for the betterment of the continent takes centre stage in 2025, as the G20 presidency is in (South) Africa. Since this grouping consists of the leading economies across the world, there is a great opportunity to facilitate discussions that seek to loud-hail the African agency in trade and investment.

This is important, specifically because the African economies are operating in the era of the ever-shrinking policy space for development. Where the use of most industrial policy measures is against the international trade regulations. For instance, while countries could get away with protectionist policies in the past to protect their infant manufacturing industries, they may have some consequences in today's environment. This means that if the Global South economies want to advance their development further, they would need as much cooperation as they can get from the big economies around the world, making the G20 the most relevant platform.

4. Foreign Direct Investment in Africa: Trends and Distribution

One of the main areas around which there is a remarkable unanimity in international economic cooperation is the importance of foreign direct investment (FDI) in building sustainable growth and development. In many attempts to engender industrialisation and sustainable development in Africa, among the top challenges has been access to adequate development finance, both private and public (Clarke & Smedley, 2025). While it is true that the continent has attracted some sizeable investment over the years, these have largely been concentrated on the natural resources and commodities, most notably oil, minerals and agricultural products (Trends Research and Advisory, 2024). For instance, this has made countries like South Africa, Nigeria and Angola the main FDI destinations in the extractive sector. However, this is unsustainable unless these investments are channelled toward encouraging value addition in this sector.

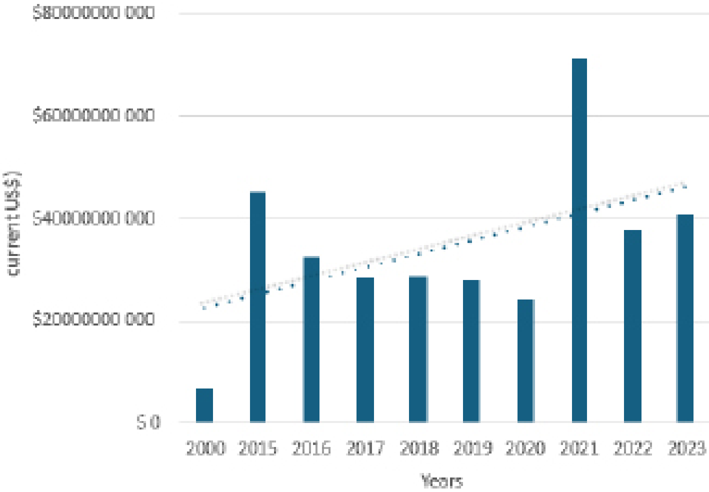

Figure 3: Foreign direct investment, net inflows (current US$) Sub-Saharan Africa. Source: World Bank, 2025

The FDI into Sub-Saharan Africa over the past two decades, between 2000 and 2023, is depicted in Figure 3, with the inflows of just over 40 billion US dollars in 2023. However, this is not only shared unevenly across the economic sectors, but also across countries and regions, as over 80% of it is accounted for by just 15 countries, with the big economies like Egypt, South Africa and Nigeria leading the charge (Trends Research and Advisory, 2024). Figure 4 depicts the FDI as a share of the economic output in the continent, which is one of the most important indicators to measure its impact.

The largest area that requires investment in Africa is infrastructure for developing manufacturing industries and cross-border trade. China, the biggest economy in the Global South and the second biggest in the world, and a member of the G20, has made substantial investments in Africa over the past 15 years, especially in infrastructure development. These initiatives seek to develop and modernise African infrastructure, particularly for cross-border trade. China's Belt and Road Initiative (BRI) lead the largest urbanisation and infrastructure development scheme (Monyae & Nganje, 2019). This project includes new roads, shipping lanes, and building projects stretching over sixty-five countries. For instance, over 50 African countries participate in the BRI, and in 2023, African economies received 23 billion dollars from this initiative for projects in ports and railways (De Kluiver, 2024). Despite this investment, the annual infrastructure investment gap in Africa remains high. More urgently, it is important to attract enough investment and boost infrastructure, as inadequate (trade) infrastructure has been cited as one of the main reasons for minimal intra-continental trade flows.

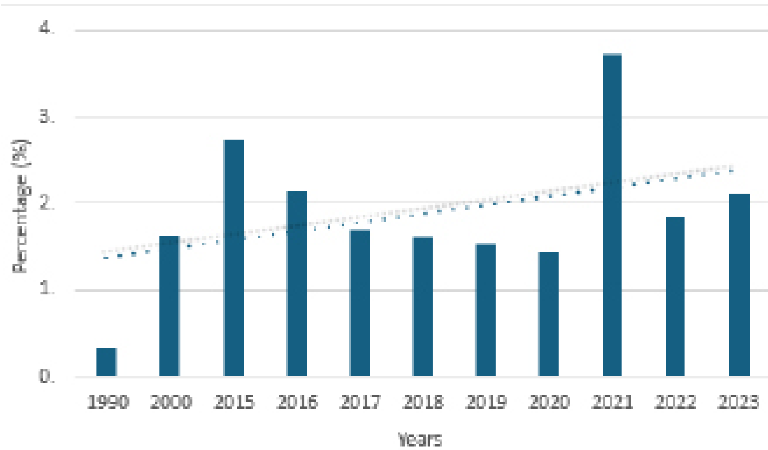

Figure 4: Foreign direct investment, net inflows (% of GDP) Sub-Saharan Africa. Source: World Bank, 2025

5. The G20's Engagement with Africa in Pursuit of Sustainable Development: Enhancing Trade and Investment Flows

The G20 has had some significant engagements with Africa prior to inviting the African Union (AU) to join the grouping. While the nature of this engagement largely depends on the country serving as the president and its priorities during the tenure, it still has to be endorsed by the other parties. The G20 Compact with Africa (CwA), a crucial initiative launched during the German presidency in 2018, is one of these engagements, seeking to promote investment on the continent, working closely with the private sector, especially in infrastructure (World Bank Group, 2024). The CwA could prove to be more important in the coming years as official development assistance (ODA) has been steadily declining, necessitating alternative means for financing development for countries in need.

The G20 Development Working Group has also had some engagements with Africa over the years, especially under the grouping's four consecutive Global South presidencies, culminating with South Africa. The G20 has, especially under the presidency of Brazil in 2024 and South Africa in 2025, recognised the importance of trade and investment as the key drivers of growth in the countries of the Global South. More importantly, they need a supportive environment, as there are substantial disparities between the northern and southern countries (G20 Brasil, 2024; G20 SA, 2025). These disparities are more pronounced in economic growth, with the economies of the north bolstering slow but steady and reliable sources and access to capital, in contrast to the southern countries with sluggish growth and limited access to capital. G20 South Africa has proposed four priority areas in the Trade and Investment Working Group (G20 SA, 2025):

1. ***Trade and Inclusive Growth*:** Building on Brazil's Trade for Growth and Prosperity agenda, this priority area seeks to further emphasise the importance of inclusive growth and sustainable development to G20 members. Through this, South Africa aims to develop the G20 African Cooperation Agenda.
2. ***Responsive trade and investment agenda to address the challenge of the global commons:*** This area covers, among other issues, food security and the diversification of global value chains to promote sustainable development.
3. ***G20 framework on green industrialisation and investment*:** To promote the discussion and bargaining on the issue of critical minerals beneficiation in the African continent and explore matters of developing low-carbon manufacturing.

4. ***World Trade Organisation (WTO) Reform*:** To discuss reforms that would engender growth and development-oriented trade in developing countries.

These priority areas are reflective of the persistent development challenges in developing countries. The urgent need for growth-oriented investments is taking precedence. The G20 framework on green industrialisation and investment has the potential to enable and promote value addition to the raw materials on the African continent, as opposed to having them extracted and exported raw for external processing. There is a stronger argument for mineral beneficiation closer to the source. This would further ensure that the nature of the African economies' integration into the global economy is not exploitative.

Suffice it to say that several issues that have been frontloaded on the G20 agenda over the past three presidencies are issues that have been on top of Africa's sustainable development agenda for decades. For instance, the reform and inclusivity in the international financial institutions and that of the WTO highlighted in South Africa's development working group priorities are issues the African continent has been trying to champion as far back as the 1980s. The Lagos Plan of Action called for a new global economic governance. It noted that "the unfulfilled promises of global development strategies have been more sharply felt in Africa than in other continents" (OAU, 1980, p.4). This was in recognition that over two decades since the attainment of political independence in some parts of the continent, the economies had not seen any structural reforms or upliftment of the standard of living of their citizenry. It questioned the advanced countries' commitment to the global development agenda, which was unfulfilled.

It is a conversation brushed aside then, mainly because the African continent did not have a platform and instruments influential enough to exercise its agency in international relations. That was in the second half of the 20th century, at the height of the Cold War. There is a growing realisation that the current economic order is not in sync with the changing times and challenges of the 21st century. The difference between then and now is that the African continent has unprecedented access to the instruments to exercise its agency in international relations, not just as followers but as the leaders and agenda-setters of some of these influential multilateral organisations and institutions.

G20 offers Africa and the entire Global South a great platform to frontload these issues, with recent successive Global South presidencies of the G20, Indonesia, India, and Brazil calling for some significant reforms in the multilateral order, most notably, India vouching for the AU inclusion into the G20. It does not go unnoticed that there have been many continuities in priorities by countries of the Global South in their G20 presidencies, from Indonesia to South Africa, in the quest to boost trade and attract investment to promote sustainable development.

The "Multilateralism We Want" is inclusive and in synch with the challenges of the 21st century; this is made clearer in the AU's Agenda 2063. The international system operating on the order created in the first half of the 20th century is untenable. The instruments that exist for the African continent and the entire Global South to call for reforms would be handy in driving this agency. The importance of inclusion and participation of the AU in the G20 can never be overestimated. While South Africa had been, for some time, the main actor for the African continent in platforms like the G20, it was not without criticism, as some would argue that South Africa only represents its interests, with no legitimacy to speak for the entire continent. Now, the interest and voice of Africa are represented by a fully recognised continental body in this important multilateral forum.

The AU becoming a member of the G20 is not only historic, but it also gives the African continent an unprecedented opportunity to exercise its agency to defend its economic interests in the world's premier forum for economic cooperation. The world's biggest economies, traders, and investors with Africa are in the G20. As unrepresentative and elitist as it may be believed to be at times, this grouping wields so much power and influence that it cannot just be dismissed. That is to say, the conversation on the nature of trade and investment undertaken with and in the continent begins on such a platform. The effectiveness of initiatives such as the CwA is highlighted in several monitoring reports, noting the positive economic performances of the CwA countries relative to non-CwA countries. However, this begins with deliberate reform policies undertaken at the national level, meaning the African countries' agency should be clear. That is how the integration of the African economies into the global economy and production structure would be redefined.

6. Conclusion

Underscoring trade and investment as the most important tenets of growth and development is not an overstatement. The history of economic growth and development, especially after the first industrial revolution, shows that the production and trade patterns determine the economy's well-being, and (sustainable) investments dictate the sustainable nature of that well-being. That is what Africa needs: sustainable investment. This is the type of investment that the chapter argues is diversified across sectors, and not heavily in one, particularly raw materials. Additionally, to advance the South African priority of promoting the beneficiation "closer to the source", a regulatory framework and policy initiative are required to ensure that a sizeable portion of investments toward the extractive industry facilitate the processing and beneficiation at the source. Properly directed investments in the continent would see the manufacturing industries flourish, promote intra-continental trade, create employment opportunities and uplift the people's standard of living.

Policy recommendations

- There is a need for a regulatory framework to direct FDI in developing countries so that it is not exploitative but development-oriented. This is more important for the extractive sector, as the FDI in Africa is heavily directed towards it, but it has minimal development and growth impact on the receiving countries.

- The reform of the WTO should be deliberated to redefine the nature of integrating African economies into the global economy.
- Intensification of the efforts to curb the illicit financial flows is important because these could be redirected to investment in infrastructural development in Africa. For instance, the continent loses over 70 billion US dollars annually to the IFFs, which could go a long way in closing the infrastructural development financing gap.

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Chapter Five

The South's approach: trade in the G20 Agenda

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Abstract

The chapter analyses the evolution of international trade within the G20 framework, focusing on the growing prominence of protectionism and its implications for the countries of the South. It explores the rise of neoprotectionism, based on protectionist policy driven by economies of the North and legitimized through sustainability and security discourses. This shift challenges the principles of a rules-based multilateral trading system, disproportionately affecting the Global South, whose structural constraints limit their influence in a power-based global economy. A comparative analysis of recent G20 Leaders' Declarations highlights the rhetorical support for multilateralism and the growing tension between stated commitments and trade practices. Particular attention is given to the weakening of the World Trade Organization's Dispute Settlement Mechanism and the strategic importance of the G20 as a potential venue for countries of the South to articulate collective responses. Through surveys conducted in Brazil, India, South Africa, and Germany, the chapter reveals a broad consensus against protectionism, alongside diverging preferences for trade strategies between the South and the North nations. The chapter concludes with policy recommendations on plurilateral trade agreements, capacity-building in trade governance, and efforts to reduce dependency on developed countries' currencies. These measures aim to realign trade governance with the developmental priorities of the Global South and reinforce the role of the G20 in promoting inclusive and equitable global trade.

Keywords: protectionism; neoprotectionism; trade governance; Global South; WTO; G20; plurilateral agreements; trade costs; subsidies.

Introduction

In the shifting landscape of global economic governance, few issues reveal as much about the asymmetries of power as the evolving treatment of trade. Over the past two decades, trade liberalization has given way to a more fragmented, politicized, and at times coercive global trade environment. This chapter aims to address the issue of international trade in the G20, with special focus on the effects of rising protectionism to countries of the South, their reaction and potential scenario outcomes.

It is undeniable that protectionism has risen in the last decade. It is important to clearly state such a phenomenon as it predates any tariff measure taken by the Trump administration in the first few months of its second mandate. In fact, the draconian measures currently underway are the epitome of a process that has now been a part of international trade at least since 2010.

As the Global Trade Alert (2025) clearly shows in the below presented graph, when it comes to new yearly trade policies examination throughout countries from 2010-2024, there has clearly been a preference for harmful[1] policies rather than liberalising ones.

1 The Global Trade Alert classifies a measure as harmful if the implementation of a government policy instrument likely or almost

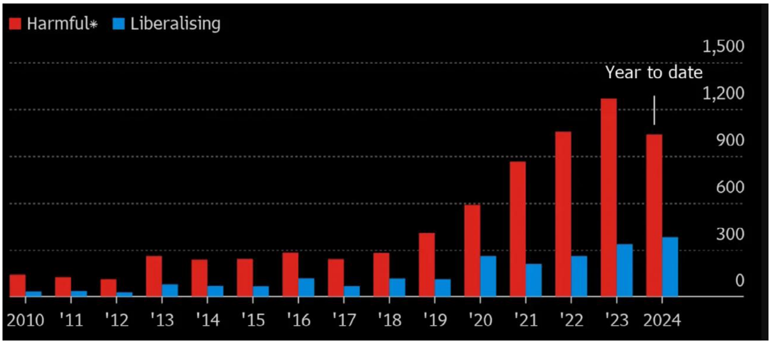

Figure 1: New trade policies (2010-2024). Reference: Global Trade Alert, 2025

Such harmful policies run counter to prevailing literature on the benefits of international trade, that have long been the staple of the discipline, going as far as to the works of Adam Smith. The novelty in what we see as neoprotectionism is that it is mostly driven by northern countries, disproportionately affecting southern countries and making G20 declarations of little value or substance.

1. G20 Declarations and International Trade

The last three G20 presidencies have been from southern countries (Indonesia, India, Brazil) and South Africa's presidency in 2025 means four straight years of agenda setting with a bit more influence from the south's perspective. That has been true in the priorities set by each of the countries in their term as presidents and been a part of each of the declarations.

When it comes to international trade, declarations of the past three years have highlighted the importance of the multilateral trading system and that of the World Trade Organization as an indispensable reference point for a rules-based system of international trade. In Bali's declaration, such preferences were clear, and the text leaves no room for a different interpretation:

certainly worsens the treatment of one or more foreign commercial interests relative to domestic rivals.

> "We reaffirm that the rules-based, non-discriminatory, free, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system (MTS), with the WTO at its core, is indispensable to advancing our shared objectives of inclusive growth, innovation, job creation and sustainable development in an open and interconnected world as well as to supporting the resilience and recovery of a global economy under strain due to COVID-19 and global supply chain disruption. We agree that reforming the WTO is key in strengthening trust in the MTS. We will continue to ensure a level playing field and fair competition to foster a favourable trade and investment environment for all." (G20, 2022)

Similar language was found on the following year's declaration, within the context of the Indian presidency, which reaffirmed the call for a rules-based system of international trade with the WTO at its core. We highlight, however, the explicit mentioning of the renewed commitment to ensure a level-playing field and fair competition by discouraging protectionism, signalling the brewing discomfort with the choices made by several countries:

> "We reaffirm that a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system, with WTO at its core, is indispensable. We will support policies that enable trade and investment to serve as an engine of growth and prosperity for all. Today, we:
>
> i. Renew our commitment to ensure a level-playing field and fair competition by discouraging protectionism and market distorting practices, to foster a favourable trade and investment environment for all. We reiterate the need to pursue WTO reform to improve all its functions through an inclusive member-driven process and remain committed to conducting discussions with a view to having a fully and well-functioning dispute settlement system accessible to all members by 2024. We commit to work constructively to ensure positive outcomes at the

> WTO's Thirteenth Ministerial Conference. (MC13)" (G20, 2023).

For a third straight year, the Rio de Janeiro Leaders' declaration emphasized the now pattern of defending a fair, non-discriminatory, rules-based system of international trade:

> "International trade is an important engine for inclusive economic growth, combating poverty and hunger and promoting sustainable development and the SDGs. Stressing the importance of ensuring that trade and sustainable development are mutually supportive, we endorse the G20 Principles on Trade and Sustainable Development to serve as guidelines for the design and implementation of measures related to trade and sustainable development. To enable trade and investment to fully realize its potential and act as a driver of global growth and prosperity, we emphasize the need to ensure a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system, with the WTO at its core. Ensuring a level playing field and fair competition consistent with WTO rules is essential to ensuring prosperity and fostering a favourable trade and investment environment for all. We reiterate the centrality of the development dimension of the WTO." (G20, 2024)

While the Rio declaration made no explicit mention of protectionism as found in New Delhi, it did point out the increasing use of sustainability as a justification for protectionism policies, as can be noted on paragraph 42 that "*measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade*" (G20, 2024). This echoes other calls on that specific front, as one of neo-protectionism's facets was the use of so-called green subsidies by developed countries which protected their own domestic firms. As noted by Kristalina Georgieva, International Monetary Fund´s Managing Director, protectionism disguised as green subsidies would make it even more difficult for poorer countries to access new technologies and support green transition (Georgieva, 2023).

The South African leaders' declaration will come at a very different context than the latter three declarations that preceded it. In short, the new administration in the United States of America has brought the issue of tariffs and protectionism to the center of current international debates and have done away with existing rules of international trade without any regard for other opinions. Given such scenario, it would be difficult to envision a declaration (with US support) that would again defend a rule-based system characterized by non-discrimination and with the WTO at its core. Something will have to give: a declaration like previous ones would likely render such text meaningless while an abrupt change seems rather unlikely.

2. From rules-based to power-based: effects for the South

Devoid of material capabilities that are a staple of the northern countries, the Global South has historically preferred strategies that centered on coalition-building, international laws and norms and multilateral forums to optimize their collective strengths and exercise their interests on the international arena, as indicated by Blarel and Van Willigen (2017), among others.

Recent surveys published in 2024 and 2025 with approximately 1,000 experts in Brazil, India, South Africa, and Germany[2] provides insightful information as to the positions in the Global South in relation to protectionism and international trade (Ganter et al., 2024; 2025). First, and notably, not all southern countries are created equal and when it comes to trade, unfairly or not, it is impossible not to distinguish China and the rest of the Global South, as most of the trade policies recently found in the northern countries are directly aimed at curbing China's influence in their international trade as China is the leading trade partner of more than 120 countries (Green, 2023). Hence, it is important to note general perspective towards

2 The survey was funded by a German Foundation, hence the inclusion of the country.

the issue at hand – protectionism, but also general positions towards both the northern countries and China.

The importance of international trade is unquestionable for Global South, as the sample of South Africa, Brazil and India shows. When asked to name the top three foreign policy priorities for their countries, respondents highlighted the issue of international trade in each of the countries (Ganter et al., 2025, p.7).

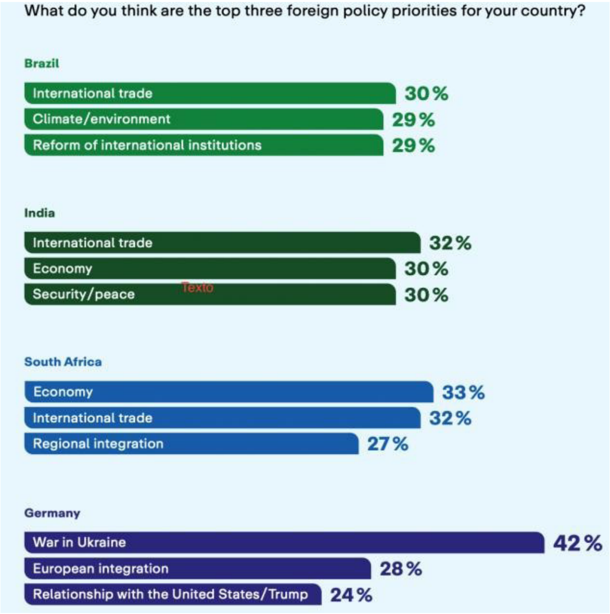

Figure 2: Foreign Policy Priorities for Brazil, India, South Africa and Germany. Reference: Ganter et al., 2025; p. 7

As it relates to protectionism, the 2024 survey showed a rejection of such practices in all countries (Ganter et al., 2024; p.23), a reminder of strain endured by the southern countries when unilaterally faced with higher tariffs in direct circumvention of common agreed rules of international trade.

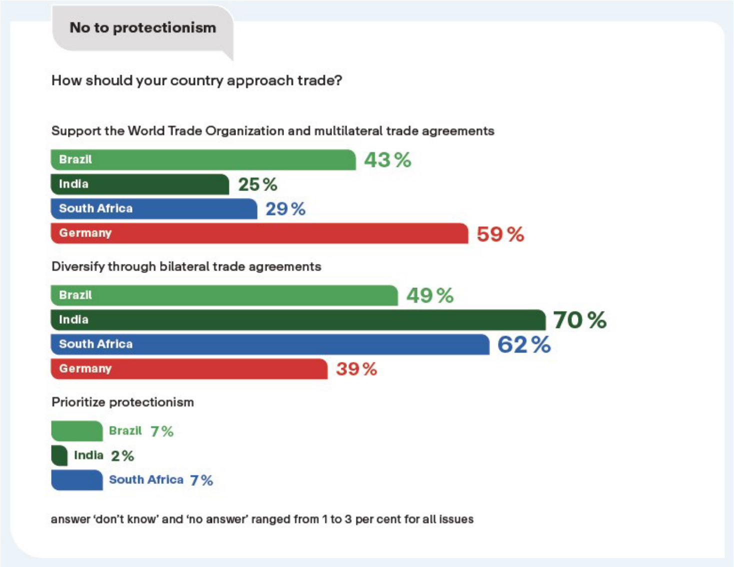

Figure 3: No to protectionism. Reference: Ganter et al., 2024; p. 23

Caught between China, the United States and the European Union, southern countries find little room to navigate the current streams of international trade, squeezed between the interests of agenda-setting powers. The response as to whether countries will suffer from a Chinese-US trade war shows the amount of tension the current situation brings and in general, there is great dissatisfaction as to the perceived unfairness of the trade practices of the major trading partners of the world.

Although it is true that countries of the Global South often face structural constraints when caught between the competing interests of China, the United States and the European Union, it would be misleading to suggest they have no agency. On the contrary, many of them have historically used geopolitical frictions to advance their own agendas. Brazil's longstanding tradition of non-alignment, for instance, has allowed it to diversify partnerships and preserve room for maneuver, while India has also pursued pragmatic strategies to benefit from tensions between great powers. These examples illustrate that the current scenario, marked by trade disputes and systemic uncertainty, does not eliminate agency but rather creates opportunities for strategic action. Southern countries may, therefore, leverage such tensions to negotiate better conditions, diversify financing sources, and expand their influence in multilateral fora. If pursued in a coordinated and strategic way, this could enable them to advance their development priorities while shaping a more balanced global trade order.

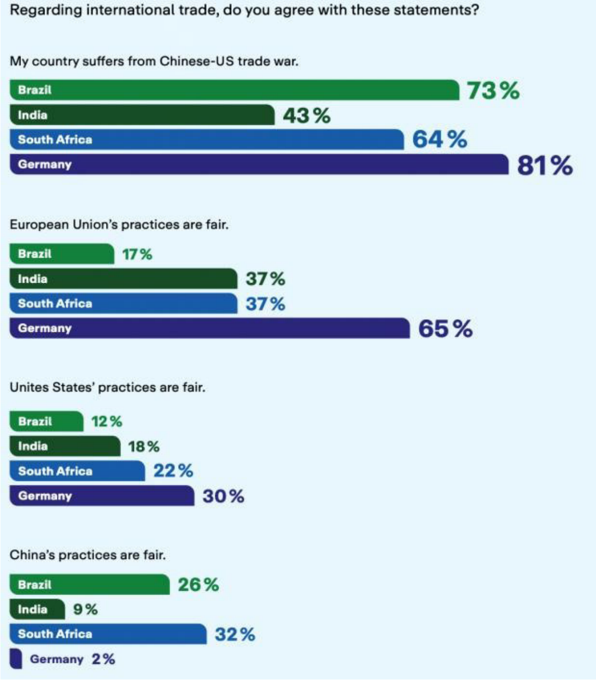

Figure 4: Accordance with statements regarding international trade. Reference: Ganter et al., 2025; p. 17

Henceforth, a transition from a (albeit imperfect) rules-based system with the World Trade Organization at its core and a power-based system characterized by unilateralism and threats harms the Global South in great disproportion than its counterparts in the North. The G20 represents more than 85% of global economic output and approximately 75% of international trade, as well as roughly two-thirds of the world's population and its yearly declarations on international trade are evidence that something is amiss, because the disconnect between the text and the practice has reached unforeseen heights.

The international trade that transitions from a rules-based system to a power-based one has the effect of doing away with almost 80 years of work of an imperfect but collectively constructed international trade regime. The journey from the General Agreement on Tariffs and Trade to the World Trade Organization has not been without its challenges and criticism. However, the alternative is worse. The Global South has negotiated mechanisms and bound tariffs at the WTO that are currently being ignored by the world's largest economy, with no legal recourse available, after a long period of suffocation of the World Trade Organization's Appellate Body of the Dispute Settlement Mechanism.

Such impasse at the WTO's Dispute Settlement Mechanism is illustrative of the difficulties of the WTO as a whole and of other multilateral institutions. Again, the preference of the Global South for acting through multilateral institutions is a product of their material capabilities and the dysfunction of the WTO means that the voicing of interests is severely jeopardized. In the absence of rules, there is nothing to stop international trade from its continuing use as a geopolitical tool where every action is on the menu.

3. The Disproportionate Impact of Protectionism on the South

Protectionist measures are designed to shield domestic industries from foreign competition. Although international trade literature has described the benefits of a free flow of international goods for more than 200 years, political economy has also long taught us that politics is the game of who gets what, when and how (Laswell, 1936). As such, tariffs and other trade-constraining measures have also been a part of international trade literature for hundreds of years.

As it relates to the Global South, it should be noted firstly that the same asymmetries found in other international relations' fields also apply to international trade. While protectionist policies may serve domestic political or economic goals in the northern countries, they often exacerbate existing vulnerabilities in the southern countries. As such, the ability of southern countries in dealing with unilateral protectionism is hampered by their own systemic, structural shortcomings, including that of an export-based economy which usually exports commodities or low value-added goods.

Also, it is no surprise that the institutional capacity of the southern countries to respond to trade restrictions is generally weaker than that of their northern counterparts. Legal and administrative mechanisms to challenge protectionist measures in the WTO, for example, are often underutilized due to resource constraints and limited expertise. As such, building trade capacity is of great importance to countries of the Global South.

Finally, we should consider the work of the World Trade Organization under its Trade Cost Index series. As presented, the Trade Cost Index has been produced to complement other statistics that WTO provides on trade costs, such as average tariffs or the number of non-tariff measures, with the aim to give a sense of the degree of restrictiveness of some of these measures, to measure how trade policy barriers compare to other trade costs, and who bears these costs (World Trade Organization, 2024). Unequivocally, the WTO Trade Cost Index shows that the cost of doing trade in southern countries is 27% higher than in northern countries and that manufacturing trade costs in low-income economies are approximately 34% higher than in high-income economies, with Least Developed Countries (LDCs) experiencing a 47% higher cost (2025).

4. Recommendations

Given the current scenario in international trade, the recommendations here presented are limited as to the scope of what is potentially feasible. Hence, our approach in this section does not pose what would be most desirable for the Global South in the international trade system but rather, what could be achievable. Three ideas are then proposed: (1) continuing work on minilateral or plurilateral agreements; (2) trade-capacity building; (4) decoupling from northern countries' currencies in international trade.

4.1. Advancement of minilateral/plurilateral agreements

Our core starting point for this recommendation is the belief that the era of consensus in the World Trade Organization has been long gone, as evidenced by the paralysis that hit the WTO's Dispute Settlement Appellate Body and the agonizing failure of the Doha Development round, after more than a decade, in 2011. As a result, it would be unreasonable to expect a global trade deal to be negotiated among non-stop call for the reform of the organization. Furthermore, the current proposed tariffs coming from the United States which targets every possible market around the world might ironically be the starting point for trade discussions among third parties seeking to diversify from the American economy.

By allowing a pick and choose model, plurilateral agreements allow interested parties to select issues for coordination and participations in different negotiations. Well-designed issue-based plurilateral agreements can serve the needs of like-minded Global South and Global North countries alike, enhance the spread of foreign direct investment (FDI) driven global supply chains, and complement multilateral and FTA rule-making.

Let there be no doubt: the preferred outcome on the international trade system would be that of a global trade deal encompassing several issues and consensually brought to close. However, there is nothing in the current situation that would encourage such thinking. As a result, the search for plurilateral agreements clearly appears as the second-best scenario. Most recently, on the issue of fisheries, such plurilateral agreement was possible with the participation of more than 100 countries (WTO, 2022), which did not configure consensus but nonetheless broke the inertial forces that have long haunted the organization.

The Multi-Party Interim Appeal Arbitration, created in the shadows of a dysfunctional Dispute Settlement Mechanism at the WTO given the absence of Appellate Body members, is another example of a plurilateral agreement that has been working effectively. It would not be reasonable to believe that all members of the G20 would participate in the MPIAA, since the United States as one of them is responsible for not providing the consensus needed to renew the WTO's Appellate Body. However, participation from all other members would signal a step in the right direction and embolden other creative solutions that are rules-based. At the moment, there are 29 parties to the MPIAA, including trade heavyweights such as the European Union, China, Japan, Canada and Brazil. Global South participation in the MPIAA would provide the necessary, even in temporary, legal framework to insulate developing countries from unilateral initiatives from fellow MPIAA signatories.

4.2 Capacity-building on trade

Even before the Trump administration's "Liberation Day", which saw unprecedent and unilateral tariff hikes for every country in the world, technical assistance in international trade was sorely needed for the Global South. They often face substantial challenges in effectively participating in the WTO's complex legal and negotiating processes. They can be summarized in three different factors: (1) limited institutional capacity; (2) insufficient legal expertise; (3) lack of financial and technical resources. This underscores the critical need for enhanced technical assistance and capacity-building measures tailored to the needs of the southern countries.

Bernard Hoekman observed that *"the disparity in negotiating capacity between developed and developing members undermines the principle of inclusive participation in global trade governance"* (2005). Furthermore, without adequate support, countries of the South find it difficult to promote their interests in trade negotiations and may end up adopting obligations that are not aligned with their developmental needs. This, in turn, compromises not only the fairness of the WTO system but also its legitimacy and effectiveness in promoting global economic equity.

We are not indicating an absence of technical assistance programs at the WTO but there is little evidence on its effectiveness, especially as it relates to short-term training courses which are often provided in Geneva and delivered by WTO Headquarters' Divisions. Borrowing from the example of the IMF, which G20 countries should be very familiar with, this seems like the right time to decentralize the WTO's training and assistance's functions, with the consequential set up of a network of regional training centers in selected Global South countries. It is our belief that involvement of local expertise combined with international experts would enrich the quality of the training and technical assistance.

In conclusion, the creation of trade building capacity is a feasible recommendation that might be non-controversial even in times of great tensions such as today. The Global South would benefit from such a move and maybe apart from one, every other WTO and G20 member could throw its support behind such idea.

4.3. Decoupling from currencies of the northern countries

The global monetary system has long been anchored by the U.S. dollar and to a lesser extent, the Euro. For the Global South, this reliance has imposed systemic vulnerabilities that affect trade, investment, debt sustainability, and macroeconomic policy autonomy. In response, a growing tide of discussions regarding *currency decoupling* is taking place.

Such discussion is not a mainstay of G20 talks but it is surely present in other forums where the Global South is represented, such as the BRICS, where albeit a common currency is not currently under discussion, all other strategies to divert from the US Dollar dominance are on the table, including the usage of local currency in international trade transactions (Agência Brasil, 2025). The Dollar Dominance Monitor (Atlantic Council, 2025), which tracks the foreign exchange reserves from different countries, has not seen much variation in the last eight years.

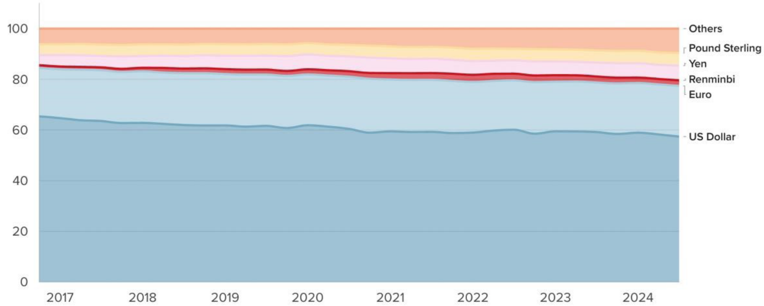

Figure 5: Currency composition of official foreign exchange reserves. Reference: Atlantic Council, 2025.

Obviously, any change of currency use in international business is ripe with complexity, but the discussion has continued, and the Global South would do well to keep it that way. At the very least, this might become a usable bargaining chip in the search for a more equitable development among countries.

5. Conclusions

The present chapter aimed at providing a perspective from the Global South as it relates to international trade and how such discussion takes place at the G20, while offering three recommendations for the group to take on moving forward.

As demonstrated, the past three declarations, adopted under the presidencies of India, Indonesia, and Brazil, are very similar in that they defend the existence of a rules-based system of international trade, while pledging to keep the WTO at its core. Protectionism appears in the last two declarations, but with different emphases: India made an explicit call for its end, while Brazil highlighted the risk of confusing support for green initiatives with disguised trade subsidies. It will be interesting to note what can be achieved in terms of a declaration under the South African presidency, given the current turmoil in international trade.

The preference of Global South countries for rules-based system is intuitive and correlates to their material capabilities in comparison to others. It may be that the current crisis will turn into a stark reminder that a rules-based system of international trade allows for much desired predictability that facilitates trade and investment flows.

Given the way that protectionism disproportionally affects the South, three recommendations are made, within the realm of what is feasible. Firstly, a recommendation to continue to advance plurilateral agreements. Secondly, a proposal to create regional trade centers where trade training can take place. Finally, and surely the most complex recommendation, that of diverting away from the use of US Dollar and Euros as a way to improve balancing of economic relations between southern and northern countries.

After three years of mostly the same language at the G20, the issue of international trade is at a critical juncture both within the forum and outside of it. A repeat of often used language at this time will likely test the limits of hypocrisy in international diplomacy. An absence of agreement on language will be more sincere but will also serve as evidence of the chaotic times that international trade currently face.

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Part 3

Climate Action and Just Energy Transition

Chapter Six

Accelerating Climate Action and Just Energy Transition Through the G20

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Abstract

South Africa's G20 presidency takes place at a time of heightened political tensions, with significant challenges for multilateral diplomacy, particularly with regard to climate diplomacy. Nevertheless, opportunities do exist to advance the climate and energy agenda within the G20. In this regard, partnership between Brazil and South Africa must be developed strategically, both in terms of their consecutive G20 presidencies and Brazil's hosting of COP30. The chapter outlines key priority areas for the South African G20 presidency in the context of Brazil's G20 legacy, the shifting international environment, as well as South Africa's stated intent to incorporate African continental priorities into its G20 presidency. Several recommendations are offered on how meaningful outcomes can be achieved on the climate and energy agenda under South Africa's G20 presidency, despite a challenging international environment.

Key words: just transition, climate change, adaptation, critical minerals, climate finance

1. Introduction

In late 2023, during the first months of Brazil's G20 presidency, the United Nations Framework Convention on Climate Change (UNFCCC) completed the first global stocktake assessing progress towards the Paris Agreement climate goals. The results were hard hitting. While recognising progress, the core message was that global efforts were falling far short of what would be required to avoid the worst impacts of climate change. Climate financial commitments to support mitigation, adaptation and loss and damage were also inadequate, particularly in terms of the support required by developing countries for resilience building and just energy transitions. Briefly, the world was not on track to achieve the Paris Agreement climate goals of limiting global temperature rise to well below 2 degrees Celsius above pre-industrial levels, ideally no more than 1.5 degrees Celsius. Missing these targets would have significant consequences for societies and economies around the world but would hit the Southern countries hardest, as they had the lowest capacity to adapt to climate impacts. Effective global cooperation around climate change would require a greater level of ambition, particularly in ensuring that climate finance could be mobilised at scale and be effectively channeled to where it was needed most.

Throughout its G20 presidency, Brazil placed significant emphasis on climate justice under its theme of "Building a fair world and a sustainable planet". The establishment of the Task Force on a Global Mobilization against Climate Change (Task Force Clima) was a clear signal that Brazil viewed climate action as central to the broader effort of ensuring a more just and equitable global order. By the close of its presidency, Brazil had overseen significant engagement on the climate agenda under the G20, yet there were clear indications that challenging times lay ahead. Brazil handed over the G20 presidency to South Africa in November 2024, shortly after the re-election of Donald Trump as President of the United States of America (US). One of Trump's first actions as president was to announce that the US would withdraw from the Paris Agreement, as it had done during his first term. The transition of the Brazilian presidency to the South African G20 presidency also occurred at the time of the 29th Conference of the Parties to the UNFCCC (COP29). Billed as the "finance COP", countries of the South had been calling for $1.3 trillion in climate finance support at COP29. However, the hard-fought outcome delivered only a commitment to raise climate finance from the Southern countries to developing countries to $300 billion by 2035, with a broader "aspiration" to achieve $1.3 trillion from a range of sources, including the private sector. As the United Nations Environment Programme (UNEP) has highlighted, however, "It is not clear how these sums will be raised and who will deliver the finance". (UNEP Finance Initiative, 2024)

This chapter assess the climate and energy agendas of the Brazilian and South African G20 presidencies. It outlines the development of the climate and energy agenda within the G20, positions these engagements within the broader global political context and makes recommendations to support proposals for climate and energy under the South African G20 presidency, with an emphasis on shared priorities by Brazil and South Africa. The focus on Brazil and South Africa is appropriate not just in the context of their consecutive G20 presidencies, but also in light of Brazil's hosting of COP30 towards the close of 2025.

2. Climate and energy in the G20

G20 member countries account for over 80% of global economic output and energy demand, as well as about three quarters of global carbon emissions (Laguzzi, 2024). To a significant extent, the world's ability to avoid the worst impacts of climate change will be determined by actions taken by G20 member countries. This relates not only to actions that they can take in curbing their own emissions and adapting to climate change, but also their role in providing financing for climate action in developing countries.

The G20's engagement on climate and energy issues has progressively expanded as it broadened its focus from a narrow concern with international financial cooperation following the financial crises of 1997-1998 and 2008. While only passing mention was made to climate change in the first G20 Leaders' Declaration in 2008, this was expanded in the two G20 summits convened in 2009. The G20 recognised climate change as a significant threat requiring a coordinated global response, with an explicit commitment of support to the UNFCCC climate negotiations. There was also engagement on the energy transition, with a commitment to reduce inefficient fossil fuel subsidies and enhance investment in clean energy and energy efficiency.

In subsequent years, climate and energy were to gradually become more prominent on the G20 agenda. A Climate Finance Study Group was established during the Mexico G20 presidency in 2012, and a Sustainability Working Group was established under the Sherpa Track during the German presidency in 2017. The following year, under the Argentinian G20 presidency, energy and climate discussions were separated by splitting the Sustainability Working Group into an Energy Sustainability Working Group and a Climate Sustainability Working Group, a move not welcomed by all G20 members. Nevertheless, an important evolution under the Argentinian presidency was the establishment of the Adaptation Work Programme, which ensured that the climate debate within the G20 was not dominated by a focus on mitigation. Adaptation has long been a priority for the Southern countries, which have limited capacity to adapt to climate impacts due to underdeveloped infrastructure, limited fiscal space and other constraints. A further significant development occurred under the Italian G20 presidency in 2021, when the Sustainable Finance Study Group was elevated to a Working Group and a Sustainable Finance Roadmap was endorsed. The Roadmap includes as one of its focus areas the assessment and management of climate and other sustainability risks.

The 2022 Indonesia G20 presidency was marked by tensions around wording related to Russia–Ukraine conflict, which resulted in numerous G20 meetings that concluded without consensus statements. Nevertheless, progress was made on various fronts, including climate and the just energy transition. Examples include the adoption of the G20 Bali Common Principles in Accelerating Clean Energy Transition, which emerged from deliberations of the Energy Transition Working Group, and the Transition Finance Framework, produced through the Sustainable Finance Working Group.

The Indian presidency saw further progress, with the institutionalisation of the Disaster Risk Reduction Working Group under the Sherpa Track, engagement around critical minerals, and the establishment of the Deccan High-Level Principles on Food Security and Nutrition and the Chennai High-Level Principles for Blue/Ocean Economy, both of which included climate-related actions (Government of India, 2023).

3. The Brazilian G20 climate and energy agenda

As an influential middle power, Brazil has long championed environmental concerns in its international diplomacy. While both domestic and international environmental action had diminished under the conservative administration of President Jaire Bolsonaro, the election of President Luiz Inácio Lula da Silva in late 2022 set the stage for a revitalisation of Brazil's environmental diplomacy, paired with domestic action such as addressing deforestation and other forms of environmental degradation.

