



G20

SOUTH AFRICA 2025



Solidarity

Equality

Sustainability

CONCEPT NOTE

TASK FORCE 1: INCLUSIVE ECONOMIC GROWTH, INDUSTRIALISATION, EMPLOYMENT AND REDUCED INEQUALITY

December 2024 – November 2025



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Over the next 10 years, an unprecedented 1.2 billion young people in the Global South will become working-age adults. Meanwhile, the job market is only expected to create 420 million jobs, which is not enough to lift people out of poverty. The G20 countries, representing the world's largest economies, play a pivotal role in addressing global challenges such as poverty, inequality, and job creation.

Productivity and income growth of the bottom of the income distribution are important channels for poverty reduction. These topics are also central to “Agenda 2063: the Africa We Want” and instrumental to make progress on the SDGs.

Income from work and small enterprises serve as main sources of revenue for the poor and vulnerable. These incomes can only rise with broad-based economic growth that creates good jobs.

Boosting economic growth requires constant upgrading of policy frameworks to create dynamic markets and solid institutions. In addition, three global forces will play a key role: technology, climate change and green transition, and population demographics. Institutions—whether formal (laws, regulations) or informal (social norms, cultural practices)—play a pivotal role in shaping economic outcomes. This approach emphasizes that effective and adaptable institutions are necessary to ensure the proper functioning of markets and mitigate potential inequalities. For example, the impact of technological innovation or migration on poverty and inequality depends heavily on the robustness of labor market institutions, regulatory frameworks, and social safety nets.

The International Monetary Fund (IMF) projects¹ global real GDP growth in 2025 to be 3.2%, with an average of 4.5% for low- and middle-income countries. This is well below the 7% target proposed by SDG Goal 8,² necessary to achieve inclusive growth and decent work. According to the International Labour Organization (ILO), progress in reducing poverty and informality have slowed globally since 2015, and the relationship between socioeconomic indicators such as poverty, employment and pay to GDP has weakened.³ Approximately 700 million people, or 8.5%

¹ IMF, 2024,, [World Economic Outlook](#)

² UNDP, 2024, [Goal 8, Decent Work and Economic Growth](#).

³ ILO, 2024, [WESO Trends 2024](#).

of the global population, are living in extreme poverty, surviving on less than US\$2.15 per day.⁴ The number of workers in informal employment globally has grown from approximately 1.7 billion in 2005 to 2.0 billion in 2024.⁵ Worryingly, 13% of young people were unemployed in 2023. 20% of young people were classified as NEET (not in employment, education or training), with two out of three young NEETs being women.⁶

Despite economic growth in the past two decades, many economies failed to create sufficient job opportunities for those who are able and willing to work, indicating that economic growth on its own is not enough. This “missing jobs” crisis is more severe in Africa than in other parts of the world where as many as 8 in 10 workers remain in informal employment. The share of African workers still struggling against extreme poverty, known as the working poor, has reduced by only 1% from 30% in 2015 to 29% in 2023.⁷ This highlights that where jobs are created they are often inadequate and not transformative - meaning that they do not bring with them the required level of wages, social protection, security and dignity, necessary for decent work. African and Global South countries’ reliance on commodity exports and the limited opportunities to climb global value chains, in part, underpin this poor jobs performance.

These challenges are common but experienced unevenly between and within countries. While global per capita national income has steadily risen, huge disparities exist. Globally, the top 10% own nearly three quarters of the world’s wealth, while half the world’s population is almost entirely deprived of wealth. Within countries, the top 10% consistently garner a larger share of national income and wealth than the poorest 50%.⁸

This context requires renewed policy efforts to create decent jobs and reduce inequality. To coordinate this work, South Africa proposes the creation of a **Task Force on Inclusive Economic Growth, Industrialisation, Employment and Reduced Inequality**.

The G20 was originally created to promote strong, sustainable, balanced and inclusive Growth. This Task Force will amalgamate topics to this core G20 mandate from both the sherpa and finance tracks and will deliver a set of policies/principles for inclusive economic growth, employment creation and the fight against inequality. The Task Force will bring together Foreign,

⁴ World Bank, 2024, [Poverty](#)

⁵ ILO, 2024, [WESO Trends 2024](#).

⁶ ILO, 2024, [Global Employment Trends for Youth](#).

⁷ ILO, 2024, [WESO Trends 2024](#).

⁸ WID, 2024, [10 Facts on Global Inequality in 2024](#).

