



The G20 and the 2030 Agenda Contradictions and conflicts at the Hamburg Summit

by Jens Martens

On 7 and 8 July 2017, the summit meeting of the G20, the group of 19 major economies and the European Union, was held in Hamburg, Germany. Media perception of the event was marked by the US President's appearance and the conflicts in climate and trade policies. In contrast, other topics, including the G20 activities regarding the implementation of the 2030 Agenda, took a backseat. Hardly any attention was given to the Hamburg Update of the G20 Action Plan on the 2030 Agenda.

Federal Chancellor Angela Merkel already referred to the formulating of a common final communiqué by the heads of state and government as a success and declared that she was generally satisfied with the Summit results.

However, many observers representing academia and civil society viewed the Summit resolutions as insufficient or even counterproductive. Above all, they criticized the blind faith in economic growth reflected by the Summit documents and the one-sided focus on private investments to finance development, for example in the context of the so-called "G20 Partnership with Africa". Setting this priority in fact contrasts with the more comprehensive approaches to sustainable development that the United Nations 2030 Agenda is based on and to which the G20 countries have also committed themselves as members of the United Nations.

Given the massive public protests against the G20 Summit and the hardly reconcilable conflicts within the group, there are some who generally question the point of such Summit formats. Undaunted by this, the G20 Members have already determined the presidencies for the coming three years. In 2018, they

will be Argentina, followed by Japan in 2019, and Saudi Arabia in 2020. Given the policies of these countries, one cannot reckon with any change in G20 policies.

A growing range of topics

German G20 Presidency reached its climax with the Hamburg Summit. It had been preceded by countless sessions of the twelve working and study groups of the G20 ([see Box](#)), six meetings of the agriculture, foreign, finance, digital, labor, and health ministers, as well as dialog events with what are now seven so-called "Engagement Groups" (Business20, Civil20, Labour20, Science20, Think20, Women20, Youth20). All this required enormous efforts and expenses.

The Working Groups of the G20 2017

- Agriculture Working Group
- Anti-Corruption Working Group
- Development Working Group
- Employment Working Group
- Framework for Growth Working Group
- Global Partnership for Financial Inclusion
- Green Finance Study Group
- Health Working Group
- International Financial Architecture Working Group
- Sustainability Working Group (Energy and Climate)
- Trade and Investment Working Group
- Task Force Digital Economy

Source:

https://www.g20.org/Webs/G20/EN/G20/meeting_ministers/meetings-ministers_en.html

The range of topics addressed by the G20 has continued to grow under its German presidency, with the political focus shifting from short-term management of the global economic and financial crisis to the longer-term handling of various sector topics. From the angle of the Federal Ministry for Economic Cooperation and Development (BMZ), the topic of “sustainable development” played a central role this year. In a press release on the G20 Summit, it declared:

“With its motto ‘developing an interconnected world – resilience, sustainability, and responsibility’, the German G20 Agenda put a clear focus on sustainable development and the implementation of the 2030 Agenda, the world future agreement: Africa, youth employment in rural areas, and climate as well as enhancing the economic status of women were priority topics that clearly featured development. These topics are new elements in the G20 Agenda and demonstrate its new quality of moving away from crisis management and towards longer-term issues.”¹

The wide range of topics is also reflected in the long list of documents adopted at the G20 Summit. In addition to the Leaders’ Declaration and a separate declaration on countering terrorism, the list comprises 14 plans of action and initiatives, including the Hamburg Action Plan, the G20 Action Plan on Marine Litter, the G20 Partnership with Africa as well as several Declarations of Principles on combating corruption ([see Box](#)).