Speaking at the September 2023 G20 Summit under the Indian presidency, President Lula highlighted three priorities for Brazil's upcoming presidency, namely 1) Social inclusion and the fight against hunger and poverty; 2) Promotion of sustainable development in its social, economic and environmental dimensions and energy transitions; and 3) The reform of global governance institutions. Climate change featured prominently in this and later speeches, with a particular emphasis on the disproportionate impact of climate change on vulnerable groups. These priorities were also reflected in the issue note outlining the priorities of the Brazilian G20 presidency, which drew attention to the cross-cutting nature of the sustainable development and social inclusion agendas, called for leadership by G20 countries in addressing climate change, and highlighted that climate action is necessary not only for the environment but also for the long-term resilience of economies and societies. The issue notes further drew attention to the urgency of a global transition to less carbon-intensive economic models in the context of a just transition. In this domain, there was a particular focus on social dimension of energy transitions, "considering the pros and cons of transition options and how they unevenly impact local communities, women and different ethnic groups" (Government of Brazil, 2023).

Task Force Clima was established to draw on the expertise of both the sherpa and finance tracks, with a stated focus on 1) The role of national sustainability transformation plans and economy-wide platforms, and 2) A renewed agenda for the engagement of the financial sector in climate action. Notwithstanding the work under Task Force Clima, climate change and energy priorities would also be pursued across a number of working groups, most notably the Environment and Climate Sustainability Working Group (focusing on 1. Emergency and preventive adaptation to extreme climate events, 2. Payments for ecosystem services, 3. Oceans, and 4. Waste and circular economy); the Sustainable Finance Working Group (focusing on 1. Optimizing access to international environment and climate funds, 2. Advancing credible, robust and just transition plans, 3. Implementing sustainability reporting requirements that work for all, and 4. Financing nature-based solutions), and the Energy Transitions Working Group (focusing on 1. Accelerating financing for energy transitions, 2. The Social dimensions of the energy transition, and 3. Innovative perspectives on sustainable fuels).

4. Assessing the climate and energy outcomes of the Brazilian G20 presidency

Throughout the Brazilian presidency 134 four meetings were convened, 24 at ministerial level. A range of outcome documents were produced through the various working groups and task forces. The G20's 13 engagement groups also convened a number of meetings and produced communiqués, including, critically, the first G20 Social Summit, which provided a platform for broad stakeholder participation within G20 processes.

The climate-related outcomes across all working groups and task forces are too broad and varied to be fully described here, but have been summarised elsewhere (Government of Brazil, 2023). The emphasis in this chapter will be in the framing expressed within the G20 Summit Declaration (Rio Declaration) and the outcomes of key working groups and task forces, notably the Environment and Climate Sustainability Working Group and Task Force Clima.

One of the concrete climate-related outcomes of the Brazilian G20 presidency was a launch of the Global Initiative for Information Integrity on Climate Change, which aims to support research and interventions that promote the integrity of climate-related information. This initiative is led by Brazil, the UN Department of Global Communication, and UNESCO. This exemplifies an approach to institutionalise G20 initiatives beyond the G20 itself, thereby contributing to the long-term sustainability of such initiatives, while also ensuring that international action is channelled through existing, established institutions such as UN agencies. This same approach was reflected in the Global Alliance Against Hunger and Poverty, which has an independent governance structure and a support mechanism hosted by the UN Food and Agriculture Organization (FAO). It is noteworthy that the Global Alliance Against Hunger and Poverty itself recognises the importance of investing in sustainable, climate-resilient food systems as part of addressing the impacts of climate change and other environmental pressures.

One of the key challenges related to the G20 climate agenda is the fact that climate change is a crosscutting issue across a wide set of working groups and task forces. With working groups bringing together officials and ministers from a particular set of ministries (e.g. ministers and officials from finance ministries under the Sustainable Finance Working Group, or ministries for the environment under the Environment and Climate Sustainability Working Group), there are relatively few opportunities for alignment and cross-fertilisation. In this regard, it was considered an important outcome that Task Force Clima could bring together ministers responsible for foreign affairs, finance, environment and climate, as well as central bank governors, to jointly agree to a ministerial statement. The Task Force's outcome document presented a series of recommendations focusing on just national transition planning and country platforms, together with climate finance, as well as presenting a voluntary framework for transition planning and country platforms.

The Ministerial Declaration from the Environment and Climate Sustainability Working Group drew attention to the need to strengthen scientific knowledge and support capacity building in developing countries for climate action. The declaration also emphasised the need to strengthen financing for adaptation in particular, and in this regard recognized the need to increase the private sector's role in adaptation financing. Reflecting Global South priorities, the Declaration called for retaining climate adaptation as a key priority for the G20, highlighting its centrality to social and economic development.

The Sustainable Finance Working Group presented a series of recommendations across the four priority areas identified under the Brazilian G20 presidency, as well as presenting a progress report across the five focus areas of the Sustainable Finance Roadmap. The Working Group further published a set of high-level principles on "credible, robust and just" transition plans, as well as developing a toolbox on financing for nature-based solutions.

The Energy Transitions Working Group spearheaded the establishment of a Global Coalition for Energy Planning, which will be hosted by the International Renewable Energy Agency. It further produced a set of principles for just and inclusive energy transitions, a roadmap to increase investment in clean energy in the Southern countries, and a variety of other frameworks and technical reports. The Ministerial Statement issued through the working group highlighted the imperative of ensuring an inclusive and just energy transition, with an emphasis on climate finance (in particular, low-cost financing to support energy transitions in developing countries), scaling renewable energy, advancing energy efficiency and investing in research and innovation. The working group also addressed the pressing issue of critical minerals, noting that in this regard "global markets must be built on transparency and sustainability and promote reliable, diversified, sustainable and responsible supply and value chains, while providing opportunities globally, including through local value addition and beneficiation at source" (Government of Brazil, 2023).

5. South Africa's G20 Priorities

The Government of South Africa is keenly aware that its G20 presidency comes at the end of a series of Global South presidencies. In this regard, its presidency is an important opportunity to consolidate priorities of the Global South within the G20 agenda. Ensuring continuity between the Brazilian and South African G20 presidencies would be essential in this context. As leading Global South middle powers with strong bilateral relations and shared engagement through global forums such as G20 and BRICS, Brazil and South Africa had a strong foundation on which to build linkages between their G20 presidencies. This was supported by a deep level of engagement by South Africa under the Brazilian presidency in the G20's troika leadership structure.

South Africa was also clear that it would seek to align its G20 presidency with broader African continental priorities. Having joined the G20 in 2023, the African Union (AU) was a relative newcomer to G20 processes, and the South African presidency would be a key opportunity to consolidate the AU's G20 engagements. As the only country-level G20 member on the African continent, South Africa is also keenly aware of the need to adopt a regional perspective in its engagements.

The Brazilian presidency's emphasis on equity and inclusion, both at global and societal levels, has clear echoes in South Africa's thematic focus on "Solidarity, Equality and Sustainability" under its G20 presidency. This thematic emphasis must, of course, be considered within the international context that shapes the opportunities and constraints for international cooperation. In this regard, the disruptive approach of the US under President Trump is undeniably a significant factor. This relates not only to actions directly related to the climate agenda, such as the US withdrawal from the Paris Agreement and walking back climate finance commitments, but also the tensions around trade, security cooperation, development assistance and other norms and practices that have long shaped the international system. This international environment undoubtedly shapes South Africa's capacity to drive a particular agenda through its G20 presidency, not only because international tensions will inevitably seep into G20 negotiations, but also because this global instability forces countries to focus on immediate foreign policy concerns.

This difficult international environment was further complicated by direct diplomatic tensions between South Africa and the US early in 2024, triggered by changes to South Africa's land laws that were seen by the US to be unfairly targeting the country's White minority population. These tensions were in clear evidence when US Secretary of State Marco Rubio announced that he would not be attending the first foreign ministers' meeting under the South African G20 presidency, equating South Africa's G20 theme of solidarity, equity and sustainability with "DEI and climate change" and framing South African actions as "anti-Americanism" (Savage, 2025).

With regard to the climate and energy agenda specifically, the South African government has been clear that it sees this as a core element of its broader focus on equality and sustainability. During his remarks at the launch of the South African G20 presidency, President Cyril Ramaphosa highlighted the need to mobilise the G20 presidency to "avert the worst effects of climate change and to preserve our planet for future generations". A number of themes directly or indirectly related to climate change and just energy transitions. Efforts to strengthen disaster resilience, for example, were framed in the context of the increasing rate of climate-induced natural disasters across the world. Financing for a just energy transition was also highlighted, together with a broader effort to increase the quantity and quality of climate finance flows to the South. President Ramaphosa also highlighted that critical minerals would be a priority area, with a focus on how the exploitation of these minerals can contribute to inclusive growth and development, particularly within source countries.

6. An African G20

Africa's climate and energy agenda has been expressed through a range of institutions, forums and policy frameworks. The continental development framework, Agenda 2063, highlights the fundamental injustice reflected in the fact that Africa contributes less than 5% of global carbon emissions, yet is disproportionately impacted by climate change. While expressing a commitment to contribute to mitigation, it emphasises the need to prioritise adaptation action and calls for adequate support in these efforts, encompassing technology development and transfer, capacity building, as well as financial and technical resources. These messages have been elaborated and reinforced through the African Union Climate Change and Resilient Development Strategy (2022–2032) and related frameworks such as the Green Recovery Action Plan. The first African Climate Summit, hosted by the African Union and the Government of Kenya in September 2023, resulted in the Nairobi Declaration, another important articulation of African climate priorities. Other bodies, such as the African Group of Negotiators and the Committee of African Heads of State and Government on Climate Change are important actors advocating for African priorities. Common priorities across these frameworks include an emphasis on adaptation, climate finance and a just transition in the context of Africa's energy needs. With regards to the just transition, it is commonly emphasised that 80% of the global population without access to electricity reside in Africa. There is thus an urgent need to scale energy investments significantly – indeed, the Nairobi Declaration calls for renewable energy generation capacity in Africa to increase more than five-fold, from 56 GW in 2022 to at least 300 by 2030.

It is broadly recognised that financing cannot be framed simply within the traditional parameters of climate financing, but must explore the broader dynamics and institutional processes shaping Africa's access to finance. In this regard, there is growing emphasis on addressing the high cost of capital in Africa and, relatedly, addressing the African risk premium. Finally, Africa's climate response must be seen within the context of its broader development and industrialisation ambitions. For this reason, Africa's position within global clean technology value chains is a key concern. Currently, most batteries, solar panels and other clean technology deployed in Africa are imported from elsewhere. Moreover, Africa's critical minerals, including cobalt, lithium and a range of other minerals, is exported in an unprocessed or minimally processed state, with value addition into intermediate and final goods taking place elsewhere. The African Union has recently adopted the African Green Minerals Strategy, which seeks to enhance the responsible development of the continent's critical minerals and promote local processing and value addition. These ambitions are in line with the objectives of the African Mining Vision, adopted in 2009 as a framework to guide mineral-led industrialisation on in Africa.

Beyond its domestic industrial ambitions, Africa's critical minerals have become strategically central to the global energy transition. The continent supplies essential inputs for electric vehicle batteries, semiconductors, and other clean technologies—resources that are increasingly sought by both Northern economies and emerging powers of the Global South. This intensifying demand underscores Africa's pivotal role in global clean technology value chains, not merely as a supplier of raw materials but as a potential co-architect of sustainable industrial futures. Within the context of the South African G20 presidency, these dynamics present a strategic opportunity to advance a common African position on critical minerals governance and value addition, linking the continent's developmental priorities with global decarbonisation efforts.

7. Discussion

As has been noted, cooperation between South Africa and Brazil during South Africa's G20 presidency in 2025 presents a significant opportunity not only as a result of their consecutive G20 presidencies, but also in light of Brazil's hosting of COP30. Brazil and South Africa differ in certain important ways: tropical rain forests are not a diplomatic priority for South Africa to the extent that it is for Brazil, while South Africa's high reliance on coal-fired power generation is very different from Brazil's hydroelectric and biofuel-centred economy. Nevertheless, their similarities and common interests far outweigh their differences:

- Both Brazil and South Africa are regional powers and significant global diplomatic actors, particularly as leading voices of the Global South;
- they share membership in G20, but also BRICS and IBSA (the bloc consisting of India, Brazil and South Africa);
- both countries face significant challenges related to inequality, development and economic growth, which informs their emphasis on justice and inclusion both locally and internationally;
- both countries are highly reliant on trade and are relatively distant from major global economic centres; and both countries have long engaged in seeking a fairer and more inclusive global governance system and international financial architecture.

South Africa has already committed to work closely with Brazil in the lead up to COP30 and the troika leadership structure of the G20 provides an important mechanism to support such engagement. At the time of writing the G20 working groups and task forces under the South African presidency have convened at least their first meeting and country negotiating positions are becoming clearer. There are three overriding questions that should inform Brazil and South Africa's engagement on climate and energy transition through the G20 in 2025:

1. How can Brazil and South Africa work together to support ambitious outcome for the South African G20 presidency?
2. How can South Africa's G20 presidency be leveraged to support strong outcomes for COP30? (linked to this, what early signs do negotiations within the G20 provide for potential consensus or sticking points within UNFCCC negotiations?)
3. How can the climate and energy agenda under the South African G20 presidency be used as a springboard to ensure continuity beyond 2025, both within the G20 and beyond it, particularly in the context of the US G20 presidency in 2026?

Within this framework, there are clear thematic areas of joint interest. Financing looms large, including financing for adaptation and just energy transitions. In this regard, the work being done on the cost of capital and international financial architecture reform must be continued, as climate financing must be considered within a broader context of financial and institutional power structures. A broad focus on inclusivity and addressing disproportionate impacts of climate change and energy transitions on vulnerable sectors of society, including women and youth, together with a shared ambition to elevate the role of Global South within international governance systems, is a further area of shared action. Trade, admittedly a sensitive topic in 2025 and dominated by tensions around tariffs, remains a critical area for both South Africa and Brazil. In this regard, both countries have an interest in supporting a trade system that does not discriminate against the southern countries (through, for example, unilateral climate-related trade measures). At the same time, however, such a trade system must provide space for the southern countries to mobilize trade and industrial policy to advance their position within global value chains, including critical mineral and clean technology value chains.

8. Conclusion and Recommendations

South Africa's G20 presidency plays out during a year marked by significant global tensions and historic shifts within the global multilateral system. States are drawn into a narrow focus on immediate diplomatic goals, whether in addressing international conflicts, negotiating trade deals or reassessing alliances. It is, by any measure, a difficult year to achieve ambitious outcomes in a deliberative multilateral process such as the G20 or, indeed, the UNFCCC climate negotiations. Yet the fluidity in the international system, the questioning of assumptions that have guided past action, and the reassessment of values and interests at national and regional levels, also creates opportunities. Middle powers rarely have the leverage to unilaterally drive through their priorities within the international system; they must rely on diplomatic adroitness, a keen sense of timing and strategic alliances to achieve their ends. Both Brazil and South Africa are well positioned in this regard and have a strong foundation on which to deepen their collaboration.

The following concrete recommendations are offered:

- Ensure that adaptation remains a priority on the G20 climate agenda, with a strong focus on financing for adaptation and resilience-building.
- Build on the work under the Brazilian G20 presidency on just and inclusive transitions, drawing on South Africa's extensive national and multilateral engagement in this area, to drive forward a programme of financing and technological support for just energy transitions.
- Strengthen G20 engagement on critical minerals, with a particular focus on value addition at source, deepening linkages between the G20 and the work of the UN Panel on Critical Energy Transition Minerals.
- Facilitate engagement with key African regional institutions and groups, including the Africa Group of Negotiators, to support synergies between South African national, African regional, and Brazilian objectives on the climate and energy agenda, focusing on insights from the G20 negotiations in support of ambitious outcomes at COP30.
- Engage with key partners in developing strategies to support the sustaining of the G20 climate and energy agenda beyond 2025, considering both continuity within G20 processes and how the G20 can be used as a springboard to institutionalise and consolidate initiatives beyond the G20 itself.

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Chapter Seven

Opportunities and Challenges for Promoting Sustainable and Inclusive Infrastructure in the Amazon Basin[1]

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Abstract

In recent decades, infrastructure investments in the Amazon basin have prioritized megaprojects, especially transportation corridors for export-oriented agribusiness and mining commodities, as well as large hydroelectric dams with associated

1 This text is based on a Policy Brief prepared within the civil society engagement process of Brazil's G20 presidency, T20 ('Think Tanks') Brazil 2024.

transmission lines. Based largely on external economic and political interests at the national and international levels, such interventions have been characterized by adverse social and environmental impacts, including rapid deforestation, increased greenhouse gas emissions, loss of biodiversity, land conflicts, and migration to urban peripheries that lack basic infrastructure (Araújo 2005, Fearnside, 2017). Improvements among instruments and decision-making processes for infrastructure planning in the Amazon should prioritize:

1. strengthening governance, in terms of transparency and social participation,
2. improved analysis of socio-environmental risks of large projects and alternative strategies,
3. protecting the integrity of vital ecosystems, and
4. addressing needs of local communities, especially marginalized groups, in terms of improvements in healthcare, education, water supply, sanitation, and supply chains based on the sustainable management of biodiversity, involving appropriate technologies and investments in transportation, energy, and communications. Such priorities should be integrated into discussions among G20 countries concerning investments through the public and private sectors to pursue economic recovery and growth, reduce social inequalities and poverty, and promote environmental sustainability.

Keywords: Infrastructure, Climate Resilience, Social Inclusion, Sustainability, Finance

Introduction

While official attempts have been made to define a "sustainable infrastructure" model (IDB & IDB Invest, 2018), large investment projects have often guided the development of policies, rather than vice-versa, as well as changes in regulatory frameworks and even territorial reorganization - all in the absence of a perspective of environmental sustainability and a human rights-based approach. One frequently encounters two types of misconceptions around infrastructure projects: firstly, that investments alone can generate development for all (Ganoza Durant & Stiglich Watson, 2015), and secondly, that within a market-based approach, it is not necessary to ensure state support for a comprehensive territorial vision and governance, integrating social and environmental concerns, to the design and development of investments.

In our view, debates within the G20 on increasing public and private infrastructure investments to accelerate economic growth and reduce public deficits should emphasize closely related challenges, including the integration of sectoral policies and projects within strategic frameworks for sustainable and inclusive development. Improvements in instruments and decision-making processes to maximize the positive impacts of roads, waterways, ports, and air transportation, along with their interconnections, while avoiding unfavorable projects, preventing, and mitigating negative social and environmental risks. In short, infrastructure projects alone do not generate development; they must be accompanied by a strategic vision and policies for strengthening governance, including within territories where projects are implemented, as an element of integration and social cohesion.

Similarly, in the face of the challenges of climate change and accelerated environmental and human health degradation, it is necessary to ensure instruments for preventing ecological impacts beyond the traditional mechanisms of environmental impact assessments. We must understand that infrastructure projects territorialize opportunities and potential threats, including possible increases in illegal activities, making it necessary to prevent and mitigate these indirect impacts of physical connectivity.

In this regard, we first provide an overview of key issues related to the governance of infrastructure investments in the western Amazon. We then analyze sectoral planning and projects in the transportation and energy sectors, focusing on Brazil and Peru. We then draw some conclusions from the experiences of infrastructure projects in fragile Amazonian ecosystems that may be relevant to broader debates on sustainable and inclusive infrastructure among G20 countries.

1. Infrastructure planning and governance in the Amazon

The adverse social and environmental consequences of large infrastructure projects in the Amazon have been closely related to deficiencies in planning instruments and decision-making processes in sectoral planning in terms of alignment with sustainable development goals, prior analysis of socio-environmental risks (including cumulative and synergistic impacts within territories), economic viability and strategic alternatives, as well as mechanisms to ensure transparency and participation of civil society, especially affected communities (Humphreys Bebbington et al., 2018; Portugal et al., 2023).

A recurring problem in planning large infrastructure projects in the Amazon is the need for greater attention to how issues of territorial governance contribute to socio-environmental risks and impacts (Barros et al., 2019; Montgomery et al., 2014). These include, for example:

1. Land tenure policies that facilitate land-grabbing ("grilagem") on public lands, with forest clearing often recognized as an improvement for purposes of granting private titles;
2. Lack of recognition of the territorial rights of indigenous peoples and other traditional communities;
3. Decommissioning of conservation units and other protected areas catering to narrow political and economic interests; and,
4. Backsliding on policies to address organized crime involved in such activities as illegal logging and mining (Millikan, 2023).

Consequently, socio-environmental risks and associated needs to strengthen territorial governance before project initiation are often neglected, as well as the possibilities for alternative strategies.

Economic viability studies often overlook the costs associated with preventing, mitigating, and compensating for social and environmental impacts within this context. Proponents of mega infrastructure projects on the Amazon rainforests have been characterized by excessive optimism regarding construction costs and timelines in planning these projects. In the hydroelectric sector, estimates of the generation capacity of Amazonian dams have been based on historical data, overlooking the impacts of climate change and regional deforestation on hydrological dynamics while downplaying the potential risks of extreme weather events, both in terms of droughts and flooding (Ansar et al., 2014; Arantes et al., 2023).

While mega-infrastructure projects have contributed to the displacement of rural populations to urban areas, there have been growing deficits of essential infrastructure in Amazonian cities, where most of the region's population now resides. These deficits are in terms of healthcare, education, access to water and sanitation, mobility, public safety, and communications. Such deficits are particularly acute in the peripheries of large cities such as Manaus and Belém and smaller urban areas of the Amazon (Abramovay, 2022).

Problems related to deficits in transparency and civil society participation in infrastructure planning have contributed to a preference for mega-projects catering to the narrow interests of powerful economic and political groups. Such phenomena have often been linked to corruption schemes, as illustrated by recent cases involving large hydroelectric dams and highway construction projects in the Amazon (Dourojeanni et al., 2010; Humphreys Bebbington et al., 2018).

Political decisions involving large infrastructure projects that affect the livelihoods and rights of indigenous peoples and other traditional communities have been made in disregard for the right to Free, Prior and Informed Consent (FPIC). This includes sectoral plans for transportation and energy that define portfolios of projects before the phase of environmental licensing. This right is established by Convention 169 of the

International Labor Organization (ILO) and other legal statutes and international tools.

Finally, public and private financiers still lack more robust due diligence policies to avoid supporting large infrastructure projects with significant socio-environmental risks, including violations of local communities' rights. Typically, safeguards for financial institutions have been limited to formal requirements, such as the presence of an environmental license (Montgomery et al., 2014).

2. Transportation infrastructure in the Amazon

In recent decades, planning for transportation infrastructure in the Amazon has increasingly prioritized logistical corridors for export-oriented agribusiness and mining commodities. Such corridors often involve a combination of interconnected modalities, including highways, waterways, and ports. Political decisions on implementing logistical corridors have yet to be preceded by robust analyses of socio-environmental risks, including cumulative and synergistic impacts of interconnected projects, and alternatives. Transparency and participation in civil society have also been largely absent, contributing to undue influence by corporate lobbies and corruption (Humphreys Bebbington et al., 2018). Within this context, other critical needs for transportation infrastructure, such as logistics to support economic activities of local communities based on the sustainable use of biodiversity, have been sorely neglected (Abramovay, 2022).

In Brazil, there has been significant recent progress, such as an inter-institutional effort led by the Comptroller General of the Union (CGU) to improve transparency and social participation in substantial infrastructure projects in the transportation sector. This was done within the scope of the 2024-2027 Action Plan of the Open Government Partnership and the review of the methodology for preparing the National Logistics Plan (PNL 2050) under the leadership of the Ministry of Transport.

In Colombia, an unprecedented partnership between the ministries of the environment and transport, in collaboration with civil society organizations, which generated a program of guidelines for green road infrastructure ("Lineamientos de Infraestructura Verde Vial") that is already demonstrating positive results and can serve as a reference for other Amazonian countries. Later, this proposal of infrastructure policy had an impact at the Pan-Amazon region through the inclusion of an item on Sustainable Infrastructure with good practices in the Belem Declaration, signed by the presidents of Amazonian countries in August 2023.

However, there are alarming signs of advancement of megaprojects with serious deficiencies in their planning, from the perspective of transparency, participation and management of socio-environmental risks, such as the proposed construction of Ferrogrão (EF-170) between Sinop (MT) and Miritituba (PA) on the Tapajós River, the paving of BR319 between Porto Velho and Manaus and logistics corridors in the Amazon included in the "South American Integration Routes" - a recent international connectivity proposal by the Ministry of Planning of Brazil. Also, the recently launched Chancay megaport in Peru, with significant Chinese involvement, aims to export agribusiness and mining commodities to Asia. This development further exacerbates the scenario by increasing environmental and social impacts, including increased migration in the region, deforestation, illegal mining, and drug trafficking.

In the transportation sector, a critical case is the Southern Interoceanic Highway (Carretera Interoceánica Sur), one of the most emblematic in the Amazon region. A project spanning more than 4,000 kilometers, intended to connect the Pacific and Atlantic coasts to transport Brazilian soybeans to the Asian market, had an initial cost of $800 million. However, due to addenda and bribes, it ultimately cost $2.4 billion by the time it was completed in 2009. One of the most significant social concerns was the displacement of thousands of people around this project since they lacked property titles. A second concern was the environment, as it would cross the Amazon from Puno and Cusco to penetrate the Madre de Dios Region, facilitating migration to these sensitive areas. Construction was completed over three years (2006–2009). After almost 20 years, illegal mining has expanded from 20,000 hectares of degraded land to approximately 100,000 hectares in what is now known as the mining corridor. The association between deforestation and degradation of the Amazon forests, as well as illegal mining and activities that facilitate these illicit practices, such as the IOS highway (Perz & Castillo Hurtado, 2023, p. 234) and other associated activities (Gallice et al., 2019), is clear.

The Peruvian government acquired a loan from CAF (Development Bank of Latin America) to design and implement an indirect impact mitigation program around this highway, which, due to its limited budget and other factors, did not have the desired impacts, and this is not the only case in the region (Flórez, 2007). Between 2009 and 2011, proposals were made to construct hydroelectric plants in the Inambari and Marañón basins, and an agreement was even signed between Peru and Brazil to build hydroelectric plants in the Peruvian Amazon (Cueto La Rosa, 2011). These proposals failed due to the potential high environmental costs, but above all, due to the lack of social licenses in many regions where the rivers were to be dammed. In the case of the Inambari hydroelectric project, the most striking issue was that during the preparation of the Environmental Impact Assessment, the flooding of 100 kilometers of the IOS highway was considered a potential consequence of damming the Inambari River. This would increase the cost of electricity in the future as part of the cost transfer to end consumers.

3. Hydroelectric dams and "clean energy" in the Amazon

Within the energy sector, decisions on large projects in the Amazon, such as hydroelectric dams and fossil fuel exploitation, have not been part of strategic plans for a just energy transition that include comparative analyses of alternatives in terms of social, environmental, and economic factors, with transparency and participation from civil society. In the case of hydroelectric dams (Ansar et al., 2014), river basin inventories have systematically underestimated socio-environmental risks, including the cumulative impacts of dam cascades, greenhouse gas (GHG) emissions, biodiversity loss, degradation of freshwater ecosystems, and adverse effects on local livelihoods. Destructive dam projects in the Amazon have been mistakenly characterized as sources of "clean energy," often to secure "green financing," such as carbon credits under the Kyoto Protocol (Arantes et al., 2023).

A longstanding problem in the Amazon is the excessive dependence on fossil fuels for electricity generation and transportation in urban and rural areas. This reflects a neglect of potential alternatives, such as substituting diesel generators with solar power or using biodiesel originating from local plants, in remote communities (Schaeffer et al., 2023). In that sense, the worsening global climate emergency, together with other crises, such as loss of biodiversity, compromised ecosystem integrity, worsening socioeconomic inequalities, and threats to democracy, requires the construction of Fair, Popular, and Inclusive Energy Transition Plans at national and regional levels, with strong engagement from civil society, and must be considered an absolute priority, taking into account the fragility and dependence of the Amazon region on these energy sources.

A frequently neglected topic in debates around plans for a "just energy transition" at the national and regional levels is the issue of governance. There is a fundamental need for the adoption of transparent and participatory methodologies for the construction and implementation of energy transition plans, ensuring the strong engagement of civil society, including social movements and the scientific community, with attention to issues of gender, cultural diversity, and age, as a means of ensuring robust and creative solutions, adapted to different realities in different territories.. Without social control, there is a high risk that energy transition plans will be tied to the private interests of economic and political groups, thereby preventing necessary actions. This is already clear, for example, in political pressures to expand oil exploration in the Brazilian Amazon, particularly in the region known as "Margem Equatorial".

The democratization of access to and generation of energy among urban and rural populations, such as solar roof initiatives in urban areas, and the generation of renewable energy from photovoltaic and biomass sources among rural communities, helps to bring social and economic benefits, including the viability of production chains based on biodiversity conservation, with the generation of income and employment. Additionally, governments should guarantee the rights of indigenous peoples and other traditional communities to autonomy over their territories, including decisions on exclusion zones and the right to a free, prior, and informed consultation and consent.

Renewable energy should be expanded with adequate safeguards, including prior analysis of socio-environmental impacts and risks from various sources (wind, solar, green hydrogen, etc.), with due diligence to ensure respect for the rights of local communities. In this sense, it is essential to avoid false solutions, such as large hydroelectric dams in the tropics, which are often characterized by a disregard for local communities' rights and negatively impact biodiversity, ecosystem integrity, greenhouse gas emissions, and climate resilience. This includes expanding energy conservation and energy efficiency programs in the industrial, commercial, and residential sectors and initiatives focused on technological innovation, social inclusion, and economic competitiveness. Likewise, the governments should develop specific safeguards for minerals used in energy transition strategies, such as lithium and cobalt, in terms of environmental protection and respect for the territories and rights of local communities.

Concrete targets and strategies for the phase-out of fossil fuels, considering the specific realities of different regions and countries, where the richest countries that have historically contributed the most to global emissions assume additional responsibilities, in terms of shorter deadlines for the phase-out of fossil fuels and financial support for poorer countries that have suffered the most from climate change. Such measures should include a moratorium on new oil and gas exploration projects, especially innovative mechanisms for financing energy transition plans, such as taxing carbon-intensive industries, avoiding mistaken assumptions that transition plans can only be implemented through additional investments in fossil fuels. Also, transition plans must include the reforms among economic instruments, creating a framework of incentives for best practices and removing perverse incentives, such as subsidies for the expansion of fossil fuel exploration. Finally, these plans should include the engagement of multilateral public financial institutions, including grant-based technical assistance with special attention to upstream planning, and also the establishment of targets and timelines in energy transition plans, aligned with NDCs and the Paris Agreement, with practical strategies to achieve them.

An example of the challenges of fossil fuel projects is the Camisea Gas project in the Peruvian Amazon. This project had both positive and negative consequences for Peru. First, the exploration phase affected protected areas and territorial reserves for isolated and initially contacted indigenous peoples. This experience of exploring and exploiting Camisea gas led to the creation of a protection regime for these highly vulnerable indigenous people. It also gave rise to the idea of funding protected areas within the public budget, and even the development of a policy to protect these isolated peoples by the Inter-American Development Bank, which ultimately became involved in the Camisea gas project in Lot 88. However, there was a high risk that the construction of roads and gas pipelines would generate significant migration and other indirect impacts on indigenous communities' lands and protected areas on the Urubamba River. If we compare this project with others, the Offshore in-land methodology avoided indirect and minimal impacts on the Urubamba River due to the transportation and extraction of gas in the heart of the Peruvian Amazon. Unfortunately, this experience has not been replicated in other fossil fuel projects in the Amazon.

Finally, the presidency of COP30 represents a historic opportunity and a significant responsibility for Brazil to lead global efforts in addressing the climate emergency. Regarding efforts to promote fair, popular, and inclusive energy transition processes among the member countries of the United Nations

Framework Convention on Climate Change (UNFCCC), we understand that two key issues for the Brazilian Government are to:

- present innovative and necessary proposals at the COP negotiating table, addressing the key points of this document concerning the transportation and energy sectors, and
- lead by example, overcoming delays in the design and implementation of a National Energy Transition Plan, announced by the Ministry of Mines and Energy, with the adoption of participatory methodologies that enable the active engagement of Brazilian civil society.

4. Lessons from infrastructure projects in the Western Amazon

The legacy of political, social, and economic models in Amazonian countries that prioritize attracting private investments in the agribusiness and extractive sectors, including governmental support for associated large infrastructure projects is related to a weak model of governance of natural resources, lack of transparency, social conflicts, and environmental and social impacts (Arnson & Kemper, 2016; Cruz Vieyra et al., 2015). The challenges of infrastructure investments are similar in terms of lack of participation, transparency, accountability, and weak management of environmental and social impacts (Ray et al., 2018: 19). The state's key role often contributes to socio-environmental conflicts. The increasing demand from social movements and local communities for equitable, sustainable, and lasting governance in various visions for developing these connectivity projects, involving governments, civil society, the private sector, and local communities, confirms this problem.

In this regard, the literature has consistently mentioned the improvements the infrastructure sector must make to overcome these challenges:

1. Territorial planning is a prerequisite for connectivity projects, and practical tools must be used to better analyze

socio-environmental risks (including cumulative impacts on the territory), climate risks, economic viability, and alternatives that make it possible to reduce these impacts. Territorial fragmentation must be avoided, and its resiliency must be maintained. Likewise, projects must be better filtered according to specific measurement criteria.

2. Project management must include a pre-emptive territorial governance framework to avoid conflicts (Watkins et al., 2017) and manage local participation (Carvalho, 2012). Likewise, enhancing rights by providing public services and consolidating biodiversity conservation and social control over illegal activities is possible. Sectoral, environmental, and social regulations must be clear regarding investor rights, and national regulations must be at least consistent with the standards of international financial institutions (Rivasplata et al., 2014). In addition to the private sector's operational, environmental, and social obligations, state participation is therefore necessary in the private negotiation process, which is often characterized by an asymmetric relationship between companies and communities, such as a lack of capacity to engage in technical dialogue.
3. Local demand must have tools focusing on prior state intervention, especially in less populated and resource-rich areas, such as the Amazon. There is a deficit in the social infrastructure that serves people, particularly marginalized groups, in urban and rural areas. Therefore, it is necessary to include local stakeholders and citizens to support initiatives for the development of public services and not just the generation of businesses that extract natural resources in the areas of health, education, basic sanitation, transportation, access to energy, and communications, and high-speed internet access, prioritizing food security and sovereignty and socio biodiversity production chains, generating employment and income.[2]

2 A recent innovative initiative in improving communications among isolated communities in the Amazon is the *Conexão Povos da Floresta* (Connection of Forest Peoples)] that has already benefited over 1.600 communities (CNS et al., 2025).

4. An essential element has been the emergence of Indigenous peoples' right to prior consultation. This right must be effectively internalized at relevant moments in planning processes, ensuring that consultations are held before political decisions on policies, programs, and projects that potentially affect their territories and rights (Little, 2013).
5. Infrastructure must be associated with alternative development strategies appropriate to diverse territories, allowing for sustainable relationships with nature and exercising human rights by providing public services. At the regional level, a comprehensive development plan for the Amazon on a regional scale may be considered a strategic requirement to guide public policies and investments in the region.

Indeed, the current dilemmas of large infrastructure projects in the Amazon are fundamentally the result of a lack of integrated strategic planning on a national scale, particularly about medium- and long-term logistics projects, which ensures territorial coherence and socio-environmental sustainability. One of the main obstacles is the absence of a clear vision for Amazon in central national planning instruments, such as the Federal Development Strategy (EFD) 2020-2031. Despite its guiding nature, the EFD does not establish specific guidelines for the sustainable development of the region, nor does it define appropriate parameters for the use of its natural resources (A Estratégia Federal de Desenvolvimento para o Brasil 2020-2031, 2020).

Conclusions and Recommendations

Debates in the G20 on increasing public and private infrastructure investments to accelerate economic growth and reduce public deficits need to place greater emphasis on closely-related challenges of strengthening governance - including integration of sectoral policies and projects within strategic frameworks for sustainable and inclusive development. Also, these debates should include the improvements in instruments and decision-making processes to maximize the increase in the positive impacts of roads, waterways, ports, and air transportation, together with their interconnections, while avoiding bad projects, preventing and mitigating negative social and environmental risks. The promotion of sustainable and inclusive infrastructure projects is critical in advancing national integration and social cohesion.

In this regard, we recommend an alternative pathway for promoting sustainable, inclusive, and resilient infrastructure projects in the Amazon Basin based on the practical steps to be taken by government and multilateral agencies in collaboration with communities, civil society organizations, and the private sector. There is an overarching need to strengthen the governance of infrastructure planning in the Amazon, ensuring that instruments and decision-making processes, beginning with upstream sectoral planning based, firstly, on alignment with sustainable development goals including those related to NDCs, biodiversity, and human rights, practical tools for the improved analysis of socio-environmental risks including cumulative impacts with other projects, and economic viability and alternatives, and, secondly, on multi-criteria methodologies that incorporate social, environmental and financial variables, with mechanisms to ensure transparency and effective civil society participation.

Such improvements in planning, which can enormously help identify and design projects that best serve the public interest while screening for high-risk projects to avoid, require adjustments to planning and regulatory frameworks at the national and regional levels, in the latter case, for cross-border infrastructure. While improved upstream planning can significantly reduce the risks of ill-conceived projects and their adverse social and environmental consequences, it is critical to ensure that instruments and decision-making in the project phase avoid tendencies to downplay socio-environmental risks and undermine their potential to prevent and mitigate negative impacts. For example, in Brazil, "Portaria Interministerial no.60/2015" imposes arbitrary geographical limits on the potential effects of projects without a technical and scientific basis before conducting environmental impact assessments (Humphreys Bebbington et al., 2018).

Analyzing the socio-environmental risks associated with large infrastructure projects in the Amazon requires particular attention to the dangers of deforestation and related socio-environmental conflicts, particularly in areas with weak territorial governance (Barros et al., 2019). An essential step towards minimizing socio-environmental risks of infrastructure projects, especially in frontier regions such as the Amazon, is to strengthen territorial governance, guaranteeing the presence of the State and the rule of law, addressing such critical issues as

1. Recognition of the territorial rights of indigenous peoples and other traditional communities,
2. Consolidation of conservation units and other protected areas, with legal mechanisms to avoid decommissioning in response to the narrow interests of powerful economic and political actors, and
3. Control of land-grabbing on public lands and other serious crimes, prioritizing intelligence and technological innovation, including cross-border cooperation among neighboring countries.

Improved planning tools should avoid tendencies to underestimate socio-environmental risks, such as arguments that reduced consumption of fossil fuels is the only factor to be considered in planning for railway infrastructure in export-oriented logistical corridors in the Amazon, and ignoring methane and greenhouse gas emissions in large dam projects. For example, in the transportation sector, there is an urgent need to revise project-level guidelines for studies on the technical, economic, and environmental impacts of industrial waterways ("hidrosis") related to the transportation of export-oriented agribusiness and mining commodities, which often downplay the extent of regional effects in the Amazon. Also, in the energy sector, there is a need to improve planning and licensing instruments related to specific investments, such as hydroelectric dams and the exploitation of oil and gas, to better account for socio-environmental risks, including cumulative impacts.

Legal loopholes that undermine legislation and legal decisions in defense of human rights and environmental protections, such as the "Suspensão de Segurança" in Brazil and declarations of 'public necessity' or 'public interest' in Peru and Colombia, should be eliminated. Also, in light of the Belem Declaration from the Summit of Presidents of Amazonian countries (2023), national governments, with support from the OTCA and international partners, should prioritize the application of improved strategic planning tools to high-risk transborder projects in the pipeline, such as two proposed binational hydroelectric dams on the border of Rondônia and Bolivia in the Madeira Basin, and "Routes for South American Integration" proposed by the Brazilian Ministry of Planning.

A critical step for promoting sustainable infrastructure is to ensure that the right to Free, Prior, and Informed Consultation and Consent (FPIC) of indigenous peoples and other traditional communities is effectively internalized within relevant moments in the planning processes, ensuring that consultations occur before political decisions concerning policies, programs, and projects that potentially affect their territories and rights. Consultation protocols, developed autonomously by indigenous peoples and other traditional communities, provide guidelines for appropriate processes of good-faith consultation and should be respected by governments, financial institutions, and project developers.

In the Amazon, there is an urgent need to overcome deficits in social infrastructure that care for people, especially marginalized groups in urban and rural areas; a fresh approach to infrastructure planning should include flexible approaches to support community-led initiatives in social needs. Infrastructure planning should be reoriented towards support for economic alternatives based on the sustainable use of biodiversity, value-added supply chains, and technological innovation, prioritizing community-based initiatives and valuing indigenous knowledge systems.

Sustainable, resilient, and inclusive infrastructure should be promoted based on the significant improvements in the quality of life of Amazonian populations, especially among the rural and urban poor. Social infrastructure investments, creation of good jobs and income generation, sustainable use of biodiversity, value-added supply chains, and technological innovation, prioritizing community-based initiatives and valuing indigenous knowledge systems, should occupy a central space within the promotion of sustainable and inclusive infrastructure in the Amazon Basin.

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Chapter Eight

The IMF's Resilience and Sustainability Facility as a framework for promoting market-based solutions to decarbonization

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Abstract

This chapter explores the evolving role of the International Monetary Fund (IMF) in addressing climate change through the Resilience and Sustainability Facility (RSF), a new long-term financing instrument aimed at supporting low- and middle-income countries. It examines how the RSF reflects a shift in the IMF's mandate, traditionally focused on macroeconomic and financial stability, toward integrating environmental sustainability. Through an analysis of the 259 reform measures (RMs) in the 22 RSF agreements approved between October 2022 and February 2024, the chapter identifies three key findings. They are (1) the centrality of fiscal and energy-related reforms, which are coherent with the RSF's decarbonization goals; (2) the relative heterogeneity in content and orientation across countries, suggesting that borrowing governments play a role in shaping the agenda; and (3) the prominence of financial RMs focused on developing taxonomies, and risk management frameworks to foster green market governance and mobilize private capital. The chapter argues that this green policy turn, while promising, is limited by structural asymmetries in the global financial architecture. It concludes with policy recommendations to enhance the RSF's impact, including increasing available financing, strengthening partnerships with regional development banks, and improving the adaptability of conditionality frameworks. These reforms are essential to ensure that the IMF's climate engagement supports just, inclusive, and context-sensitive transitions in the Global South.

Keywords: IMF, RST/RSF, Sustainable Financing, decarbonization, reform measures**.**

1.Introduction

Climate change constitutes a global threat to economic, social, and environmental well-being. Addressing its challenges and consequences will require profound transformations over the coming decades—of the economy in general, and of the energy matrix in particular—toward the so-called "Net Zero Carbon Emissions" (NZE) scenario. Most countries have already set greenhouse gas (GHG) reduction targets consistent with the Paris Agreement, within the overall framework of the United Nations Framework Convention on Climate Change (UNFCCC).

