

# C20 Turkey Verdict

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## Introduction

The G20 outcomes may be assessed at two key levels. The first is the extent to which the policy commitments made by the G20 in 2015 (as articulated in the Antalya Leaders' Declaration and its supporting documents) reflect the C20's specific policy recommendations. Assessing the impact of the influencing work of the C20 through the review of the G20 communiqué and other documents is a first step in understanding the efficiency of the C20's advocacy. This assessment will continue with an external evaluation of the whole C20 process.

The second level is the extent to which the G20's policy commitments and programme of actions are in line with a sustainable development and poverty reduction agenda, and could potentially contribute to reduction of inequalities in G20 countries and beyond. The policy commitments and programme of action of the G20 warrant a more comprehensive and holistic assessment of the totality of the G20's policy commitments in 2015 rather than focusing narrowly on the presence and/or absence of the C20 recommendations in these documents. Such a holistic approach will inform the ongoing engagement of civil society with the G20, and provide a base for an expanded dialogue between civil society organisations and the G20 governments.

## Background

The C20 is a platform for civil society organisations from around the world to engage with G20 governments on key issues of mutual concern. Officially initiated by G20 leaders in 2013, the C20 constitutes one of the six formally recognised G20 engagement groups. It facilitates civil society collaboration, and conveys joint advocacy messages on policy issues relevant to the G20. While specific areas of policy focus and particular recommendations are determined each year by the relevant C20 consultation process, the overarching aim of the platform is to amplify the voices of civil society at the G20 in order to promote policies and programme actions conducive to sustainable development and the reduction of poverty and inequalities.

In 2015, following a process of policy consultation and development involving over 5,000 civil society representatives and organisations from around the world, the C20 developed 36 policy recommendations under 5 broad themes – gender, inclusive growth, anti-corruption, international taxation and sustainability<sup>1</sup>. These recommendations were presented to G20 decision makers around the world through a series of influencing activities carried out by the C20 steering committee and other engaged civil society organisations. This included individual meetings with government officials across the G20 countries; formal presentations directly to the G20 officials, such as at the 3<sup>rd</sup> G20 Sherpas meeting in June; informal networking opportunities during which the C20 communicated its recommendations to relevant decision-makers including ministers; and ad hoc communications of recommendations to national-level

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<sup>1</sup> <http://c20turkey.org/page/dynamic/22>

decision makers by various civil society partners around the world. During the conclusion of the C20 Summit in September 2015,<sup>2</sup> the C20 handed over its final recommendations to Turkey's G20 Sherpa, Ayşe Sinirlioğlu, and these were subsequently passed on to all G20 Sherpas.

## How far were the C20's policy recommendations reflected in G20 policy commitments made in 2015?

Any discussion of the extent to which the C20's policy recommendations were reflected in the G20's commitments must be prefaced by an acknowledgement that attribution of cause and effect in decision-making processes is extremely complex. Although it may be possible to identify a C20 contribution to a particular outcome, it is not reasonable, at this point, to claim that the appearance of a certain issue in the communiqué was due solely to the C20's work. The degree to which particular outcomes may be attributed to the C20 will be addressed by a detailed evaluation of the C20 to be conducted shortly. Nevertheless, in the interests of accountability, it is still relevant and useful to examine the areas in which the C20's recommendations were reflected in the Antalya Leaders Declaration and supporting documents. Broadly speaking, the key areas in which the C20's recommendations are to some extent reflected include refugee issues, anti-corruption and inclusive growth.

Almost all of the different elements detailed in a statement<sup>3</sup> that was jointly signed by the 6 engagement groups (C20, B20, L20, W20, T20 and Y20) on addressing the Syrian **refugee** crisis are reflected in the G20 communiqué in some way. The scale of the crisis and the need for both humanitarian and longer-term development responses is acknowledged, as is the urgent need for a political solution to the crisis. The necessity of a coordinated and comprehensive response is noted, and leaders call on all states to share in the burden of this response, including through resettlement. Finally, the communiqué conveys the imperative to guarantee refugees' access to both basic social services and livelihoods opportunities.

In the area of **anti-corruption**, the G20 commitments made in 2015 broadly reflect the C20's major policy recommendations in this area. For example, the G20 published an implementation plan for Beneficial Ownership Transparency principles, and endorsed the G20 Principles for Promoting Integrity in Public Procurement. This represents an important step in setting up a policy environment to ensure transparency and integrity at every stage of the procurement cycle. Leaders also endorsed the G20 Anti-Corruption Open Data Principles, which contain key commitments to making public information accessible in open data formats, and made a commitment to further international cooperation on denial of safe haven to corrupt public officials.