The Documents of the Hamburg G20 Summit

- Leaders' Declaration ([english](#))
- Statement on Countering Terrorism ([english](#))
- Hamburg Action Plan ([english](#))
- Climate and Energy Action Plan for Growth ([english](#))
- Hamburg Update: Taking forward the G20 Action Plan on the 2030 Agenda ([english](#))
- Annual Progress Report 2017 ([english](#))
- G20 Marine Litter Action Plan ([english](#))
- Partnership with Africa ([english](#))
- G20 Initiative for Rural Youth Employment ([english](#))
- High Level Principles on the Liability of Legal

Persons ([english](#))

- High Level Principles on Organizing against Corruption ([english](#))
- High Level Principles on Countering Corruption in Customs ([english](#))
- High Level Principles on Combatting Corruption related to Illegal Trade in Wildlife and Wildlife Products ([english](#))
- G20 Initiative #eSkills4Girls ([english](#))
- Women’s Entrepreneurship Facility ([english](#))
- Resource Efficiency Dialogue ([english](#))

Source:

www.g20.org/Content/DE/StatischeSeiten/G20/Texte/g20-gipfeldokumente.html

However, many of these topics played hardly any role in the political talks at the Summit itself and in media reports. There, the emphasis was on controversies in climate and trade policy. They are also reflected in the central Summit documents and the Declaration of the Heads of State and Government. In the area of trade, agreement was reached on a compromise formula to continue to counter protectionism, including all unfair trade practices, but to also “recognize the role of legitimate trade defense instruments”.² It is not explained which ones they are.

On the topic of energy and climate, a passage was adopted in the Declaration that exclusively represents the USA’s position, as a minority vote, as it were. The passage “acknowledges” the USA’s withdrawal from the Paris Climate Agreement. Furthermore, it contains an explicit declaration by the USA that “it will endeavour to work closely with other countries to help them access and use fossil fuels more cleanly and efficiently (...)”.³ This is in stark contradiction to earlier agreements (e.g. of the 2015 Elmau G7 Summit) to step by step completely phase out fossil fuels.

Whereas a fragile compromise was still reached with the Leaders’ Declaration of the G20 Summit, the “G20 Hamburg Action Plan on Climate and Energy for Growth” was virtually turned into a G19 document by having a footnote attached:

¹ BMZ Press Release of 10 July 2017 (www.bmz.de/20170710-1), translation by the author.

² Leaders’ Declaration, p. 3.

³ Ibid., p. 10.

“The United States is currently in the process of reviewing many of its policies related to climate change and continues to reserve its position on this document and its contents.”⁴

However, the Trump administration’s opposition was not limited to the area of climate. It also relativized its support for the implementation of the 2030 Agenda and the G20 Action Plan based on it by having a similar footnote attached to this Action Plan in the “Hamburg Update”.⁵

The “Hamburg Update” on the 2030 Agenda

At its Summit in China in 2016, the G20 had adopted a special G20 Action Plan on the 2030 Agenda⁶ in which it identified 15 so-called Sustainable Development Sectors (SDS) that reflect the current focal areas of the G20 ([see Box](#)). They are not identical with the SDGs and are not meant to comprehensively represent them. This explains the Action Plan’s bias towards business. Ecological aspects remain underrepresented in it, while human rights, as the basis of the 2030 Agenda, are given no mention at all.

The Sustainable Development Sectors (SDS) in the G20 Action Plan on the 2030 Agenda

Infrastructure
Agriculture, Food Security and Nutrition
Human Resource Development and Employment
Financial Inclusion and Remittances
Domestic Resource Mobilization
Industrialization
Inclusive Business
Energy
Trade and Investment
Anti-Corruption
International Financial Architecture
Growth Strategies,
Climate Finance and Green Finance
Innovation
Global Health

⁴ Climate and Energy Action Plan for Growth, p. 1.

⁵ “The United States is still reviewing the collective actions that were supported by previous leadership, which are listed starting on page 6 of this document.” Hamburg Update: Taking Forward the G20 Action Plan on the 2030 Agenda for Sustainable Development, p. 1.

⁶ Cf. G20 (2016).

With its Action Plan, the G20 committed itself to orienting its entire work on the 2030 Agenda. It confirms this commitment in the Hamburg Update. However, how this is supposed to happen continues to remain unclear, for this Action Plan is only one of several.