At the G20 Summit held in Rio de Janeiro, Brazil, on 18–19 November 2024, Heads of State and Government underscored the importance of mobilizing both public and private finance to advance the Sustainable Development Goals (SDGs) and meet the emissions targets set under the Paris Agreement (COP21). According to Marois et al. (2024), the SDG investment gap in Global South countries is projected to reach USD 4 trillion annually, within a global investment need of around USD 30 trillion over the next eight years. While private financing has expanded, it remains insufficient in both scale and scope. Concentrated in profitable and relatively low-risk sectors such as energy and transport, it has provided limited support for less developed regions or for adaptation measures.

Since the Paris Agreement, International Financial Institutions (IFIs) have increasingly promoted environmental, social, and governance (ESG) objectives through their financing activities. Yet these efforts remain insufficient to meet the climate finance needs of the Global South. At the same time, IFIs have sought to catalyze private capital flows toward climate goals, with similarly limited results. In this context, the constrained capacity of IFIs to respond to growing borrower demands has been further tested by the scale and urgency of climate-related financing challenges.

Multilateral development banks (MDBs) have adjusted their financing to support a variety of projects, particularly mitigation efforts related to the energy transition and transportation sectors, as well as adaptation measures involving water and land use. The case of the IMF is somewhat different. IMF financing is typically disbursed within conditional lending programs and is freely available for balance-of-payments support, with the primary aim of strengthening international reserves in the face of external imbalances. However, the growing importance of climate change on the IMF's agenda prompted the creation, in 2022, of a dedicated financing window: the Resilience and Sustainability Facility (RSF). The RSF was designed to address climate-related challenges, including energy transition, and other structural vulnerabilities such as pandemics. In doing so, the IMF launched a facility with explicit environmental objectives that extend beyond its traditional areas of expertise.

The establishment of the RSF reflects the impetus provided by the G20. First, the RSF emerged from a sequence of policy decisions in which the G20 played a coordinating role during and after the pandemic: the general allocation of Special Drawing Rights (SDRs) equivalent to US$650 billion in August 2021, together with the push for their voluntary rechannelling to vulnerable countries, provided the financial-political scaffolding upon which the IMF created the Resilience and Sustainability Trust (RST) in 2022 and operationalized the RSF as its long-term lending window. Second, successive G20 presidencies (Indonesia 2022, India 2023, Brazil 2024, and South Africa 2025) have placed climate finance, just transition, and reform of the international financial architecture at the centre of their agendas. Institutionally, the RST/RSF translates the G20 leaders' strategic orientation—expanding resources and instruments for resilience and sustainability in developing economies—into concrete financing mechanisms.

The guidelines and orientations of RSF programs agreed with countries of the South provide valuable insight into how the IMF translates its environmental framework into specific policy recommendations. This chapter examines how the IMF has incorporated environmental concerns into its policy agenda. It does so by analyzing the conditionalities—formally referred to as reform measures—contained in the 22 RSF agreements signed and published as of April 2025. Building on recent contributions (Gupta, 2024; Task Force on Climate, 2024; Miller et al., 2023), the study classifies these conditionalities by structural depth, policy area, and policy objective in order to characterize the nature of the Fund's intervention.

The chapter is structured as follows. The first section reviews the incorporation of environmental issues into the IMF's agenda and the institutional responses to this challenge. The second outlines the development of RSF credits and the design of the RST. The third analyzes the specific characteristics of RSF agreements signed with Global South countries, and how they condition the environmental policy space of borrowing governments.

2. Green thinking

Environmental issues have three milestones on the IMF's agenda: pre-COP21, post-COP21, and post-pandemic. Although since the 1990s the IMF Executive Board encouraged the institution to address environmental issues (Skovgaard, 2021), until the 2015 Paris Agreement, the Fund addressed environmental issues only tangentially, as it considered them outside its expertise and core areas (i.e., fiscal, monetary, external, and financial). A key turning point before 2015 was in 2008, when the IMF's first official publications began to address fuel subsidies as a distinct concept and explicitly included environmental externalities in their analysis. This approach laid the foundation for the IMF's future work in this area.

The Paris Agreement established goals and metrics for the reduction of GHG emissions to achieve the goal of keeping the increase in the global average temperature below 2 degrees Celsius from pre-industrial levels (and ideally at the 1.5° C threshold). This objective, shared by most countries in terms of both the number and the proportion of GHG emissions, constituted a central milestone that spurred a series of initiatives. Among them, for example, was the relaunch of the Green Climate Fund, established at COP15 (in 2009), which originally aimed to provide US$100 billion annually in global financing to support adaptation and mitigation investments (although, to date, this was not achieved).

The Paris Agreement marks the beginning of a second stage, where the IMF started to progressively incorporate environmental issues into its agenda, considering the macro critical importance, and hence, with a potential impact on the core variables monitored by the institution, of climate change. That is, due to the fiscal and financial costs of climate shocks, and given the magnitude of the investment needed to mitigate and/or adapt to them, environmental variables must be considered within the IMF's monitoring and surveillance of its member countries. The IMF emphasized the urgent need to decisively reduce the pace of GHG emissions in order to avoid a tipping point that could trigger a climate crisis with unpredictable impacts. In this context, the Fund promoted the net-zero emissions agenda. Drawing on the work of Skovgaard (2021) and Clift (2024), the IMF's approach to the environmental agenda has been shaped by an economistic lens rooted in its neoclassical orientation with a fiscal bias, and by its mandate centred on promoting economic growth and financial stability. This implied the deployment of mitigation and adaptation strategies, which its concrete policy recommendations have focused on three areas: (a) promoting green fiscal policies, particularly carbon taxation (providing there is sufficient fiscal space); (b) encouraging investment in low-emission energy generation and distribution; and (c) supporting a broad range of environment-specific measures, from water and land management to disaster risk coordination.

According to official documents, the IMF relied on collaboration with the World Bank (WB), the Organisation for Economic Co-operation and Development (OECD), the International Energy Agency (IEA), Germany, and the United Kingdom to promote capacity development and strengthen its knowledge on environmental issues (IMF, 2021a). Its initial actions were threefold: publishing materials, incorporating the issue into bilateral surveillance, and developing fiscal capacities. Regarding publications, since 2015 the IMF began to analyse environmental issues. This was reflected in numerous research studies and specific chapters included in its three flagship global publications: the *World Economic Outlook*, the *Global Financial Stability Report*, and the *Fiscal Monitor*.

Secondly, the IMF incorporated environmental variables –with a macroeconomic and financial perspective– into its members' annual Article IV bilateral surveillance reviews (IMF, 2021b). Regarding macroeconomic surveillance, it addressed building resilience and adaptation in the most climate-vulnerable countries through the Fund's Climate Change Policy Assessments (CCPA), later replaced by the more ambitious Climate Macroeconomic Assessments Programs (CMAPs). Concerning GHG emissions reduction, the organisation promoted specific studies to encourage mitigation strategies and the transition to a lower mission economy. Moreover, regarding the inclusion of the green agenda in financial surveillance, the IMF integrated the measurement of environmental risks into its Financial Sector Assessment Program (FSAP), often conducted in the economies of the northern countries which are relatively more developed. Through these measures, it incorporated climate risk stress tests, regulation and supervision of the financial sector, monetary policy, central bank operations, and climate-related debt management issues.

In terms of capacity building, the Fund developed models and recommendations around the idea that fossil fuel prices should reflect their environmental cost—that is, any price that fails to do so constitutes an implicit subsidy. This principle translates into a range of measures, including carbon taxes, the removal of fossil fuel subsidies, and the establishment of carbon pricing frameworks. Additionally, it continued promoting the adoption of green budget models and investment management strategies to attract public and private financing in Environmental, Social, and Governance (ESG) initiatives, e.g. incorporating a climate component (the C-PIMA) into its Public Investment Management Assessment (PIMA) framework to assess infrastructure governance practices for all countries.

3. Green financing. The Resilience and Sustainability Facility

The onset of the COVID-19 pandemic marked the beginning of the third and last stage.

By mid-2020, as the economic crisis reached its lowest point, the IMF Managing Director Kristalina Georgieva considered that the institution should encourage a green recovery, meaning that post-pandemic growth should be accompanied by investment in climate change adaptation and mitigation (Volz, 2020). Meanwhile, countries of the South were demanding additional resources to address the unexpected healthcare expenses resulting from the pandemic and to receive some debt burden relief. Consequently, the IMF and the World Bank promoted the Debt Service Suspension Initiative (DSSI) within the G20 framework, which offered a deferral of principal and interest payments on official bilateral debt falling due in the following year to 77 low-income countries (LICs) borrowing from the International Development Association (IDA) of the WBG. To include private creditors, the DSSI was replaced at the G20's request by the mentioned Common Framework, which has so far yielded extremely limited results compared to expectations.

Regarding the demand for increased financing, in 2021 the IMF secured member countries' support to issue an additional USD650 billion in Special Drawing Rights (SDRs). Since the allocation was based on the existing quota distribution, 67% of the total was concentrated in wealthy countries that did not need the financing. For this reason, the Fund promoted the voluntary reinvestment of SDRs by central countries to fund a trust that would provide long-term financing, leading to the creation of the Resilience and Sustainability Trust (RST). This new IMF facility offers resources to address the fiscal, monetary, financial, and/or external impacts of long-term challenges such as climate change and pandemics (among others). Measures can be promoted include: the analysis and assessment of climate risks; the establishment of frameworks, guidelines and financial taxonomies; the promotion of investment in climate change adaptation; the implementation of climate change mitigation policies that reduce fiscal and external risks; the deployment of social protection strategies; the integration of climate considerations into financial management; and the attraction of public-private financing within the framework of national climate strategies.

RST lending is aimed at a group of 143 countries developing countries that meet one of these two criteria: a) a GNI per capita equal to or less than ten times the GNI per capita threshold for IDA credit graduation (equivalent to 11,850 USD)[1] and/or small developing states with a population of fewer than 1.5 million and a GNI per capita up to 25 times the IDA threshold (equivalent to 29,625 USD). These universe is divided into three groups: group A, defined as those Poverty Reduction and Growth Trust (PRGT) eligible and non-blended[2] countries; group B, which include PRGT eligible and presumed blenders plus non-PRGT small states with a GNI per capita equal to or less than 11,850 USD; and group C, only GRA (non-PRGT) borrowers and small states with a GNI per capita equal to or less than 25 times the IDA threshold (equivalent to 29,625 USD). The applicable interest rate for each group varies, and currently ranges from 2.80% for group A to between 4.80% and 5% for groups B and B, plus an additional service charge. Table 1 summarizes this information.

1 All values correspond to 2021, according to the World Bank's Atlas methodology.

2 This means that they are countries eligible for financing under the IMF's Poverty Reduction and Growth Trust (PRGT), but not from the General Resources Account (GRA).

Table 1: RST eligible countries. Groups, definitions and interest rate

Country Group	Definition	Interest Rate
A	PRGT eligible, not presumed blenders	SDR Rate (2.25% cap) Margin 0.55%
B	PRGT eligible, presumed blenders and/or B small states (Pop <1.5M + GNI ≤11,850 USD)	SDR Rate (4.06%) + Margin 0.75% + Service charge on each disb: 0.25%
C	Only GRA borrowers (non PRGT) C small states (Pop < 1.5M + GNI ≤29,625 USD)	SDR Rate (4.06%) + Margin 0.95% + Service charge on each disb: 0.50%

Source: Own elaboration based on IMF data and Andrews (2022).

The RST offers a financing line, the Resilience and Sustainability Facility (RSF), of 150% of each country's quota (up to SDR1 billion, or US$1.3 billion at current exchange rate). The RSF has a minimum duration of 18 months and must accompany another regular or concessional upper credit tranche programme (UTC); thus, the RSF may be signed simultaneously with an UCT program or be added to an existing UCT program with at least 18 months of remaining duration. The program includes specific structural benchmarks, and it features a 20-year extended repayment period, with a ten-and-a-half-year grace period.

The RST is funded with over USD 41 billion from the voluntary contributions of SDRs received in the special allocation of 2021 by 19 high-income countries plus two developing countries (and potential borrowers) that open and close the list based on the magnitude of their contributions: China and Mauritius Island. China and Europe are the main contributors at the country and regional levels, with almost 20% and more than 50% of the total funding, respectively. In terms of regions, there are 12 countries from Europe, 3 from Asia, plus Canada, Australia, Qatar, and Oman (see Table 2).

Table 2: RST Funding countries and contributions

% IMF votes	Country	In USD billions	% of total
6,08	China	7,96	19,33%
5,31	Germany	6,71	16,29%
6,14	Japan	6,62	16,07%
4,03	France	4,05	9,83%
4,03	United Kingdom	3,32	8,06%
3,02	Italy	2,55	6,19%
1,92	Spain	1,88	4,56%
2,22	Canada	1,84	4,47%
1,76	Netherlands	1,62	3,93%
1,33	Australia	1,23	2,99%
1,73	Korea	1,19	2,89%
1,30	Belgium	0,89	2,16%
1,17	Switzerland	0,66	1,60%
0,29	Luxembourg	0,34	0,83%
0,12	Lithuania	0,11	0,27%
0,17	Qatar	0,07	0,17%
0,14	Oman	0,05	0,12%
0,06	Malta	0,03	0,07%
0,08	Estonia	0,03	0,07%
0,49	United Arab Emirates	0,02	0,05%
0,06	Mauritius	0,02	0,05%
41,45%	**Total**	**41,19 B**	**100%**

Note: Own elaboration based in IMF data.

Since its launching, the RSF has shown relative interest among eligible countries. While the long-term repayment period double that of the IMF's longest credit line, is valued, the limited amount and the requirement that it must accompany a traditional program— which may involve austerity conditions that could constrain the fiscal space on which the RSF depends — have resulted in 22 out of 143 eligible countries subscribing to an RSF more than two years after its implementation[3]. This represents 15% of the potential universe, with total financing of over USD 10.7 billion on this regions' distribution: 14 from Africa, 4 from Latin America and the Caribbean, 2 from Eastern Europe, 1 from Asia, and 1 of Oceania (See Table 3).

In addition to the reluctance of some countries to be subject to the conditionalities attached to concurrent UTC programs, the gradual evolution of the stock of credits granted under the RSF is also explained by the conservative structure of the Trust. No more than two-thirds of the financial resources mobilized by the Resilience and Sustainability Trust (RST) can ultimately be allocated to lending through the Resilience and Sustainability Facility (RSF), as the remaining one-third is held as a reserve (Serra and Gallego, 2024). Regarding the RSF's scope, although is limited in terms of the potential eligible universe, the IMF has managed to secure participation from at least one country on each continent. This is a noteworthy fact, as RSF programs aim to address a global issue such as climate change.

4. Green policy in the making

Costa Rica, the so-called "green champion" was the first recipient of the RSF, followed by Barbados, which is promoting the Bridgetown initiative of debt swap for green investment. Then, the focus went clearly on Sub-Saharan Africa, the region with the greatest financing needs.

While institutional documents serve to provide insight into the guidelines informing the IMF's environmental recommendations, analyzing the conditionalities included in the RSF programs offers a clearer picture of the specific orientation assumed by the organization's recommendations in its interaction recipient countries. Although each program is

3 The IMF announced that Pakistan had reached an agreement for a new RSF, but at the time of writing, the final document was not yet available. The Fund also indicated the interest of Jordan and Gambia.

Table 3: Detailed 22 RSF programs by country and amounts

Region	Member	Main program	Main Program approval	RSF Date of approval	Expiration	IMF quota	Total original programs agreed SDR (excl RSF)	Total RSF Amount	RSF % of quota	Country group
LAC	Costa Rica	EFF	mar-21	nov-22	jul-24	480,2	1.621,1	725,9	150%	C
LAC	Barbados	EFF	dic-22	dic-22	dic-25	122,9	113,1	188,5	150%	C – SDS
Africa	Rwanda	PCI	dic-22	dic-22	dic-25	208,3	0,0	319,6	150%	A
Asia	Bangladesh	ECF – EFF	ene-23	ene-23	jul-26	1.386,6	3.332,4	1.350,0	94%	B
LAC	Jamaica	PLL	mar-23	mar-23	feb-25	497,8	974,9	769,6	150%	C
Europe	Kosovo	SBA	may-23	may-23	may-25	107,4	106,6	82,4	75%	C
Africa	Seychelles	EFF	may-23	may-23	may-26	29,8	56,4	45,7	150%	C – SDS
Africa	Senegal	ECF – EFF	jun-23	jun-23	jun-26	420,7	1.506,4	322,8	75%	B
Africa	Kenya	ECF – EFF	abr-21	jul-23	abr-25	705,6	3.929,9	545,5	75%	B
Africa	Niger	ECF	dic-21	jul-23	jun-25	171,1	264,5	132,3	75%	A
Africa	Morocco	FCL	abr-23	sept-23	abr-25	1.162,7	4.881,3	1.310,0	112%	C
Europe	Moldova	ECF – EFF	dic-21	dic-23	oct-25	224,3	796,4	173,4	75%	B
Africa	Cabo Verde	ECF	jun-22	dic-23	jun-25	30,8	60,3	31,8	100%	A – SDS
Africa	Benin	ECF – EFF	jul-22	dic-23	ene-26	160,9	648,6	199,1	120%	B
LAC	Paraguay	PCI	dic-22	dic-23	nov-25	261,8	0,0	404,8	150%	C
Africa	Mauritania	ECF – EFF	ene-23	dic-23	jul-26	167,4	86,3	258,9	150%	A

Region	Member	Main program	Main Program approval	RSF Date of approval	Expiration	IMF quota	Total original programs agreed SDR (excl RSF)	Total RSF Amount	RSF % of quota	Country group
Africa	Cameroon	ECF – EFF	jul-21	ene-24	jul-25	358,8	789,2	183,5	50%	B
Africa	Cote d'Ivoire	ECF – EFF	may-23	mar-24	sept-26	845,5	3.434,1	1.287,8	150%	B
Africa	Madagascar	ECF	jun-24	jun-24	jun-27	317,7	338,7	322,6	100%	A
Africa	Tanzania	ECF	jul-22	jun-24	may-26	517,1	1.050,2	787,6	150%	A
Oceani a	Papua New Guinea	ECF – EFF	mar-23	dic-24	dic-26	342,2	889,6	256,6	75%	B
Africa	Congo Dem Rep	ECF	ene-25	ene-25	mar-28	1.385,8	1.732,3	1.039,4	75%	A
Total								**10.737,7**		

Note: Own elaboration based on IMF data.

also conditioned by the objectives pursued by each borrower, an aggregate analysis provides an indication of what the IMF seeks or accepts in its environmental agenda in developing countries.

To this end, the reform measures (RMs) included in the 22 RSF programs and their reviews were analyzed. The analysis yields a total of 259 RMs, distributed between 22 programs, an average of 11,7 per program. The distribution among countries is even, with Kosovo and Cameroon having the agreement with the lowest (8) and Morocco and Cote d'Ivore with the highest (16) number of RMs (Figure 1).

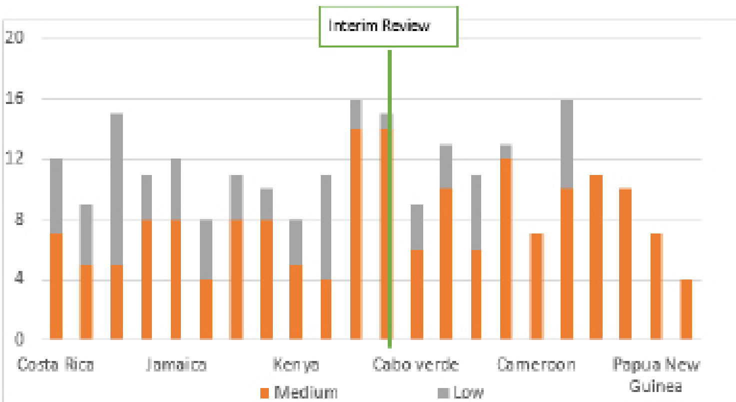

Figure 1: Reform Measures included in 22 RSF arrangements (2022-2025) by structural depth and country. Note: Own elaboration based on IMF data.

RMs can also be distinguished by structural depth (SD) according to the degree and duration of the structural change they would bring about if implemented. Following the definitions by the IMF, RMs are grouped into three SD categories: low, medium, or high. Conditions with low SD refer to those measures that would not in themselves contribute to significant economic change but could serve as a starting point for implementing important reforms.[4] Conditions with medium SD require the

4 For example, the preparation, announcement, or presentation of plans, strategies, or legislation.

implementation of exceptional measures that are expected to have an immediate and possibly significant effect, but which will need to be supplemented after their implementation with other measures to ensure their lasting effect.[5] Finally, those with high SD refer to reforms that lead to permanent institutional changes, e.g. involving legislative changes, or conditions with long-lasting impact.[19]

The analysis yields a total of 259 RMs, being 80 of low structural depth, 173 medium and 6 high. More than two-thirds of the conditions in the RSF programs have medium SD. This means the demand for immediate and significant changes but the requirement of further measures to ensure their duration. For example, extending tax exemptions for electric vehicles (in Barbados), defining a methodology for the ex-ante evaluation of investment projects, including guidelines for climate change adaptation and mitigation, and integrate it into a project preparation guide (Cameroon), or to adopt a green finance taxonomy aligned with updated NDC and reflecting stakeholder feedback (Kenya).

Also, since the publication of an IMF's Interim Report in November 2023 on the RSF's performance, RSF programs have become more ambitious and better structured, following new IMF guidance linking reform quality to access levels. While this shift improved program depth, it also might lead to slower approvals—either due to longer preparation times or reduced country interest in more demanding conditions. The data analysed supports this view and shows closeness with Dimond & Gupta (2024): the average share of medium- or high-depth reform measures per agreement increased from 62% to 75% between programs approved before and after the report, while the average number of measures rose slightly from 11.3 to 12.2.

Hence, the RSF programs seem to have an agenda of measures aimed at generating substantive changes. Table 4

5 For example, the publication, by a certain date, of the budget or the accounts of public enterprises, the implementation of certain frameworks or guidelines, or regulatory changes by the Executive.
[19] For example, civil service reforms, SOE reforms, privatisation.

summarises the distribution of all conditionalities by area and depth.

Table 4: Reform Measures included in the RSF programs by structural depth and policy area (2022-2025)

Area / SD	**High**	**Medium**	**Low**	**Total**	**%**
Environment	5	39	14	58	22%
Energy		22	5	27	10%
Financial		29	12	41	16%
Fiscal	1	78	47	126	49%
Social		5	2	7	3%
Total	**6**	**173**	**80**	**259**	

Source: Own elaboration based on IMF Data.

Moreover, almost half of the measures are concentrated in the fiscal sector, and, together with the financial area, these are two IMF core areas account, unsurprisingly, for almost two thirds of total RMs. Fiscal RMs can be grouped into five sub-areas: green taxation (reforms in taxes and subsidies to encourage the use of renewable energy or discourage the use of fossil fuels, and to establish carbon pricing), green investment management (for example, designing and implementing selection and management criteria for green public investment projects), green budgeting (implementing a climate focus in the budget), promoting specific financing mechanisms for environmental agendas (such as establishing a disaster fund), and general institutional management of climate governance. Regarding financial RMs, two subgroups can be identified: strengthening climate risk management in the financial sector (which includes generating data and implementing frameworks and guidelines), and implementing taxonomies to attract green financing from the private sector.

The first two Fiscal—green taxation and investment management— and the Financial RMs reflect coherence between the IMF's policy approach and how it conceives the climate agenda: fiscal incentives, investment and the strengthening of the market governance are needed to address the challenge of reducing GHG emissions. Interestingly, however, nearly one-third of the reform measures correspond to sectoral actions related to the broad range of issues on the environmental agenda: water and land management, disaster policy, urban planning, forest conservation, and, in particular, energy management, given the centrality of the energy transition in the decarbonization process. It is an area that, as mentioned, the IMF has only very recently incorporated into its agenda. In this sense, environmental and energy measures are extremely specific conditions that exceed the primary responsibility of the institution, thus suggesting a case of "mission creep" (Babb & Buira, 2005) towards new areas of interest within the financial community. The emergence of the 'social' category within the RMs reflects the IMF's willingness to address the potential negative distributive impact of fiscal and environmental decarbonization measures on vulnerable sectors (see particularly the case of Benin).

Additionally, it is likely that, due to both the specificity and variety of the measures, these reflect requests made to the IMF by the countries themselves. For example, Paraguay established energy efficiency standards by decree for appliances that account for the highest share of household electricity consumption; the Democratic Republic of the Congo reformed its mining code to align it with environmental and forest protection standards; Moldova approved a Disaster Risk Management program; and Morocco developed detailed water regulations, including provisions on usage and pricing. This could be interpreted to mean that the IMF's shift toward the environmental agenda is partially driven or shaped by borrowing countries themselves.

Finally, RMs are classified according to the administrative procedure through which the policy objective is pursued. Three categories are established:

- Firstly, regulatory measures, which include all types of normative changes that directly impact governance—such

as tax reforms, tariff regulations, or changes in government management;
- secondly, frameworks and guidelines, referring to the design and/or implementation of management models that involve standardizing procedures—for example, financial risk frameworks, taxonomies, or budget tagging manuals; and
- thirdly, analysis and assessments, which involve the production and/or dissemination of data or evaluations that may serve as the basis for regulatory changes—for instance, climate risk assessments.

Cross-referencing the measures by policy sector and by administrative procedure (Table 5 and Figure 2) shows that almost one-half of the fiscal conditionalities aims at generating regulatory changes mostly, as mentioned, changes in fiscal incentives to facilitate green investments, while those measures directed towards at implementing new frameworks and guidelines and promoting analysis and evaluations have been evenly distributed between the fiscal and the financial sectors. Lastly, most of the environmental measures (included the energy sector) also aims at promoting regulatory changes, this means, concrete reforms.

Stylized examples of fiscal or social reform measures typically include tax or distributional changes (regulatory), the establishment of green budget tagging systems (frameworks and guidelines), and analyses related to these changes. Environmental and energy-related reforms often involve modifications to environmental regulations or electricity sector rules (regulatory), or the implementation of risk management procedures; frameworks and guidelines. Lastly, the financial area concentrates a high proportion of reform measures aimed at standardizing risk assessment frameworks or bond issuance practices, with the goal of strengthening market governance.

Table 5: Reform Measures included in the RSF programs by policy sector and administrative procedure (2022-2025)

Area	Administrative Procedure			
	Regulation	**Frameworks & Guidelines**	**Analysis & Evaluation**	**Other**
Environment	67%	17%	12%	3%
Energy	85%	7%	7%	0%
Financial	12%	61%	20%	7%
Fiscal	42%	31%	20%	7%
Social	100%	0%	0%	0%
Total	**49%**	**29%**	**16%**	**5%**

Source: Own elaboration based on IMF Data.

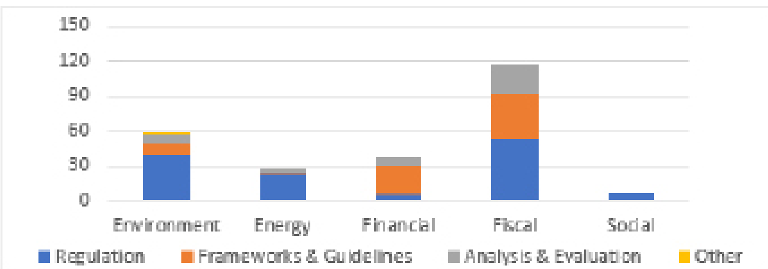

Figure 2: Reform Measures included in 22 RSF arrangements (2022-2025) by policy area and administrative procedure. Source: Own elaboration based on IMF Data.

5. Final Remarks and Policy Recommendations

The orientation assumed by the IMF's climate approach in the RSF agreements can be summarised into four stylised objectives complementary with each other, which basically promote market-based solutions to reduce GHG emissions and, to a lesser extent, attract green investments in the southern countries. Firstly, the IMF provides green financing to generate or standardise data and enable the estimation of both fiscal and financial risks and costs of climate change through conducting analysis and evaluations. Secondly, it aims at establishing frameworks, guidelines, and taxonomies to facilitate budget allocation, boost the foreign direct investment (FDI) flows tailored to the transition paths of each country, especially through the simplification and improved accuracy of project selection and management processes), and the issuance of bonds in local and developing capital markets. Thirdly, the Fund especially promotes those fiscal or tariff modifications that encourage green investment and create incentives for the production and use of low-carbon emissions technologies and/or discourage high-emission ones (e.g. the removal of subsidies for fossil fuels and the provision of fiscal incentives for the import of electric vehicles). The fourth and the last objective is to promote environmental regulatory changes to preserve natural resources. The issue here is advance legislation to promote water reuse, energy efficiency, recycling, and the use of biomass as an energy source. For these measures, which exceed its area of expertise, the IMF relies on cooperation with the World Bank and mainly European bilateral development agencies, together with consultations with the borrowing countries' governments.

This pattern reflects, in operational terms, three pillars promoted by the G20: improving the quality of public spending and investment with a climate focus; establishing financial frameworks that channel resources toward low-carbon assets; and fostering coherence between macroeconomic and sectoral policies to accelerate the transition.

The RSF has enabled the IMF to address the challenge of climate change more directly and with greater dynamism. For an institution traditionally rooted in an economistic perspective and more attuned to the structural asymmetries in the global financial architecture, the launch of a long-term credit facility specifically designed for developing countries—with more favorable terms than market-based financing and focused on long-term challenges such as decarbonization—is a noteworthy innovation.

An analysis of the reform measures included in the 22 RSF agreements reveals additional aspects worth highlighting: an explicit emphasis on environmental issues relatively tailored to national agendas; a timid willingness to address the negative impacts on vulnerable sectors; and a reform agenda that aligns with the objectives and guidelines of the RSF program.

Nonetheless, and in line with the analyses and reflections that emerged during the G20 Summit in Brazil in 2024, we propose several recommendations to enhance the scope and impact of the RSF. Firstly, the IMF must seek to increase financing for southern countries. Several actions can contribute to this goal: (a) as recommended by the V20 group, remove the requirement of having an active upper credit tranche (UCT) program to access the RSF, or alternatively, allow access of up to 100% of the quota under the RSF without a concurrent UCT program. Avoiding the usual restrictive conditionalities could encourage more countries to request RSF arrangements; (b) aim to increase available resources by inviting new global powers—particularly in Asia—to contribute to the RST, in light of an increasingly polycentric global economy; and (c) ease reserve requirements to expand the pool of lendable funds.

Secondly, a multidisciplinary approach enriches the response to complex agendas like climate change. In this regard, the IMF should deepen its collaboration with regional multilateral development banks—such as the Inter-American Development Bank or the African Development Bank—which combine the World Bank's sophisticated environmental expertise with greater sensitivity to regional contexts.

Thirdly, beyond increasing its own financing, the IMF should seek new pathways to catalyze resources. In addition to private capital, the RSF could attract investment from emerging sovereign powers, such as China.

Finally, climate change is a global challenge with an inescapable national dimension. Local adaptation must also permeate the fiscal and financial aspects of the RSF's conditionality. The meaningful participation of civil society in the transition to low-carbon economies will contribute to achieving sustainable and just processes—one of the strategic objectives of the Brazilian G20 presidency, which we warmly welcome in the Global South.

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Part 4

Reform of the International Financial Architecture for Sustainable Development

Chapter Nine

Achievements and Limits in Reforming the International Financial Architecture: A Critical Assessment of Brazil's G20 Presidency

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Abstract

This chapter offers a critical analysis of the debates and proposals for reforming the international financial architecture that emerged during Brazil's G20 presidency in 2024. Situated within a broader context of geopolitical tensions, economic uncertainty, and global governance fragmentation, the chapter examines the extent to which Brazil's agenda contributed to advancing structural reforms in key areas of global economic governance. It provides a historical overview of the G20's evolution, highlighting its role as a forum for crisis management and agenda-setting, while emphasizing its institutional limitations in terms of inclusivity, legitimacy, and decision-making power. The analysis focuses on four core issues prioritized during the Brazilian presidency: the reform of the International Monetary Fund (IMF), the restructuring of Multilateral Development Banks (MDBs), the resolution of sovereign debt crises affecting developing countries, and the reform of the international tax system. Drawing on official documents from the Finance Track, the Leaders' Declaration, and policy recommendations developed within the Think 20 (T20) process, the chapter critically assesses the outcomes of the 2024 G20 process. It argues that the reform of the global financial, economic, and tax architecture is an urgent necessity to ensure the majority of the world's population has access to basic rights and dignified living conditions, with decent work. Such an undertaking requires strengthening international cooperation, grounded in inclusion and effective participation of the various actors involved.

Keywords: international financial architecture; IMF reform; multilateral development banks, sovereign debt crisis; international tax system, Global South.

1. Introduction

Brazil concluded its G20 presidency in November 2024, transferring the rotating position to South Africa, in accordance with the arrangement known within the group as *troika*. President Luiz Inácio Lula da Silva took on this challenge in an international context marked by uncertainties and geopolitical tensions. The G20, although an informal forum, is currently one of the few multilateral spaces capable of driving strategic definitions on international agendas and public policies. Created in response to the need to reform the international financial architecture, the G20 emerged as a reaction to the successive economic crises of the 1990s, consolidating itself after the 2008 global financial crisis. Despite the thematic expansion of its agenda over time, this chapter contends that reforming the international financial architecture remains the central axis for a broader transformation of global governance. Furthermore, this reform is fundamental for mobilizing additional resources to confront climate change, hunger, and inequalities, as proposed by the Brazilian presidency.

This chapter presents an analysis of the main proposals for reforming the international financial architecture during Brazil's G20 presidency, incorporating contributions from the *Think 20* (T20), as well as a critical reading of the Finance Track documents and the

Leaders' Declaration. It will examine the debates on reforming the International Monetary Fund (IMF), Multilateral

Development Banks (MDBs), the debt crisis in poor and developing countries, and international tax system reform — the latter having occupied a prominent position under Brazilian leadership. Before that, a brief critical history of the G20 will be presented, with emphasis on its role as an instance of coordination and management of global economic crises.

2. The G20 as manager of International Financial Crises

We are living through a period of hegemonic transition, with tensions and uncertainties that reflect within the G20. Drawing on Antonio Gramsci's reflections, Giovanni Arrighi (2007) defines hegemony as the capacity for moral and intellectual leadership to guide solutions for a systemic crisis. In this sense, it is the ability to overcome particular crisis and act on a more universal level, representing the managing reconciliabe interests of both dominant forces and subordinate groups simultaneously. The country capable of guiding the way out of systemic chaos and morally and intellectually directing the international system in the desired direction will become hegemonic (Arrighi, 2007).

American hegemony faced its first crisis between 1969 and 1971. The excess of dollars abroad, resulting mainly from the Marshall Plan for European reconstruction, the financing of military bases and American troops, particularly in the Vietnam War, led to an imbalance in its domestic economy (Strange, 1970). Inflationary pressures, combined with growing demands from workers, increased the political and economic cost for the American government to maintain itself as guarantor of stability and provider of the international currency. In 1971, the Nixon administration made the well-known decision to unilaterally decouple the dollar from gold, thus breaking with the Bretton Woods agreement (Strange 1994; Gaspar 2015).

The first post-war financial crisis led the US and its allies to seek restricted multilateral governance to manage crises. The G7 was created in 1973, formed by the United Kingdom, France, Canada, Germany, Italy, Japan and the US (Ramos, 2013). Contrary to what some thinkers argued (Wallerstein, 2003; Arrighi 2007; 2008), the crisis of the 1970s did not signify a decline in American hegemony. On the contrary, its hegemony was reinforced (Panitch and Gindin, 2012). Firstly, the flexible dollar resulted in a significant increase in the power of American institutions, particularly the Federal Reserve and the Treasury on the international economy. By breaking with the dollar-gold standard, they now decided on interest rates and other monetary factors regarding a national currency that had become, de facto, the world currency, without necessarily having to consider the interests of other countries. Secondly, the creation of the G7 was not a sign of weakness, but a demonstration of U.S. leadership over a group economically and ideologically aligned with them. This group of countries began to take responsibility, together with the U.S., for managing the functioning of global capitalism, increasingly volatile and financialized, while maintaining, at the same time, the U.S. role as supervisor and guarantor of currency, and of the rules and norms governing the world market (Panitch and Gindin, 2012).

Thus, Asia, Europe, and Latin America became even more intertwined with the core of the American financial market, Wall Street. Given the absence of capital controls and the enormous fluidity of deregulated financial flows, it was not long before the first financial crisis occurred, this time in Mexico in 1994, followed by successive crises in other markets, such as in the Asian Tigers in 1997, in Russia in 1998, and in Brazil in 1998/99. In particular, the crisis in the Asian Tigers made clear the G7's inability to exercise management of the international market, given the centrality of Asian countries in global value chains (Ramos, 2013).

In September 1999, the G20 was created at a meeting of G7 finance ministers. It aimed to incorporate regionally important economies into the responsibility of preventing and containing crises. For Ramos (2013), it is intimately linked to the Asian crisis and reflects significant changes in the world economy, showing that it was necessary to incorporate emerging economies to be able to stabilize and manage increasingly global markets, with integrated production, trade, and financial chains, though also deregulated and volatile (Ramos, 2013: 229).

As the author explains, defining how many and which countries would compose this expanded group was not simple. The G22 had already been created by the U.S., which involved Asian and southern countries with greater representation from the Pacific region, which was not well viewed by Europeans. Another option was the Willard Group, also created by the US, which included the G7 and some southern countries. Still, it was considered to expand the G22 to G33 to include African and Middle Eastern countries (Ramos, 2013:228). Finally, the G20 was composed of G7 members, together with Argentina, Australia, Brazil, China, India, Indonesia, South Korea, Mexico, Russia, Saudi Arabia, Turkey, South Africa, and the European Union. In 2023, during India's presidency, the African Union was incorporated into as a member (Sharna, 2023).

It is relevant to remember that the G20 is not a permanent but informal group. It has no headquarters, statute, etc., and makes decisions by consensus. We can say that it is a space for economic coordination. At the time of its creation in 1999, the world was living through the period of globalization and neoliberalism, when consensus around market opening, free trade, and free financial transactions was dominant while revealing U.S. power. Thus, economic policy coordination took place, within the G20, among countries relatively aligned with the U.S., even China and Russia at that time, which maintained production and financial networks integrated with the American market.

However, when the 2008 financial crisis occurred, the world was no longer the same as in 1999. In 2008, the U.S. no longer enjoyed automatic economic and ideological alignment. The G20 remained a group of finance ministers and central bank presidents until the 2008 crisis. This crisis was different from previous crises: it happened at the epicenter of global capitalism, George Bush as the U.S. president convened heads of state for a G20 summit, which became a grouping of the highest political level, no longer just ministers. This period is marked by China's rise as an economic power and the beginning of the BRICS' ascension. The crisis once again launched the debate about hegemony, leading to questions about whether American hegemony was in decline and a new hegemonic cycle based on China was being created (Chin, 2010).

In the first years after the 2008 crisis, the G20's main focus continued to be reforming the international financial architecture to contain and prevent crises. Summits became more frequent (twice a year) and the demand for reform of international financial institutions unified Global South countries, which claimed more voice and voting power, reflecting the distribution of productive capacities in the world, particularly with China's and Asian countries' new role. Despite recognition that institutions created in the Bretton Woods context no longer reflected the international economic order and could not respond to the attributions of containing crises and stabilizing the system, Global North countries, particularly the U.S. and Europe, still hesitated to cede power and carry out the necessary reform. Only in 2015 was a timid reform of the International Monetary Fund's quota system made (Bond, 2023).

After 2010, when the financial crisis was relatively stabilized in the United States, its effects spread to Europe, and, in particular, severely affecting Greece in 2012. Other countries, such as Brazil, also felt the impacts of the crisis in subsequent years. Although G20 summits between 2008 and 2010 focused on the financial crisis and global stabilization efforts, from then on new issues began to be incorporated into the group's agenda.

The thematic expansion of G20 summits accompanied changes in international circumstances. Between 2010 and 2012, themes such as international development, infrastructure investment, and environment began to be integrated into discussions. In the period from 2012 to 2014 with final declarations reflected concerns about food security, green growth, climate change, anti-corruption efforts, and infrastructure development. Between 2015 and 2020, themes such as gender equality, migration, and terrorism emerged. During the COVID-19 pandemic, between 2020 and 2022, global health issues, digital economy, technological transformation, future of work, and tourism stood out in the summits (Ramos and Garcia 2024: 182).

We argue that this thematic expansion, while making the G20 more comprehensive and, in a certain way, more democratic, also results in a certain loss of focus and greater dispersion in priorities. Consensus decision-making and the pursuit of effectiveness in negotiations thus become even more complex challenges for the group.

3. G20 in Brazil and International Financial Architecture Reform

As discussed, despite the thematic expansion of the G20 over the years, agendas focused on reforming the international financial architecture remain central, both due to the group's historical trajectory and because they constitute the necessary economic foundation to enable action in other areas, such as overcoming hunger, climate change, and inequality. In this section, we will examine the main recommendations developed by think tanks gathered in T20 Brazil within the financial agenda, focusing on four fundamental areas: international taxation, International Monetary Fund (IMF) reform, Multilateral Development Banks (MDBs) reform, and the issue of developing countries' debt. We will analyze how these themes were addressed in the Finance Track and how they were incorporated — or not — into the final declaration of G20 leaders.

3.1 Taxation

The main novelty of the G20 conducted by Brazil was in the area of international taxation: the proposal for a coordinated international standard that ensures taxation of very high-net-worth-individuals or the "super-rich". According to the report commissioned by the Brazilian government and brought to negotiation with G20 members, individuals with more than US$ 1 billion in total wealth (assets, real estate, stocks, ownership stakes in companies, etc.) would be required to pay a minimum value of 2% annual tax on their wealth (Zucman, 2024). This minimum is expressed as a fraction of wealth rather than income, as wealth would be more difficult to manipulate. This norm would be implemented flexibly by participating countries through different national instruments. Therewith, it is estimated that the 2% minimum tax on billionaires would raise US$ 200 to 250 billion per year from about 3,000 individuals, which would support financing of public goods and services, as well as investments to address the climate crisis (Zucman, 2024).

This proposal adds to the agreement already reached by OECD, promoted within the G20, about Base Erosion and Profit Shifting (BEPS). The agreement aims to tax multinational companies with a minimum rate of 15% on their global profits. In 2016, the OECD and G20 established an Inclusive Framework on BEPS to allow countries interested in cooperating and being part of the agreement, gaining the adherence from 100 countries. In 2021, the rules were simplified to facilitate their applicability. According to the OECD, more than 140 countries have joined the agreement to implement 15 measures to combat tax evasion. Such measures would aim to equip governments with instruments to ensure that profits are taxed where economic activity is performed, and to address challenges arising from the digitalization of the economy, reducing disputes over the application of international tax rules (OECD, n.d.).

Although the OECD/G20 agreement is seen as a major step in attempting to correct distortions and avoid tax evasion, its rules are complex and its application is difficult. Some argue that the agreement is not effective and that companies end up not paying the minimum tax in the southern countries (Eze et al., 2023). For this reason, the new proposal for minimum taxation on high-net-worth-individuals has been gaining support from non-governmental organizations, networks, personalities, and some countries such as France, South Africa, Germany, and Spain (Elliot, 2024; Financial Times, 2024).