The spirit of the C20's **inclusive growth** recommendations is very much reflected in the 2015 communiqué and supporting documents. For the first time in its history, the G20 acknowledges that rising inequalities may negatively impact growth and pose a risk to social cohesion and citizen well-being. The need for a comprehensive and balanced set of social policies, including on education, in order to reduce inequalities is noted in the communiqué, and the Antalya

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<sup>2</sup> <http://c20turkey.org/page/dynamic/28>

<sup>3</sup> <http://c20turkey.org/resource/download/152>

Action Plan includes a number of national-level measures designed to strengthen social protection. Furthermore, there is clear recognition that unemployment, underemployment and informal labour are all major sources of inequalities, and the G20 Policy Priorities on Labour Income Share and Inequalities and the G20 Framework on Promoting Quality Jobs include a number of specific measures designed to improve job quality. What's more, for first time, the G20 committed itself to a numerical target for reducing youth unemployment. Finally, the communiqué contains much stronger commitments to engaging with low income developing countries (LIDCs), paving the way for a more inclusive G20.

In contrast, the key areas in which the C20 policy recommendations were not reflected – or were reflected to a lesser extent – are sustainability, international taxation and gender equality.

In the area of **sustainability**, while the 2015 G20 made some progress in the areas of renewable energy and energy access – including endorsing a specific G20 Energy Access Action Plan for the very first time – in general, all major decisions in vital areas such as long term emissions reductions and climate finance were deferred to the UNFCCC, in line with previous G20 position on this issue. Moreover, no progress was made on the G20 commitment to end fossil fuel subsidies.

Despite the G20's high profile 2014 commitment to reduce the gap in female labour force participation by 25% by 2025, the space given to gender **issues** in the 2015 communiqué is generally underwhelming, with only two references to the issue. While the Antalya Action Plan contains a much stronger acknowledgement of the importance of female labour force participation and details member states' concrete actions in this area, it does not include details about how this commitment will be monitored. More importantly, these plans also do not reflect policy coordination and consistency across sectors that are necessary for addressing gender inequalities in a comprehensive manner.

Finally, in the area of **international taxation**, the major development during this year was the endorsement of the package of measures developed through the BEPS project, which addresses key issues such as automatic exchange of information and country by country reporting, and encourages inclusion of developing countries in implementation "on an equal footing", including through capacity building measures. However, the BEPS measures themselves fall short in key areas, including bringing an end to harmful tax practices and ensuring multinational enterprises are taxed where their economic activities take place. Moreover the call for inclusion of developing countries in implementation after their exclusion during the development of the measures themselves may limit the effectiveness of such a call at this point.

## How far do the G20's policy commitments in 2015 contribute to sustainable development and reduced inequalities overall?

Based on the above analysis, there are clearly certain areas in which the G20 could have done much more to promote sustainable development and tackle inequalities. The two areas which stand out are sustainability and international taxation. On **sustainability**, the G20's commitments were generally inadequate. By deferring all major decisions to COP21, it can be argued that the G20 missed an opportunity to prepare the ground for a positive outcome in Paris. When it comes to **international taxation**, although the endorsement of the BEPS package has been widely hailed as a

success, there is clearly still a long way to go to ensure a truly level playing field for all countries in the international tax system, and to bring an end to all harmful tax practices.

Notwithstanding these important gaps, overall the G20's 2015 commitments have the potential to **make an important contribution to the promotion of sustainable development and the reduction of poverty and inequalities**, by enhancing inclusiveness and tackling inequalities at the level of both member states and the international arena.

Most significant is the G20's **recognition that inequalities hinder growth and compromise both social cohesion and citizen well-being**. At the member state level, this recognition of the detrimental effects of inequality is backed by commitments in the 2015 Antalya Action Plan to adopt a comprehensive set of policies to address such inequalities, and relevant ministers are tasked with reviewing national growth strategies and employment plans to strengthen actions against inequality and increase the inclusiveness of growth. Such commitments represent a qualitative change in focus from the 2014 communiqué, where reducing inequality and poverty were presented as mere by-products of lifting investment, increasing trade and boosting employment.