Whereas other G20 Action Plans and Initiatives stipulated detailed projects and schedules, the Action Plan on the 2030 Agenda tended to remain vague and generalizing. At the time, however, the G20 promised to make improvements. It referred to the Action Plan as a “living document” that was to be continuously put into concrete terms depending on the priorities of the respective presidency. This was the purpose of the now adopted Hamburg Update. But just like the Action Plan, it does not formulate any initiatives of its own but merely lists the existing activities of the G20 in the 15 thematic sectors. While the Hamburg Update does claim to present “concrete collective actions”, most of the measures it lists are expressed in such general terms that no concrete commitments to action could be derived from them for the G20 Members (examples: “Enhance tax certainty”, “Promote sound and sustainable financing practices with regard to debt sustainability”, “Continue to promote strong, sustainable, balanced and inclusive growth”).⁷

However, what is more problematic than the vagueness of the G20 Action Plan and its Hamburg Update is the discrepancy between the verbal coherence claim to orientate all activities on the 2030 Agenda and genuine G20 policies. For de facto, the entire activities of the G20 are not guided by the principles and goals of the 2030 Agenda but are subordinated to the primacy of economic growth and the creation of investor-friendly framework conditions.

Guided by faith in growth and investor-friendliness

Right from the start, promoting economic growth has been the common denominator for action taken by the G20 governments. In its declarations and action programs, the G20 consistently advocates economic growth as the panacea and *conditio sine qua non* for prosperity and development. However, experiences over the last decades show that together with economic growth, the exploitation of natural resources, environmental destruction, and, in many countries, social disparities have grown

⁷ Hamburg Update, p. 3.

simultaneously. Simply equating what is good for the economy with what is good for society and the environment just won't work. In spite of this, the explications of the Hamburg G20 Declaration on the topic of "improving sustainable living conditions" start off with the sentence: "A strong economy and a healthy planet are mutually reinforcing."⁸ This generalizing statement is backed neither theoretically nor by empirical evidence.

On the 13 pages of the G20 Hamburg Action Plan, the term "growth" appears 55 times, while mention of "sustainable development" is only made once (and even then, only in the context of "sustainable growth and development"), whereas one will search in vain for any reference to human rights. Instead, the G20 demands e.g. that the entire fiscal policy ought to be pro-growth. Here, it above all means a business and investor-friendly fiscal policy not only in its own countries but also in the "partner countries" of the G20.

The G20 Partnership with Africa reflects this particularly clearly. Developed in the G20 Finance Track, it goes back to an initiative by the German Finance Minister, and the conceptual basis was provided by a joint report by the African Development Bank, the IMF, and the World Bank.⁹ Its main goal is to promote private investment in African countries, especially in the area of infrastructure. To this end, the "Partnership" declared by the G20 seeks to have individual African countries sign investment pacts ("Compacts") with international organizations and G20 Members who are interested.

In a process involving several steps, African countries wishing to participate in the initiative have to commit themselves to improving the macroeconomic, legal and financial framework conditions for foreign investors. In each country, the corresponding reforms are to be coordinated by a country team which includes the representative of the respective government, international organizations and interested G20 members.

The core objective of the multilateral development banks and the G20 members is to promote long-term investor protection and reduce risks for private investors with the aid of the Compacts. In their view, this is the only way to ensure that the necessary volume of investment capital can flow into these countries. Here, the major pension funds and insurance companies can also be potential investors.

Given current low-interest policies, they are frantically looking for more profitable investment options, although they are limited in their activities by strict fiduciary rules.

Against this background, the rationale behind the multinational development banks is that:

„It is (...) important to recall that institutional investors (i.e., pension funds and insurance companies) are bound by strict fiduciary rules to invest only in investment-grade rated projects. The fact that the vast majority of projects in emerging markets are rated below investment grade acts as a barrier to achieving a higher level of private sector infrastructure investment from this vast pool of resources, estimated by the OECD to be in the range of US\$ 75 trillion. The potential prize is obvious: even if only 1 per cent of this vast global asset pool (i.e., US\$ 750 billion) were to be allocated into the sector, and assuming the existence of a sufficient pipeline of well-prepared projects, the much discussed global infrastructure gap could begin to be closed.“¹⁰

However, in order to enable higher profits and better investment conditions for foreign investors, the corresponding risks and costs have to be passed on to the public sector. At the same time, there is an increased risk of raising public debt in the Compact countries at the expense of future generations. Already, civil society organizations such as erlassjahr.de are warning of a renewed excessive indebtedness of many African countries.