In contrast to the OECD agreement, southern countries and civil society organizations have pressed for the establishment of a UN Framework Convention on International Tax Cooperation (UNFCITC). These actors consider that the OECD/G20 agreement fails to tax multinational companies and create fiscal justice between developed and developing countries. For them, the UN space would be more inclusive and appropriate for an effective agreement for low-income countries (Beghin, 2024).

Within T20 Brazil, experts reinforced, as the main recommendation to the G20, accelerating work on the UNFCITC. The G20 should ensure that the UNFCITC has a democratic and inclusive governance architecture. It needs to effectively address international tax-related challenges, especially the taxation of international transactions and high-net-worth-individuals, with the aim of making international tax rules fairer and simpler for all stakeholders. G20 members should also expand existing efforts to exchange information and improve tax transparency, especially through country-by-country public reporting. It would be necessary to advance information exchange measures on different asset classes and advance the creation of a public Global Asset Registry within the UNFCITC. In this sense, G20 members should support, within the UNFCITC, the creation of a global minimum tax on high-net-worth individuals and families, with assurances that collected resources can be directed toward the achievement of human rights, especially in Global South countries (T20 Brasil, 2024: 9).

In its turn, the Finance Track released a document of finance ministers' resolutions in July 2024, where it reaffirmed that taxation is a constitutive right of State Sovereignty. Inclusive and consensus-oriented international tax cooperation should enable jurisdictions to exercise their tax rights more effectively (G20 Finance Track, 2024b:2-3). In the Finance Track's view, the OECD/G20 Inclusive Framework on BEPS demonstrated the potential of international tax cooperation. G20 countries maintain their commitment to quickly finalize and implement the Two-Pillar Solution,[1] which should stabilize the global tax landscape, reduce profit shifting, and restrict harmful tax competition, limiting the possibility of a "race to the bottom" in corporate taxes. The document states that the implementation of Automatic Exchange of Information

1 Generally speaking, Pillar 1 of the OECD agreement established that large multinationals (with global revenue above

(AEOI) on financial accounts represents a historic achievement for tax transparency, making financial secrecy, tax evasion, and offshore tax evasion more difficult, and supporting tax inspection (G20 Finance Track, 2024b: 3).

Regarding the UNFCITC negotiations, the Finance Track document points out that they are an additional opportunity to promote inclusive and effective international tax cooperation. Meanwhile, it would be indispensable to avoid unnecessary duplication of efforts, leveraging existing achievements and processes, such as the OECD. Priority should be given to issues that will achieve consensus among countries and that can be implemented effectively (G20 Finance Track, 2024b, p. 5).

Furthermore, it was recognized that the international mobility of ultra-high net worth individuals creates challenges to ensure adequate levels of taxation, affecting tax progressivity. Thus, the document states that, while respecting tax sovereignty, G2 countries will seek to engage cooperatively to ensure that ultra-high-net-worth individuals are effectively taxed. Cooperation could involve exchanging best practices, fostering debates on tax principles, and developing mechanisms against tax evasion (G20 Finance Track, 2024, p. 3; 5).

The final declaration of G20 leaders in Brazil largely followed the Finance Track document from July 2024, highlighting the OECD Inclusive Framework on BEPS. At the same time, the Brazilian presidency's victory was the recognition of the "super-rich" people taxation proposal. The leaders' declaration stated that G20 countries will engage in cooperative efforts to "ensure that ultra-high-net-worth individuals will be effectively taxed" (G20, 2024). Cooperation will happen not only through exchanging best practices, but

2 billion Euros) must allocate taxable profit in market jurisdictions where goods or services are used or consumed. Pillar 2, negotiated in 2021 with the Global Anti-Base Erosion Model (GloBE), establishes the "common approach" for a global minimum tax of 15% for multinational companies with revenue above 750 million Euros. Cf. https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/beps/declaracao-sobre-uma-solucao-de-dois-pilarespara-enfrentar-os-desafios-fiscais-decorrentes-da-digitalizacao-da-economia-8-outubro-2021.pdf

also debates on fiscal principles and developing anti-evasion mechanisms, and may involve international organizations, universities, and experts (G20, 2024).

Additionally, the leaders' declaration reaffirmed the need for broad consensus and synergies between existing forums, avoiding duplication of efforts, but points to the development of the UNFCITC and its protocol at the UN (G20, 2024). For some experts, the proposal for taxing high-net-worth individuals should advance within this convention (Grondona et al., 2024).

In this sense, we can consider the recognition of these two agendas — the taxation of the "super-rich" people and the implementation of the Framework Convention — as a victory for Brazil and developing countries. It is worth remembering that these two agendas were also included in the BRICS leaders' declaration at the Kazan summit, Russia (BRICS, 2024), indicating that Brazil should continue with negotiations on these themes during its BRICS presidency in 2025.

3.2 Multilateral Development Banks Reform

Another topic of great importance in Brazil's G20 agenda was the reform of Multilateral Development Banks (MDBs). Brazil received, from the Indian presidency, the task of developing a roadmap to make multilateral banks "bigger, better, and more efficient." India had already delivered a report on the Capital Adequacy Framework of MDBs, and Brazil developed, throughout 2024, the roadmap, with support from specialists and think tanks.

In this agenda, T20 Brazil recommended increasing local currency lending mechanisms. The G20 should work with multilateral banks to expand and improve foreign exchange risk hedging opportunities, and to explore diversification of local currency hedging sources, including international banks and onshore banks in local markets whenever possible. It was pointed out that the Currency Exchange Fund (TCX) could be capitalized to allow a larger local currency portfolio for MDBs, reducing hedging costs through portfolio risk guarantees and interest rate subsidies. Additionally, multilateral development banks should be able to promote local currency capital markets in middle-income countries to help mitigate local currency lending risks. To promote risk sharing among MDBs, the G20 should work to diversify banks' portfolios across a wide range of low and middle-income currencies through an off-balance-sheet fund to pool local currency assets and diversify credit and currency risks (T20 Brasil 2024, p. 7).

Finance Track representatives reaffirmed, in a technical document from July 2024, their commitment to delivering "better, bigger, and more effective" multilateral development banks to achieve sustainable development goals. They point out that banks should continue improving their operations, enhancing responsiveness and accessibility of their support, including capacity building, sharing knowledge, and lending to low and middle-income countries. Furthermore, it would be necessary to encourage multilateral development banks to increase private capital mobilization through support for favorable conditions, innovative risk-sharing instruments, and new partnerships to maximize their development impact (G20 Brasil Finance Track, 2024a, p. 5).

The document points to the Progress Report for "Implementing the recommendations of the G20 Independent Review of MDBs' Capital Adequacy Frameworks (CAF)," whose measures would have the potential to unlock up to US$ 357 billion in additional lending for major banks in the next decade. MDBs should jointly develop and adopt approaches to value callable capital, adjust confidence levels in their capital adequacy structures and their appetite for risk. It is also desired that MDBs improve dialogue with credit rating agencies (G20 Brasil Finance Track 2024a, p. 6).

In October 2024, the working group responsible for the theme delivered the roadmap establishing recommendations based on the three defined pillars: bigger, better, and more effective (G20 Brazil Finance Track 2024c). With the presentation of this document, we consider that Brazil fulfilled an important commitment within the G20 process, consolidating its leadership in the Multilateral Development Banks (MDBs) reform agenda.

The final leaders' declaration endorsed the roadmap, highlighting that its comprehensive recommendations and actions will enable banks to develop "visions, incentive structures, operational approaches, and financial capabilities, in order that they are better equipped to maximize their impact in addressing a wide range of global and regional challenges, while accelerating progress toward the Sustainable Development Goals (SDGs)" (G20, 2024). Leaders also requested that MDBs act in close cooperation with governments, national and subnational development banks, insurers, and the private sector, reinforcing the importance of a multisectoral and collaborative approach to expand the reach and effectiveness of development actions.

3.3 International Monetary Fund Reform

The reform of the International Monetary Fund (IMF) is one of the most traditional agendas of financial architecture reform. As G20 countries are the Fund's main shareholders, with significant voting power, they are capable of leading reforms in lending policy. In this sense, T20 argues for placing a ceiling or limit on the interest rate on Special Drawing Rights (SDRs). This measure aims to protect borrowing countries from increasing borrowing costs during crisis periods, ensuring that IMF support does not deepen ongoing financial stress. The G20 should promote countercyclical application of the surcharge system, which is charged on interest value for borrowing countries. That is, the surcharge rate should increase when SDRs fall and vice versa, ceasing to burden countries in crisis. Such adjustments would not only align IMF practices with its mandate to promote financial stability but would also demonstrate G20 leadership in promoting a more resilient and equitable international financial architecture (T20 Brasil 2024, p. 7).

Still regarding the IMF, T20 Brazil recommended pressing for reforms to make trust funds, the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST) more accessible, making excessively rigid economic conditions and eligibility criteria more flexible in order to provide long-term financing to low and middle-income countries. Also, the G20 should work to reform the IMF's quota system to ensure that a larger share of Special Drawing Rights is made available to developing countries in future allocations. In other words, it would be necessary to allow new issuances so that countries can immediately invest in climate and development policies and help address shocks and crises (T20 Brasil 2024, p. 9).

In this agenda, the document published by the G20 Finance Track in July 2024 reaffirms the urgency and importance of realigning the quota system in international financial institutions to better reflect members' relative positions in the world economy while protecting the quotas of the poorest members. G20 countries would be working nationally to secure approvals for the quota increase as agreed in the 16th General Review of Quotas (GRQ), as well as adjustments under the New Arrangements to Borrow (NAB). Regarding the review of charges and surcharges, the IMF Executive Board would be working to achieve an outcome that can alleviate the financial burden on borrowing countries, preserving their incentive functions and safeguarding the Fund's financial soundness (G20 Brazil Finance Track, 2024a, pp. 7-8).

The document also states that it expects the completion of the review of PRGT facilities and financing to better serve the balance of payments needs of low-income countries and ensure the fund's financial sustainability, as well as the completion of the interim review of the RST and operationalization of the pandemic preparedness pillar of the Trust (G20 Brazil Finance Track, 2024. p. 7-8). Finally, G20 finance ministers and central bank governors affirm that they seek to enhance country representation in international financial institutions, to make these institutions "more effective, credible, accountable, and legitimate," and aim to welcome the creation of a 25th chair on the IMF Executive Board to increase Sub-Saharan Africa's representation (Ibidem, p. 8).

The final leaders' declaration emphasized the need for representation and voice of developing countries in the International Monetary Fund, and in Multilateral Development Banks. The declaration welcomes the work of the IMF Executive Board to develop a "guide for a new quota realignment," which may include a new quota formula, within the 17th General Review of Quotas (G20 2024). In addition, leaders welcome the Executive Board's review of charges and surcharges that are charged on loan interest rates, further burdening countries that are forced to resort to the fund. The declaration also welcomes the review of the IMF's Poverty Reduction and Growth Trust (PRGT) facilities and financing. Finally, the declaration emphasizes the invitation to eligible countries to explore channeling Special Drawing Rights (SDRs) to Multilateral Development Banks, in order to strengthen these banks' financial capacity to support sustainable development objectives (G20 2024).

3.4 Debt

Finally, another fundamental theme for international financial architecture reform is debt relief for the poorest and middle-income countries. In previous decades, the so-called Paris Club (composed of 22 creditor countries[3]) coordinated creditor action that held the majority of official and bilateral credits; nowadays, however, faced with China's emergence as a new creditor, the G20 has become a more suitable forum for official creditors. In the context of the COVID-19 pandemic, G20 countries and multilateral financial institutions developed the Debt Service Suspension Initiative (DSSI) aimed at temporarily relieving debt payment for countries in crisis and freeing resources to face the pandemic. However, some evaluate that the initiative, which lasted until December 2021, was ineffective and countries were forced to resume payments without having managed to recover economically (The Bretton Woods Project, 2022).

3 Among the members are European countries and the USA, but also Russia, Brazil, South Korea, Israel, as well as Australia and Canada. Cf. https://clubdeparis.org/en/communications/page/who-are-we

Furthermore, the G20 launched the Common Framework for Debt Treatment, which has, nonetheless, significant deficiencies: it excludes middle-income countries; it is based on flawed debt sustainability analyses; it does not oblige all creditors to negotiate; it does not offer fair treatment among creditor classes; and it is not linked to climate and development goals (T20 Brasil 2024, p. 5).

In this context, T20 Brazil's main recommendation was improving the Common Framework on Debt Treatment in several of its aspects. First, the G20 should solicit that the IMF includes development and climate investment needs in its Debt Sustainability Analyses (DSA). In addition, the G20 should stipulate that all private financial institutions must establish social responsibility and/or human rights policies and publicly explain how they will be applied in negotiations with debtor countries. The G20 should also create incentive mechanisms that oblige all creditor classes to participate and provide the level of debt relief necessary to mobilize financing for climate and development goals, besides ensuring fair comparability of treatment among creditor classes. It should also provide credit enhancement to reduce the cost of capital and liquidity support for countries that are not experiencing a debt crisis but need fiscal space. Finally, the G20 should encourage all debtor countries to explain, in debt negotiations, how they intend to fulfill their legal obligations, including environmental, social, and human rights obligations. A set of international principles should be developed to guide both debtors and creditors in fulfilling their environmental, social, and human rights obligations equitably during these negotiations (T20 Brasil 2024, p. 8).

To address this issue, the G20 Finance Track reinforced, in the July 2024 technical meeting document, the advances achieved by the Common Framework, and the persistence in its commitment to addressing global debt vulnerabilities, including through intensifying implementation of the Common Framework "in a predictable, timely, orderly, and coordinated manner." The memoranda of understanding on debt treatments agreed for Zambia and Ghana were cited, as were the process for concluding Ethiopia's debt treatment. Outside the Common Framework, the G20 welcomes agreements for Sri Lanka's debt treatment concluded with official bilateral creditors. The G20 would continue to support the Global Roundtable on Sovereign Debt to promote progressive understanding among key stakeholders, including the private sector and debtor countries, with the IMF and World Bank as important supporters. The Finance Track affirms that it considers the negotiations on Development Debt Swaps and Climate Resilient Debt Clauses (CRDCs), which could be considered voluntarily and case-by-case, maintaining a balanced view of their benefits and limitations. Also, the G20 reiterates its continued support to Africa through the G20 Compact with Africa (G20 Finance Track, 2024a, p. 7).

Brazil's G20 presidency did not manage to advance, in fact, a more immediate solution for countries that are in situations of great vulnerability. Nevertheless, throughout 2024, it was possible to achieve consensus on a document about "lessons learned" from the experiences of four countries that are negotiating their debts within the Common Framework: Ethiopia, Chad, Ghana, and Zambia. The document seeks to elucidate the negotiation situation in each case to ascertain to what extent the Common Framework is working (G20 Finance Track 2024d). Despite numerous criticisms about the failures of this instrument (Li, 2024), the fact that there is an assessment of its scope already shows an effort for its eventual revision.

In the leaders' declaration, G20 countries state they are committed to approaching global debt vulnerabilities and implementing the Common Framework in a coordinated and predictable manner. They reinforce the need to improve "debt transparency and encourage private creditors to follow them." The Global Roundtable on Sovereign Debt, promoted by the G20, should help understanding among stakeholders, including the private sector, bilateral and multilateral creditors, and debtor countries (G20 2024). The Brazilian presidency held debates with African countries on "Debt, Development and Infrastructure," indicating an important agenda for South Africa's presidency.

4. Conclusion

This chapter sought to present an analysis of the main proposals for reforming the international financial architecture during Brazil's G20 presidency, bringing the recommendations developed within the T20 framework, as well as the consensus reached by the Finance Track throughout 2024, and in the Leaders' Declaration. It brought the debates on the reform of the International Monetary Fund (IMF), Multilateral Development Banks, the debt crisis in poor and developing countries, and the reform of the international tax system. It also provided a brief critical history of the G20, pointing to its role in coordinating and managing global economic crises.

As pointed out, the G20 is one of the few multilateral spaces in the world today that can bring together Western powers (the G7), Eastern powers (Russia and China), and some Global South countries. For this reason, it is important, but it has several limitations. It is a forum for debate, interaction, and advancing proposals, but not for making decisions that are binding on member countries. It is still a restricted space, less democratic and inclusive than the United Nations space. It reflects global geopolitical tensions and the impacts of the absence of moral and intellectual leadership that would lead to solutions for the crises currently lived, particularly the humanitarian emergency in Gaza, the war in Ukraine, and the impacts of the climate crisis.

It is up to South Africa to continue the negotiations and commit to building broader support for reforming the international financial architecture. It is worth noting that, for the first time in its history, the G20 is under the presidency of an African country and includes the African Union as a permanent member. It is a historic opportunity to prioritize the interests of poorer and southern countries on the agenda. The reform of the global financial, economic, and tax architecture is an urgent necessity to ensure the majority of the world's population has access to basic rights and dignified living conditions, with decent work. Such an undertaking requires strengthening international cooperation, grounded in inclusion and effective participation of the various actors involved. Social mobilization, comprising different segments of society, will play a central role in strengthening this process and promoting substantive transformations.

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Chapter Ten

Beyond Rhetoric: A South-South Blueprint for Women's Economic Empowerment Through Microfinance and SMMEs

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Abstract

This paper argues that the Global South's turn at the helm of the G20 is not meant to be about a symbolic rotation of presidency; it is an opportunity to reconfigure the moral and material direction of the global governance architecture. Brazil and South Africa, with their rich histories of resistance and transformation, have a rare chance to challenge the orthodoxies that have long governed economic inclusion and development finance. But to do so, they must move beyond performance and political rhetoric. They must also move beyond pledges – the time is now to act on the pledges made. Crucially, the primacy of politics over economics and the primacy of internal relations over external relations must be explored in earnest. The socio-economic problems faced by the people of the South in general and especially women of the South, are also political and these complexities will be resolved by the people of the South, not of the North. But this will require a lot of political will from our leaders. Drawing on Brazil's Banco Palmas and South Africa's Women's Economic Assembly (WECONA), this work outlines three transformative levers: (1) BRICS gender bonds targeting African Brazilian cooperatives and South African stokvels, (2) G20-AU digital inclusion fund with feminist algorithm audits, and (3) binding targets allocating 30% of climate finance to women-led green SMMEs. By centering the knowledge of informal economy on women, the stokvels of Johannesburg and baianas of Salvador, this blueprint redefines empowerment as collective economic sovereignty. Ultimately, I conclude with policy recommendations for Brazil and South Africa to institutionalize these models through their G20 agendas, challenging Northern-dominated financial governance frameworks with Southern feminist alternatives.

Keywords: Women's economic empowerment, microfinance, SMMEs, Global South, G20, Brazil, South Africa, decolonial feminism, financial inclusion

1. Introduction: G20's Expanded Agenda and the Unfinished Symphony of Gender Equity

This chapter interrogates the dissonance between the G20's rhetorical commitments to gender equality (SDG 5) and the muted realities of women's financial exclusion (SDG 8), both during Brazil's G20 presidency and South Africa's G20 presidency. Through a decolonial lens, it exposes how structural barriers, from collateral requirements to digital apartheid, replicate colonial-era dispossession. I propose a *reparative framework* anchored in BRICS and AU models, where microfinance and SMME support become instruments of economic justice rather than charity. Accordingly, the ascendance of the Global South within the G20, epitomized by Brazil's 2024 presidency yielding to South Africa's historic 2025, as the first African host country, promised a tectonic shift toward equitable economic governance. Yet, this symbolic milestone rings hollow against the lived reality of women for whom financial inclusion remains a myth recited in distant boardrooms.

The dissonance is stark: while both these nations challenge Northern-dominated governance, their domestic policies remain constrained by the very International Financial Architecture (IFA) they seek to reform. While Brazil's *National*

Policy for Women's Entrepreneurship (2022) and South Africa's *Women's Economic Empowerment Framework* (2023), though progressive on paper, are neutered by neoliberal orthodoxies that prioritize market stability over redistribution. In Bahia's sunbaked villages, *quilombola* women still trade cassava harvests for school supplies, barred from Brazil's *Crediamigo* program by land title requirements that ignore centuries of collective tenure. In Johannesburg's shadow economy, women vendors stitch earnings into mattress linings, rejected by fintech algorithms calibrated to formal-sector male incomes (FinMark Trust, 2024).

The IFA's colonial logic persists in conceived post-Second World War to stabilize markets, it has instead delivered financial volatility, debt crises, and gendered exclusion. Women bear the brunt, locked out of credit by collateral systems that demand assets history denied them, erased by digital finance models that pathologize informal livelihoods. Even though the 2030 Agenda (SDG 5) and Beijing Platform demand gender-responsive finance, implementation remains performative. The G20's "gender-sensitive" panels change little when 88% of Brazil's Northeastern women cannot access loans (IBGE, 2024), or when South Africa's stokvels, moving R50 billion annually, are deemed "unbankable." It is against this background that this chapter, "*Beyond Rhetoric: A South-South Blueprint for Women's Economic Empowerment Through Microfinance and SMMEs,*" confronts this hypocrisy. It argues that Brazil and South Africa's G20 leadership must transcend symbolic representation to dismantle the IFA's structural barriers, through microfinance and SMMEs redesigned as tools of reparative justice, not market incorporation.

1.1 Global Frameworks and Gendered Realities

The 2030 Agenda's Sustainable Development Goal 5 which is to "achieve gender equality and empower all women and girls," explicitly recognizes what former UN Secretary General, Kofi Annan powerfully articulated: *"Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development, and building good* *governance".* This principle underpins the 2030 Agenda's call for gender mainstreaming across all 17 SDGs, reinforced by the Beijing Declaration's mandate for gender-responsive policy integration. Yet, these frameworks remain suspended between rhetoric and reality.

The Global Accountability Framework's meticulous indicators disaggregated data collection, gender-sensitive budgeting crumble before the lived experiences of Bahia's *quilombola* women, still bartering cassava harvests for school supplies, or Johannesburg's street vendors stitching cash into mattress seams. Their exclusion persists, not from lack of policy, but from systems designed to recognize only certain forms of value. Where the Beijing Platform envisioned women's full economic participation, fintech algorithms trained on male formal-sector data, flag women's irregular incomes as "high risk," while G20 climate finance flows to industrial projects rather than women-led green SMMEs. This disconnect exposes a fatal flaw that global gender frameworks operate within unreformed economic architectures. As Brazil and South Africa assume G20 leadership (in the case of Brazil that was in 2024), they face a historic choice, to tinker with indicators or transform the systems that render women's labor invisible. The tools exist: Brazil's *Banco Palmas* proves community credit works and South Africa's *WECONA* demonstrates feminist audit models. What is needed is the political will to scale them through G20 mechanisms. The question becomes: is there enough political will and commitment to drive gender equality in global structures like the G20? The answer remains elusive.

The data does not merely highlight disparities; it excavates a betrayal.

- 37%—the meager share of Sub-Saharan African women with formal bank accounts, a gap that has widened by 3 percentage points since 2020, even as mobile money platforms proliferate (World Bank, 2023).
- 82%—the rejection rate for loan applications from Brazil's favela entrepreneurs, women whose informal ledgers demonstrate fiscal discipline even as they are deemed

"unbankable" by legacy metrics (Central Bank of Brazil, 2024).

- 50%—the proportion of G20 nations failing their own Brisbane commitment to narrow labor participation gaps, a decade of inertia disguised as "gradual progress."

1.2 The Crossroads: Policy Choices with Proven Pathways

As alluded before, Brazil and South Africa stand at a pivotal moment in their G20 leadership, facing a choice between transformative action and performative compliance. The path forward is not theoretical; it is demonstrated by proven models in their own countries that have already begun dismantling financial apartheid. In South Africa, the Women's Economic Assembly (WECONA) has rewritten the rules of economic participation by mandating that 40% of government procurement flows to women-owned enterprises. Invariably, by eliminating prohibitive bid bond requirements and establishing supplier development programs, WECONA has redirected R4.2 billion to women-led businesses since 2020, creating measurable pathways to wealth redistribution (DTIC, 2023). This model now stands ready for scaling through G20 trade policies, offering a tangible mechanism to convert rhetoric into resource flows. Across the Atlantic, Brazil's Banco Palmas presents an equally compelling blueprint. In the favelas of Fortaleza, this community bank has achieved what traditional financial institutions have failed to do – to extend credit to those deemed "unbankable" by replacing property collateral with social guarantees. Its interest-free microcredit system, coupled with a complementary digital currency for local trade, boasts a 92% repayment rate that surpasses commercial banks while spawning 1,800 new women-led businesses (Central Bank of Brazil, 2023). The BRICS New Development Bank could replicate this emancipatory model on scale through targeted gender bonds, yet the political will to do so remain untested.

The evidence of what works is unequivocal. When women control capital, they reinvest 73% of earnings in children's education compared to 30-40% by men, while their businesses demonstrate 1.5 times higher survival rates after three years (UN Women, 2023; World Bank, 2024). These outcomes persist despite systemic barriers—from algorithmic bias in 89% of African fintech platforms that penalize women's irregular incomes (GSMA, 2024), to land title regimes in Brazil that exclude 68% of women from formal credit markets (IBGE, 2024). The question, however, confronting Brazil and South Africa's G20 presidencies is therefore not about feasibility, but fidelity. Will they institutionalize these proven models through binding G20 mechanisms, or will they settle for the palliative of "inclusive discourse" while maintaining exclusionary architectures? Their leadership will be measured not by the volume of declarations, but by the velocity of resource redistribution—not by speeches or political rhetorics given in summit halls, but by systems dismantled in the streets where women's economic sovereignty is still being fought for, transaction by transaction. The tools exist. The models work. This moment right now demands action.

2. Structural Violence: The Architecture of Exclusion

2.1 The Collateral Paradox – When Development Finances Its Own Contradictions

The BRICS bloc's vision of "multipolar solidarity" collapses under the weight of its own financial architecture system that claims Southern sovereignty while replicating Northern extractivism. For example, The New Development Bank (NDB), conceived as an alternative to Western-dominated institutions, has mobilized over $50 billion since 2015. Yet its lending portfolio reveals a perverse irony: the very institution meant to democratize development finances the infrastructure of dispossession. Ports that accelerate resource extraction, pipelines that fuel energy colonialism, and logistics corridors that prioritize corporate supply chains over community needs.

At the margins of this high-finance spectacle are the women who sustain local economies: the seamstresses of

Fortaleza stitching garments for global fast-fashion brands at starvation wages, the tomato sellers of Khayelitsha, Cape Town navigating volatile informal markets, the cocoa farmers of Ghana locked into unfair trade agreements, to mention a few. These women are the economy's shock absorbers, yet formal finance treats them as risks rather than assets. In South Africa, 82% of women-owned businesses are denied credit (FinMark Trust, 2024), not because they lack viability, but because risk models, calibrated on male-dominated formal sector data. pathologize their informality. These algorithmic systems penalize the very characteristics of women's economic participation: irregular cash flows that reflect caregiving responsibilities, shared mobile phone usage out of financial necessity, and business cycles aligned with agricultural seasons rather than quarterly reporting periods. The result is what feminist economists' term "*statistical violence*", where neutral-seeming financial technologies reproduce historical biases, systematically excluding women who demonstrate repayment discipline through informal savings circles like stokvels that move R50 billion annually yet remain invisible to formal risk assessments.

Brazil's *Crediamigo* program epitomizes this hypocrisy. Marketed as a beacon of financial inclusion, its collateral requirements resurrect colonial land dispossession. In the *Nordeste*, where 68% of land remains informally held (IBGE, 2024), women must present individual titles to access a R$5,000 loan—a sum too meager to scale a business, yet impossible to secure without property their ancestors were barred from owning. The results lay bare the violence of this paradox:

- **12% approval rates** for female loan applicants in Brazil's Northeast
- **45% interest rates** in the shadow economies that fill the void.
- **55% reliance** on informal savings groups despite decades of "financial inclusion" programs

2.2 Digital Redlining – Algorithms as the New Colonial Borders

Digitalization, framed as the great equalizer in Agenda 2063, has become the new frontier of exclusion. Governments and multilateral donors trumpet "e-inclusion," but beneath the buzzword lies a digitally encoded hierarchy. For example, in Mozambique, 73% of women market traders remain excluded from mobile money services, not because they lack mobile phones, but because algorithmic credit scoring systems, calibrated on data from salaried, urban male employees, interpret their irregular incomes as "suspicious anomalies" (GSMA, 2024). The very technologies heralded as access enablers have become gatekeepers. G20 states invest billions in undersea fibre optic cables, smart cities, and AI governance frameworks, yet fail to connect the basic infrastructure needed to serve rural and informal economies. The following are worth considering:

- In Senegal, a woman with a decade-long history selling fruit is excluded from ecommerce platforms because her informal stall lacks a street address, rendering her enterprise "unverifiable."
- In Brazil's quilombos, community-run solar cooperatives are rejected by digital financing platforms because collective land tenure is not recognized as valid collateral by automated systems.
- Across G20 digital initiatives, less than 8% of funding is earmarked for gender-responsive connectivity, including affordable access, relevant content, and inclusive digital ID systems (UN Women, 2024).

The digital revolution has brought South African women and Brazilian favela entrepreneurs face-to-face with a cruel irony: the very technologies promised as gateways to financial inclusion have become new walls keeping them out. Consider Mama Nomsa, a 68-year-old from rural KwaZulu-Natal, who still walks thirty kilometres to cash her pension because the banking app cannot recognize her weathered fingerprints. Or Dona Maria, whose thriving favela beauty supply business collapses when her R800 smartphone cannot run the "inclusive" e-commerce platform requiring the latest iOS update. These are not technical hiccups; they are systemic exclusions dressed as innovation. The algorithms determining creditworthiness still Favor salaried male workers in Sandton over women traders in Soweto. The sleek fintech interfaces work perfectly in São Paulo's financial district but crash in Rocinha's winding alleyways. What gets called "progress" in Davos and Silicon Valley too often translates to paralysis for those already marginalized.

This digital divide does not emerge by accident. It reflects deliberate choices to design for the centre rather than the margins, to value efficiency over equity, to see the poor as data points rather than people. When banking apps require biometric scans but fail to account for hands calloused by decades of manual labor, when merchant platforms demand high-speed internet unavailable in townships, these are not oversights but omissions with colonial echoes. Yet even here, women craft solutions. Like the stokvel groups pooling funds to buy shared tablets with modified banking apps. Or the favela tech collectives jailbreaking smartphones to run essential business software. Their ingenuity exposes the lie that inclusion must wait for perfect infrastructure. The tools for transformation exist – what is missing is the political will to centre those who have been treated as afterthoughts in the digital revolution.

2.3 The Silent Consensus

These systemic barriers persist through an unspoken alliance between global financial institutions, corporate fintech platforms, and national regulators, all prioritizing market stability over economic justice. As feminist economist Naila Kabeer warns, this is "the paradox of visibility": celebrating women's participation while designing systems that contain it. The IMF's loan conditions restrict capital controls that could protect community finance, while fintech algorithms reject informal traders as "high risk." National regulators maintain collateral requirements they know exclude most women entrepreneurs, even as they FastTrack corporate loans. This is not neutral policy, it is curated exclusion, sustained by those who benefit from the status quo. The system further:

4. Mistakes presence for power: Women appear in BRICS communiques and G20 panels, but not in boardrooms where decisions on lending criteria are made.
5. Confuses digital access with digital agency: Providing women with mobile phones does little if the platforms, algorithms, and infrastructures are built to exclude their realities.
6. Pathologizes poverty: Irregular income, lack of collateral, and informal status are treated as personal failings rather than symptoms of systemic deprivation while corporations with extractive legacies are deemed "creditworthy."

Even as South Africa and Brazil don the mantle of G20 leadership, their development banks and digital agendas continue to privilege hard infrastructure over human dignity, GDP growth over gender equity, and elite consensus over democratic accountability. To wield their presidency as tools of transformation, these states must do more than diversify the cast, they must rewrite the script. That means confronting the patriarchal and racialized logic embedded in financing frameworks, digital systems, and governance models. Until the architecture itself is redesigned, access will remain a myth, and true empowerment of women, a façade.

3. Feminist Economies from Below – Lessons from Informal Powerhouses

3.1 The Myth of Informality as Marginality

In the global development lexicon, the informal economy is still often mischaracterized as marginal, chaotic, or temporary space to be formalized, corrected, or absorbed into mainstream economic systems. But in the Global South, informality is not an exception, it is the rule. Over sixty percent of employed women in Sub-Saharan Africa, and more than half in Latin America and the Caribbean, work in informal sectors. This is not a statistical anomaly, it is a structural reality, one that reflects how mainstream economies have failed to accommodate the livelihoods of the majority.

Yet, international financial institutions and even national policymakers like the IMF and World Bank, Corporate Fintech Platforms and South Africa's Prudential Authority and Brazil's Central Bank persist in framing these women as peripheral to economic growth. They are reduced to "micro" actors within "micro" enterprises, as if the scale of capital defines the scale of impact. In truth, these women run intricate supply chains, coordinate collective savings, distribute household food security, and mediate local price stability—all while raising families and holding communities together. Their businesses are dynamic, adaptive, and deeply embedded in social networks, but formal finance views their informality as deficiency rather than design. Women are expected to register enterprises, produce formal tax records, and offer collateral in systems that historically excluded them. This insistence on formal legibility ignores the very conditions under which resilience has been forged.

3.2 Collective Power: The Political Economy of Mutual Aid

Rather than wait for permission or visibility, women across the Global South have built their own financial institutions. Examples can be drawn from Mutual aid systems like stokvels in South Africa, tontines in Senegal, and roscas in Brazil. These move billions annually without ever appearing in the ledgers of banks. These community-based savings and credit associations are grounded not in profit, but in trust, accountability, and reciprocity. They enable women to access capital when banks shut their doors, to pool risk during crises, and to redistribute resources during times of need.

In South Africa, more than eleven million people, predominantly Black women, participate in stokvels, managing over R50 billion annually. These are not casual savings clubs. They are sophisticated systems of social finance, with governance structures, dispute resolution mechanisms, and long-standing histories of reliability. In Nigeria, over sixty percent of informal traders use savings schemes to access working capital, cover school fees, or navigate healthcare emergencies. In Brazil, nearly seventy percent of women entrepreneurs in the favelas depend on informal savings pools after being rejected by banks that view their neighbourhoods as high-risk zones. These systems thrive not despite their informality, but because of it—they are flexible, responsive, and rooted in collective security.

Still, many development programs seek to "graduate" women out of these systems, viewing them as steppingstones to formal finance. Aid programmes focus on training women to engage with systems that have historically excluded them, rather than resourcing and legitimizing the highly effective systems they have already built. In doing so, they undermine models that reflect a different economic logic—one that prioritizes mutual care over profit, and relational accountability over credit scoring. To dismiss these systems as rudimentary is to erase generations of feminist innovation.

3.3 Women as Economic Planners, Not Just Entrepreneurs

The narrow focus on entrepreneurship also undercuts the broader political and planning role women play in shaping economic ecosystems. Across the South, women are not just business owners—they are planners, organizers, and custodians of alternative economic orders. In Medellín, Colombia, women's urban cooperatives have transformed the informal settlements they inhabit into hubs of food security and resilience, deploying circular economies and participatory budgeting. In Kigali, Rwanda, women working in the informal transport sector have devised shared taxi and fare-pooling models that are more accessible and equitable than the state-run alternatives.

These models of grassroots planning are not technical fixes; they are political interventions. They challenge state-centric and corporate-led models of development by demonstrating that decentralized, community-driven economic planning can deliver both efficiency and equity. They also refuse the individualist framing of entrepreneurship, replacing it with a politics of shared responsibility, common infrastructure, and long-term social investment. What emerges is not simply another form of inclusion, but a fundamentally different vision of the economy—one that centres life, not profit.

3.4 South-South Feminist Learning

Brazil and South Africa are uniquely placed to drive a feminist economic agenda within the G20. Both countries possess deep reservoirs of feminist organizing rooted in anti-colonial, anti-racist, and anti-capitalist struggle. In Brazil, the Movement de Mulheres Camponesas (MMC) has challenged agribusiness and land grabs by building cooperatives grounded in food sovereignty and agroecology. In South Africa, the Rural Women's Assembly spans multiple Southern African countries, advocating for land rights, communal seed banks, and cooperative finance as tools of self-determination. These movements have not only resisted extractive development, but they have also built viable, replicable alternatives.

Instead of treating these practices as marginal, Brazil and South Africa could elevate them through institutional mechanisms. A feminist G20 agenda would not merely add gender as a checkbox but would foreground it as a structural axis through which development must be reimagined. This means creating platforms for movement-led dialogue within G20 and BRICS frameworks, enabling cross-border learning among women's cooperatives, and recognizing metrics beyond GDP metrics that capture care work, environmental stewardship, and community well-being. Such an approach would reposition feminist knowledge not as auxiliary, but as foundational to inclusive development.

The task before Brazil and South Africa is not to offer more representation in an unreformed system, but to shift the epistemological ground on which development itself rests. Feminist economies from below are not the exception; they are the blueprint. The G20 must choose whether to co-opt their language or support their liberation.

4. Accountability Architecture – Measuring What Matters

4.1 The Metrics Mirage

At the heart of global development lies a paradox: what is measured is what matters, yet what matters most is often unmeasurable. The international development system operates on a fundamental contradiction: it prioritizes quantifiable outcomes like the number of women's bank accounts opened or loans disbursed while ignoring the qualitative realities that determine true economic empowerment. For decades, international institutions have promised progress on women's empowerment, but their accountability frameworks remain tethered to narrow, often misleading indicators. Gender parity is assessed through labour force participation, not labour conditions. Financial inclusion is tracked through the number of bank accounts opened, not the usability or equity of the services attached to them. Empowerment is reduced to entrepreneurial counts, while unpaid care work, violence, and systemic exclusion are rendered invisible by design.

This metrics mirage is not simply a methodological flaw; it is a political strategy. It allows governments to claim success through surface-level reforms while deferring structural transformation. The G20's 2014 Brisbane commitment, which pledged to reduce the gender labour force participation gap by 25% by 2025, has failed to materialize in more than half of its member states. The failure is not for lack of ambition, but for lack of mechanisms to monitor and enforce change. Countries report selectively, often omitting data disaggregated by race, class, and geography, making it nearly impossible to understand who is being left behind and why.

Brazil and South Africa, despite their progressive rhetoric, are not exempt. South Africa's National Development Plan speaks of creating one million jobs in the care economy, yet care work remains largely invisible in national accounts. Brazil's gender-sensitive budgeting initiatives are often fragmented, underfunded, or limited to pilot programs. The absence of robust, intersectional, and disaggregated data has allowed rhetorical commitments to proliferate without consequence.

4.2 Data Colonialism and the Politics of Visibility

The dominant data regimes in global governance are shaped by actors in the Global North, whose priorities, assumptions, and models of evaluation continue to dictate what is considered valid knowledge. The reliance on quantitative data without qualitative insight, on growth indicators without context, perpetuates what scholars have called "data colonialism," the extraction of information about the Global South without accountability to the people whose lives are being measured.

In the case of women's financial inclusion, this coloniality is most evident in how digital credit scores, fintech solutions, and "inclusive finance" models are designed. Scoring algorithms are calibrated on male, urban, formal-sector profiles. They penalize women for irregular incomes, shared mobile phones, or periods of economic inactivity linked to caregiving. Meanwhile, community finance mechanisms—stokvels, roscas, rotating savings are treated as illegible and excluded from official data sets. The result is a double erasure: women are excluded from the formal economy and rendered invisible in data about the informal one. Visibility, then, is not a neutral act. It is a site for contestation. What is counted shapes, what is governed, what is ignored, and ultimately, what is funded. Without addressing the colonial logic underpinning dominant accountability frameworks, G20 initiatives risk reinforcing the very hierarchies they claim to dismantle.

4.3 Building Feminist Accountability Systems

If Brazil and South Africa are to lead a transformative G20 agenda, they must reimagine accountability not as a technocratic task but as a political responsibility. This begins by recognizing that women, especially those in informal and rural sectors have always measured their economies differently. They track stability through food security, dignity through autonomy, and growth through interdependence. A feminist accountability system must capture these forms of value.

Such a system would be grounded in intersectionality and built from the ground up. It would require governments to collect and report gender-disaggregated data across income levels, geographies, and social identities, not just aggregate statistics that blur inequality. It would expand the range of what is measured: unpaid care work, community finance networks, environmental labour, and social cohesion—all of which are essential to understanding women's economic realities.

In South Africa, efforts to institutionalize time-use surveys provide a potential starting point for integrating unpaid work into national accounting systems. Brazil's experience with participatory budgeting in municipalities like Porto Alegre offers a model for embedding democratic accountability into fiscal planning. These examples are not comprehensive solutions, but they demonstrate that alternative metrics are both possible and politically potent.

A feminist accountability framework would also shift who is authorized to speak. Currently, donor agencies, private consultants, and technocrats dominate monitoring and evaluation. A truly transformative model would place movement leaders, cooperative organizers, and community researchers at the centre of knowledge production. Accountability must not be something done *to* people, they must co-produce it.

4.4 The G20 Opportunity: From Scorecards to Structural Change

The G20, with its rotating presidency and influence over global financial flows, presents a critical platform for institutionalizing this shift. Brazil and South Africa must resist the temptation to merely add gender indicators to existing scorecards. Instead, they must demand structural change in how development is monitored, evaluated, and enacted.

This means pushing for the G20 to adopt binding commitments on data equity, including requirements for intersectional reporting and support for feminist data systems. It means reallocating funding toward statistical capacity building in under-resourced countries, particularly for gender-disaggregated and time-use data. It also means challenging the dominance of GDP as the primary metric of progress and replacing it with multidimensional frameworks that centre care, sustainability, and collective well-being.

Brazil and South Africa can convene a South-South Working Group on Feminist Metrics, composed of statisticians, economists, and movement leaders, to develop contextually relevant indicators that challenge the Northern epistemologies currently shaping global benchmarks. By investing in measurement systems that reflect the lived realities of women in the Global South, they can offer the G20 a new paradigm—one that turns accountability into a tool of justice, not just compliance.

5. Policy Pathways – Rewriting the Rules of Financial Inclusion

5.1 From Rhetoric to Redistribution

For decades, global commitments to women's financial inclusion have remained suspended in the space between aspiration and implementation. G20 declarations, BRICS summits, and AU compacts routinely echo the importance of gender equity, yet policy design continues to rely on outdated assumptions, namely, that access equals empowerment and that inclusion within broken systems constitutes progress. The time has come to abandon these minimalist ambitions. Financial inclusion cannot mean simply onboarding women into exclusionary systems; it must mean transforming the very architecture of those systems.

This requires a shift from inclusion as representation to inclusion as redistribution. A woman owning a bank account that she cannot use or taking out a loan that traps her in debt, is not economically empowered—she is economically captured. Policy must interrogate the structural terms on which women engage financial systems: What are the terms of credit? Who defines risk? What forms of work and ownership are recognized? These questions are not peripheral, they are foundational.