At the international level, the most significant development has been the steps taken towards **broadening the Group's inclusiveness as a decision-making body** whose activities have far-reaching impacts across the world. The 2015 G20 Presidency has championed greater inclusion of low income developing countries (LIDCs) throughout 2015, and the Antalya leaders' declaration and supporting documents contain a number of commitments that seek to solidify this engagement. This includes the G20's commitment to ensuring that no-one is left behind in efforts to eradicate poverty through the 2030 Agenda, as well as the sub-Saharan African focus of the G20 Energy Access Action Plan. Finally, the adoption of the G20 Low Income Developing Countries framework commits the G20 to consider a more systematic dialogue with LIDCs, thus paving the way for more sustained G20-LIDC engagement over the coming years.

## Conclusion

Although not all the recommendations of the C20 made it into the communiqué, important steps to promote genuinely inclusive growth and the policy measures required to achieve it were taken by the G20 in 2015. This progress in the area of inclusiveness is also reflected through the steps taken to include the voices of LIDCs in G20 processes in a more formal and systematic way. The Antalya Leaders' Declaration and supporting documents suggest a number of areas which would benefit from sustained civil society engagement and future advocacy and lobbying work. In order to promote a greater level of continuity between C20s, these are summarised below for the consideration of interested civil society actors and future C20s.

## Annex 1: Areas for civil society follow up:

### Sustainability

- **Emissions reductions:** G20 countries' Intended Nationally Determined Contribution (INDC) commitments and commitments made during the UNFCCC 21<sup>st</sup> Conference of Parties as an entry point for tracking actions and doing policy analysis and advocacy.
- **Renewable energy:** Civil society engagement with IRENA (the International Renewable Energy Agency) to share experiences, innovative ideas, assessments and policy recommendations as a means of influencing policies and policy implementations in G20 countries.
- **Energy access:** Since support to Sub-Saharan Africa in access to energy would involve major investments in this area, tracking these investment modalities to ensure availability of and access to energy for people living in poverty, and ensuring investment in renewable energy can be an important area for civil society engagement.
- **Promotion of decentralised infrastructure investments:** explore whether the Small and Medium Enterprise (SME) focus in infrastructure investment can be leveraged to promote decentralised, local infrastructure projects as an alternative to mega projects.

### Anti-corruption

- **Open Data Principles:** the G20 commitment to promote principles in other relevant areas of work provides an entry point for follow up with G20 working groups and engagement groups.

### Inclusive growth

- **Tackling inequalities:** engagement with relevant ministries tasked with reviewing national plans for strengthening actions against inequality and increasing the inclusiveness of growth may be an important follow up action, in coordination with civil society organisations in G20 countries.
- **Link between tax reform and reducing inequalities:** the G20 Policy Priorities on Labour Income Share and Inequalities highlights the importance of developing "adequate taxation systems" in supporting a productive and inclusive economy. Such a statement can be leveraged in support of the civil society effort on tax reforms for reducing inequalities.
- **Decent work agenda:** civil society can engage with labour ministries and other relevant bodies to influence policy and cooperation on the issues of closing the gender pay gap and social protection measures for supporting entry to the labour market.
- **LIDC country civil society engagement:** civil society could engage in an effort to ensure that the civil society organisations in LIDCs are also included in dialogue on the G20 LIDC framework through triangular relationship building.

### Gender

- **Monitoring:** a civil society coalition could advocate for the development of a detailed monitoring mechanism by G20 countries. Civil society organisations could review any existing monitoring mechanisms in G20 countries and

promote the articulation of new benchmarks/ indicators into such mechanism for improving effective and meaningful data collection on commitments to gender equality.

### **International taxation**

- **Inclusive policy-making:** the “inclusivity” agenda in relation to BEPS can be leveraged to not only push for development policies that are responsive to the needs of all, but also for promotion of increasingly inclusive policy making processes within the G20 and beyond.
- **Domestic resource mobilisation:** the acknowledgement of the importance of domestic resource mobilisation (DRM) for low income countries within the BEPS framework and the G20 LIDC framework could provide a hook for future advocacy efforts, highlighting the importance of DRM for poverty reduction.
- **BEPS Implementation and Monitoring:** following the implementation of the BEPS measures, and documenting the impact of these measures on low income countries could be part of a wider strategy for achieving political commitment for a broader international tax reform that is inclusive of all.