The socioeconomic differences between the countries of Africa and the special situation of the poorest African countries are not considered in the G20 Africa Partnership. It does not reflect the guiding notion of the 2030 Agenda, "to leave no one behind." The countries that the Partnership really is about were not involved in the formulating of the Partnership by the G20 Ministers of Finance. This is also one of the reasons why, in their analysis of the G20 Partnership with Africa and the Compact with Africa, development experts Robert Kappel and Helmut Reisen arrive at the conclusion: "The G20 decisions on Africa are neocolonial and paternalistic. They tend to further exacerbate the problems."¹¹

¹⁰ G20 – IFA WG (2017), p. 4.

¹¹ www.ipg-journal.de/kommentar/artikel/was-in-hamburg-fast-unterging-2160/ (translation by the author). Also see their more detailed analysis of the "Compact with Africa" in Kappel/Reisen (2017).

⁸ Leaders' Declaration, p. 9.

⁹ Cf. AfDB/IMF/WBG (2017).

This could also be the reason for the African governments so far only having taken a modest interest in the G20 Initiative. By the time of the Hamburg Summit, a mere seven of the 54 African countries had presented their reform proposals and ideas for Compacts (Ethiopia, Cote d'Ivoire, Ghana, Morocco, Ruanda, Senegal und Tunisia).

It comes as no surprise that the business associations explicitly welcomed the Africa Initiative of the G20. In his statement on the Hamburg G20 results, B20 Chairman Jürgen Heraeus referred to the G20 Partnership with Africa as an "important achievement of Germany's G20 Presidency".¹²

Conclusion: the G20 format has to be reviewed

Massive public protest against the G20 Summit, its huge costs, and the difficulties in achieving anything going beyond diplomatic rhetoric given the irreconcilable conflicts within the group have rekindled the debate over the G20 Summit format in general. This applies in particular to the exclusiveness of the G20, the lack of transparency in its negotiating and decision-making processes, the selective and erratic participation procedures for civil society, and the insufficient consideration of social, environmental and human rights concerns and principles in the decisions taken by the G20.

Even German Foreign Minister Sigmar Gabriel, together with the Chairman of the Social Democratic Party Martin Schulz, questioned the current G20 format. In a strategy paper published for the Hamburg G20 Summit they state:

"The format of the meetings held by the major industrial nations (G20) is certainly an improvement compared to such meetings previously being limited to the G7 states. Even so, the G20 reflect today's and tomorrow's world just as little as the United Nations Security Council.

"This is why further steps need to be taken to reform international cooperation so that it really gives all of the world's regions a voice, and whose decisions have to become much more binding than the non-committal declarations of G20 meetings. The right forum for this is the United Nations."¹³

Gabriel and Schulz therefore demand that

"(...) future G20 meetings no longer be held with thousands of personnel and many thousand security staff in the cities of the respective G20 Presidency but to regularly, and more frequently, meet at the United Nations Headquarters in New York."¹⁴

Instead of setting up new bodies under the umbrella of the United Nations, these informal G20 meetings could be linked to the High-Level Political Forum (HLPF), which is responsible for all sustainable development issues within the UN. So far, it has been politically weak. This could change when it convenes at the level of the heads of state and government of all 193 UN Member States in 2019. Imperturbable optimists regard this as a new opportunity to strengthen the role of the United Nations in all three dimensions of global sustainability politics.

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¹² B20 Press Release of 10 July 2017

www.b20germany.org/fileadmin/user_upload/documents/B20/G20_Summit_PM_EN.pdf.

¹³ Schulz/Gabriel (2017), p. 2pp (translation by the author).

¹⁴ Ibid., p. 3.

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Websites

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www.g20.org

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www.bmz.de/en/service/feature/g20/home/index.html

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Blog: <http://justgovernance.boellblog.org/>

G20 Information Centre at the University of Toronto
<http://www.g20.utoronto.ca/>

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