5.2 Feminist Reforms in Practice

Brazil and South Africa have already piloted promising policy innovations that could be scaled and institutionalized during their G20 leadership. In Brazil, programs such as *Mulheres de Favela Empreendem* have offered integrated support, combining microcredit, training, and childcare provision tailored specifically to the needs of women in informal settlements. Though limited in reach, such models challenge the siloed approach that separates finance from social policy, and business support from care infrastructure.

South Africa's *Women's Economic Assembly* (WECONA) offers a more systemic intervention. Established in 2021, WECONA brings together public, private, and civil society stakeholders to address barriers to women's participation in value chains. It has already facilitated the redirection of over **R4.2 billion** in public procurement toward women-owned enterprises. Crucially, the initiative recognizes that access to capital alone is insufficient women must also gain access to markets, supply chains, and institutional contracts. The procurement lever, often overlooked in financial inclusion discourse, becomes here a site of structural redistribution. These are not perfect models, nor are they without bureaucratic and political challenges. But they illustrate what is possible when policy is shaped not only *for* women but *with* women when institutions take seriously the knowledge held by those historically excluded from economic planning.

5.3 Radical Procurement and Reparative Finance

Public procurement represents one of the most powerful levers for reshaping economic relations, particularly in economies where the state remains the largest buyer of goods and services. Yet G20 countries have largely failed to treat procurement as a gender justice tool. Instead, procurement tends to reinforce existing hierarchies, favouring large contractors, informal exclusion, and opaque tender processes. Brazil and South Africa must make the case for a feminist procurement framework at the G20 level one that mandates gender quotas in public contracting, incentivizes partnerships with cooperatives and women-owned enterprises, and embeds equity metrics into procurement scoring systems. This is not about preferential treatment. It is about correcting decades of institutional neglect and reshaping state expenditure to serve public justice, not private profit.

Alongside procurement, reparative finance must take centre stage. This means not simply offering loans but restructuring the financial ecosystem to reflect the realities of those who have been structurally excluded. It entails lower interest caps for first-time borrowers, the legal recognition of collective collateral (including community land), state-backed guarantees for informal entrepreneurs, and debt forgiveness mechanisms for women-led microenterprises impacted by structural shocks such as COVID-19. Financial regulation should no longer be seen as a technocratic domain but as a site of feminist political struggle. The rules of lending, scoring, and securitization must be rewritten to serve equity rather than accumulation.

5.4 Enabling Ecosystems: Beyond Banking

Financial inclusion cannot be disentangled from broader ecosystems of care, infrastructure, and agency. No woman can meaningfully engage in entrepreneurship if she must also shoulder the full burden of unpaid care, navigate unsafe public transport, or operate in environments where gender-based violence remains endemic. South Africa's experience with *GBV Command Centres* and Brazil's with *Casa da Mulher Brasileira*—highlight how integrated services (legal, financial, psychosocial) can help build the holistic environments in which economic agency becomes possible.

Moreover, digital access must be reimagined not merely as connectivity, but as control. Women need affordable data, gender-responsive platforms, digital literacy, and the assurance that their economic data will not be used against them by predatory lenders or surveillance states. Regulatory frameworks must evolve to include protections for women's digital identities, especially in the context of algorithmic credit scoring and biometric identification systems that can replicate or intensify existing exclusions.

Thus, the state must play an enabling, not extractive role. This requires investment in infrastructure that serves people, not just markets: childcare centres in low-income communities, safe spaces for economic activity, internet access as a public good, and financial services that are not only available but accessible and accountable.

5.5 Global Governance with Pan Africanist Wisdom

Finally, financial inclusion must be grounded in pan African knowledge systems, not imposed through Northern models repackaged as "best practice." Across Africa and Latin America, women have built resilient systems of mutual aid, rotating credit, and cooperative finance. These systems offer not only alternatives to formal finance but critiques of their core assumptions about individualism, profit, and risk.

Brazil and South Africa must create platforms within G20 spaces to honour and elevate these Indigenous, Afro-descendant, and feminist financial systems. This means integrating grassroots voices into high-level economic decision-making, funding feminist economic research by Southern scholars, and resisting the homogenization of development strategies that erase context, culture, and history. Financial inclusion cannot be about helping women fit into systems designed to exclude them. It must be about co-creating new systems that reflect their realities, honour their agency, and redistribute power. Brazil and South Africa have a historic opportunity—not merely to perform leadership, but to redefine it.

Table 1: Feminist Financial Inclusion Policy Framework

Policy Lever	**Brazil-South Africa Model**	**G20 Mechanism**	**Scaling**	**Expected Outcome**
Reparative **Finance**	· Collective collateral recognition (Brazil's *Banco Palmas*) · State-backed guarantees for informal traders	BRICS Development gender bonds interest)	New Bank (<3%	30% increase in women's loan approvals by 2030
Radical **Procurement**	South Africa's WECONA (R4.2B redirected) Brazil's favela enterprise quotas	G20 Procurement Standard women-owned targets)	Public Equity (40% SME	R100B/year in gendered procurement by 2027
Care-Infused **Ecosystems**	Brazil's *Casa da Mulher Brasileira* SA's GBV Command Centres	G20 Care Infrastructure Investment Fund		50% reduction in women's unpaid care burdens
Algorithmic **Justice**	SA fintech bias audits Brazil's *Mulher Connectada* digital literacy	AU-G20 Algorithmic Accountability Task Force		Elimination of gender-based fintech rejections by 2026
Pan-Africanist **Knowledge**	SA stokvels formalization Brazil's *quilombola* credit circles	G20 Southern Feminist Economics Working Group		200+ grassroots models institutionalized

6. Conclusion – Toward a South-South Feminist Future

The Global South's turn at the helm of the G20 is not meant to be a symbolic rotation of presidency, it is an opportunity to reconfigure the moral and material direction of global governance. Brazil and South Africa, with their rich histories of resistance and transformation, have a rare chance to challenge the orthodoxies that have long governed economic inclusion and development finance. But to do so, they must move beyond performance and political rhetoric. They must also move beyond pledges – the time is now to act on the pledges made!

This chapter, therefore, has argued that financial inclusion, as currently constructed, often serves to repackage exclusion. Formal credit systems weaponize colonial histories, algorithmic scoring replicates patriarchal hierarchies, and global institutions celebrate access without interrogating the terms of entry. Meanwhile, women across the Global South those who grind cassava, run street kitchens, manage informal supply chains, and maintain entire economies through mutual aid continue to be invisible to the systems they sustain.

The quitandeiras of Luanda and the baianas of Salvador need more than microloans—they demand reparations. They demand systems that acknowledge historic theft, present-day neglect, and unquantified labour that have kept communities alive in the face of austerity, debt, and disaster. They are not asking for inclusion into broken systems; they are building new systems beneath the notice of those who claim to lead.

Brazil and South Africa must wield their G20 presidencies to break the silence of the accounts. That means confronting the extractive financial models that define development as GDP growth while ignoring inequality. It means mainstreaming feminist metrics, protecting digital rights, funding care infrastructure, and deploying procurement as a tool of structural redistribution. It also means creating platforms where grassroots movements, feminist economists, and cooperative networks shape, not merely inform policy.

There is no neutral ground. To govern in the name of the Global South while upholding the logic of exclusion is to betray the revolutionary spirit from which these states once drew their legitimacy. What is required now is not cautious reform but courageous reimagination.

The revolution of women's economic justice remains unfinished, not because of a lack of ideas, but because of a deficit in political will. The models exist: in the kitchens of Khayelitsha, the savings circles of Recife, the marketplaces of Dakar. What remains is the recognition that these models are not marginal, they are central to any future worth claiming.

The question is no longer whether a feminist South-South future is possible. The question is whether those with power will cede space, share resources, and learn to follow.

Policy Recommendation

The most important policy recommendation of the chapter is on **the primacy of politics over economics and the primacy of internal relations over external relations**: the reality resolution of socio-economic problems faced by the people in general and women of the South is political and that they will be resolved by the people of the South, not of the North. The way state political power is exercised to what strategic and tactical purpose or end is critical to the resolution or maintenance of these problems. It is the only people of the South who can solve problems faced in their countries. Political leaders of the South must be held accountable for their gender equality decisions by moving beyond rhetoric to examine whether their programs perpetuate existing problems or genuinely solve them.

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Chapter Eleven

Financing a Sustainable Future: Global Challenges and Equitable Finance

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Abstract

Global challenges such as climate change, biodiversity loss, pandemic insecurity, persistent poverty, and widening inequalities have exposed the inadequacy of existing international financial structures. This chapter argues that the G20 should lead the transformation of Multilateral Development Banks (MDBs) through a comprehensive strategy that expands lending capacity, improves access to finance for global challenges, and advances governance reform. Current commitments are insufficient, and lending expansion must be coupled with institutional change. One option to overcome political bottlenecks is the creation of a new financing window for global challenges with equitable governance that includes stakeholders beyond the traditional shareholder structure. Access to challenge-oriented funds is undermined by fragmented mechanisms, weak incentives, and the lack of prioritisation of long-term investments. To address these barriers, the chapter proposes a reform agenda under three dimensions—bigger, better, and more effective—including capital increases, innovative financial instruments, governance reforms, and the creation of new windows. It further recommends an equitable framework for concessional lending and the rationalisation of existing funds. In addition, developing countries should establish country platforms to align global priorities with national and local ownership. These platforms are strategic for coordinating multi-sectoral responses to issues such as climate change, pandemics, biodiversity loss, and food security, thereby strengthening multilateralism for the polycrisis era.

Keywords: G20, International Financial Architecture, Multilateral Development Banks, Global Public Goods, Multilateralism.

1. Introduction

The International Financial Architecture,[1] understood as the institutional configuration that organizes the international monetary system, has long shown signs of obsolescence. It has been showing signs of inefficacy in dealing with evolving development challenges and the achievement of the Sustainable Development Goals (SDGs) (BRICS Policy Centre et al, 2024). Its creation responded to the international needs of the post-World War II period, when the United States led the effort to build the (liberal) international order, having the Bretton Woods agreements as one of its fundamental pillars (Pecequilo, 2003: 125).

1 The International Financial Architecture (IFA) is the multilateral institutionalisation that aims to guarantee proper monetary-financial functioning, the stability of the global economy and access to development. The main foundations of this IFA are the International Monetary Fund (IMF), the Multilateral Development Banks, mainly the World Bank, the Bank for International Settlements and its subsidiary initiatives, and the G20 itself as a space for dialogue and cooperation on economic issues.

The establishment of international financial institutions, in this sense, met the need to foster stability and international economic recovery. It provided international trade and investment with the liquidity, stability, and adjustment arrangements necessary to prevent destructive nationalism (Arrighi, 1994; Gilpin, 2002). At the same time, it enabled the consolidation of the international order and the advancement of the U.S. international security structure (Fiori, 1997; Fiori, 2005).

However, as the order shifted in the early 1970s, precipitated by the dissolution of the gold-dollar standard (1971) and the concomitant ascendance of neoliberalism (Helleiner, 1994) and competitive deregulation (Gill & Law, 1989), it was rendered inadequate to meet development demands and challenges, particularly from Global South countries (Tavares & Melin, 1997; Braga e Cintra, 2005: 278; Prates, 2005).

Although its normative liberal prerogative of "good institutions" and "good policy", epitomized in the "Washington Consensus", such as restrictive macroeconomic policies, trade and investment liberalization, privatization and deregulation has occurred, the real development conditions for countries of the South were insufficient (Chang, 2002). The liberalization of capital accounts, the floating exchange-rate regime and the volatility of financial flows significantly reduced economic policy autonomy in those countries (Tavares & Melin, 1997; Fritz, De Paula, Prates, 2018: 213-216). Aside from those economies that have been able to "govern the market" (Wade, 1990), such as South Korea and China, few have succeeded in making the transition into high-value-added industrial sectors and continued economic growth.

Looking from the international financial governance perspective, this situation is further complicated because that order was not aimed at addressing current global challenges, such as environmental crises, pandemics, financial crises, geopolitical tensions, economic inequalities, and the imperative of fighting hunger and poverty. These recent challenges, and the obstacles to be surpassed to address them, underscore the long growing obsolescence of the international financial architecture as well as the need to reform it.

The challenges of mitigating and adapting to the climate crisis, advancing the green energy transition, and achieving the Sustainable Development Goals (SDGs) generate a substantial demand for resources, estimated at US$4 trillion annually (UNCTAD, 2024). Yet the current International Financial Architecture (IFA) has proven unable to provide stable, long-term capital at the scale required to confront the climate emergency and meet the SDGs (UN, 2023). At the same time, the transition from unipolarity to multipolarity and ongoing geopolitical disputes underscore the urgency of strengthening multilateralism in the face of an increasingly complex international landscape.

These geopolitical shifts further complicate the legitimacy of multilateralism, as the IFA reflects a persistent gap between the fundamental principles of development formally shared by nations and the practical scope of its institutions and structures. Without continuous reform and adaptation of these institutions and their instruments, the risk of unproductive outcomes—such as governance vacuums and competitive fragmentation—grows significantly. Such dynamics threaten to erode the institutional legacy built over the past eight decades (Volz et al., 2024). In light of these challenges, this chapter argues for a comprehensive reform of the IFA to renew and strengthen Multilateral Development Banks (MDBs), expanding their capacity to address pressing global challenges (Volz, 2024; Marois, 2024).

Multilateral Development Banks are international institutions that support the development of their member countries. They do this by offering capital, as well as support for research, capacity building, and technical advice for development projects, such as infrastructure and climate adaptation. The period from the 1950s onwards saw a significant expansion and multiplication of these institutions, which is attributed to the consolidation of the World Bank's post-war experience. The prevailing perspective that the combination of development finance, funded through market instruments, in conjunction with technical assistance and supervised loans, represented a viable strategy for promoting and achieving development at a multilateral level (Kapur and Webb, 1996: 351-352).

Despite some limitations, which collectively constrain their capacity to confront both present and future challenges, the MDBs remain suitably positioned as international institutions to financially support efforts towards facing global challenges. They can offer lower-cost, long-maturity investments to mitigate the risks of private investors, and bring different national, regional, public and private actors on board for local development agendas. By leveraging their expertise to provide guidance, conduct research, and facilitate capacity building, they can address a range of issues, provided they receive adequate support from coherent international financial governance aligned to sustainable development and the imperative of addressing the climate emergency, hunger and poverty.

The prevailing model, however, needs to be improved, with the auspices of an inclusive and equitable reform in governance representation, a more fine-tuned approach to countries specificities, the integration of different levels of MDBs to function as a real system of multilateral development and the increase in their ability to fund Global Public Goods (GPGs).[2]

In the current international scenario, characterised by geopolitical and climate crises, the G20 emerges as the pivotal forum for making a substantial contribution to the international community in discussions on reforming the MDBs. As it experienced subsequent presidencies of emerging countries – Indonesia (2022), India (2023), Brazil (2024)

2 In economists' jargon, GPGs must present two qualities: non-excludability and non-rivalry. This means that once a GPG is offered to one party, it is also available to all, and it´s use won't reduce the amount of the good to others. A Global public good benefits all countries, and, therefore, all persons. International mechanisms for financial stability, scientific relevant knowledge such as in Health (vaccines or treatments), global standards of aviation are examples of GPGs. (International Task Force on Global Public Goods, 2006).

and South Africa (2025) – the G20 has the capacity to utilise its position to consolidate an input from southern countries regarding international financial governance, thereby laying the foundations for a multilateralism in the International Financial Architecture that is better prepared to deal with expected challenges.

2. Diagnosis of the issue

2.1 The geopolitical and climate change challenges to the International Financial Architecture

Climate change, biodiversity loss, pandemic insecurity, mounting poverty, and ever-increasing inequalities seem intractable challenges. These challenges extend beyond national boarders; therefore, they cannot be addressed effectively by any single nation. While state intervention is usually required to tackle such issues domestically, global-scale challenges demand collaborative action, multilateral coordination among states and significant investments. Internationally agreed rules, goals and plans are intended to address every one of these challenges: the UN Framework Convention on Climate Change, the Biodiversity Convention and Framework, and the 2030 Agenda. At the very least, even with their limitations and political constraints (Brühl and Rittberger, 2001), these instruments point to ‘what’ (goals) must be done to meet global challenges, which can be very well exemplified by the 17 Sustainable Development Goals set by the 2030 Agenda in 2015.

Achieving established priority outcomes requires governments to cooperate on issues that not only strengthen their international position or domestic interests, but goals that correct the under provision of public goods that returns both national and social returns, in a cost-effective manner (Kaul and Conceição, 2006). Not by chance, in his 2021 report, the United Nations Secretary-General argues for repurposing international cooperation, towards an agenda that works towards the common good, solving global challenges:

> The purpose of international cooperation in the twenty-first century is to achieve a set of vital common goals on which our welfare, and indeed survival as a human race depend. (…) Many of these objectives (the 'what') are set out in the 2030 Agenda for Sustainable Development (…). I believe that it is high time for Member States, together with other relevant stakeholders, to devise strategies for achieving them (the 'how') through enhanced multilateral governance of global commons and global public goods. (UN, 2021)

After almost two decades, it is evident that the current institutional set-up for development cooperation is insufficient to achieve the goals agreed upon internationally in 2015. The global public goods agenda is a far cry from the instruments and capacities available to international cooperation practitioners. On the one hand, as presented below, the resources needed to meet this agenda far exceed the contributions that states (particularly developed countries) seem to be willing to make. According to specialized agencies, the investments required to meet these challenges have reached trillions of US dollars (refer to Box 1), while public financial flows to developing countries remain below $300 billion (World Bank, 2015).

Box 1: Investments necessary for the implementation of internationally agreed goals

•	Pandemic preparedness: US$10–15 billion per year (GPMB, 2021; G20 et al., 2021)
•	Climate change — energy transition: US$2.4 trillion per year (Rowling, 2021)
•	Climate change — adaptation (lower-income countries (LICs) and middle-income countries (MICs): $160 billion to $340 billion per year (UNEP, 2022)
•	Preserving global biodiversity: US$ 200–700 billion per year (UNEP, 2022)

The instruments available to access and deliver such a scale seem inappropriate. As mentioned, in this context, multilateral development banks play a key role. MDBs should serve as facilitators for capital transfers from developed to developing countries (Molinari and Patrucchi 2020) and as fixers of prevalent market failures (Ocampo and Ortega 2022). Global Public Goods are one of the market failures that MDBs were supposed to address.

Given their mandate, expertise, convening power, and leverage, multilateral development banks (MDBs) are well-positioned to play a key role in financing solutions for Global Challenges. MDBs can mobilise and channel funds from both public and private sources, provide technical assistance and policy advice, support innovation and knowledge sharing, and foster multi-stakeholder partnerships and cooperation. Moreover, MDBs can help align their operations and strategies with the global agenda, such as the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change, and ensure that their interventions have positive spillovers and co-benefits for the global community.

Over the past five years, the world has faced several crises, including the worst pandemic since the Spanish Flu and a major war in Europe. These crises have triggered interdependent shocks like the energy crisis, global inflation, and food insecurity, leading to what is now known as the polycrisis. Amidst a polycrisis and increasing geopolitical rivalries, the very idea of repurposing development cooperation and enhancing multilateral governance of global public goods, seems unlikely. That is where the G20 must play a steering role, coordinating positions among the most important economies in the world to foster MDBs reforms towards the global challenges.

Financing transformational policies for providing global public goods is a major challenge for developing countries. Middle and Low low-income countries face several constraints, including debt sustainability, high-interest rates and borrowing costs, vulnerability of domestic markets, rigidity of existing institutional frameworks and eligibility criteria, and lack of concessional finance. Multilateral Development Banks (MDBs) play a crucial role in financing transformational policies, enabling southern countries to participate in global cooperation.

Recognizing such constraints is an important step to address and ensure that southern countries can contribute to the provision of global public goods effectively.

This crisis has brought to light a set of global challenges that individual nations cannot solve alone, requiring more than just coordination. The World Bank has identified eight such challenges that have cross-border implications and affect all countries.[3] These global challenges are costly and require global policy-making. However, the current incentive structure prevents the establishment of any meaningful collective arrangement to tackle these challenges.

2.2 Multilateral Development Banks: Institutional multi-lateral development instruments

MDBs' fundamental role in facing global challenges stems from their privileged position to gather and possibly articulate different kinds of stakeholders, both public and private, national and international, while providing long-term, lower-cost finance and technical and policy support or advice. They can reach out and work alongside governments, national and subnational development banks and the private sector, allowing them to elevate the amount and quality of investments. At that same time, the provision of long maturity finance through lower costs helps to mitigate risks and to take on bigger and strategic projects, which have significant impacts in southern countries. They may also provide technical support and policy advice based on international long-term practices, generating and disseminating knowledge on sustainable development.

Recognising the importance and urgency of addressing global challenges, MDBs have taken several measures and adjustments in recent years. For instance, they have increased their lending and grant commitments for climate action, health, and other GPGs, created new windows and facilities to

3 The Global Challenges are the following: (i) Climate Change Adaptation and Mitigation; (ii) Fragility and Conflict; (iii) Pandemic Prevention and Preparedness; (iv) Energy Access; (v) Food and Nutrition Security; (vi) Water Security and Access; (vii) Enabling Digitalization; and (viii) Protecting Biodiversity and Nature.

target specific challenges, enhanced their collaboration and coordination through platforms and initiatives, and adopted new policies and standards to mainstream global public goods into their operations.

They have been playing a crucial role, accounting for nearly a quarter of international human capital projects and close to 20% of investments in infrastructure and renewable energy initiatives in Less Developed Countries (LDCs) (UNCTAD, 2024). The World Bank, for example, has announced its ambition to become a "Global Public Goods Bank" and to align all its activities with the SDGs and the Paris Agreement.

However, these measures are still insufficient to deal with the scale and complexity of the global challenges facing the world today. The financing gap for achieving the SDGs and the Paris Agreement is estimated, as seen, to be in the order of trillions of dollars per year, far exceeding the current and projected capacity of MDBs.

Furthermore, MDBs face several constraints and challenges in delivering global public goods finance effectively and efficiently, such as:

- The misalignment between the demand and supply of global public goods, as some countries may lack the incentives, capacities, or resources to invest in global public goods, while others may free-ride.
- The fragmentation and proliferation of funds, instruments, and initiatives, which create transaction costs, inefficiencies, and coordination problems for both MDBs and their clients.
- The inadequate governance and representation of MDBs, which limit their legitimacy, accountability, and responsiveness to the needs and preferences of different stakeholders, especially southern countries and civil society.
- The trade-offs and tensions between pursuing global public goods and fulfilling their traditional mandates of promoting economic growth and poverty reduction in their member countries, which may entail different or conflicting objectives, criteria, and modalities.

- The difficulties in working as an ecosystem of MDBs integrating partnerships among different levels of institutions (global, regional, subnational) to improve shared projects, instruments and governance.
- The reluctance to assume currency risks because of statutes or bylaws constraints that limit their exposure to those risks, but more often due to Board decisions of avoiding high risk of currency fluctuations.

Therefore, from the standpoint of enabling MDBs to fulfil their potential as global public goods providers and catalysts, there is a need for a more ambitious and comprehensive approach to their reform. This approach should address the following dimensions: 1) increase the lending capacity and capital base of MDBs; 2) enhance the access and allocation of funds for global public goods; and 3) improve the governance and representation of MDBs.

As mentioned above, to increase finance is of utmost relevance given the gaps in investment do achieve SDGs. As to global public goods, they may be defined as those issues that are understood as important by nations but cannot be achieved by lonely efforts. They represent long-lasting solutions to long-standing problems among parties and have this multilateral innate appeal to them. As the COVID-19 pandemic, and the climate crisis showed the world, they are very important once major crisis hit (International Task Force on Global Public Goods, 2006: 13-16).

Governance reforms for increased representation in multilateral institutions are of sensitive importance in times of systemic change because multilateral principles and international governance become more susceptible to change. Adequate representation enhances developing countries abilities to input their preferences, strengthening multilateralism and safeguarding the long-time construction of institutionality from competitive interests, especially those of great powers in times of geopolitical change.

The mandates, instruments, technical expertise, research, policies, and global institutional presence of Multilateral

Development Banks constitute the very substance and practical manifestation of multilateralism for development. If multilateralism is to be based on shared principles (Ruggie, 1992), and if development is meant to "leave no one behind", then adequate representation of all countries, especially countries of the South, is fundamental within these institutions. For the international financial architecture to address global challenges, it must rely on genuine public accountability. There can be no hope for sustainable and equitable development, let alone green and just transitions if the public – that is, Global South countries – are not granted meaningful representation to influence and hold the Multilateral Development Banks ecosystem accountable for its policies. To function in the international public interest, MDBs must be accountable to the public (MAROIS, 2022: 366).

2.3 G20's role in MDBs reform and challenges ahead

To continue the multilateral endeavour of raising MDBs profile to effectively deal with global challenges it is necessary to maintain the course of current reforms and advance new ones. The reforms should be built upon the efforts brought up by the G20 in recent presidencies, following contributions from Italian, Indonesian and more recently Indian, Brazilian and South African presidencies. As MDBs have different governance structures, client countries and mandates, the G20 plays a fundamental role in leading coordinated transformation, avoiding double efforts and allowing for synergies to be achieved among the banks.

The G20 was responsible for launching the Independent Review of MDB's Capital Adequacy Framework (CAF) agenda in 2021. The implementation of CAF is expected: "to generate additional lending headroom in the order of US$ 300 billion to US$ 400 billion over the next decade", attesting G20´s importance to coordinate efforts and sustain multilateral cooperation (Heads of MDB's, 2024).

Other important efforts contributing to this multilateral agenda are the G20 CAF Roadmap of 2023, and the Independent

Expert Group report commissioned by India's presidency that advanced the Triple Agenda, focused on a mandate of: "(…) eliminating extreme poverty, boosting shared prosperity, and contributing to global public goods;". The Brazilian presidency followed those efforts and built on the recommendations for "bigger, better and more effective" MDBs by achieving a roadmap with clear recommendations (G20, 2024).

As tentatively demonstrated, ongoing and future reforms must be committed to strengthening multilateralism by continuously enhancing the role and impact of Multilateral Development Banks. While increasing financial capacity is important, equal attention should be given to governance reform, the improvement of MDB operations, and the refinement of incentive structures and instruments, to foster greater representation, accessibility, efficiency, effectiveness, and responsiveness of MDBs in advancing the Sustainable Development Goals (G20, 2024).

3. Recommendations

Bigger

MDBs should effectively utilize their existing capital by implementing the suggestions the G20 Expert Panel put forth in 2022. These recommendations involve adjusting risk tolerance to maximize lending, integrating callable capital in capital adequacy evaluations, improving credit rating methodologies to assess the financial strength of MDBs, and offering transparent and comparable data for analysis (Gallagher and Bhandary, 2023). Despite the relevance of these adjustments, the scale and the instruments needed to promote global solutions require more ambition.

> **General Recommendation 1**: the G20 should start studies for the creation of a new window for global challenges in the World Bank after 2025. The new entity should have its own balance sheet, oversight and governance model (Mathiasen and Landers 2023).

G20 should stimulate MDB´s capital increase following different options: recapitalization from shareholders, expansion of membership, open shareholding to institutional investors and global MDBs, using non-conventional approaches such as channelling SDRs to MDBs, engage non-regional members in MDBs capital, engage institutional investors in MDBs capital via non-voting shares, involve global MDBs in capital of regional MDBs, unlock the potential of rechanneling to MDBs. (Amangeldi et al, 2024)

Better

Considering the scale and the pace needed for addressing global challenges, ownership, localisation and effectiveness are principles that should guide MDBs' operations. Country Platforms may play a critical role in facilitating and enhancing the Bank's operations while strengthening the borrower's position. Country platforms are aimed at pulling together a comprehensive suite of financial resources to fund initiatives that address global challenges at a much larger scale than traditional project financing. These platforms may also enhance coordination with the MDB and with national and local stakeholders (Healy, Scull, and Landy 2024).

> **General Recommendation 2**: The G20 should recommend MDBs to pilot sectoral country platforms following the principles of ownership, localization and effectiveness.

Global challenges generate different demands among southern countries, and financial needs will vary according to a series of dimensions that cannot be captured by a single indicator like GDP/per capita. Countries' access to concessional a given global challenges-related fund should be determined by a multidimensional basket of indicators. The development in transition approach proposed by ECLAC and OECD Development Center comprises four dimensions: productivity, social vulnerability, institutions and environment (CEPAL 2019).

> **General Recommendation 3**: The G20 should prepare a framework for accessing concessional finance based on multidimensional metrics.

The G20 should foster innovation in credit instruments to help MDBs better use their Balance Sheets and offer cheaper and more structured and safe credit to sovereigns, all the while linking it to key performance indicators (KPIs) associated with sustainability. It must allow sovereign borrowers to participate in the definition of key performance indicators to reflect their constituencies specifics on those instruments, allowing a more local and less conditional approach. (Kullenkampff et al, 2024)

Specific recommendations include

R3a: Foster innovation in sustainability-linked sovereign financing: to foster innovation regarding financing instruments that allow MDBs to increase the share of guarantees to sovereign borrowers linking it to performance on sustainability targets (KPI-linked instruments) (Kulenkampff et al, 2024).

R3b: Encourage a shift from conditionality to commitment, initiating dialogue with MDBs so they may optimize the use of policy-based loans and guarantees linked not to conditionalities, but to "commitment" through key performance indicators on sustainability. (Kulenkampff et al, 2024).

R3c: Foster and increase through technical and political leadership transactions involving Development Finance institutions to catalyze sovereign finance models as lenders and guarantors. (Kulenkampff et al, 2024).

More Effective

International development finance for GCs must be grounded in global public decision-making processes to determine priorities and strategies. Unlike traditional MDBs and funds often led by creditors, GCs-related funds must balance the representation of creditors and borrowers and safeguard their actual decision-making power.

R4: G20 should promote inclusive and equitable governance structures with a balance of decision-making power between creditors and borrowers and ensure Civil society representation.

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Part 5

Global Governance and Solidarity: Addressing Inequalities, Poverty, and Hunger

Chapter Twelve

The Politics of Defending Inequality: Hate Speech, Visibility, and Symbolic Containment

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Abstract

This chapter examines how inequality, particularly in Global South contexts, is not merely structurally reproduced but also politically defended through moral, symbolic, and hate-based discourses. Drawing on the case study of the campaign "Tax the Super-Rich for the Right to the City,", launched during Brazil's 2024 G20 presidency, the authors show how redistributive proposals face not only institutional resistance but also symbolic disqualification in digital public spheres. Employing Charles Tilly's framework of "durable inequality," the chapter argues that hate speech operates as a political technology of symbolic containment, delegitimizing both actors and redistributive agendas before they gain traction. It contends that addressing inequality requires more than technical reform—it demands

rooted, insurgent, and territorially grounded communication strategies that challenge regimes of visibility and the moral attachments sustaining historical hierarchies.

Keywords: durable inequality; hate speech; fiscal justice; political communication; wealth redistribution; digital platforms; symbolic hierarchies; Global South; right to the city; taxation of the super-rich; grassroots communication campaigns.

1. Introduction

Inequality, in all its manifestations, is not an abstract concept. It is a concrete, recurrent experience for millions across the globe. In countries of the Global South, this condition is underpinned by enduring social engineering rooted in political, economic, and symbolic structures that continuously reinforce one another. Far beyond disparities in income or the uneven distribution of opportunities, inequality operates as a deeply embedded social logic, sustained through institutional mechanisms and moral narratives that naturalize hierarchies and legitimize privileges. What persists is not a technical deficit in understanding or solving inequality, but a political struggle over who benefits from its maintenance.

This chapter analyzes how inequality is not only reproduced, but actively defended – discursively, morally, and symbolically. We focus on the backlash triggered by redistributive proposals, such as wealth taxation, to examine what we call *the politics of defending inequality*: the array of discursive practices and affective reactions that seek to disqualify both redistributive agendas and the actors who advocate for them. Hate speech, in this context, is not an aberration or byproduct of political polarization. It functions as a political technology – shaping the boundaries of legitimacy, reinforcing symbolic hierarchies, and safeguarding privilege under the guise of common sense or moral indignation.

To analyze these dynamics, we draw on Charles Tilly's framework of durable inequality (1999), particularly the mechanisms of *opportunity hoarding*, *exploitation*, and *emulation*.

These concepts allow us to understand how hate speech and symbolic aggression operate not only to express disagreement, but to actively reproduce exclusion and inequality through moral and communicative closure.

Our analysis is grounded in the 2024 campaign "Tax the Super-Rich for the Right to the City", organized during Brazil's presidency of the G20. The initiative brought together the BRICS Policy Center (BPC) and the Instituto Papo Reto, both based in Brazil, in partnership with the Southern Centre for Inequality Studies (SCIS) of South Africa. It sought to translate one of the central priorities of Brazil's G20 agenda – the taxation of the ultrawealthy – into accessible, politically resonant language for residents of Rio de Janeiro's favelas[1] . These are territories that embody inequality not as statistics, but as everyday experience. The campaign, however, encountered virulent resistance: moral and racialized attacks, symbolic disqualification, and a wave of hostile digital narratives. These reactions are not anecdotal – they are analytically central to understanding how the legitimacy of redistribution is contested in public spaces.

We develop this argument in three main sections. The first explores the theoretical and empirical foundations of inequality, drawing on Tilly's concept of durable inequality to understand how material and symbolic hierarchies are reproduced and defended (Tilly, 1999). The second section analyzes how the political defense of inequality manifests in the reception of redistributive agendas, focusing on the case of the campaign "Tax the Super-Rich for the Right to the City", launched during Brazil's presidency of the G20. Through four subsections, it examines the campaign's framing, narrative strategies, digital reception – including backlash – and broader implications for symbolic and political contestation. The final section reflects on the political imperative of translating critical knowledge

1 This campaign was part of a broader dissemination initiative led by the Southern Centre for Inequality Studies (SCIS), aiming to translate research findings from the *Wealth Inequality and Elites in the Global South* project into accessible content for non-academic audiences. The project sought to expand public engagement with issues of fiscal justice and structural inequality in collaboration with the BRICS Policy Center and Instituto Papo Reto.

into accessible language, emphasizing that the legitimacy of redistribution is not only a matter of policy design, but also of communicative struggle.

2. Inequality Struggles to Survive: Structure, Morality, and Power

2.1 The Durability of Inequality

Inequality persists not merely due to economic forces or statistical inertia, but because it is actively produced and reproduced through organized social relationships. Tilly's framework of "durable inequality" is especially instructive here: inequalities, he argues, emerge from categorical pairings embedded in institutions – such as male/female, citizen/foreigner, or rich/poor – and are perpetuated through *opportunity hoarding*, *emulation*, and *exploitation* (Tilly, 1999). These mechanisms generate and stabilize hierarchies that remain remarkably resilient across time and space.

In Brazil and South Africa, this resilience manifests in the extreme and sustained concentration of income, wealth, and power. According to data from Oxfam (Oxfam, 2017; Oxfam Brasil, 2020), the top 1% in both countries continues to hold a disproportionate share of national income and assets, while redistributive policies have faced recurrent blockades. Carlos Antonio Costa Ribeiro's work on class and social mobility in Brazil further reinforces this picture: despite sporadic progress, structural barriers continue to restrict intergenerational mobility, especially among racialized and low-income populations (Ribeiro, 2023). Branko Milanovic's global perspective adds another layer, highlighting how national inequalities are often reinforced by global patterns of capital accumulation, elite networking, and tax avoidance (Milanovic, 2016).

What we see, then, is a form of inequality that is not simply the outcome of impersonal market dynamics, but one that is deeply institutionalized, morally encoded, and politically defended.

2.2 The Politics of Defending Inequality

Resistance to redistribution is rarely expressed in purely economic terms. More often, it is articulated through moral grammars that delineate who deserves what – and why. Appeals to merit, responsibility, and hard work are commonly mobilized to justify privilege and oppose policies that would alter the status quo. These narratives frame wealth not as a product of structural advantage but as the natural reward for individual virtue – and, by extension, frame inequality itself as a fair outcome of differential effort, talent, or worth.

Empirical evidence from Latin America and Africa supports this argument. López et al. (2022), based on interviews and surveys with elites in Brazil, South Africa, and Uruguay, show that even when elites acknowledge that inequality generates serious externalities – such as violence and political instability – they often withhold support for redistributive policies. This reluctance stems not only from material interests, but from cultural perceptions: the poor are frequently viewed as irrational and politically incompetent, which delegitimizes them as partners in democratic redistribution. In this sense, symbolic hierarchies – constructed through moral judgments – act as barriers to policy change, reinforcing what the authors call a cultural mediation of economic incentives.

This moralized framing is reinforced by elite perceptions that systematically devalue marginalized groups. As Silva and Lopez (2015) show, Brazilian elites often portray the "people" as incapable, undisciplined, and irresponsible, constructing symbolic barriers that naturalize inequality and legitimize privilege. Such narratives not only justify existing disparities but also work to delegitimize redistributive demands by casting them as undeserved or socially destabilizing.

Recent research has further highlighted that the defense of inequality is not confined to elite discourses or formal political arenas. As Schieferdecker et al. (2024) demonstrate, everyday conversations among ordinary citizens play a crucial role in reinforcing or contesting perceptions of inequality. These informal exchanges, embedded in social routines, often reproduce meritocratic frames and naturalize structural hierarchies, subtly anchoring resistance to redistributive agendas in the texture of daily life.

Such discursive strategies are central to what we call the politics of defending inequality. They mask the role of state capture by elites, who not only influence tax regimes and fiscal policies, but also shape public perceptions through media ownership and ideological campaigns. In Brazil, for instance, the regressivity of the tax system – as detailed in the SCIS Working Paper #54 (Bressan et al., 2023) – reflects elite interests that have long resisted meaningful reform, particularly regarding the taxation of property, inheritance, and financial assets.

Redistributive proposals, in this context, are not merely technocratic adjustments: they represent symbolic threats to entrenched social orders. Proposals like taxing the super-rich pose a threat not only to the economic advantages enjoyed by the wealthy, but also to the ideological narratives and moral frameworks that justify and legitimize those advantages. In deeply unequal societies, these initiatives are perceived as attacks on a presumed moral and racial hierarchy, thereby triggering defensive responses that range from political lobbying to symbolic violence – including hate speech. Understanding this moralized and racialized dimension of the defense of inequality is key to grasping why redistribution proves so difficult to achieve.

2.3 Speech That Closes Doors: Durable Inequality and Symbolic Containment

The conceptual architecture of Tilly (1999) provides crucial insight into how inequality is actively maintained across generations. His three mechanisms – *opportunity hoarding*, *exploitation*, and *emulation* – not only stabilize inequality institutionally, but also generate forms of social closure that are moralized and normalized. In the context of this chapter, we argue that hate speech operates as a contemporary extension of these mechanisms, especially in digital arenas where symbolic legitimacy is constructed and contested.

Among the three, *opportunity hoarding* is particularly resonant. This mechanism describes how privileged groups restrict access to valuable resources and positions by establishing social boundaries and exclusionary practices. Hate speech, when deployed against advocates of redistributive policies, acts precisely in this way: it delegitimizes their claims, discredits their moral authority, and marks them as outsiders to the space of legitimate political discourse.

In digital environments, this dynamic is structured by platform algorithms that prioritize controversy, amplify antagonistic content, and reward visibility over substance. These platforms do not merely reflect public discourse – they actively shape it. By controlling what circulates, what is promoted, and what is ignored, digital platforms participate in a new form of *opportunity hoarding*: one that allocates symbolic visibility along lines of conflict, sensationalism, and structural privilege.

As Fernanda Bruno (2013) argues in her analysis of algorithmic governance, platforms do not simply mediate public discourse – they constitute regimes of visibility that classify, filter, and hierarchize subjects. In contexts of inequality, this apparatus reinforces processes of social sorting and symbolic exclusion, determining who appears, who is ignored, and who is rendered suspect in the digital public sphere. Through what she calls "machines of seeing," Bruno reveals how algorithmic infrastructures not only produce visibility but govern through transforming attention into a political vector that amplifies normative profiles and silences dissenting presences. In this sense, digital architectures operate as *dispositifs* that intensify *opportunity hoarding* by reallocating visibility along pre-existing lines of privilege and marginality.

Emulation, in turn, helps us understand how these patterns become institutionalized. When hate-based narratives are reproduced across media platforms, political arenas, and even policy debates, they reinforce the idea that resistance to redistribution is not only acceptable but normative. *Exploitation* is also at play: hate speech contributes to the symbolic subjugation of marginalized groups, reinforcing their economic and political exclusion by undermining their capacity to articulate demands.

Thus, hate speech is not simply noise or provocation. It functions as a mechanism of containment that reinforces durable inequality by policing the boundaries of political legitimacy. Beyond hate speech, seemingly mundane conversations can also act as mechanisms of symbolic closure. Drawing on Schieferdecker et al. (2024), we can see that everyday talk frequently polices the boundaries of political legitimacy, privileging narratives that justify inequality while marginalizing those that advocate for redistribution.

This informal, relational dimension of inequality defense intensifies the resilience of durable hierarchies. As we will explore in the following section, the backlash to the campaign 'Tax the Super-Rich for the Right to the City' offers a vivid illustration of how hate speech operates not in abstraction, but through specific discursive strategies, targeted hostility, and platform mediated amplification. As we will explore in the following section, this logic was fully visible in the public reception of the "Tax the Super-Rich for the Right to the City" campaign, where digital attacks became a central site of struggle over the meaning and desirability of redistribution itself.

3. Hate, Resistance and the Right to the City: A Case Study

3.1 Framing the Campaign: The G20 and Brazil's Redistributive Agenda

The campaign "Tax the Super-Rich for the Right to the City" did not emerge in a vacuum. It was conceived within a specific geopolitical context: Brazil's presidency of the G20 in 2024.[2] That presidency marked a deliberate shift in tone and substance, aiming to reframe the forum around the structural

2 The full content of the campaign *"Tax the Super-Rich for the Right to the City"* is available at: https://www.instagram.com/paporetoinstituto/. The posts related to the campaign were published between October 4 and October 24, 2024.

drivers of global inequality. Among the pillars emphasized by the Brazilian government, justice in taxation occupied a central place. The agenda sought to push forward discussions on the taxation of large fortunes, inheritance, financial assets, and corporate profits – all themes traditionally marginalized in global economic governance (Garcia and Fernández, 2024).

The Brazilian presidency positioned fiscal justice as a precondition for democratic legitimacy, sustainable development, and a renewed multilateralism. This effort reflected a broader understanding that inequality is not only a matter of income distribution, but of power asymmetries entrenched in tax systems, institutional norms, and global financial flows.

However, it also faced resistance, both from within the G20 – where consensus on redistributive taxation remains elusive – and from domestic elites invested in the maintenance of regressive tax structures (Bressan et al., 2023).

