

South Africa's G20: A pivotal stepping stone towards centering inequality in the global agenda

South Africa's G20 Presidency was centered around the theme of Solidarity, Equality and Sustainability. Finding consensus and actioning this theme was difficult in the context of domestic challenges and increasing geopolitical tensions. However, the South African government led the presidency well ensuring that inequality, the high cost of capital, industrial policy and critical minerals are some of the issues that were at the top of its agenda.

Taking the baton from Brazil which prioritised the taxation of the super-rich in its agenda, President Ramaphosa appointed an Extraordinary Committee of Independent Experts on Inequality to investigate global inequality and provide a menu of recommendations to G20 leaders as one of the deliverables. This was the G20's first ever report on inequality, highlighting South Africa's prioritisation of issues that disproportionately affect Africa and the Global South.

The Friedrich-Ebert-Stiftung South Africa, along with its partners in the SA Tax Justice Working Group, hosted Professor Jayati Ghosh at the G20 Social Summit and the People's Summit. Professor Jayati is one of the expert panel members and Co-Chair of the Independent Commission for Reform of International Corporate Taxation (ICRICT). At this momentous event, Prof Jayati remarked that "inequality is a political choice that is enabled by current economic policies, laws, and regulations and it can be undone." She highlighted that addressing inequality is now a matter of urgency given the extreme power wielded by the rich and the threats their power poses to climate change, democracy and social unrest. These are remarks she also delivered to the G20 Leader's Summit later that week. The panel recommended the establishment of an International Panel on Inequality to continue to work on this issue, and implementation of progressive taxation, and debt relief, among other issues.

Despite a successful leader's summit, culminating in a declaration, many Civil Society Organisations felt excluded from the proceedings of the leader's summit, creating an alternative space called the People's Summit which seeks to build a new economy that centers the "99" rather than the richest 1%. The point of departure for the People's Summit was to recognise that;

“We live in a world structured by inequality—a world built on the foundations of conquest, slavery, colonialism, and dispossession. This legacy has not ended, it has simply evolved. Today its machinery operates through trade regimes, global finance, corporate impunity, and military control.”

Indeed the Tax Wars film screening hosted by the SA Tax Justice Working Group highlighted how globalisation and an outdated international tax system have led to loopholes that Multinational Corporations take advantage of through tax abuse, profit shifting and tax avoidance. Reflecting on the dialogue after the Tax Wars film screening, Prof Jayati and Dr Matsepe stressed how the failure to tax MNCs has implications on the government's ability to support quality public goods, such as healthcare, and education.

It is important to emphasise the limitations of the G20. The forum is important in setting the agenda, however it cannot take forward the practical work that needs to be undertaken to address the various issues that were on its agenda. Therefore, progressive social forces need to continue to forge alliances that transcend borders, and use truly inclusive multilateral bodies to build on the commitments of South Africa's G20 Presidency.

One issue that has already picked up momentum is the UN Framework Convention on Tax. The latest negotiations in Nairobi highlighted how countries are committed to rebalancing taxing rights, addressing illicit financial flows and taxing the super-rich. These issues should continue to find expression in African countries' domestic policies as we look for solutions to address inequality within and between countries.