Against this backdrop, the campaign developed by the BRICS Policy Center, the Southern Centre for Inequality Studies, and the Instituto Papo Reto sought to translate this high-level agenda into a language rooted in the everyday struggles of Brazil's urban peripheries. It was not merely a communication exercise, but an attempt to reclaim the legitimacy of redistribution from below. By tying the call for taxing the super-rich to the right to the city, the campaign articulated fiscal justice as a matter of urban dignity, public service provision, and territorial recognition.

The campaign also intersected with the Urban 20 (U20), an engagement group within the G20 framework that brings together mayors from major global cities.[3] While the U20 has

3 As part of the same dissemination strategy, the seminar "*Inclusive Urban Strategies: Bridging Research and Community Action*" was held on November 15, 2024, during the U20 Rio Summit. Co-organized by the BRICS Policy Center, the Southern Centre for Inequality Studies (SCIS), and Instituto Papo Reto, the event provided an opportunity to present the campaign's core themes—wealth inequality, fiscal justice, and the right to the city—to an audience of policymakers and specialists engaged in urban governance debates

historically focused on sustainability and infrastructure, the Brazilian campaign pushed its boundaries by introducing questions of inequality, race, and territorial exclusion. In doing so, it bridged multilateral discourse and local political struggles, showing that the city is not only a site of policy implementation but a space of symbolic and material contestation (Harvey, 2012).

As Brazil prepared to hand over the G20 presidency to South Africa, the campaign also raised critical questions about continuity. Would the themes of redistribution and fiscal justice remain on the agenda? Could South Africa, a country marked by its own history of racialized inequality, take up the mantle and deepen this agenda? These questions underline the fragility of redistributive momentum in multilateral spaces, but also highlights the strategic role of transnational civil society in sustaining pressure beyond state transitions.

It is within this political and institutional constellation that the campaign must be understood: not as an isolated advocacy effort, but as a situated intervention in a broader struggle over the meaning, legitimacy, and future of redistribution in the Global South.

3.2 Communicative Strategies and Narrative Disputes

The campaign's communicative strategy was grounded in a fundamental political wager: that a global agenda – fiscal justice – could only become meaningful and transformative if articulated through the language, symbols, and imaginaries of those most affected by inequality. Rather than reproducing institutional jargon or academic abstractions, the campaign relied on visual storytelling, accessible metaphors, and culturally situated narratives. The objective was not merely to inform but to mobilize, provoke reflection, and spark recognition.

This wager demanded resonance – not only conceptual, but affective and territorial. Hosted on the Instagram profile of Instituto Papo Reto, with its base of over 20,000 followers, the campaign drew from the organization's deep-rooted experience in favela-based communication. Through familiar urban iconography, references to collective struggles, and juxtapositions between scarcity and opulence, the message was embedded in lived realities. This approach reflected a deliberate effort to produce symbolic friction within a public discourse dominated by elitist imaginaries.

The campaign reached 61,325 unique accounts and generated 83,188 impressions on Instagram, with 3,219 likes, 236 shares, and 203 comments across 14 posts. Although the content was collectively produced and contextually grounded, not all posts were distributed organically. A selection was boosted with paid media, and these promoted posts – those with greatest reach – became the principal target of hostile responses. These reactions were not accidental. They concentrated around content that made redistribution visible, legible, and urgent to wider publics – precisely the kind of visibility that threatened symbolic privilege.

Rather than weakening the campaign, this polarized reception became its analytical core. It made visible the social boundaries that delimit who is perceived as legitimate when speaking of redistribution. What emerged was a complex communicative landscape in which the same post could generate solidarity and hostility, affirmation and attack. The platform's algorithmic architecture amplified these tensions, transforming each comment section into a miniature public arena.

At this point, Tilly's concept of *opportunity hoarding* proves particularly useful. The backlash against the campaign was not merely a matter of disagreement — it was a symbolic effort to shut down the space of contestation and disqualify claims before they could become normalized. Delegitimizing the messengers — young favela-based communicators speaking about taxing billionaires — served to reinforce social boundaries that keep political voice unequally distributed.

More than that, the very functioning of the platform contributed to this process. The content that received the most hate was precisely the one promoted through paid media — in other words, the content that Instagram itself chose to amplify through its boosting mechanisms. It is important to note that this promotion was configured to reach the largest possible audience, without specific targeting, which meant the content extended beyond supportive circles and was exposed to potentially hostile segments. In this sense, the platform was not merely the stage for conflict: it acted as an active agent in producing asymmetries of visibility.

Digital architectures function as dispositifs of algorithmic governance: they classify, hierarchize, and modulate the circulation of subjects and discourses based on criteria that reproduce preexisting social logics (Bruno, 2013). When applied to contexts of inequality, these infrastructures amplify processes of social ordering and symbolic exclusion. The campaign makes clear that Instagram, by boosting redistributive content beyond solidarity networks, deliberately exposed it to hostility — thus operating as a device of durable inequality, not simply reflecting conflict, but actively shaping it.

Viewed through this lens, the campaign's strategy of counter-hegemonic communication directly challenged mechanisms of durable inequality. It disrupted *emulation* by refusing the sanitized language of policy elites, and it exposed *exploitation* by foregrounding the disproportionate burden carried by low-income communities under unjust fiscal regimes. The hate it attracted was not an aberration, but a response to this disruption. Hate speech, in this context, operated as a tool for symbolic containment: a contemporary expression of how inequality defends itself.

In refusing to back down, the campaign asserted that taxation is not a bureaucratic technicality but a moral and political line. Through clarity, insistence, and grounded legitimacy, it claimed a space – however contested – in the symbolic economy of the public sphere. This, in itself, was an act of resistance against both material and discursive exclusion.

3.3 Hostility, Profiles, and the Symbolic Battle Over Redistribution

The hate speech observed during the campaign was not a collateral phenomenon – it was a core dynamic of how fiscal inequality is defended in symbolic arenas. These responses, while seemingly informal and individualized, reflect the broader logics described by Tilly (1999): symbolic exclusion operates through mechanisms of *opportunity hoarding*, *exploitation*, and *emulation*, even in the digital micro-politics of comment sections.

The attacks varied in tone and form: some framed the campaign as communist propaganda; others insulted favela residents or mocked the legitimacy of the young communicators involved. Rather than engaging with the substance of the proposal – taxing the super-rich – these reactions sought to discredit the messengers. This strategy transformed a structural policy issue into a cultural provocation, reasserting boundaries of class, race, and political authority.

Several comments followed familiar scripts. One user dismissed the campaign with sarcasm: "*Instituto Papo Reto*. Just by the name, you can see that it's an institute with great credibility and much knowledge about economics." Another mocked a supporter with open hostility: "Shallow thinking, illiteracy and lack of arguments. You're the typical leftist who doesn't even know what you stand for but serves as a maneuver." Others reinforced moralistic narratives that blame poverty on personal failure or laziness – "Go to work, do nothing" – while reducing the redistributive proposal to absurdity with statements like "Tax is theft, no one should pay." These comments illustrate how ideological disdain and hate speech converge to disqualify redistributive claims, not by debating substance, but by ridiculing those who raise them.

A number of comments went further, subtly criminalizing peripheral populations by implying that support for redistribution signals gullibility or moral weakness. One user warned: "The more tax they have to pay, the more taxes we'll pay in their place," portraying fiscal justice as a zero-sum threat. Another commented: "The citizen who is in favor of any kind of alimony, tax or taxation, has already ceased to be a citizen and has become a zombie," equating support for redistribution with brainwashed servitude. These framings reinforce the idea that low-income voices lack legitimacy in political debates. Hate speech, in this context, operates as symbolic exclusion—an attempt to expel certain groups from the terrain of democratic deliberation itself.

While many of the profiles behind these attacks are anonymous or closed, a pattern emerges. The most aggressive comments were posted almost exclusively by accounts that appear to be white men, often featuring hypermasculine imagery or containing minimal publicly available content, making it difficult to determine the authenticity of these profiles with certainty. Although we cannot confirm the authenticity of each profile, the available data suggest that these voices predominantly perform a familiar script: the self-made man, disdainful of the poor, allergic to redistribution, and eager to display contempt.

These expressions are not only ideological; they are affective postures embedded in gendered performances of strength, dominance, and disdain. In this sense, hate speech becomes not just a defense of economic hierarchy, but a reassertion of symbolic authority through masculinized aggression. The hostility was frequently expressed through ridicule and performative disdain—strategies that reinforce exclusion without requiring rational engagement. Even without definitive verification of identity or intent, the symbolic function remains clear: to reestablish control over the boundaries of legitimacy and deny peripheral actors the right to speak of justice.

The hostility encountered by the campaign was not incidental. It emerged from deeply sedimented ideological formations, long cultivated by traditional media and sustained through algorithmically mediated public discourse. As Gillespie (2018) observes, platforms do not merely mirror social hierarchies – they actively participate in their reproduction, privileging visibility for antagonistic reactions while marginalizing dissenting or redistributive perspectives. What gains traction is often not the proposal itself, but the moral backlash it provokes, which displaces structural critique with symbolic confrontation.

Even when such discourse emerges from anonymous or fragmented profiles, its function aligns with the broader architecture of inequality. Platforms do not need coordinated campaigns to reproduce structural violence; by privileging outrage and symbolic aggression, they amplify narratives that stigmatize redistribution and silence dissent. In this way, digital environments enable a diffuse but effective defense of inequality.

This logic resonates with Charles Tilly's framework of durable inequality (Tilly, 1999). Hate speech here functioned as a mechanism of *opportunity hoarding*: it worked to discredit peripheral voices advocating for redistribution, excluding them from symbolic legitimacy. It also reproduced *exploitation* by reaffirming their subordinate moral status, and enacted *emulation* by normalizing ridicule and disdain for redistributive claims. In this sense, the symbolic violence channeled through hate speech became a strategic means to defend inequality.

Far from being a sign of weakness, the presence of hate signaled the campaign's political potency. By bringing redistribution into view – conceptually and territorially – it disrupted normative boundaries and revealed the emotional and ideological attachments that underpin the political defense of inequality. The emotional intensity of the response, particularly among privileged sectors, revealed not only resistance to fiscal justice, but a broader defense of the hierarchies on which that privilege rests.

Hate speech, then, should be understood not as noise, but as a political technology of inequality management. It disciplines imagination, stigmatizes dissent, and pre-empts redistributive claims before they can gain legitimacy. In algorithmically driven digital spaces, it travels fast, resonates widely, and is difficult to confront without reinforcing the very frames it imposes.

The experience of the campaign illustrates with precision the mechanisms discussed in the previous section: hate speech operated as a form of symbolic containment, reinforcing the durability of inequality through *opportunity hoarding*, moral exclusion, and public disqualification. At the same time, as Schieferdecker et al. (2024) argue, these dynamics unfold in the terrain of everyday discourse – where legitimacy is granted or denied not only by institutions, but through informal interactions. The campaign exposed how these seemingly banal communicative arenas become key battlegrounds in the struggle over redistribution. Confronting inequality, therefore, requires more than policy – it demands symbolic conflict, and the courage to inhabit it.

3.4 Lessons and Contradictions for the Global South

The campaign "Tax the Super-Rich for the Right to the City" offers a set of lessons that extend far beyond its immediate context. First and foremost, it reveals that fiscal justice is not merely a matter of technical policy design but a deeply political and symbolic battleground. In societies marked by extreme inequality, redistributive proposals confront not only institutional inertia and elite interests, but also affective attachments to moral hierarchies and racialized notions of deservingness. The resistance to redistribution is not only rational or material – it is also visceral and affective, anchored in social imaginaries that have been historically produced and fiercely defended.

Second, the campaign demonstrates the strategic role that grassroots communicators and territorial organizations can play in shaping national and even global agendas. By translating abstract policy debates into everyday language and framing, the campaign broadened the constituency for redistribution, especially among those most affected by fiscal injustice. This underscores the importance of engaging civil society not as a recipient of elite messaging, but as an active producer of political meaning. However, the campaign also revealed the costs of this visibility: backlash, exposure to hate, and emotional labor placed upon those who dare to speak truth from below.

Third, the case points to contradictions inherent in South–South global governance. While Brazil's presidency of the G20 made unprecedented room for a redistributive agenda, its domestic political landscape remains hostile to fiscal reforms that would meaningfully tax the wealthiest. The transition to South Africa offers both a challenge and an opportunity: the potential to carry forward this agenda within a new context of racialized inequality, but also the risk of dilution or abandonment in the face of geopolitical fragmentation and competing development priorities.

Finally, the campaign illustrates that hate speech is not an unfortunate byproduct but a structural feature of political life in unequal societies. It acts as a force of containment and discipline, limiting the imaginative and political scope of redistributive action. This insight invites us to take seriously the symbolic and affective dimensions of policy disputes, and to build coalitions capable not only of proposing new tax regimes but of defending their legitimacy in hostile public spheres.

For the Global South, the lesson is urgent: the struggle for redistribution will not be won solely in ministries or summits. It will require symbolic insurgency, institutional creativity, and affective endurance. The campaign offers a glimpse of what this might look like – and of the forces aligned to prevent it. In this sense, the G20 does not merely serve as a policy arena, but as a contested symbolic space where the legitimacy of redistribution itself is constantly at stake.

4. Conclusion – The Political Power of Communication

The "Tax the Super-Rich for the Right to the City" campaign was more than a response to fiscal injustice. It was a bold experiment in translating complex, often inaccessible knowledge about inequality and redistribution into public language and shared imagination. Crucially, it did so in the context of Brazil's presidency of the G20, a moment when questions of wealth taxation and global inequality gained unusual visibility on the multilateral stage. This alignment between grassroots communication and global governance agendas was not coincidental – it was strategic, and it allowed for a rare convergence between academic research, territorial activism, and institutional opportunity.

This convergence underscores a broader argument: the struggle for social justice is inseparable from the struggle to communicate it. The campaign's commitment to producing accessible, politically grounded content – territorial, affective, and insurgent – was not ancillary to its aims. It was central. In making complex fiscal debates accessible and resonant, the campaign challenged both discursive hierarchies and material inequalities. It proved that clarity can be radical, and that language – when grounded in lived experience – can become a tool of political transformation.

Yet such efforts do not proceed uncontested. In deeply unequal societies, proposals for wealth taxation do not fail merely because of elite lobbying or institutional vetoes. They are also discredited symbolically, framed as threats to freedom, merit, or national identity. Hate speech, in this scenario, functions as a gatekeeper. It targets the moral and political legitimacy of redistributive claims, attempting to shut down the debate before it gains traction. Naming inequality and demanding justice thus become acts of exposure – both analytical and personal.

The campaign illustrates that it is possible to inhabit this space of conflict productively. It showed how to provoke without alienating, to translate without diluting, and to mobilize without moral retreat. Its communicative strategy operated as a form of counter-power – subverting *opportunity hoarding* by expanding access to political discourse, disrupting *emulation* by refusing elite-coded language, and challenging *exploitation* by empowering marginalized voices to articulate demands. For researchers, educators, and activists committed to transforming the structures of inequality, the lesson is unmistakable – ideas matter, but their circulation matters just as much.

Knowledge generated in universities and policy centers cannot remain sequestered in specialized languages or elite venues. It must become image, narrative, and collective demand in the hands of those who live inequality daily. As Schieferdecker et al. (2024) remind us, political struggles over inequality unfold not only in parliaments and media outlets, but also in the countless everyday interactions where perceptions are negotiated and solidarities are built – or eroded. Recognizing the political weight of these informal arenas is essential for any strategy aimed at challenging entrenched hierarchies and advancing a more just social order.

5. Recommendations

In light of these findings, a set of recommendations becomes imperative. Future campaigns must recognize communication not merely as a tool, but as a central battleground in the struggle for fiscal justice. This entails investing in the production of accessible narratives — politically grounded and territorially attuned — that broaden the reach and legitimacy of redistributive proposals. Likewise, the articulation between knowledge production, social activism, and institutional opportunity must be cultivated as a core strategy, rather than an episodic coincidence, in confronting inequality.

Moreover, it is urgent to democratize political language. Universities, research centers, and civil society organizations must assume responsibility for translating technical knowledge into public discourse, actively dismantling the discursive hierarchies that exclude those most affected by systemic injustice. This process must be anchored in listening, co-production, and representativeness, ensuring that fiscal proposals are deeply connected to the lived experiences of affected communities.

A further critical issue concerns the need to confront hate speech as a strategic political barrier. When left unchallenged, the symbolic disqualification of redistributive agendas erodes the possibility of public articulation and morally delegitimizes the political actors who embody these demands. It is essential to name this mechanism and to develop collective strategies of protection and support for social leaders who stand at the forefront of this struggle.

Finally, insurgent pedagogies must be incorporated into mobilization and education strategies. Political and fiscal education cannot be detached from the ways in which people experience the world. It must be territorialized, affective, and insurgent — enabling popular knowledge not merely to complement, but to challenge and reconfigure hegemonic technical expertise. Knowledge produced in universities cannot remain enclosed within the aristocratic circuits of professors and researchers who claim ownership of the field; it must overflow those boundaries and become image, narrative, and demand in the hands of those who endure the daily realities of inequality.

In short, the challenge is not merely to think critically, but to speak clearly — and collectively. In an era marked by symbolic violence, digital polarization, and institutional erosion, this is not simply a task of communication. It is a political imperative. To communicate well, in this context, is not embellishment. It is to contest power.

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Chapter Thirteen

The International Financial System Through Intersectional Lenses: The Ethics of Care as a Global Alternative

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Abstract

This chapter analyzes the international financial system through an intersectional lens, demonstrating how austerity, debt, and tax regimes exacerbate inequalities based on gender, race, and class. It focuses on the impacts on racialized women from the Global South, who face care overload, precarity, and indebtedness. It critiques the financialization of care and proposes the ethics of care as an economic alternative centered on the value of life. It advocates for fiscal reforms, debt relief, and universal public policies as pathways to a fair and sustainable economy.

Keywords: Financialization, Intersectionality, Care, Austerity, Inequality

1. Introduction

We live in a global scenario characterized by multiple overlapping crises — or polycrises — that mutually reinforce each other: climate emergencies, public health crises, increasing inequality between and within states, social reproduction crises, and geopolitical instability. These interconnected challenges expose the limits of a global economic model centered on financialization, austerity, and profit maximization at the expense of life. In this context, it becomes urgent to reposition the economy of care at the center of macroeconomic decisions. Care, traditionally made invisible or treated as a peripheral issue, must be understood as critical infrastructure for the resilience of societies.

Furthermore, the financialization of the global economy is directly implicated in the intensification of the ecological crisis. The growth model driven by financial capital stimulates extractivist practices, carbon emissions, and ecosystem destruction in the name of profitability. The neglect of environmental care is deeply connected to the neglect of human care: both express the logic of dispossession and exploitation of bodies and territories, especially in the Global South. Therefore, repositioning care also requires confronting the separation between economy and nature and recognizing the ecological dimensions of life reproduction.

The fact that this agenda is now on the G20 agenda stems from the historical demands of feminists, who, since the 1970s, have been questioning the unequal distribution of value attributed to the work of men and women. Feminist activism played a crucial role in exposing the androcentric nature of orthodox economics, which is centered on the masculine ideal of rationality, autonomy, and mobility in public spaces. In doing so, it created space for care to gain strength in debates and public policies. By questioning the supposed independence of the economic sphere, feminists highlighted the connection between the public domain of productive work and the private sphere of reproduction and care — the latter being what ensures the existence of a paid labor force, life, and social relations. Care is, therefore, what makes the existence and sustenance of life possible.

Despite its centrality to the functioning of economies and societies, care work continues to be systematically undervalued and made invisible within traditional macroeconomic references. According to a report by Oxfam International (2023), women and girls perform more than 75% of all unpaid care work in the world, dedicating approximately 12.5 billion hours a day to these activities. As Oxfam itself states, care is "the world's most valuable industry". Without it, communities, markets, and states would cease to function. Still, its provision continues to be treated as a private responsibility — familial, feminine, and racialized — rather than a public good to be guaranteed through structural policies and investments.

In this chapter, we propose an intersectional reading of the global financial architecture, demonstrating how austerity, indebtedness, and tax rules perpetuate structural forms of economic violence. This violence falls in an especially severe way on indigenous, Black, rural, and migrant women, whose living and working conditions become even more precarious due to global dynamics of exclusion, financialization, and state withdrawal from the provision of public services, social protection, and care infrastructure.

It is precisely from these concrete experiences that intersectionality presents itself as an indispensable theoretical and political tool for understanding and transforming the international financial system. By recognizing that inequalities based on gender, race, class, territory, and migratory status intertwine and mutually reinforce each other, intersectionality allows us to reveal how the impacts of the financial system are distributed unequally, requiring responses that consider these multiple layers of oppression (Collins, 2009).

Through the concept of ethics of care, we present an alternative to this model: an economic paradigm centered on life reproduction, on redistribution of responsibilities, and on the construction of a pact committed to human and ecological sustainability. Repositioning care as a structuring axis of economies is a fundamental step to reimagine macroeconomic policies that respond to the crises of our time without reproducing historical hierarchies of exclusion and inequality.

The COVID-19 pandemic dramatically laid bare the centrality of care for sustaining life and revealed the limits of the dominant financial model. While health systems collapsed and millions of lives were put at risk, it became evident that care work — predominantly performed by women — is the invisible foundation of economies and communities. Meanwhile, the fiscal response of many governments prioritized rescuing the financial sector over expanding public systems of protection and welfare. This moment of crisis underscores the need to reorganize global economic priorities, prioritizing life — not profit — at the center of political decisions.

2. Austerity and Hegemonic Masculinity: Economic Policy as Gender Violence

International financial institutions, such as the International Monetary Fund (IMF) and the World Bank, have been key proponents in promoting austerity policies in countries of the Global South, often as a condition for granting loans or debt restructuring. Since the Structural Adjustment Programs in the 1980s and 1990s until contemporary fiscal conditionalities, these institutions have advocated for cuts in social investments, privatizations, and regressive tax reforms as pathways to ensure so-called "market confidence" and macroeconomic balance.

The experiences of South Africa, Brazil, and Argentina — all G20 member countries — illustrate how the application of this fiscal discipline logic has compromised states' capacity to ensure fundamental rights, especially for historically marginalized populations.

In South Africa, for example, the government adopted the Growth, Employment and Redistribution (GEAR) macroeconomic policy in 1996, strongly aligned with neoliberal precepts of spending containment, trade liberalization, and fiscal discipline. Although presented as a social inclusion strategy in the post-apartheid era, critics point out that, in practice, GEAR functioned as a veiled structural adjustment, deepening the economy's financialization and limiting the state's capacity to invest in housing, health, and education for the Black population marginalized by the previous regime (Bond, 2004). The result was the reproduction — and, in many cases, the worsening — of structural inequalities inherited from apartheid, with white capital retaining control over the main economic sectors.

In Brazil, the adoption of Constitutional Amendment 95 in 2016 reinforced this same global austerity paradigm. The measure instituted a public spending ceiling for 20 years, severely restricting the financing of essential social policies, including health, education, social assistance, and housing. Justified as a guarantee of macroeconomic stability and market confidence, the measure was applied even without a formal requirement from multilateral organizations. UN (2016) and INESC[1] (2017) reports show that the impacts fell harder on vulnerable populations, especially Black women, children, and residents of urban peripheries. The defunding compromises not only the realization of constitutional rights but also reinforces historical inequalities of race, class, and gender.

In Argentina, the weight of external debt and successive austerity programs linked to IMF loans triggered a prolonged cycle of cuts in public services, wage freezes, and high inflation — with particularly harmful impacts for women and the care economy. Between 2018 and 2022, during Mauricio Macri's government, Argentina signed a $57 billion agreement with the IMF, whose conditionalities resulted in severe fiscal restrictions (Tricontinental Institute for Social Research, 2022:14). As María Nieves Rico (2023) analyzes, these measures imposed on women, mainly on low-income ones, an overload of unpaid work, leading many to abandon the formal job market and worsening the feminization of poverty. The logic of "fiscal responsibility" imposed by creditors redefines care as individual and family responsibility, displacing public obligations to fragile and unequal domestic arrangements.

Under Javier Milei's government, this logic was radicalized with the implementation of an ultra-liberal program that became symbolically associated with the image of a chainsaw — used in the campaign as a metaphor for drastic cuts in the state. The new government eliminated ministries, promoted privatizations, market deregulation, and deep cuts in social policies. The impact was immediate: according to the National Institute of Statistics and Censuses (INDEC), Argentina's

1 Institute of Socioeconomic Studies

poverty rate jumped from 41.7% in the second semester of 2023 to 52.9% in the first semester of 2024 — the highest rate since 2003. This represents about 24.8 million people in poverty, with particularly severe effects on women, children, and the elderly, in addition to triggering a wave of protests in various cities across the country.[2]

This scenario of state retraction led to the intensification of private debt contracting by families, mostly to cover gaps in health, education, and housing areas. In Brazil, for example, the Consumer Debt and Default Survey (Peic/CNC) registered, in January 2024, that 79% of women were in debt — the highest rate for the month since the beginning of the historical series. Women's monthly income committed to debts reached 30.5%, surpassing the national average and that of men (Valor Investe, 2024). These data indicate that indebtedness has become a daily survival strategy, particularly for women who are heads of household.

In contexts marked by informality, housing insecurity, and the absence of universal public policies — such as those in the Global South — many women resort to precarious financing schemes, including microcredit, popular installment plans, and informal debts. According to the report **"The Financial System and Women's Indebtedness: A Feminist Intersectional Analysis"** (Equit, 2024), the financial system profits from precarity, extracting income from impoverished populations — especially women — through loans with abusive interest rates. Under the discourse of financial inclusion, poor women are frequently promoted as natural entrepreneurs, without any transformation of the structural conditions of inequality in which they live.

This cycle of indebtedness transfers the costs of the crisis to female households, while the state shirks its responsibility. At the same time, women are incorporated into

2 Milei government denies responsibility for poverty increase that affects 52% of the population. O Globo, September 27, 2024. Available at: https://oglobo.globo.com/mundo/noticia/2024/09/27/governo-demilei-negaresponsabilidade-pelo-aumento-da-pobreza-que-atinge-52percent-da-populacao.ghtml. Accessed on: May 5, 2025.

the market under informal and unprotected conditions, facing double or triple work shifts. Economic precarity, combined with the intensification of care responsibilities, imposes a disproportionate physical and emotional burden on racialized women from urban peripheries and rural areas.

Not only that, the economic model based on austerity privileges deficit control and debt payment over social welfare, reinforcing patriarchal norms. As feminist theorist Carol Cohn (1987) argues, this logic expresses a "masculine strategic rationality," which values emotional detachment, self-control, and the separation between reason and emotion — erasing the interdependence that sustains life and communities.

Austerity operates, thus, as a reaffirmation of neoliberal masculinity that idealizes self-sufficiency and turns care inferior. By naturalizing the state's withdrawal from the redistribution and social protection spheres, it transfers these functions to women in domestic and community spaces. The discourse of "responsible austerity" therefore reinforces patriarchal, racist, and classist structures by overburdening impoverished racialized female subjects with the costs of crises.

Economist Mark Blyth (2013) argues that austerity survives as a "dangerous idea" — immune to evidence of its harmful effects on growth and equity. For him, it is an ideological project that transfers the weight of crises to the most vulnerable, while preserving the interests of creditors and financial elites. In this model, the state is called upon to act like a "businessman": efficient, contained, and subordinated to the market, not to the population.

The opposition between austerity and care reveals, therefore, two civilizational paradigms. One, centered on financial rationality, which prioritizes macroeconomic order even at the cost of life. Another, anchored in the ethics of care, which recognizes human interdependence, the centrality of social reproduction, and the need to reorganize economic priorities in favor of justice and sustainability. This dispute is not abstract: it translates into political choices that daily shape the precarity of female and racialized lives. The financialization of life converts credit into an instrument of subjection and control, establishing new forms of servitude, extraction, and exploitation — especially over women's bodies.

3. From Indebtedness to Fiscal Injustices: How Financial Architecture Reproduces Global Inequality

Public debt is one of the primary constraints to fair and sustainable development in countries in the Global South. In many cases, debt service — that is, the payment of interest and amortizations — consumes a significant portion of the national budget, hindering substantial investments in health, education, infrastructure, and energy transition. Countries in Africa, Latin America, the Caribbean, and Asia face a chronic dilemma: pay external debts and maintain financial market confidence or invest in social and climate rights.

According to the report "**The Colonial Roots of Global South Debt"** (Debt Justice, 2023), the current international debt architecture is deeply rooted in colonial logics. The document reveals that many Southern countries were forced to assume illegitimate debts — contracted under colonial or dictatorial regimes, or imposed by multilateral institutions — and continue to pay, to this day, for resources that did not benefit their populations. Furthermore, lending mechanisms frequently impose conditionalities that exacerbate intersectional inequalities. Instead of repairing historical asymmetries, the international financial system reproduces them: it transfers resources from South to North under the appearance of assistance or development, perpetuates external dependence, and blocks political alternatives.

The Citizens' Debt Audit (2023) highlights that this indebtedness process is structured by a logic that prioritizes debt payment over rights guarantees, and that, far from being neutral, the Brazilian public budget has operated as a mechanism for transferring public resources to the financial sector, to the detriment of social policies. This reveals how macroeconomic decisions — supposedly technical — are profoundly political and have unequal impacts, especially affecting women, who directly depend on public services to ensure life reproduction.

Debt, in this context, is not just an economic obligation: it acts as a technology of domination. As Meera Sabaratnam and Mark Laffey (2023) argue, the international indebtedness regime is sustained not only by financial coercion but also by moral discourses deeply marked by a logic of guilt and responsibility. The debtor — almost always a Global South country — is portrayed as morally flawed, emotionally impulsive, and financially irresponsible, in contrast to the creditor — generally associated with the Global North — who is presented as rational, disciplined, and technically competent. This moral dichotomy mobilizes a gendered logic, which associates reason, control, and authority with the masculine pole (the creditor) and instability, need, and dependence with the feminized pole (the debtor). Such symbolic construction reinforces colonial and patriarchal hierarchies, converting the debt relationship into a domination device that legitimizes external discipline over Southern economies.

For the aforementioned authors, what is at stake is what they call the "debt complex": a historical and relational formation of power which produces material and symbolic inequalities, subjecting Southern countries to norms and expectations constructed under colonial and patriarchal domains. International debt thus becomes a government instrument that delegitimizes economic alternatives and blocks redistributive policies, as well as those focused on care and social justice. Instead of reflecting a contract between equal parties, it operates as a "racial and patriarchal contract" — in the terms of Charles Mills (1997) and Carole Pateman (1988) — that organizes the international system based on the exclusion and subordination of Southern peoples.

The case of Haiti is emblematic. After achieving independence in 1804, the country was forced to pay compensation to France for the "loss" of its colonies. This colonial debt spanned centuries, draining resources and blocking any real possibility of development. Comparable dynamics occurred in other Global South countries, where Black, indigenous, and feminized populations are historically the most affected by the costs of this indebtedness logic. A striking example is the Democratic Republic of Congo, which accumulated massive external debts during the dictatorship of Mobutu Sese Seko, widely supported by Western powers and multilateral financial institutions. Much of this borrowing was diverted into private wealth through corruption and capital flight, while the Congolese population experienced a deterioration in living standards. Even after the regime's end, the country continued to bear obligations from these loans, incurred without benefiting the people. To this day, debt service severely limits the state's capacity to invest in infrastructure, health, and education, perpetuating poverty in one of the world's richest regions in critical minerals (Ndikumana; Boyce, 1998)

The perspective of so-called "odious debts," as detailed in the study "**Africa's Odious Debts"** (Ndikumana, Boyce, 2011), reinforces this critique. Many debts contracted by African authoritarian regimes — with creditors' knowledge and connivance — did not benefit their populations and served to finance corrupt or repressive projects. Still, they continue to be collected in the name of a logic that privileges contracts over rights. This dynamic also repeats in various Latin American and Caribbean countries, revealing a global pattern of submission. Recognizing the odious, illegitimate, or unsustainable nature of these debts is a fundamental step for the G20 to advance toward global justice and real redistribution of economic power.

Debt, therefore, cannot be analyzed merely as technical data. It is an expression of power, inequality, and economic violence. Its impact is especially severe for racialized women, who face the dismantling of public services and are pushed into precarious care networks, informal work, and domestic indebtedness. When analyzing debt through intersectional lenses, it becomes evident that it functions as a gear for reproducing global and local inequalities, while making life sustainability unfeasible.

Beyond debt, the international tax structure is another pillar of financial architecture that perpetuates global and local inequalities. As the report "**Civil Society Recommendations on International Taxation for G20 Finance Ministers"** (2024) highlights, current taxation regimes privilege large corporations and ultra-rich individuals, allowing tax evasion, avoidance through tax havens, and predatory tax competition among countries. This reduces states' tax bases, limiting investments in social policies and care infrastructure. The regressivity of tax systems — which often overburden consumption and labor income — disproportionately affects racialized and low-income women, who depend on public services to support their families. Reforming the international tax system, with measures such as taxing large fortunes, digital companies, and illicit capital flows, is fundamental to expanding fiscal justice and ensuring resources for an economy centered on life rather than financial accumulation.

This analysis finds echo in the joint declaration of Task Force 3 of T20 and Working Group 1 of C20 (2024), which states that the current international financial architecture "is failing to meet the needs created by increasing climate risks, growing geopolitical tensions, widening income and wealth disparities, and entrenched gender and racial prejudices." The declaration emphasizes that debt relief, reform of multilateral financial institutions, and recognition of historical reparations are crucial steps in establishing a sustainable, inclusive, and decolonizing system (BRICS Policy Center et al., 2024).

As Latindadd research (Geoghegan, Fois, 2021) also highlights, debt and austerity mechanisms in the region perpetuate structural inequalities by transferring crisis costs to poor and racialized women, particularly those living in contexts of informality, forced migration, and the absence of public policies.

4. Between Debt and Life: The Ethics of Care as a Response to Global Financialization

In the face of state retrenchment and the persistent imposition of austerity policies, the financial market has expanded into historically non-commodified spheres of social life — particularly care. Instead of strengthening a public infrastructure of protection and welfare, contemporary policies have been transferring responsibilities to individuals and communities, most significantly to racialized women in the Global South. This process is part of the logic of financialization, in which care ceases to be recognized as a social right and becomes treated as a speculative asset — a risk or opportunity to be priced by investors (Cavallero, Gago, 2019).

In this scenario, financial mechanisms multiply and present themselves as innovative forms of inclusion and modernization, such as microcredit targeted at women, "gender bonds" (debt securities with gender equality targets), and pay-for-success systems applied, for example, to maternal health and elderly care. One example is the voucher program for reproductive health services implemented in Kenya, with support from the World Bank and the United Nations Population Fund (UNFPA). Although it contributed to increasing births in accredited institutions, the model was criticized for conditioning access to health on numerical targets, favoring private clinics over strengthening the public system, and excluding women in greater vulnerability, such as teenagers, people with disabilities, or residents in remote areas. By prioritizing measurable results, these programs replace public planning with market incentives, depoliticizing care policy and subordinating it to the logic of profitability (Bellows et al., 2013). As analyzed by Bohoslavsky and Lavinas (2023), these instruments, such as "gender bonds," tend to reinforce structural inequalities by subordinating women's rights to the logic of profitability and measurable performance. The success of policies is measured by indicators defined by investors — such as the number of girls enrolled in school or women employed — which frequently ignore the quality, sustainability, and universal character of actions. This logic consolidates what Lavinas calls "market feminism": an appropriation of rights language to justify financial instruments that depoliticize the equality agenda and transfer social risks to women themselves. Instead of promoting structural transformations, "gender bonds" prioritize quick and visible results, excluding groups considered non-profitable and imposing a technocratic rationality on public policy. In this model, gender justice is instrumentalized by markets, and care becomes yet another exploitable sector of the economy.

This financial rationality is not limited to the international level. In the Brazilian context, the report "**The Financialization of Life"** (INESC, 2022) illustrates how care policies have been subordinated to fiscal targets, characterized by limited social participation and an absence of an intersectional focus. Care starts to be treated as a cost to be contained or an investment opportunity, worsening gender and race inequalities — especially in households headed by Black women. Complementarily, the Equit Instituto report (2024) reveals how the financial system exploits families' daily precarity: it promotes indebtedness as an individualized solution to the absence of public policies, transforming survival into a financial asset. In this machinery, unpaid reproductive work, abusive interest rates, and the moral responsibilization of women become pillars of a model that naturalizes state withdrawal and privatizes social risks.

Silvia Federici (2004; 2020) interprets this displacement of social reproduction to the market as a new phase of accumulation by dispossession, in which women's bodies and lives are used as invisible collateral for fiscal adjustment. Without public guarantees, many women resort to informal work, unpaid care, and credit to sustain their communities. In parallel, as Rao (2015) argues, the discourse of diversity and inclusion has been instrumentalized by financial institutions as a strategy of moral rehabilitation, concealing their active role in reproducing global inequalities. Care is thus captured by instruments that operate through contracts, targets, and calculated risk; life is translated into efficiency metrics and social bonds become objects of financial governance.

As an alternative, the ethics of care presents itself not only as a moral value but as a proposal for structural reorganization. For Joan Tronto (1993; 2013), the ethics of care recognizes interdependence, attention to real needs, and relational responsibility as foundations for a life-centered economy. Nancy Fraser (2016; 2019) points out that the current crisis of capitalism is inseparable from the crisis of social reproduction — and that no economic model is sustainable if it does not guarantee the bases that make life possible.

However, institutions like the IMF and World Bank continue to promote an idea of "responsibility" anchored in fiscal targets and contracts, which transfers the costs of adjustments to the most vulnerable — especially women. Under the rhetoric of financial inclusion, these women are encouraged to go into debt to fill structural gaps. At the same time, the absence of the state is naturalized, and precarity is sold as autonomy. As Cavallero and Gago (2019) demonstrate, debt becomes a control technology that transcends affective and community bonds, replacing solidarity with credit scoring, and ties women to the reproduction of the workforce without recognition or remuneration.

Reversing this process requires more than compensatory policies: it requires a profound reorganization of the economic pact around collective responsibility for life. This means decommodifying care, recognizing it as a common good, and ensuring its provision as a universal public infrastructure. Policies inspired by the ethics of care — such as public care systems, free health and education, decent housing, and basic income — confront the logic of austerity and affirm the centrality of social reproduction as the basis of any fair economy.

As highlighted in the report **"The Global Roadmap for Action on the Care Economy"** (Harris et al., 2024), prepared by the Global Alliance for Care, it is essential to prioritize life sustainability in economic decisions, placing care at the center of public policies. The document proposes that care be recognized as an engine of sustainable development and integrated into all economic, social, and environmental policies. This inversion of priorities requires rethinking the criteria that guide investments, budgets, and fiscal commitments. Caring — for people, communities, and the earth — is not a cost to be minimized, but the foundation of viable economies.

It is, ultimately, a civilizational choice: sustaining a system centered on the logic of debt or building a model based on care and the dignity of lives. As María Nieves Rico (2023) states, by prioritizing macroeconomic goals based on cuts and surpluses, states dismantle the material conditions of social reproduction. Placing care at the center — as Rico proposes — means shifting the logic from contract to relationship, from market to life, from scarcity to solidarity. Between debt and life, it is care that can point to paths of justice, interdependence, and real sustainability.

It is essential to highlight that the ethics of care is not just a theoretical or utopian proposal: it is already being practiced by various networks, movements, and collectives around the world. In the Global South, notable actions include those of the International Domestic Workers Network, that fights for legal recognition, social protection, and valorization of paid care; the campaigns "We Want to Be Alive, Free, and Debt-Free," articulated by feminist movements in Latin America against the financialization of life; and the solidarity and care economy networks that flourish in peripheral and indigenous territories, especially in Latin America and Africa. These experiences demonstrate that care, when collectively claimed, also becomes a practice of resistance and social reorganization. They express forms of community governance, solidarity, and sustainability that confront the dominant model based on debt, profit, and exclusion.

5. Recommendations for an Economic Agenda with Intersectional Justice

1. Repositioning care as a macroeconomic priority, recognizing it as essential infrastructure for life sustainability.

2. Incorporating the care economy into public budgets and economic recovery plans, prioritizing marginalized territories and populations.
3. Creating universal public care systems with an intersectional focus, including daycare centers, health care, support for the elderly, and disabled people.
4. Guaranteeing redistribution of unpaid care work with time policies (equal parental leave), money (basic income), and free public services.
5. Strengthening the rights of care workers, in formal and informal sectors, with social protection, decent wages, and legal recognition.
6. Eliminating conditionalities based on fiscal targets, which limit social investments and hinder structural policies of gender and racial justice.
7. Reforming national and international tax systems to guarantee fiscal justice, through progressive wealth taxation, elimination of tax havens, and regulation of tax evasion
8. by large corporations. The collected resources should be allocated to financing universal public policies — such as health, education, care, social protection, and a fair ecological transition — with a focus on reducing intersectional inequalities and responding to the climate crisis.
9. Reforming the international financial architecture, proposing debt relief mechanisms and reparations based on historical justice.
10. Regulating financial instruments such as "gender bonds" to ensure they do not subordinate women's rights to the logic of profitability.
11. Promoting data disaggregated by gender, race, territory, and social class, to support public policies based on intersectional evidence.
12. Linking care policies to climate agendas and fair ecological transition, valuing knowledge and practices of peripheral, indigenous, and rural communities.
13. Reorienting multilateral development banks, such as the New Development Bank (NDB), to direct resources to

projects that strengthen public care infrastructures and promote intersectional justice.

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Chapter Fourteen

The G20 and the need to reform the UN System

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Abstract

The challenge we address in this chapter is how the G20 can contribute to enhance global governance mechanisms. We depart from the understanding that a deficit of legitimacy and efficiency distinguishes – the most central and institutionalized global governance mechanism – the United Nations system and the G20. We recommend that the relationship between the UN system and the G20 becomes more integrated and coordinated thus leveraging their respective strengths and mandates. This movement can help in turning the tide on declining legitimacy and efficiency of global governance mechanisms.

Keywords: UN System; UN Reform; G20 Presidency; Multilateralism.

Introduction

The challenge we address in this chapter is how the G20 can contribute to the availability of more efficient and more legitimate global governance mechanisms. We depart from the understanding that a deficit of legitimacy and efficiency is striking the most central and institutionalized global governance mechanism – the United Nations system – and that the G20 can play a crucial role in moving the UN reform agenda forward.

Current global economic, social, and environmental challenges require a governance structure that can balance the need for quick but also effective and sustainable responses to political and economic challenges. In an interdependent and globalized world, multilateralism will continue to be a fundamental aspect of international relations (Thakur, 2011). While the core of multilateralism is still the United Nations system, it has failed to resolve global challenges and many more informal governance mechanisms have been created. The G20 emerged in this context and should now turn towards the UN system. In this chapter we make a proposition on how this can take place.

1. The Reform of the UN system

The UN system bears the marks of the dramatic moments after World War II when it was created. But the countries, distribution of power, global problems, nature of security threats to be tackled and patterns of social relations are profoundly different today. Thus, the organization finds itself amid a profound crisis of legitimacy, increasingly hamstrung by intensifying great-power rivalries. Compounding this is a severe budgetary shortfall, triggered by the suspension of U.S. funding and significant cutbacks from other major contributors, which now threatens to bring the UN system to a standstill.

The reform of the UN system has been on the international agenda since the 1990s but the reforms that did take place did not tackle central tensions and disabilities. Several agencies have been transformed and the interconnection has been addressed in line with the "learning organization" culture. The UN needs to become more networked, as mentioned by the Secretary General[1], both in terms of its internal relations and in terms of relations with other international governance mechanisms and actors. Breaching the UN´s legitimacy and efficiency gap is crucial in order enable the organization in cooperation with other entities to produce global public goods. Tackling dire social problems, as put forward by the Brazilian proposal of a Global Alliance against Hunger and Poverty, established in 2024, demands a capacity to pool resources and reach common understandings. This in turn demands legitimacy and spheres of authority.

We contend that although a review of the agencies and programs of the UN system is needed, the reform of the Security Council needs to move ahead as a crucial trigger for a meaningful reform process. The Security Council should be more inclusive, representative, transparent, and effective. The inclusion of new permanent and non-permanent members, from Latin America, the Caribbean and Africa have become crucial. In December 1992, the General Assembly created an open-ended working group to review equitable representation of the council but more than three decades later, no tangible results were offered. The G20 can help this process move forward.

1 "Secretary-General Stresses Need for More Networked, Inclusive Multilateralism, in International Day of Diplomacy Message", United Nations, accessed May 14, 2024. Available at: https://press.un.org/en/2021/sgsm20699.doc.htm.

2. The interaction between the G20 and the UN System

One of the prominent criticisms levelled against the G20 is its perceived deficiency in coordinating effectively with the broader UN. This criticism stems from two fundamental observations. Firstly, despite its significant influence on global economic and development policies, the G20 often operates in relative isolation from the broader multilateral framework established by the UN. This lack of coordination can lead to duplication of efforts, conflicting priorities, and missed opportunities for synergy between the G20's initiatives and those of other UN bodies.

Secondly, the G20's limited engagement with UN specialized agencies and bodies often results in underutilization of the technical expertise and resources available within the UN system. Overall, the criticism of the G20's lack of coordination with the broader UN system underscores the need for greater integration and alignment between these two pillars of global governance. Enhancing coordination mechanisms, promoting dialogue and collaboration between the G20 and relevant UN bodies, and ensuring coherence between their respective agendas are essential steps toward strengthening global governance and advancing collective efforts to address pressing global challenges.

Alongside legitimacy and representation concerns, the G20's involvement in global governance also poses challenges related to accountability. The G20 was created as a self-appointed group of major economies intended to be more effective than the G7 in coordinating macroeconomic policies. Unlike institutions such as the United Nations, the G20 lacks formal mechanisms for accountability to the broader group of international actors. Decisions made within the G20 are often informal and non-binding, making it difficult to hold member states accountable for their actions. Furthermore, the lack of transparency in G20 meetings and decision-making processes hampers public scrutiny and limits opportunities for civil society organizations and smaller nations to hold G20 members accountable for their commitments and actions. This opacity not only undermines accountability but also contributes to feelings of powerlessness among countries not represented in the G20, further exacerbating perceptions of unequal treatment in global governance. Engagement with the UN system can also change this condition.

Collaboration between the G20 and the United Nations (UN) holds significant potential for addressing global challenges more effectively. Firstly, the G20 can leverage its role in setting the agenda for key global issues, drawing upon its representation of major economies and significant political influence. By identifying priority areas such as climate change, economic stability, or pandemic response, the G20 can articulate comprehensive strategies and goals. Concurrently, the UN can provide the necessary institutional framework and expertise for implementing these agendas. Through its specialized agencies, programs, and partnerships, the UN possesses the infrastructure to coordinate multilateral efforts, mobilize resources, and monitor progress towards shared objectives. This collaboration allows the G20 to capitalize on its convening power and policy expertise while ensuring inclusivity and legitimacy through the UN's global mandate.

Secondly, the G20 can bolster UN initiatives by leveraging its considerable resources and capabilities. This could entail financial contributions to UN agencies and funds, as well as technical assistance and capacity-building support. By aligning their resources with UN priorities, the G20 can amplify the impact of existing initiatives and address critical gaps in funding or expertise.

Furthermore, establishing joint task forces on specific challenges offers a pragmatic approach to collaboration. These task forces could bring together experts and policymakers from both the G20 and the UN to devise targeted strategies and action plans. By fostering synergy and shared responsibility, joint task forces facilitate innovative solutions and promote collective ownership of complex issues.

In essence, effective collaboration between the G20 and the UN hinges on leveraging their respective strengths and mandates. By integrating the G20's agenda-setting prowess with the UN's implementation capacity, mobilizing resources to support UN initiatives, and establishing joint task forces, these organizations can forge a more coherent and coordinated approach to tackling global challenges.

The Economic and Social Council (ECOSOC), as a principal organ of the UN System, possesses a wealth of expertise and institutional infrastructure that can complement the G20's efforts in addressing complex global challenges. The High-level Segment of ECOSOC, which convenes annually, provides a crucial platform for high-level political dialogue on a wide range of economic and social issues. By engaging with this segment, the G20 can leverage the expertise and insights of ECOSOC members to inform its own deliberations and policy-making processes. Additionally, fostering closer collaboration with ECOSOC's High-Level Political Forum, which reviews progress towards achieving the Sustainable Development Goals (SDGs), presents an opportunity for the G20 to align its priorities with the broader global development agenda and ensure coherence in international efforts to promote sustainable development.

Collaboration between the G20 and ECOSOC could take various forms. ECOSOC could provide technical assistance and policy expertise to help the G20 formulate more precise and actionable goals. This could involve leveraging the research and analysis conducted by UN agencies and expert bodies to inform G20 deliberations and decision-making.

Moreover, ECOSOC could play a crucial role in monitoring progress and evaluating the effectiveness of G20 initiatives. By establishing joint monitoring frameworks and reporting mechanisms, the G20 and ECOSOC could ensure greater transparency and accountability in the implementation of agreed-upon measures.

Furthermore, ECOSOC could facilitate broader engagement with UN member states, civil society organizations, and other stakeholders, enhancing the inclusivity and legitimacy of

G20 initiatives. By tapping into ECOSOC's extensive network and convening power, the G20 could broaden its impact and foster greater ownership of its objectives among the international community.

Greater engagement between the G20 and the UN, should facilitate the G20's participation in the debate and deliberations on UN reform and more particularly the Security Council reform. The first step in thinking about reforming the UN system is to encourage a formal discussion on the subject in the Sherpa tracks at the summits. Since its institutionalization, the G20's agendas have been geared towards strengthening and reforming the main multilateral financial institutions: the World Bank and the International Monetary Fund (Commission on Global Security, Justice & Governance, 2015). Today, given the complexity and interdependence of global problems and the need to generate global public goods, the G20 needs to include an agenda on reforming the United Nations (Thakur, 2011; Weiss, 2010).

We suggest the creation of a permanent Task Force on the G20 Sherpa track aimed at UN

Reform including ECOSOC´s performance in the field of the Sustainable Development Goals, the Security Council role in the field of peace and security, its composition and decision-making processes and the enhancement of the role of the General Assembly. This Task Force can become, in the long term, a space for building consensus on necessary reforms within the UN System, by establishing coalitions that include the global North and South.

We also suggest a three-country Presidency which has the potential to strengthen collaboration between the G20 and other international organizations, particularly the UN. A tripartite G20 presidency would amplify diplomatic engagements between G20 and the UN system, enabling strategic task allocation among the trio. Additionally, through joint advocacy efforts, the trio could amplify their collective voice in promoting multilateralism and the UN's role in global governance. By including representatives from both the global North and South, this approach ensures that a broader range of perspectives and priorities are considered when shaping the G20's agenda.

A more inclusive G20, representing both northern and southern nations, may find it easier to align its priorities with those of the UN and coordinate efforts to address pressing global challenges. By distributing the Presidency responsibilities among three countries, the workload is spread more evenly, allowing for a more consistent and coherent approach to setting the G20's agenda. Unlike the current system, where priorities may shift dramatically with each new President, a three-country model enables the development of a longer-term vision, fostering continuity, stability and predictability in the G20's strategic direction. This stability not only enhances the group's credibility but also provides a conducive environment for fostering sustainable solutions to complex global challenges.

Moreover, the smoother transitions between successive leaders, minimizing disruptions and ensuring continuity in ongoing projects and initiatives could be achieved. With three countries involved in the leadership rotation, the handover process becomes more seamless, allowing for a more efficient transfer of responsibilities and institutional memory. This continuity is essential for maintaining momentum on critical issues and avoiding delays or setbacks due to administrative transitions.

Another compelling advantage of a three-country Presidency is the potential for enhanced expertise and knowledge-sharing. Each participating country brings its unique strengths and experiences to the table, enriching the G20's discussions and policy deliberations.

3. Engaging with Global South Regions

While their insights are invaluable, the G20 would benefit from deeper engagement with regional counterparts such as ECLAC or the African Union, injecting greater complexity and diverse perspectives into global deliberations, bridging the gap between Western and Southern viewpoints. In this sense, ECOSOC's extensive network of subsidiary bodies, including specialized agencies, regional commissions, and functional commissions, offers valuable channels for the G20 to engage with a diverse array of stakeholders and tap into specialized knowledge and resources.

The G20 should actively seek to diversify the range of organizations invited to participate in its summits and working groups, with a particular focus on including institutions from the Global South. This could involve expanding the G20's outreach efforts, establishing formal mechanisms for engaging with regional development banks and other relevant organizations, and providing financial and logistical support to facilitate their participation. Also, the G20 should prioritize collaboration and knowledge sharing between Northern and Southern institutions, leveraging their respective expertise and perspectives to inform G20 discussions and policy-making processes. This could include organizing joint research projects, hosting capacity-building workshops, and establishing platforms for dialogue and exchange between researchers, policymakers, and practitioners from different regions. Finally, the G20 should provide financial and technical support to strengthen the institutional capacity of organizations from the Global South, enabling them to actively contribute to G20 deliberations and initiatives.

Conclusion

Amid the deepening crisis of multilateralism and the serious funding challenges currently facing the United Nations, the G20 must assume a central role in shaping the future of global governance. No other forum brings together such a broad and diverse range of interests and perspectives. Its convening power makes it the most suitable space to initiate an urgent discussion on how to redesign a UN system that is both more effective and more legitimate.

We understand a change in the relationship between the UN System and the G20 can contribute to move global governance mechanisms forward and the suggestions in this chapter can produce a scenario of UN reform and greater legitimacy and efficiency of the governance mechanisms in focus here.

The G20 could become a space for building consensus on the necessary reforms within the United Nations System, based on its articulations that include the global North and South and the greater promotion of collective efforts between these two pillars of global governance could take place to tackle pressing global challenges. Greater reciprocity between the G20 and other international forums with flows of ideas, proposals, and knowledge in multiple directions will enhance the possibilities of the production of global public goods.

It is essential to face the challenges associated with consensus building, logistical complexity and the power dynamics between states. Geopolitical fragmentation is currently a major threat to the G20's reform agenda and to its very continuity as a key player in the global order. The effort therefore lies in the need for a differentiated and multifaceted approach, which seeks to promote cooperation and facilitate negotiations between member countries.

The history of attempts to reform the multilateral system highlights a consistent pattern: initiatives facing the greatest resistance often entail redistributing power. In this chapter we have deliberately steered clear of advocating for measures in this sphere. Instead, our focus lies on fostering a collaborative approach. By avoiding the imposition of specific contents that might polarize opinions, we aim to sidestep potential divisions within the international system. Contrary to the notion of introducing entirely new structures, our proposed initiatives are geared towards refining the existing framework of multilateralism. We assert that progress lies in enhancing the coherence and effectiveness of coordination mechanisms across the spectrum of multilateral institutions building consensus when possible. We shift the focus away from contentious geopolitical issues towards areas where shared interest and agreed upon mutual benefit can be found. By prioritizing synergy over power struggles, we advocate for a more streamlined and inclusive approach to global governance.

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Chapter Fifteen

The G20 and Accelerated Implementation of Sustainable Development Goals: An Accountability Framework

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Abstract

This chapter analyses the evolution of accountability mechanisms within the Group of Twenty (G20) and their significance in accelerating the implementation of the Sustainable Development Goals (SDGs). The framework, which is linked to the formation of the G20 Development Working Group (DWG). The group in 2010 was originally intended to address development difficulties in low-income countries of the South

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by combining global economic stability with long-term growth goals. The chapter traces key reforms to the Accountability Framework from its first approval in 2014 to subsequent G20 presidencies led by China, Japan, Saudi Arabia, Italy, Indonesia, India, and Brazil. It draws lessons for the South African presidency in 2025. Each presidency came with new innovations and instruments, such as structured reporting, peer review processes, and various commitments, to improve transparency and policy consistency. Despite significant progress, challenges with enforcement, data quality, and the alignment of various national goals remain. By critically examining these advances and highlighting existing gaps, the study makes strategic proposals to improve accountability measures. In the end, this analysis emphasises how crucial accountability is to promoting sustainable development and guaranteeing that international initiatives successfully tackle the intricately intertwined problems of the modern world.

Keywords: Sustainable Development Goals, G20 framework, Accountability mechanisms

1. Introduction

The G20 Development Working Group (DWG) was created in 2010 to address development issues, particularly those affecting low-income countries. With this group, the G20 hopes to play a pivotal role in shaping global economic and development processes and outcomes. The DWG coordinates efforts to support sustainable and inclusive growth and development, particularly in low- and middle-income countries, while serving as the main platform within the G20 for discussing international development issues and aligning G20 actions with global priorities such as the 2030 Agenda for Sustainable Development (Zondi, 2013). This was also in response to the pressing development challenges facing low-income and developing countries and their insistence that global economic stability would be incomplete without addressing the development questions head-on. In 2014, the DWG introduced an Accountability Framework to monitor progress on development commitments. The 2014 G20 Leaders' Communiqué references this framework, highlighting its role in tracking development commitments. Between 2016 and 2024, the G20 DWG Accountability Framework underwent significant reforms to enhance transparency, improve monitoring mechanisms, and align with global development goals. The introduction of structured reporting, peer review processes, and inclusive indicators has strengthened the framework, yet challenges such as enforcement, data quality, and competing priorities remain. As the G20 continues refining its approach, ensuring greater policy coherence and stronger engagement with developing countries will be essential for sustaining impactful development outcomes. This chapter reviews progress in the evolution of this framework with a view to identifying gaps and strengthening gains made based on the view that accountability is crucial in catalysing the accelerated implementation of the Sustainable Development Goals (SDGs).

2. Inception and Evolution of the Accountability Framework

Accountability in international development is a multidimensional concept encompassing various forms that interact to ensure the legitimacy, effectiveness, and sustainability of development interventions. Scholars like Brinkerhoff (2001) identify three major dimensions of accountability: financial, performance, and political/democratic accountability. Financial accountability pertains to the proper and transparent use of funds, ensuring that resources are used efficiently and in accordance with agreed-upon rules and procedures. It includes auditing processes, financial reporting, and fiduciary assessments. Performance accountability, on the other hand, is concerned with whether development initiatives achieve their intended objectives. It involves the use of monitoring and evaluation systems, key performance indicators (KPIs), and logical frameworks to track outputs and outcomes (Brinkerhoff, 2001).

Political or democratic accountability refers to the responsibility of actors to justify their actions to stakeholders, especially citizens and affected communities. It often requires mechanisms such as participatory planning, public hearings, or grievance redress systems. These three dimensions should ideally work together in an integrated framework. However, in practice, accountability mechanisms often favor upward reporting to donors and global institutions over downward accountability to beneficiaries and local stakeholders (Fox, 2015). This imbalance may lead to development practices that prioritize donor visibility and short-term targets rather than transformative, context-specific changes.

Moreover, Ebrahim (2005) expands on this by arguing that accountability is not merely a technical exercise in reporting and compliance, but a relational and dialogic process that includes learning and adaptation. He proposes that accountability mechanisms should facilitate feedback loops that enable organizations to reflect on failures, adapt strategies, and improve performance in ways that are meaningful to both donors and communities. This approach aligns with calls for more developmental accountability, where systems not only track what is being done, but also how well organizations are learning and evolving to meet complex development challenges.

An accountability framework in the area of international development refers to a structured system of principles, mechanisms, and processes that ensures development actors, such as governments, international organizations, donors, and implementing agencies, are answerable for their actions, use of resources, and the outcomes of development initiatives. These frameworks aim to promote transparency, improve performance, enhance trust among stakeholders, and ensure that commitments made in development cooperation are fulfilled in ways that align with agreed goals and standards, such as the SDGs (Brinkerhoff, 2001; OECD, 2011).

2.1 Accountability Mechanisms have key pillars, which include:

1. Monitoring and evaluation mechanisms that track progress against set objectives.

2. Reporting systems that make information accessible to stakeholders.
3. Review processes (e.g., audits, peer reviews) that assess performance and compliance.
4. Feedback and grievance mechanisms that allow affected populations to express concerns or report failures; and
5. Learning and adaptation mechanisms that help institutions adjust strategies based on scientific evidence.

Despite their widespread adoption, Accountability Frameworks in international development have faced a number of criticisms, particularly for being overly bureaucratic and insufficiently responsive to the needs of the people they are meant to serve. Scholars like Eyben (2013) argue that many of these frameworks are dominated by a results-based management (RBM) culture that emphasizes quantifiable metrics, such as outputs and short-term outcomes, often at the expense of more nuanced, qualitative understandings of change. This results in a form of accountability myopia, where organizations focus on what is measurable rather than what is meaningful.

The MDG monitoring system, for example, though praised for standardizing development reporting, was often criticized for its rigid reliance on a narrow set of indicators that overlooked issues like inequality, human rights, and participation (Fukuda-Parr, 2014). This critique has carried over into the SDG era, where, despite a more comprehensive and inclusive set of goals and indicators, concerns remain about how effectively monitoring systems can capture transformative change, especially in areas like governance, empowerment, and environmental sustainability.

Another critical issue is the disconnection between global reporting and local realities. Many accountability frameworks are designed and implemented by international agencies and national governments without adequately consulting or involving local communities. This top-down approach can marginalize the very people development is meant to help, leading to reduced ownership, limited trust, and diminished long-term impact. Furthermore, the proliferation of donor-driven accountability mechanisms often creates duplicative and burdensome reporting requirements, particularly for low-capacity governments and NGOs, thereby diverting resources away from service delivery and innovation.

Finally, there is a growing concern that many accountability mechanisms are designed primarily for upward control, such as satisfying the information needs of donors and multilateral institutions, rather than enabling horizontal or downward accountability. This lack of reciprocity undermines democratic governance and can perpetuate power imbalances in the international development system (Fox, 2015).

Despite the critiques, there are promising innovations in how accountability is being conceptualized and implemented in development practice. One such innovation is the Global Partnership for Effective Development Co-operation (GPEDC), which emerged from the 2011 Busan High-Level Forum on Aid Effectiveness. GPEDC promotes the idea of mutual accountability, where donors and partner countries jointly commit to shared goals, and both are held responsible for results. The partnership conducts biennial monitoring exercises that assess progress based on indicators such as transparency, use of country systems, and inclusive partnerships (GPEDC, 2016). These efforts mark a shift from traditional aid conditionalities toward more collaborative, trust-based models of accountability.

Similarly, the African Peer Review Mechanism (APRM) offers a unique example of regional, horizontal accountability in governance and development. Voluntarily adopted by African Union member states, the APRM uses peer reviews and national self-assessments to evaluate political, economic, and social governance. While it faces challenges in enforcement and follow-up, the APRM provides a model for how regional organizations can foster mutual learning, transparency, and accountability without external imposition (Gruzd, 2014).

Civil society organizations and communities have also pioneered social accountability mechanisms that empower citizens to directly hold service providers and governments to account. Tools such as citizen report cards, community scorecards, social audits, and public expenditure tracking surveys (PETS) have gained traction in countries like India, Uganda, and the Philippines (Joshi, 2013). These approaches are often low-cost, participatory, and contextually grounded, making them more accessible and impactful in addressing local service delivery failures.

Moreover, technology has opened new frontiers for accountability. Platforms such as Ushahidi in Kenya or *FixMyStreet* in the UK enable real-time citizen feedback and improve transparency (Baykurt, 2011). Open data portals and participatory budgeting platforms also allow citizens to monitor budgets and influence spending decisions. These innovations represent an important step toward making accountability frameworks more inclusive, responsive, and dynamic, reflecting a growing consensus that accountability should be embedded in everyday governance rather than relegated to periodic reporting exercises.

3. Accountability within the G20 Context

The G20 has historically played a central role in global economic governance, but its engagement in development cooperation has evolved significantly over the past two decades (Force, 2020). Initially, the G20's approach to development lacked a coherent strategy and was criticized for being fragmented and donor-centric. However, with the adoption of the 2030 Agenda for Sustainable Development in 2015, there was an increased recognition among G20 members of the need to align their actions with the SDGs to ensure policy coherence and global impact.

Under China's presidency in 2016, the G20 revised its Development Working Group Accountability Framework to better reflect the principles and objectives of the SDGs (G20, 2016). This marked an important shift toward integrating sustainability, inclusivity, and long-term development into the G20's core agenda. The updated framework emphasized monitoring of policy implementation, regular reporting, and the establishment of annual accountability reports to track progress across priority areas such as infrastructure, food security, and financial inclusion. It also promoted knowledge sharing and peer learning among members, drawing from both G20 and non-G20 experiences.

Despite these improvements, the G20's accountability framework still faces limitations due to the group's informal and non-binding nature. Unlike treaty-based institutions such as the United Nations or the World Bank, the G20 operates through consensus and voluntary commitments, which limit enforcement capabilities. Critics like Martens and Seitz (2015) argue that without stronger enforcement and clearer responsibilities, the G20's development commitments risk becoming symbolic rather than substantive. Furthermore, the framework has been critiqued for insufficient engagement with civil society and the Global South, raising concerns about inclusivity and legitimacy.

Nevertheless, the inclusion of SDGs into the G20's accountability mechanisms has encouraged broader adoption of sustainability principles within its economic and financial agenda. It has also contributed to mainstreaming development across policy domains such as trade, energy, and climate. Going forward, strengthening the G20's accountability mechanisms—through enhanced transparency, participatory processes, and stronger links to multilateral institutions—will be key to ensuring its continued relevance and impact in achieving the 2030 Agenda.

Following the adoption of the Sustainable Development Goals (SDGs) in 2015, the G20 recognized the need to align its development commitments with the 2030 Agenda (UN, 2015). In 2016, under China's G20 presidency, efforts were made to integrate SDGs into the Accountability Framework, ensuring that G20 development policies contributed to sustainable economic growth and poverty reduction (G20, 2016). During the 2017 G20 Summit in Hamburg, Germany, prioritized policy coherence, emphasizing the need for a streamlined reporting process within the DWG. The Hamburg Update on Development

Commitments introduced new reporting mechanisms designed to assess the impact of G20 policies on developing economies (G20, 2017). This update sought to make accountability mechanisms more transparent and improve data collection on development-related commitments. The 2017 presidency also sought to strengthen the G20's role in promoting inclusive and resilient development, especially in Africa, through initiatives such as the G20 Africa Partnership.

The 2017 presidency built on the revised G20 Accountability Framework initiated in 2016 by continuing the practice of annual reporting. The 2017 Development Working Group (DWG) Annual Progress Report focused on tracking progress in key sectors, including infrastructure, food security, and financial inclusion, and aligned these efforts more explicitly with the SDGs (G20, 2017b). The DWG emphasized results-oriented monitoring, transparency, and mutual learning, and committed to further refining indicators and methodologies to improve reporting quality. Germany's G20 presidency also called for better data availability and disaggregation to ensure that progress is inclusive and leaves no one behind, echoing the SDGs' core principle. There was a notable emphasis on evidence-based policymaking and the need to link G20 initiatives with global reporting mechanisms, such as the UN's High-Level Political Forum (HLPF).

By 2019, there was growing concern that the G20 accountability efforts were fragmented, making it difficult to track progress effectively. The Japanese G20 presidency of 2019 introduced a more structured approach to accountability, emphasizing data-driven assessments and regular peer reviews (G20, 2019). The group's ability to evaluate progress was due to the lack of a systematic approach for tracking development commitments. In turn, this makes it harder to implement meaningful and consistent strategies. The DWG's credibility was undermined, and its contributions to sustainable development were deemed ineffective, especially concerning the 2030 Agenda and the Sustainable Development Goals (SDGs) (G20, 2019). The Japanese G20 presidency sought to focus the G20 on strengthening and enhancing the reporting and monitoring process across all DWG activities. Data-driven evaluations, which were key components of change, were implemented. Quantitative data sources and reliable indicators were favoured when analysing development achievements. This approach shifted towards transparent and objective measuring systems, distancing itself from politically biased or anecdotal reporting (OECD, 2020).

Additionally, the Japanese G20 presidency promoted the establishment of *regular peer reviews*, enabling G20 members to evaluate one another's progress. These peer reviews aimed to promote openness, reciprocal learning, and a continual development mindset. The DWG aimed to improve its internal accountability and promote more efficient execution of its promises by utilising strategies that organisations like the Organisation for Economic Cooperation and Development (OECD) have found to be effective (OECD, 2020).

Although issues remained, particularly with data availability and consistency across varied national contexts, the revisions made during the 2019–2020 term represented a major step forward. Improved monitoring and reporting systems enabled a more logical, accountable, and evidence-based development strategy within the G20 framework (Fukuda-Parr and McNeill,2019). A major cultural change within the G20's development strategy was also signalled by these revisions. The DWG promoted a shift from vague, rhetorical commitments to more concrete and verifiable development achievements by emphasising quantifiable outcomes. This focus was in line with global development cooperation trends, which have made evidence-based policymaking and results-based management essential to institutional efficacy (Gulrajani and Swiss, 2019). Additionally, this change promoted a sense of shared accountability and duty among G20 members by encouraging them to take more responsibility for their individual and group development.

The introduction of structured accountability systems sought to respond to longstanding critiques of global development forums like the G20 is that lofty declarations often lack practical follow-through. Japan's approach helps lead to a more coherent tracking of crosscutting issues such as gender equality, climate resilience, and inclusive economic growth. Finally, the strengthening of monitoring and reporting mechanisms during Japan's G20 leadership laid a foundation for future presidencies to build upon. It also served as a model for other international development partnerships seeking to improve transparency and impact (OECD, 2018). While implementation remained uneven across member states, the momentum generated in 2019–2020 helped reposition the DWG as a more credible actor within the global development architecture (Fukuda-Parr and McNeill, 2019). By institutionalising accountability practices, the G20 enhanced not only its internal governance but also its ability to contribute meaningfully to global development dialogue and progress (G20, 2019).

3.1 Post-COVID Adjustments - 2021-2024

The COVID-19 pandemic presented new challenges to global development, leading to further reforms in the Accountability Framework. In 2020, under the presidency of Saudi Arabia, the DWG introduced the Modernized Accountability Framework (MAF), which streamlined reporting and introduced a tiered approach to development commitments. The MAF framework distinguished between: Core commitments: Long-term, high-priority initiatives directly aligned with SDGs, and Supporting commitments: Shorter-term initiatives complementing broader development efforts (G20, 2020). This framework was essential considering the different levels of focus and engagement.

This enhanced framework was also designed to respond to the COVID-19 pandemic context, where it seemed SDGs implementation would be displaced by crisis management and its demands, including pressures on budget lines. It therefore accommodated the urgent needs of the pandemic period with the longer-term focus on inclusive development. It married recovery efforts with the acceleration of the SDGs. This "*modernisation*" improved clarity in tracking commitments and enhanced mutual accountability among G20 members and developing countries (G20, 2020).

The G20 Development Working Group (DWG) Accountability Report of 2020 provided insightful reviews of the implementation of G20 development commitments across key priority areas. It reaffirmed the importance of the G20 Accountability Framework, noting that it ensures transparency, fosters policy learning, and helps assess the effectiveness of collective actions in supporting sustainable development (G20, 2020b). The 2020 report also emphasized the need to strengthen data systems, enhance results-based monitoring, and integrate the SDGs more systematically into G20 development initiatives.

The Italian G20 presidency in 2021 affirmed the outcomes of Saudi Arabia and implemented the enhanced accountability framework to show progress in various streams of work in the G20 in relation to accelerating the SDGs. It introduced an Integrated National Financing Frameworks (INFFs), the framework for voluntary support to INFFs, aiming to align all sources of financing with the SDGs that have a reporting requirement (G20, 2021). This initiative sought to address financing gaps while promoting transparency and mutual accountability in sustainable development financing.

The G20 Declaration coming out of Bali, Indonesia, 2023, emphasized transparency and mutual accountability in development cooperation, noting initiatives like the Coalition for Disaster Resilience Infrastructure (CDRI) and the Global Blended Finance Alliance (GBFA) as examples of efforts to enhance accountability in development projects. The G20 Development Working Group (DWG) continued to uphold its accountability framework by presenting the 2022 G20 Bali Update, which adhered to the G20 Modernized Accountability Framework (G20, 2023). The Coalition for Disaster Resilient Infrastructure (CDRI) aimed to strengthen countries' capacity to design, build, and maintain infrastructure that can withstand climate risks and natural disasters, ensuring long-term resilience and reduced vulnerability. In contrast, the Global Blended Finance Alliance (GBFA) aimed to mobilize and channel both public and private capital toward sustainable development projects, thereby closing financing gaps and enhancing the scale and impact of investments.

Building on previous commitments, the DWG presented the 2022 G20 Bali Update, a document designed to track progress and ensure that pledges translate into measurable actions. This update aligned with the G20 Modernized Accountability Framework, which was adopted to refine monitoring and reporting practices, improve comparability across commitments, and promote a culture of evidence-based evaluation. The framework prioritizes clarity, measurable indicators, and shared responsibility among G20 members, thereby enhancing the credibility of the group's development agenda.

The India G20 presidency in 2023 was preoccupied by the urgency of accelerating progress toward the SDGs, seeing that only 12% of the targets had been achieved with 7 years left to the end of the SDGs period (Warwantkar, 2023). The plan for accelerating SDG implementation was adopted, while the accountability framework that had evolved in an enhanced format since 2020 continued to receive support from the G20 leaders. The plan included underlining a coordinated and inclusive framework for monitoring and evaluating progress toward the SDGs with restructured indicators for assessing development progress, ensuring that commitments reflected the needs of both developed and developing economies (G20, 2023).

Brazil's 2024 presidency continued the enhance efforts to enhance dating back to 2020, emphasising the importance of food security, climate action, and poverty reduction (Kundu and Gupta, 2024). The revised DWG reporting mechanism included new indicators to measure the social impact of G20 development initiatives, further improving transparency and accountability (G20, 2024). In line with the Brazilian presidency's prioritization of food security and hunger (Oliveira and Ibañez, 2025) and poverty reduction (Zarocostas, 2024), the revised reporting mechanism included new indicators to measure the social impact of G20 development initiatives, further improving transparency and accountability (G20, 2024).

The South African Presidency and Accountability

South Africa, as the only African country in the G20 and the presidency of the G20 in 2025, plays a strategic role in shaping the G20's development agenda and promoting the interests of the Global South. This is also about shaping accountability mechanisms in a manner that benefits African countries and other poor countries of the world. In regard to the G20 Accountability Framework, South Africa has consistently advocated for inclusive development, African priorities, and policy coherence between economic growth and social justice (South African Government, 2023).

Since the adoption of the Accountability Framework in 2010—and especially following its revision in 2016 to align with the Sustainable Development Goals (SDGs)—South Africa as a co-chair has actively engaged in the Development Working Group (DWG) on matters of inclusion, equity and impact. Through its participation, it supports the use of evidence-based approaches to monitor progress on development commitments and has emphasized the importance of downward accountability, particularly to citizens in developing countries, rather than merely focusing on upward accountability to donors and multilateral bodies (Mokoena, 2021).

South Africa has also used the G20 platform to push for greater attention to Africa's development challenges, including infrastructure gaps, youth unemployment, inequality, and food insecurity. For instance, South Africa supported initiatives like the G20 Africa Partnership, which emerged during the 2017 German presidency, and later development related discussions under the G20 Compact with Africa framework. In these engagements, South Africa has often stressed the importance of aligning G20 development initiatives with the African Union's Agenda 2063, in addition to the 2030 Agenda.

In the context of accountability, South Africa has called for improved data systems, greater transparency in reporting, and inclusive policy dialogue to ensure that development outcomes are meaningful and leave no one behind. While the voluntary and non-binding nature of the G20 Accountability

Framework limits its enforcement, South Africa has continued to advocate for its strengthening, especially in terms of equity, impact evaluation, and responsiveness to global crises such as climate change and pandemics (DIRCO, 2022).

The South African presidency is focused on consolidating the work begun by the few presidencies before it, especially the presidencies of global South countries that we have shown have played a critical role in enhancing the accountability framework to this point. In line with this paradigm of consolidated agency, South Africa is expected to ensure the implementation of previous decisions on enhancing the framework, ensure that the framework and its outcomes are used for decision making and that the insights from reports are shared with various stakeholders.

4. Conclusion

The introduction of structured accountability systems helped to bridge the gap between policy intention and implementation. These frameworks help to improve transparency, performance, and trust among stakeholders, while they focus on what actors do about commitments made in the pursuit of development. The G20 as a premier forum for global economic governance has made the pursuit of development, especially through the implementation of the SDGs a priority (Zondi 2013). Over time it has realised that commitments made must be monitored and evaluated against specific indicators and reported scientifically on a yearly basis. The evolution of an accountability framework with the G20 has happened over almost an eight-year period and has become more detailed and more systematic over time. In particular, improvements made since Saudi Arabia and maintained by Italy, Indonesia, India and Brazilian presidencies have helped the G20 present a generally accepted and sensible framework for accountability.

One of the longstanding critiques of global development forums like the G20 is that lofty declarations often lack practical follow-through. Various G20 presidencies attempted to counter this by integrating accountability tools into the

DWG's working methods, thereby operationalising development pledges. They facilitated more coherent tracking of cross-cutting issues such as gender equality, climate resilience, and inclusive economic growth. They have strengthened monitoring and reporting mechanisms attached to the framework. While the enhanced Accountability Framework remained voluntary and non-binding, it has helped generate useful insights about areas of progress and areas of regress and area of stagnation, thus enabling decision making about what must specifically be focused on in order to accelerate the SDG implementation.

The inclusion of SDGs in the G20's accountability mechanisms has encouraged broader adoption of sustainability principles within its economic and financial agenda. It has also contributed to mainstreaming development across policy domains such as trade, energy, and climate. Going forward, strengthening the G20's accountability mechanisms through enhanced transparency, participatory processes, and stronger links to multilateral institutions will be key to ensuring its continued relevance and impact in achieving the 2030 Agenda.

Despite these improvements, the G20's accountability framework still faces limitations due to the group's informal and non-binding nature. Unlike treaty-based institutions such as the United Nations or the World Bank, the G20 operates through consensus and voluntary commitments, which limit enforcement capabilities. Critics like Martens and Seitz (2015) argue that without stronger enforcement and clearer responsibilities, the G20's development commitments risk becoming symbolic rather than substantive. Furthermore, the framework has been critiqued for insufficient engagement with civil society and the Global South, raising concerns about inclusivity and legitimacy.

Through the continuous work on the accountability framework of the G20, the countries of the Global South, including the 5 that have held the presidency in the past 6 years, are increasingly contributing to fostering greater cooperation, solidarity, and shared development goals. Recent G20 presidencies held by Global South countries, including

Saudi Arabia (2020), Indonesia (2022), India (2023), Brazil (2024), and now South Africa (2025) demonstrate a strategic shift in global governance dynamics. These nations utilised their presidencies to anchor the priorities and lived realities of the Global South in the G20 agenda. These efforts reflect a broader push towards rebalancing global power structures and asserting a more inclusive, equitable international order that transcends traditional North-South divisions.

It is recommended that there should be some involvement of civil society and experts in the operationalisation of the enhanced accountability framework. There should also be a better utilisation of the framework to inform the discussions and decisions of the heads of state so that they are more evidence-based than at present. The accountability framework that has evolved requires vigilance from all stakeholders to assist in achieving the purpose for which the framework exists.

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Chapter Sixteen

Multilateralism: Its Objects and Implications for Africa in an Evolving Global Order

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Abstract

Many would argue and accept that multilateralism finds its anchor in the United Nations (UN). Multilateralism is also the framing system of global relations that enables a global financial architecture, the architecture that dominates discourse on development finance and climate action today. Although the UN would have been expected to be more engaged, beyond the Financing for Development summits, Conference of the Parties (COP) summits, and others, it is the G20, a subset of multilateralism, that tends to claim leadership in certain policy areas, especially in relation to economic governance. The G20, as a global entity by influence, although a voluntary organisation with non-binding resolutions, responds to the global south's motivated agenda for reform. Africa, a region of the global south and a major proponent for reforms, has become an important voice in global governance, as evidenced by the inclusion of the African Union (AU) in the new G20. This chapter discusses the role of the G20 as a subset of multilateralism and as an anchor for reform in a changing geopolitical landscape in the last of four successive global south G20 presidencies, the first by an African state, and the last in rotation. The inclusion of the African Union in the G20 is a means to solve the problem of the representation and legitimacy faced by the G20. It is not the evidence that Africa is a major proponent of reforms.

Keywords: G20, COP, AU, multilateralism, UN Reform, South Africa, Brazil

1. Multilateralism and the Argument for UN Reforms

Multilateralism is described as a process, practice, or alliance of at least three states coordinating policy, cooperating, and collaborating in international relations. The key characteristic here is cooperation by several states. The United Nations (UN) was founded precisely on this idea of cooperation among many states to achieve objectives that a single state or states working in silos would find it very difficult to achieve. Such objectives include peace and development. The advantages sought by the founders of the UN in multilateralism are the resources, expertise, and other advantages that individual states may have that, individually, may not produce the benefit that the collective may achieve. The global governance architecture was founded on these principles, that for the objective of delivering on human prosperity, all working together for the common good is better than one.

Two lenses allow for the recognition of collective effort as an advantage for humanity rather than a disadvantage. The first is history. The world went through devastating wars on such a scale that it was recognised that without global cooperation, destruction would be commonplace instead of development (britannica.com). The League of Nations was founded to help spare the world from further horrors of destruction and loss of life. While the United States (US) was an originator, it did not formally join the league. However, the failure of the league to prevent World War 2 changed that, as the benefits of collective effort in global governance outweighed that of isolation. The UN was formed in 1945 to succeed the League of Nations as a better version of the eminent centre of global governance and multilateralism (Goodrich, 1947).

The second is the future. The future is often associated with technological advancement, the 4^{th}, 5^{th}, and other industrial revolutions coming (Philbeck and Davis, 2018). This revolution has significant potential to address many challenges affecting humanity. Challenges include the reduction of poverty and inequalities, climate action to reverse the harmful effects of pollution, among others, defining a polycrisis. But it also has potential for destruction. Future technologies require critical minerals, such as rare earths, for the production of semiconductors and other technologies. For regions such as Africa, this has come with afflictions such as the 'resource curse', illicit financial flows, and other harmful side effects of extractive activities (Ross, 1999). The role of global governance is to, among other things, mitigate this and develop solutions for the eradication of these challenges through collective action and deployment of resources.

Multilateralism ought to attain the objectives of the collective global community, at least this is what the UN Charter prescribes (UN Charter). This is an aspiration for a just peace in the world, good relations between states, steady development, and strong, legitimate global governance. At the centre of it is the UN Charter, which places the attainment of these objectives as the central role and function of the UN. But this was in the mid-1940s, and like any man-made thing, it is in need of regular maintenance to keep up with the evolution of the global political economy.

Global relations have evolved much since then, while power balances have also shifted significantly. With this evolution, the UN has remained the central authority, with no other organisation of its nature formed since. The argument for reform is precisely to ensure that the UN not only continues to do what it was established to do, but to do it better. Capturing both the state of multilateralism and the material conditions of global relations today, the words of Antonio Guterres are crucial as a basis for a conversation on reforming multilateralism, when he said on 19 September 2023, that,

> "At the beginning of the 20th century, Europe had numerous powers. It was truly multipolar. But it lacked robust multilateral institutions, and the result was World War I. A multipolar world needs strong and effective multilateral institutions. Yet global governance is stuck in time. Look no further than the United Nations Security Council and the Bretton Woods system. They reflect the political and economic realities of 1945, when many countries in this Assembly Hall were still under colonial domination. The world has changed. Our institutions have not. We cannot effectively address problems as they are if institutions do not reflect the world as it is (Guterres, 2023)."

The UN Secretary General has made an argument for reform before the world. The world has changed, and the geopolitical landscape continues to change. But this change is a change away from a system and architecture of both financial and political governance of global relations, designed by the victors of World War 2 (Muldoon Jr, 2018) and the delegates of the Berlin Conference's scramble for Africa (Heath, 2010). Despite its origin, this system remains the anchor for collective action to solve global problems. Guterres goes further to say in his assessment of the unreformed UN system and its institutions that:

> "Instead of solving problems, they risk becoming part of the problem. And, indeed, divides are deepening. Divides among economic and military powers. Divides between North and South, East and West. We are inching ever closer to a Great Fracture in economic and financial systems and trade relations, one that threatens a single, open internet, with diverging strategies on technology and artificial intelligence, and potentially clashing security frameworks. (Guterres, 2023)."

Guterres, in this address to the UN General Assembly, crystallised the argument for reforms of the UN and its system very aptly. In his argument, the global challenges are vast and urgent, cutting across all areas of reality, from the economic to the political, security, and development. These are issues that are pivotal for attaining the objectives of the Sustainable Development Goals (SDGs). These are also issues at the core of the purpose of establishing the UN, as instructed in its founding charter. Article 1 of the UN Charter specifically outlines the first and urgent role of the UN in developing relations between states in today's reality. The charter authors' objective is for the UN to establish and sustain its centrality in multilateralism.

While the centrality of the UN is reiterated in various fora such as the BRICS and G20, its effectiveness and legitimacy have also become increasingly tested in practice, especially in a fragmenting geopolitical landscape with various cleavages coming to the fore. Indeed, this was evident during the COVID-19 pandemic when leading developed countries went against the prescriptions and advice of the World Health Organisation (WHO), hoarding vaccines, imposing unilateral travel bans, and not cooperating optimally on the manufacturing of vaccines, and in terms of allowing intellectual property waivers within the WTO during the pandemic. Challenges also remain in terms of the UN remaining central to safeguarding peace and security, especially when one of the members of the UN Security Council are themselves involved in a conflict. This has been a challenge in recent years and continues to afflict the UN as it marks its 80th anniversary in 2025.

Sentiments about the reform of the UN or parts of its system are not new. The desire for improved multilateralism and global order is not new. As the UN embarks on a reform process informed by, they would still have remembered the desire for a New International Economic Order (NIEO) in the 70s. This is particularly relevant today because, according to Antonio Guterres, "we are inching ever closer to a Great Fracture in economic and financial systems and trade relations (Guterres, 2023)." This is when the full potential of a just multilateral system is required to drive collective action towards attaining the SDGs. But also to do so justly, accommodating particularly developing economies in a just transition and climate action, access to development finance, industrialization, and global value chains, including pandemic preparedness and a new security architecture. With the world fast approaching the 2030 agreed to deadline on eradicating extreme poverty, human development indicators have actually regressed or stagnated in recent years, negatively impacted by the COVID-19 pandemic, ongoing wars and disruptions to supply chains.

Calls by the UN Secretary-General for reforms, beginning with internal operational reforms and the broader UN system, including the Bretton Woods institutions and the global financial architecture, are informed by work done all over the globe. One work particularly useful for this conversation is the High-Level Advisory Board on Effective Multilateralism (HLAB) report in 2023. The HLAB Report offers proposals it describes as required 'shifts' to attain an improved multilateral system. Such shifts include thinking and actions that can bring the global community together and improve the legitimacy of global governance. The thinking and actions proposed involve significant reflection on how the global financial architecture works, including reforms of Multilateral Development Banks (MDBs) and institutions. Indeed, a growing chorus of voices continues to echo the need for reforming the global financial architecture in a manner that also addresses the impact of the cost of finance, especially to development countries across the global South. This particularly affects African countries, who are forced to lend at a premium due to risk calculations that are at times divorced from empirical reality. The HLAB report proposes the following shifts:

The first shift aims to "Rebuild trust in multilateralism through inclusion and accountability" by, among other things, broadening voices in the international system to include structures such as Non-Governmental Organisations (NGOs), Civil Society, and Cities, among others, with a more transparent decision-making process. The UN Security Council (UNSC) reform would constitute a major shift.

The second shift aims to "deliver for people and planet by regaining balance with nature and providing clean energy for all" by shifting thought and policy action to achieve what the G20 India also advocated for: a new development paradigm that includes environmental conservation and protection in all developmental undertakings.

The third shift seeks to "ensure sustainable finance that delivers for all," which includes a better debt management system to help manage and reduce debt, particularly of developing economies, and better access to development finance on better terms that do not hinder domestic priority and policy setting. Most importantly, it seems to seek to encourage global solidarity for the mobilization of resources for development, both for infrastructure spending that includes climate action and economic and social infrastructure. This also involves 'major reforms' of the WB and IMF, review and reform of debt management, and 'just financing' among others.

Shift Four to "support a just digital transition that unlocks the value of data and protects against digital harms" involves one of the important attributes and features of Susan Strange's idea of power: knowledge. This draws a lot of relevance from the motive for reforms of the multilateral system. Minerals, including some rare earths vital for the technology of the current and future, are extracted with little developmental benefit for the continent. This remains a difficult colonial legacy, which the AU seeks to remedy. The AU has this as one of the 15 flagship projects in line with its agenda for the renaissance of Africa and in pursuit of the "Africa we want" by 2063. Knowledge and finance are indeed important aspects of multilateral relations.

Shift Five seeks to "empower equitable, effective collective security arrangements" that involve development as an important step towards dissuading appetite for violent extremism, among other issues well-articulated by the UN's Agenda 2030. However, any security arrangements will remain distant from adequacy without the involvement of the people concerned and with thorough consideration for economic, political, geographic, cultural, and other material conditions and interests of concerned regions, such as Africa. And in keeping with social justice virtues and in pursuit of improved legitimacy of the international system, the reform of the UNSC to include regions such as Africa, which has a population of 1.3 billion with projects of 2,5 billion by 2050, is a vital step.

Shift Six seeks to "strengthen governance for current and emerging transnational risks," which in today's context can best be described as a Polypandemic. A most recent case of a failure of this element can be argued to be vaccine nationalism and hogging. Some states bought up to five times their needs, leaving nothing for others, including Africa, which had cash in hand and sought to procure much-needed vaccines to combat the COVID-19 pandemic. This is despite all the efforts by the UN system, such as the World Health Organisation (WHO) COVAX facility, among other initiatives.

Reforms of the UN system have become a virtue. The extensive report by the HLAB makes a strong case for this. Antonio Guterres, at the 15th BRICS Summit 2023 in Johannesburg, makes the point that,

> "We must urgently restore trust and reinvigorate multilateralism for the 21st century. This requires the courage to compromise in the reforms that are necessary for the common good. It requires full respect for the UN Charter, international law, universal values, and all human rights – social, cultural, economic, civil, and political. And it requires much greater solidarity. Of course, none of this is easy. But it is essential. And it is essential, especially for Africa. The African continent, a historic victim of slavery and colonialism, continues to confront grave injustices (Guterres, August 2023)."

With 2025 marking 80 years of the United Nations, and marking the first year of the pact for the future adopted at the 2024 UN Summit of the Future, it will become ever more important to ensure that the various reform efforts underway within the UN and Bretton Woods Institutions such the IMF, World Bank, and World Trade Organisation (WTO) do not get completely derailed, especially in a context where the US is reviewing all of its international commitments in the pursuit of an ‘America First ’policy agenda. Geopolitical tensions should also not be allowed to get in the way of a multilateral system able to deliver on peace and security matters, development objectives, and a fairer financial architecture.

2. The G20 and Discourse on a New Global Order

The Group of 20 (G20) is a forum of “the world’s major economies, representing 85% of global Gross Domestic Product, over 75% of international trade, and about two-thirds of the world population (g20.org).” It emerged at the leader’s summit level, at the advent of the global financial crisis, or at the point when the mortgage market crash in the US started to have global implications in 2008. It was elevated to summit level as a response to the growing financial crisis at the time by President George Bush. Prior to this, the G20 was concerned with the global financial architecture to look after global macroeconomic policy coordination, such as on global liquidity (Prodi, 2016).

Since its elevation, it has expanded in scope and taken up a clear shape of a hub of global governance (Kirton, 2013). With this elevation in scope and influence, the G20 presents an opportunity for significant utility in the move for reform of the global financial architecture, global governance, and other battles against ills affecting humanity. The gain of a political authority has made it a platform to which progressive policy positions on climate change, inequalities and poverty, and sustainable development (g20.org) can be presented and argued with a chance of real impact.

The real impact of the G20 as a subset of multilateralism is the collective power and influence of its leaders to drive change in multilateralism. A change for improved representation and legitimacy, and improved coordination and cooperation, is what the authors of the UN Charter wished for (Kirton, 2005). Such an improvement would be seen in better and more impactful outcomes in positive change in the lived realities of people. However, the G20 also has its challenges. There are differences in interests among the member states and various lobbies in their domestic scenes. While there may seem to be consensus on the need to reform the global financial architecture, there is polarity on the how and what of such reforms. Similarly, there are differences in issues of trade governance and issues of social protection.

One of the emergent new threats to multilateralism is a direct attack by the second Trump administration. In its first nine months, the administration has pushed to upend the global trading system with the unilateral imposition of tariffs, both for its argument for domestic re-industrialisation as well as an instrument to inflict punishment (Carvalho, 2025), such as on Russia, Brazil, India, China, South Africa, and other BRICS members. The Trump administration has also made known its disaffection with South Africa (za.usembassy.gov), the current President of the G20. It has also made known its intention to do away with many of the elements of the G20's expanded scope when the US takes over the G20 Presidency on December 1, 2025. Lastly, the administration has made known its position against consensus on climate change and, therefore, climate action. In nine months, the globe has witnessed a significant new attack against multilateralism.

Multilateralism is also changing, albeit slowly. It is changing as a new world order begins to appear. This is apparent in the changing roles of the emerging economies such as China, India, Brazil, South Africa, Russia, and others in global affairs, both political and economic. This is true of the composition and role of the G20, a subset of multilateralism (Cooper, 2015). The 2025 G20 South Africa Presidency is the fourth successive Global South Presidency that began with Indonesia in 2022, followed by India in 2023, and Brazil in 2024. These four countries are also full members of the BRICS bloc, with Indonesia having joined on January 5, 2025. This is significant in that it reflects part of the changing global political and economic landscape that Antonio Guterres has been arguing.

In this sequence, the G20 has put a number to what is needed in annual investments for both development and climate action; from $ 4 trillion, according to the G20 India Leaders Declaration, to a proposed 2% tax of the super-rich to amass $200 billion to fight poverty, hunger and inequalities by Brazil. South Africa, for its part, has confirmed that it will continue where Brazil left off in the effort to eradicate poverty, hunger, and inequalities. This is reflected in its three anchor themes for its G20 presidency: Solidarity, Equality, and Sustainability. G20 Brazil also succeeded in adopting a road map for the reform of Multilateral Development Banks (MDBs), and in an effort led by the African Development Bank and Inter-American Development Bank (IDB) in 2023, MDBs of the global south (afdb.org), the IMF agreed to transfer SDRs directly to MDBs in May 2024.

This forms part of a growing momentum for reform of global governance, both political and economic, with the G20 playing a major part in it and the UN playing its role as through Financing for Development (FFD) summits, the 2024 Summit of the Future (SOTF), and other multilateral efforts. FFD4, taking place in Seville from the end of June 2025 will also bring these matters to the fore, complementing key policy discussions taking place under South Africa's G20 Presidency. These engagements have become even more important with the US cutting 83 percent of USAID and key European countries also reducing their development cooperation commitments in recent years, with some of their previous allocations being redirected towards military expenditure.

However, the nature of a global order depends on the lens through which it is viewed and for what purpose. Some view global order through the lens of what they believe to represent development or modernity. One view, by Phillips (2001), who was pondering evolving modernity during her travels to the Northern, Southern, and Western hemispheres, is that "The old static order in which one people speak down to another, lesser, people is dead. The colonial, or postcolonial, model has collapsed. In its place, we have a New World order in which there will soon be one global conversation with limited participation open to all and full participation available to none. In this New World order, nobody will feel fully at home (Phillips, 2001, p 41)."

There are other lenses too, such as a world order's economic or political gazes. Robert Cox (1992) provides a political economy treatment of the concept of world order. The reformist movement of the 70s, its failure to realize a New International Economic Order (NIEO), and its demise remain a good reminder of the nature and urgency of the reform of multilateralism today. Perhaps at the time, the Cold War was still at its full strength, and the rise of China, India, Brazil, and other emerging economies was still a dream. The timing for that reformist movement has been at a disadvantage. Other perspectives suggest that as proponents of a new reformist movement, "critical approaches expect emerging powers to maintain a reformist stance as they experience the pressures exercised by structures of the global economy (Efstathopoulos, 2016, p 3)." Debate on the behaviour of rising powers, especially in analysing the dynamics of the 'neo-liberal order 'as thinkers such as Chomsky and Cox would describe it, is of critical concern to the Global South and Africa.

The contemporary rise of global powers from the South takes place under conditions vastly different from those of the aspirational NIEO era, which provides additional opportunities for the implementation of their ideas. In the 1970s and even 1980s, many of the global South powers, as they increased their global footprint, did not possess the material resources to finance their own development ideas, and continued to be aid recipients. However, a few decades later, they have become significant sources of development finance, with leading development finance institutions responsible for financing projects in their immediate regions and beyond. They have thus changed the development finance landscape and key debates, at times even forcing countries from the global North to seek ways of emulating global South powers through the use of various blended finance models for development projects. The fact that these Southern powers now possess more material resources to finance their development adds a significant qualitative change when comparing contemporary conditions to those of previous decades. This ensures that while multilateral institutions are still largely skewed towards established powers in the global North, leading countries from the global South are in contemporary times more actively shaping the emerging international order.

It can be argued that the G20 South African presidency is paying attention to the raging discourse on the rise of the global south and great power competition with China, Russia, and the United States (US) at the center of this competition (Colby and Mitchell, 2020). There has also been commentary on a ‘New Scramble for Africa,’ as these great powers do their best to ‘woo’ Africa’s allegiance. But even such commentary tends to treat African Agency with disdain as if to suggest that Africa is a mere passive taker of instruction in the grand strategies of others. There has been major commentary analysis of the concept of a ‘rules-based global order’, in which these grand strategies play out, often used by Western political actors and often referring to an order of their creation and one that, even according to Kissinger (2014), does not consider the views of other global citizens when he argues that,

> No truly global ‘world order’ has ever existed. What passes for order in our time was devised in Western Europe nearly four centuries ago at a peace conference in the German region of Westphalia, conducted without the involvement or even the awareness of most other continents or civilizations. A century of sectarian conflict and political upheaval across Central Europe had culminated in the Thirty Years’ War of 1618–48—a conflagration in which political and religious disputes commingled, combatants resorted to “total war” against population centers, and nearly a quarter of the population of Central Europe died from combat, disease, or starvation. (Kissinger, 2014, p1)

But a new world order in which relations between Africa, the global south, and ‘great powers’ are on equal, mutually beneficial, and mutually respectful terms must remain a goal. One that will effect greater inclusivity, broader access to development finance, and, on fairer terms, improved representativity at the UN, among other needed reforms, as aptly explained by the UN Secretary-General. But this emerging world order has much to achieve. Climate action is a new global priority, as is pandemic preparedness.

The global public debt continues to rise, with concern over the impact that possible new financing would add to the crisis. This is exacerbated by the structural conditions many developing countries, especially those in Africa, face, where loans denominated in US dollars become more and more expensive to repay over time due to a number of factors. Some of these include rising interest rates in the global North, which were exacerbated by the COVID-19 pandemic, supply chain disruptions, and currency fluctuations. Biased ways in which risk is calculated in Africa also contribute to a higher cost of capital for African stakeholders.

Africa's relations with others must navigate these competing issues and perform its agency for its development aspirations. The African Union is now a member of the G20 and must be proactive in how it positions itself within the G20 ecosystem. The new G20 membership of the AU should also positively impact Africa's role within fora such as the Forum on China-Africa Cooperation (FOCAC), US-Africa summit and meetings, Tokyo International Conference of African Development (TICAD), EU-Africa summits and meetings, Russia-Africa summits and meetings, India-Africa Forum summits and meetings, Turkey-Africa meetings, South Korea-Africa engagements, and other multilateral platforms of engagement with others.

African state and non-state actors have also increased their analysis on how the continent can better optimise these international partnerships to meet its development priorities. These are certainly developments to look forward to keenly. This is important because, after all, "to regard 'development' as a buzzword strikes me as highly apposite, for although it has been in vogue for almost 60 years (a record indeed!), its actual meaning is still elusive since it depends on where and by whom it is used (Rist, 2007, p 482)."

Deliberations at multilateral platforms such as the G20, BRICS, and the like are argued to reflect the extent to which globalization, the global economy, and the geopolitical landscape has evolved. The debate on a just energy transition and climate action momentum has led to an agreement at the COP 28, 2023, in the United Arab Emirates (UAE), although these agreements are threatened by the US pulling out of their commitments. Discourse on the poly pandemic emphasizes the need to scale up investment in social infrastructure in developing economies. At the same time, the G20 India placed a figure of $4 trillion in annual investment in developing economies to close the infrastructure gap and meet future infrastructure requirements. Development is not merely a buzzword but a realizable ideal upon which Africa's relations with others in the future are based. This is a basic case for a new world order that removes the obstacles to the attainment of 'The Africa We Want' by 2063. It is a view of a world order that is more optimistic in its ability to deliver development and equity in global governance aspirations of developing economies than that of Colombo (2023), which says,

"After all, global governance was heralded as the culmination and synthesis of the grand plan to reorganise international coexistence under the label of the 'New World Order'. In turn, the myth of global governance rested on a set of expectations that represented more than anything else, the climate of euphoria that accompanied the project (Colombo 2023, p 9*).*"

3. What is to be done?

Eisenhardt (1989) describes agency theory as:

> "concerned with resolving two problems that can occur in agency relationships. The first is the agency problem that arises when (a) the desires or goals of the principal and agent conflict, and (b) it is difficult or expensive for the principal to verify what the agent is doing. The problem is that the principal cannot verify that the agent behaved appropriately (Eisenhardt, 1989, p 58)."

For the purposes of this conversation, the principal is the African people, those of the global south, whose development has long been hindered by a myriad of factors, including the fact that a world order was created without their input, as argued by Kissinger (2014), and those of the globe. The agent is the state and the African Union (members of the G20), and other African and global south players with power and influence at that level. Therefore, what is to be done is (1) the effective application of agency in the interest of the principal. (2) the application of agency in such a way as to drive, with great focus and sheer will, the fulfillment of the Agenda 2063: The Africa We Want, and realize the continent's renaissance in its full potential. One of the opportunities to do this is by leveraging the G20 at both multilateral and sideline bilateral engagements to further the momentum for global financial architecture reform, debt mitigation and reduction, investment for infrastructure and industrialisation, and greater access to global value chains. The 15 flagship projects of the AU are a good starting point. Jeremy Stevens et al. (2023) of Standard Bank, South Africa, argue that "the onus is on African policymakers to draw more developmental value from relations with China (Stevens et al., 2023, p 1), and others.

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Chapter Seventeen

Morbid Symptoms in the Time of Monsters

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Abstract

This chapter critically examines the role of the G20 in escalating global polycrises with particular focus on the nexus between climate change, inequality, and unsustainable development. It acknowledges Brazil's G20 Presidency in 2024 and South Africa's G20 Presidency in 2025, which advanced a progressive orientation towards solidarity, equality, and sustainability. The G20 is however confronted by the challenge of reconciling its rhetorical flourish with real transformative praxis. Empirical evidence indicates increasing greenhouse gas emissions and unfulfilled global climate change objectives thereby contradicting the G20 statements. The chapter critiques the legacy of colonial exploitation and its perpetuation through unequal international exchanges. The chapter presents voices from African and South American civil societies which demand climate reparations, just transitions, and localised solutions whilst resisting solutions imposed by the global North. Youth and women activists stress intergenerational justice and the need for inclusive decision-making. The chapter calls for systemic changes in global governance, finance, and energy systems whilst advocating for increased South-South cooperation and debt relief for African nations in particular. The chapter concludes by urging the G20 to address polycrises—climate, inequality, and debt—through transformative and

equitable strategies and tactics that objectively seek to avert ecological and social collapse.

Keywords: Contemporary Conjuncture; Ecological Precarities; Intergenerational Justice; International Political Economy; Polycrises; and Structural Inequalities.

1. Introduction

The government of the Federative Republic of Brazil assumed the presidency of the Group of Twenty countries (G20) on the 1st of December 2023. The Leader's Declaration issued at the end of their term argued that the world does not only require urgent action, but that those actions should be grounded upon socially just, environmentally sustainable and economically sound measures (Brazil, 2024). The government of the Republic of South Africa subsequently took up the leadership role on the 1st of December 2024 and incorporated the progressive advances achieved by Brazil by adopting the theme of "Solidarity, Equality, and Sustainability" to define its term in the annual rotation of presidency of the G20 (RSA, 2024).

The G20 originated as a forum for the finance ministers and central bank governors of 19 countries[1] and the European Union[2] seeking to promote strong, sustainable, balanced and inclusive growth as an antidote to the 'Asian Financial Crisis' of 1997-1998 in 1999 (ref). World systems have subsequently experienced a number of crises including another international financial crisis triggered by the collapse of the housing market in the United States of America (USA) in 2007 - 2008, and a global health pandemic in 2020 - 2023. Whereas the last mentioned involved a biophysical viral attack on our collective species-being, the former was the result of an 'economic' contagion reflecting the social determinations of our respective political economies. Notwithstanding the fundamental differences in the two crises, both served to illustrate the interconnectedness,

1 Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, United Kingdom (UK), and United States of America (USA).

2 The European Union (EU) comprises 27 member states as of 2024.

co-dependencies, and shared precarities of our contemporary world systems.

In its current incarnation, the G20 also includes the African Union[3] and ostensibly therefore agglomerates 96 countries who collectively represent: approximately 60% of the world's human population, nearly 85% of global gross domestic product, and nearly 75% of international trade in world systems as at the end of 2024 (IEJ, 2025). This brief chapter discusses climate change, digital transformation, global governance, trade and the imperative of transforming the international financial architecture for sustainable development that works for all. In pursuit of this objective, this chapter draws upon the literatures of international political economy and ecology whilst also surfacing concerns and challenges raised by civil society across both Africa and South America.

In the section following this introduction, we will briefly collate some of the biophysical characteristics defining our contemporary conjuncture. In the section thereafter, we will engage with how the inequities of our uneven, yet combined world systems are reproduced through the persistence of unequal exchanges in world trade. We will then turn to presenting some civil society and governmental perspectives from Africa and South America on the climate change where we will test the relationship between the G20 rhetorics and the realities as currently measured. The chapter will then conclude with some further critical reflections on the agendas of the G20 and their potential to redress the urgent crises experienced by the global South. Due to the word-length restrictions, the chapter reflects intensive aspects of the literatures mentioned, and readers are encouraged to explore the wider and more extensive perspectives generated by progressive activists, researchers, and scholars.

3 The African Union (AU) consists of 55 member states as of 2025.

2. Our Contemporary Conjuncture

Our contemporary conjuncture references a conceptual device which affords us an opportunity to better understand and appreciate our current context, the nexus of polycrises, and the potential for progressive transformations. We will begin with our demographic and biophysical impacts before turning to the social determination of our policy responses. Our human species now numbers approximately 8.2 billion people who are unevenly distributed across our home planet. Whilst the G20 collectively collates together nearly 78.9% of the total world population, the 19 sovereign countries are home to only approximately 56% of humanity in 2025. Our species-level success as indicated by our quantitative expansion is however not supported by the quality of life experienced by all of humanity and even within the G20 countries. A crude though verifiable indicator of the quality of life can be found in the estimates of life expectancy at birth generated by the United Nations Population Division. According to the UN data, the average life expectancy at birth for all 19 member states was 78 years (UN, 2024). This aggregation masked an immense variability ranging from Australia and Japan where people could expect to live on average for 85 years whilst surviving only until age 62 in South Africa (UN, 2024).

Whilst our longevity at a species-level has been increasing, we have also been witnessing to a significant decimation of the overall biodiversity with whom we share our home planet. We are collectively complicit and culpable for the ecocide rendered in our name whilst not equitably profiting. As noted by the UN' secretary general: "... humanity is destroying biodiversity at lightening pace, the result of pollution, climate crisis, ecosystem destruction and – ultimately – short-term interests fuelling the unsustainable use of our natural world" (UN, 2025). Due to the uneven and combined nature (sic) of development experienced by different parts of the world and especially as adduced from the diversity of economic models utilised, Isbell and 66 co-authors note that "about 30% of species have been globally threatened or driven to extinction since the year 1500" notwithstanding high statistical uncertainties ranging from

16% – 50% (Isbell et al, 2022). Their extensive survey of the literatures indicates an

> "… overwhelming consensus that global biodiversity loss will likely decrease ecosystem functioning and nature's contributions to people" and warn that "[g] lobal biodiversity loss and its impacts may be greater than previously thought, due to higher estimates provided for understudied taxa and by underrepresented experts" (Isbell et al, 2022).

Further exemplifying these facts are the series of 'World Scientists' Warning to Humanity' which was initially supported by 1,700 scientists and was first published in 1992 (Kendall et al, 1992). The most recent version of the report is subtitled: "Perilous times on planet Earth" and is currently endorsed by over 15,682 scientists located in 165 countries. (Ripple et al, 2024). The massive increase in endorsements reflects the growing scientific consensus and increasing participation of scholars studying our ecology. The current version warns that "[w]e are on the brink of an irreversible climate disaster. This is a global emergency beyond any doubt. Much of the very fabric of life on Earth is imperilled. We are stepping into a critical and unpredictable new phase of the climate crisis" (Ripple et al, 2024). These finding are even further ratified by the World Meteorological Organisation who have confirmed that

> "[t]he science is clear. We are far off track from achieving vital climate goals. The impacts of climate change and hazardous weather are reversing development gains and threatening the well-being of people and the planet. Greenhouse gases and global temperatures are at record levels. The emissions gap between aspiration and reality remains high" (WMO, 2024.).

The unsustainable trajectory upon which world systems are currently advancing are however neither surprising nor shocking. They reflect the current balance of forces in the global political economy and the international division of labour.

As argued by Stuart Hall "[a] conjuncture is a period during which the different social, political, economic and ideological contradictions that are at work in society come together to give it a specific and distinctive shape. A conjuncture can be long or short: it's not defined by time or by simple things like a change of regime – though these have their own effects. As I see it, history moves from one conjuncture to another rather than being an evolutionary flow. And what drives it forward is usually a crisis, when the contradictions that are always at play in any historical moment are condensed, or, as Louis Althusser said, 'fuse in a ruptural unity'" (Hall & Massey, 2010: 57).

Hall had based his analysis on a critique of the political economy of Britain and specifically recognised that "[c]rises are moments of potential change, but the nature of their resolution is not given" (Hall & Massey, 2010: 57). The indeterminacy of the direction and durability of change was also acknowledged, and as noted by Hall, "[i]t may be that society moves on to another version of the same thing (Thatcher[4] to Major[5]), or to a somewhat transformed version (from Thatcher to Blair[6]); or relations can be radically transformed" (Hall & Massey, 2010: 57). It is on this basis that we turn to the social determination of policy choices framed by the balance of forces within the political economy in the next section of this chapter.

3. Uneven and Combined Development Reproduced through Unequal Exchanges in World Systems

The G20 currently includes the core capitalist economies of world systems and selected representation from some of the

4 Margaret Hilda Thatcher was a British politician who served as Leader of the Conservative Party from 1975 to 1990 and was elected as Prime Minister of the United Kingdom from 1979 to 1990.

5 John Major is a British politician who served as both Leader of the Conservative Party and Prime Minister of the United Kingdom from 1990 to 1997 following Margaret Thatcher.

6 Anthony Charles Lynton Blair is a British politician who served as the Leader of the Labour Party from 1994 to 2007 and Prime Minister of the United Kingdom from 1997 to 2007 following John Major.

peripheral and semi-peripheral territories. The Independent Commission on International Developmental Issues which was convened by the World Bank and chaired by Willy Brandt, described the huge chasm in living standards between countries of the North and those categorised as the South. According to Brandt and colleagues, the divide was a result of the uneven and combined developmental trajectory whereby the countries of the South exported huge volumes of low value goods whilst importing low volumes of high value manufactured goods (Brandt, 1980). It is now well established that our current world systems are the consequence of at least five centuries of uneven and combined development originating in the 'long sixteenth century' of our Common Era (Wallerstein, 2012).

The colonial processes of violent expropriation and extraction conjoined with the imperial phases of integration and exploitation largely established the contours of our contemporary world system. Jason Hickel and colleagues recently calculated using prevailing market prices, that the global North appropriated 12 billion tons of embodied raw material equivalents, 822 million hectares of embodied land, 21 exajoules of embodied energy, and 188 million person-years of embodied labour, worth $10.8 trillion from the global South just in 2015. This at the time represented sufficient monetary value to redress extreme poverty nearly 70 times over (Hickel et al, 2022). Applying their methodology in the 25 years between 1990 and 2015, these scholars reported a net cumulative drain from the South totalled approximately $242 trillion in constant 2010 US$ (Hickel et al, 2022). Their research clearly, coherently, and cogently shows that "… unequal exchange is a significant driver of global inequality, uneven development, and ecological breakdown" (Hickel et al, 2022). It is on this critical and evidence-based assertion that we turn to some of the proposals generated by the Brazilian and South African presidencies of the G20.

4. African and South American Perspectives

Both Brazil and South Africa are "rich in biodiversity and each has considerable deposits of minerals and metals" (Maharajh, 2015). Notwithstanding such natural resource wealth, both territories have evolved their respective industrial structures on the basis of settler colonial and imperialist political economies in world systems. These contradictions manifest themselves in the political ecologies of both countries and are facing considerable neo-colonial pressure to expand extraction and exploitation rather than embrace environmental sustainability.

In a preparation for the G20 Summit in Brasilia, Mauricio Lyrio acknowledged that

> "(t)he world is facing an unprecedented climate crisis, and the G20 countries, which represent the majority of carbon emissions, will discuss strategies to promote a greener and more sustainable global economy. Brazil, which has positioned itself as a leader on environmental issues in the global agenda, advocates for an approach that takes local realities and access to clean energy sources into account" (Lyrio, 2024).

These sentiments were echoed in the final Leaders Declaration which comprised a total of 85 key points (Brazil, 2025). Twenty-five key points, or 30% the Leaders Declaration, relate to sustainable development (Brazil, 2025). The South African presidency offered resonances to the perspectives determined in Brazil in both its selection of the overall organising thematic for 2025, as well as in constituting the various engagement processes.

Civil society in both countries as well as pan-continental gatherings have also weighed-in in favour of foregrounding the realities of climate change and its impact upon their developmental prospects. In a recent mobilisation to commemorate International Day of Feminist Solidarity Against the Power of Transnational Corporations, the Trade Union Confederation of the Americas (TUCA-CSA) argued that "A precise diagnosis is not just necessary, but urgent, in order to develop effective responses that protect labour rights, social justice, and democratic values in the face of an increasingly organized and globalized offensive" (TUCA-CSA, 2025). By refocusing our attention back to the actual framing of the problems currently being experienced, progressive forces are countering the dominant narrative which they define as a

> "… renewed—yet more radical—version of neoliberalism promoted by the far right reinforces and deepens anti-state ideas, discourses, and policies, consolidating the primacy of the market over the state. This approach not only weakens the ability of public institutions to regulate and redistribute wealth but also legitimizes structural inequalities by prioritizing economic interests over social well-being" (TUCA-CSA, 2025).

They also identify "a new phase for the transnational far right" which they argue is "… characterized by greater boldness and lack of disguise: transnational capital now openly promotes its agenda, pushing for policies that enhance its economic and political power" (TUCA-CSA, 2025).

Complementing this perspective, a Women's Climate Assembly which brought together over 120 women activists and community leaders from 12 countries across Central and West Africa collectively called upon their governments

> "… to stop selling their vast natural wealth to the highest bidder. They demand[ed] climate reparations to keep the oil, gas and coal underground, to recover after the climate disasters they face, and to build real alternatives to the current destructive development model. They call[ed] for polluters to get out or pay the debt due to them as they suffer the costs of extractive industries and the growing climate crisis" (Mapondera, 2024).

The Women's Climate Assembly argued further that

> "[g]lobal temperatures are hurtling towards 3.1°C by the end of the century, a catastrophic scenario for Africa, which is heating faster than other continents, despite being responsible for only 3% of historical carbon emissions! Governments and corporations are grabbing

> community lands to harvest 'green' minerals, gas and green hydrogen. All of this to make new energy, which is shipped off to meet the rising demand for 'clean energy' in the global North and some countries in the global South while Africa and its peoples live with the pollution, hardship and public debt" (Mapondera, 2024).

The Presidential Climate Commission of South Africa compiled a range of perspectives advanced by young people in the region aged between 18 and 35 and who articulate the lessons being learnt and their generational opinions. Qhamani Neza Tshazi (age 28) and Sylvia Graham (age 31) cogently argue that

> "[a]t the centre of conversations around a just transition that is tailored for the Global South, and South Africa in particular, there is a need to interrogate the parasitic relations that exist between the North and the South. The North needs to be deliberate in recusing itself from the process and allow space for countries like South Africa to chart their own path in line with their own developmental imperatives. There needs to be a shift in understanding where knowledge and solutions lie. It cannot be that African countries are prescribed solutions without a thorough understanding of their histories, challenges, and aspirations. For centuries, people of the South have lived in harmony with their physical environments. Their relations with nature were destroyed by the very people imposing solutions onto them, solutions that are failing in their own countries" (Tshazi & Graham, 2024).

Mildred Bekink draws on research from the United Nations Children's Fund (UNICEF) and argues that

> "[e]ven though climate change affects children more than adults and will affect children as the future generation more than anyone else, their inclusion in climate action policy and decision making at local, national and international level has been limited. While children are critically exposed to the impacts of climate change, their

> views are in general ignored and/or acted on by adult decision-makers" (Bekink, 2024).

This aspect is of particular relevance to Africa which is home to an estimated 1.54 billion people and where half the population are aged 19.3 years old or below (UN, 2024). The intergenerational nature of climate change combined with escalating biophysical precarities, and the persistence of endemic inequalities constitute major challenges to the agenda of the G20. According to Tshazi and Graham,

> "The lack of access to financial, technological, and other resources that can aid in the implementation of adaptation and mitigation strategies to effectively deal with the impacts of climate change has left many Global South countries battling to keep up. Although there is much to learn from nations that have significantly progressed in their development and are actively moving towards a just transition, this learning journey demands a tactical awareness from those seeking knowledge" (Tshazi & Graham, 2024)

In its close-out report, the government of Brazil reiterated that one of its priorities for its G20 presidency was to emphasise "the urgency of climate change and its serious consequences for all the peoples of the world" (Brazil, 2025). In a section entitled: "Tackling climate change: the world can no longer wait," Brazil noted

> "[t]he unprecedented ministerial declaration approved during the work of the Task Force for the Global Mobilization against Climate Change reinforced the G20 members' commitment to the Paris Agreement for reducing greenhouse gas emissions and keeping a global temperature rise well below 2 degrees Celsius above pre-industrial levels" (Brazil, 2025). Brazil also noted that the ministerial declaration was "approved in Washington, USA, in October 2024 also renewed the pact to make

> efforts to limit temperature rise to 1.5 degrees Celsius above preindustrial levels" (Brazil, 2025).

The last mentioned is of critical importance as the USA is a founding member of the G20 yet withdrew from the Paris Agreement under the United Nations Framework Convention on Climate Change through an executive order of its 47th president on the 20 January 2025 (USA, 2025). This seriously contradicts the G20 Leaders Declaration which had reaffirmed "... our respective commitments to scale up urgent action to address the crises and challenges posed by climate change, biodiversity loss, desertification, ocean and land degradation, drought and pollution" (G20, 2024).

It is therefore important to reconcile the rhetoric of the G20 emerging from socially determined policy consensus statements with the biophysical realities that are being experienced by all of humanity. Therefore, and notwithstanding the declarations of the 2024 edition of the G20 and the subsequent follow-through by South Africa in 2025, the United Nations Environmental Programme' Emissions Gap Report revealed the massive chasm between rhetoric and reality. UNEP calculated that total greenhouse gas (GHG) emissions increased by 1.3% from its 2022 level in 2023. This increase was well above the average rate measured in the decade preceding the CoVID-19 global pandemic of 2020, when GHG emissions grew at an annual average of only 0.8% (UNEP, 2024). Based on an assessment of all the Nationally Determined Contributions submitted under the Paris Agreement, UNEP calculated that implementing only current policies would deliver up to 3.1°C of warming whilst acknowledging that implementing current conditional NDCs (which require external support) would deliver up to 2.8°C of warming (UNEP, 2024). For UNEP, even if we achieved full implementation of both unconditional and conditional NDCs, we would only reduce expected emissions in 2030 by 10 per cent, leading to predictions of up to 2.6°C of warming (UNEP, 2024).

The G20 includes not only the high-income countries of the global North. It includes also the dynamic economies of the global South that have successfully advanced their climate change resilience by drawing on the global knowledge commons and consistently building their national systems of innovation. Lauri Myllyvirta shows that growth in clean power generation by the Peoples Republic of China "has caused the nation's carbon dioxide emissions to fall despite rapid power demand growth" (Myllyvirta, 2025). According to the data analysed, China's carbon dioxide emissions "have now been stable or falling for more than a year" (Myllyvirta, 2025). The lessons from such a dramatic change augurs well for advancing just transitions away from greenhouse gas intensive energy production towards improving grid performance and capacity to incorporate renewable and other less carbon intensive energy sources. This is also well supported by the Brazil' other environmental commitments adopted during their G20 presidency which includes: "increasing the use of renewable energy sources, a just energy transition in order to end the use of fossil fuels, actions to adapt to climate change, raising sources of funding to support processes in less developed and developing countries, and promoting the circular economy" (Brazil, 2025).

In his opening speech to the fourth China-Community of Latin American and Caribbean States Forum, the Brazilian President Lula da Silva stated that "[South] America, the Caribbean, and China can show the world that it is possible to fight climate change without sacrificing economic growth and social justice" (Da Silva, 2025). According to the Progressive International, "Brazil's President Lula da Silva ha[d] outlined a vision centred on six interconnected priorities: strengthening global health systems, building new financial architecture, advancing climate justice, creating ethical frameworks for artificial intelligence, reimagining security approaches, and strengthening BRICS institutions" in assuming the chairpersonship of BRICS+ in 2025 (PI, 2025). They note further that "Lula sees these not as separate technical issues — but as parts of a unified effort to democratise the multilateral system and forge paths of sovereign development that respect both human dignity and ecological limits" It is on this progressive note regarding south-south cooperation that we turn to the concluding section of this chapter.

Conclusion

As we advance further into the 21st century of our common era, we remain confronted by the persistent scourge of uneven and combined development. Midway through the second decade, we may be reminded of an assertion often misattributed[7] to a leader of the Russian Revolution which stated that '[t]here are decades where nothing happens; and there are weeks where decades happen' at the beginning of the previous century. According to Richard Haass who had served as President of the Council on Foreign Relations for two decades, "[i]f he had actually said those words, Lenin might have added that there are also decades when centuries happen" (Haass, 2022). As we trespass further into 2025, the change, uncertainty, and risks are escalating exponentially. As acknowledged by Pierre-Olivier Gourinchas, the Director of Research at the International Monetary Fund: "[t]he global economic system under which most countries have operated for the last 80 years is being reset, ushering the world into a new era. Existing rules are challenged while new ones are yet to emerge" (Gourinchas, 2025).

Our contemporary conjuncture is replete with the morbid characteristics that align more with the famous restatement by Antonio Gramsci that "the crisis consists precisely in the fact that the old is dying and the new cannot be born" (1930). The accumulating biophysical evidence confirms that that we are living through an accelerating sixth mass extinction in the history of our home planet. Whereas the five previous mass extinction events were driven by natural processes, the current reduction of biodiversity is increasingly acknowledged as a product of human-actions based on our social, political and economic determinations. Core to effectively responding to the

7 Commonly attributed to Vladimir Ilyich Lenin, a member of the Russian Social Democratic Labour Party, leader of the majoritarian (Bolshevik) tendency, and head of the Council of People's Commissars of the Russian Soviet Federative Socialist Republic in 1917.

realities of rapid climate change is the need for just transitions that imply structural and systemic changes in financing of development.

In the context of rapid geopolitical changes and the high level of uncertainties arising from these epochal changes, the African Union convened a conference on debt as 20 of its 55 member states, or 36.7%, are confronted by high levels of indebtedness which is further hampering or even reducing service delivery to their citizenry in need (Langat, 2025). The report on the conference also cites the Organisation for Economic Co-operation and Development acknowledging that official development assistance “dropped by 7.1% in 2024” (Langat, 2025). The report further notes the United Nations Development Programme assessment which found that the “subjective credit ratings by major agencies such as S&P Global, Moody’s, and Fitch Ratings have cost African countries $74 billion in missed financing opportunities” (UNDP, 2022). Therefore, the African Union “urge[d] developed countries to fulfil their commitment to allocating 0.7% of their Gross National Income to Official Development Assistance, a long-standing target set by the United Nations with a view to reducing debt financing (AU, 2025)

The African Union further noted that “the G20 Common Framework — a mechanism to provide low-income countries with coordinated debt restructurings, with broad creditors’ participation — isn’t working as well as it should” (Langat, 2025). Accordingly, the African Union declaration stated that it was

> “noting with concern that while the continent welcomed the G20 Common Framework as a first step towards a more comprehensive approach to the sovereign debt restructuring on the continent and beyond, it has not provided a pathway towards the quick restoration of debt sustainability, creating some considerable scepticism as to its potential to deliver effectively for highly indebted countries, particularly in Africa” (AU, 2025).

The dawning realities of accelerating climate change, the verifiable lack of the necessary financial resources to respond from existing institutions, and the inherited legacies of uneven and combined development do not auger well for the realization of the world that we want, need, and demand. South Africa' presidency of the G20 should therefore serve to continue to challenge world systems premised upon inequities arising from colonialism and imperialism and reproduced through unequal exchanges in our contemporary conjuncture. These critical aspects were well articulated in the outcomes generated during Brazil' presidency of the G20. The present polycrisis provides opportunities to redress imbalances and to establish a shared basis to counter the common threats to our entire species-being both in our contemporary conjuncture as well as across the generations to come. We cannot fail lest history holds us accountable for missing such opportunities.

The polycrisis of our contemporary conjuncture spans across and within the domains of ecology, economy, society and governance. The escalating precarity for us all as a species-being demands bold and robust systemic and structural transformations. Failing to translate the rhetorical statements of the G20 into transformative praxis risks further deepening of global inequities, the persistence of ecological precarities, and intergenerational unaccountability. The chapter therefore supports the thematic orientation of South Africa' Presidency of the G20 which sought to focus the attention of the world on Solidarity, Equality, and Sustainability. The following four main recommendations emanate from the critique and analysis presented in this chapter:

1. Strengthening development financing mechanisms and enabling current debt restructuring;
2. Promoting real Just Transitions towards sustainable and resilient development;
3. Redressing geopolitical and economic inequities through accelerating structural and systemic transformations; and
4. Enabling and enhancing African agency in global governance.

These four main recommendations are broadly framed, and include the following eight components:

1. Continuously challenging unequal global systems, institutions, and structures with the overall objective of dismantling colonial and imperial legacies in in global economic governance (Brazil G20 Outcome)
2. Demanding the fulfilment of Official Development Assistance commitments of the members of the Organisation for Economic Co-operation and Development within the G20 which could serve to reduce debt financing obligations amongst middle- and low-income members, and especially from Africa.
3. Transforming the G20 Common Framework to increase transparency and enable effective mechanisms which are empowered to ensure coordinated, effective, and timely debt restructuring for middle- and low-income members, and especially from Africa.
4. Redressing the negative impacts of subjective private credit rating reports and support fairer sovereign credit assessment which would assist in preventing further economic and fiscal constraints on middle- and lower-income members, and especially from Africa.
5. Advance structural and systemic transformations of financing for development which explicitly supports adaptation, mitigation, and resilience to climate change.
6. Explore alternative financial modalities including grants and concessional loans to further reduce indebtedness and fiscal austerity.
7. Improving multilateral cooperation and collaboration to strengthen institutions such as the African Union and other regional fora in promoting global democratisation of governance, intergenerational equity, and to replace outdated structures.
8. As a member in itself, the African Union carries an increased burden of representing the most marginalised and excluded interests in world systems. The AU should therefore ensure that the unified position of the continent on issues such as

climate finance, debt justice, and development aid must neither be diluted nor abrogated.

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The G20 was originally established as a response to the recurrent financial crises of the 1990s, culminating in the global financial crisis of 2008. At the time of its creation in 1999, the world was experiencing the era of neoliberal globalization, characterized by a broad consensus around market liberalization, free trade, and the unrestricted flow of capital—reflecting the global hegemony of the United States. In that context, economic policy coordination within the G20 took place among countries that were relatively aligned with U.S. interests—including, at the time, China and Russia, whose production and financial networks were integrated with the U.S. market.

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