Development, and Finance Ministers and will deliver a “G20 Principles for Inclusive Economic Growth, Industrialization, Jobs and Equality” with inputs from all G20 and invited countries.

This Task Force will contribute to South Africa’s unique opportunity to close the cycle of G20 presidencies with a focus on collective actions to tackle global challenges like inclusive economic growth, employment and inequality. The Task Force will also support G20 discussions at a time in which the G20 needs to find common ground to keep its relevance amid geo-political division, and with intertwined challenges that affect developing countries the most.

TASK FORCE DELIVERABLES

The work of the task force is proposed to follow two streams of work. The first stream provokes engagement on policy approaches that look beyond narrow economic growth metrics and towards strategies that embed employment and equity metrics and strategies within economic policies. In particular, this task force will develop frameworks for aligning macroeconomic, sectoral, labour-market, social protection and environmental policies behind the shared objectives of creating decent work and reducing inequalities, ensuring that these policy areas are mutually supportive and reinforcing.⁹ Such frameworks will stress the central role that macroeconomic policy regimes should practically play in advancing industrialisation, job creation and equity. To this end, this task force will commission expert research, publish a high-level report and hold seminars and public dialogues.

The second stream of work focuses on green industrial policy. This builds upon existing G20 initiatives, such as the G20 Initiative on Supporting Industrialization in Africa and Least Developed Countries, launched in China in 2016, the G20 Compact with Africa, initiated during Germany's G20 presidency in 2017, and the Voluntary High-Level Principles for Collaboration on Critical Minerals for Energy Transitions from India’s 2023 G20 Presidency. It acknowledges the importance of the fair and equitable inclusion of Global South countries in renewable energy and transition minerals value-chains for a just transition. A high-level expert report will examine the role of renewable energy technology and critical minerals in driving industrialisation, creating employment and fostering global equity, including through beneficiation at source.

South Africa believes that the G20 is uniquely placed to initiate discussion on green industrial policies—an emerging focus area in the G20 and the international community at large. Given the potential for green industrial policies to bolster employment, industrialisation and inclusive growth, this task force will provide a dedicated space in the international agenda for the discussion on this subject, including sharing best practices and discussing a consistent definition

⁹ ILO, 2022, [Towards a Transformative Macroeconomic Policy Framework](#).

across governments and international organisations that make reference to green industrial policies, including the IMF, OECD, UNCTAD, UNIDO, World Bank and various other UN agencies.¹⁰ Finally, this task force will develop G20 High-Level Principles on Green Industrial Policy for Inclusive Economic Growth, Industrialisation, Jobs and Equality.

The task force will also provide a platform for an exchange of ideas on economic policy frameworks best suited for the individual needs of countries, while at the same time ensuring international policy coordination. During our Presidency, we envisage a foundational deliverable of “G20 Principles for Inclusive Economic Growth, Jobs and Equality” and a joint Ministerial Declaration to endorse the principles, which will then be part of the G20 Leaders Declaration.

The Principles will include policies in the following areas:

- **Structural reforms:** High informality, limited access to quality education, and weaker labor market institutions are key barriers to the creation of more and better jobs. Policy and regulatory reforms that facilitate the entry of new and dynamic firms, that facilitate matching of workers and jobs, and that align workers' skills with industry needs will be necessary to overcome these barriers.
- **Digital Transformation:** Technology is reshaping industries through automation, digital platforms, and AI, enhancing productivity and creating new markets. However, it also poses challenges like worker displacement and skills gaps. Successful integration can boost competitiveness and job creation in the digital economy.
- **Resilience:** Climate change and the green transition is impacting industries and labor markets, increasing demand for green technologies and sustainable practices while demanding adaptation in many areas, especially agriculture. This shift presents opportunities in renewable energy, waste management, and sustainable agriculture, leading to job creation that can mitigate economic impacts of climate change. Africa, with its vast Energy Transition Mineral resources, has immense potential to play a key role in global value chains for clean energy products. The region can provide minerals and metals for the energy transition and capture a share of the growing markets along batteries, solar panels, transmission lines, and electric vehicles value chains— and in doing so create millions of jobs. However, climate change and green transition also present risks to specific industries, firms and jobs that will need to be managed to ensure a just and inclusive green growth trajectory.

¹⁰ See IMF, 2024, [Industrial Policy Coverage in IMF Surveillance—Broad Considerations](#), OECD, 2024, [Green industrial policies](#), UNCTAD, 2021, [Trade and Development Report](#), UNIDO, 2020, [Green industrial policy to power a green recovery](#), World Bank, 2013, [Green Industrial Policy: When and How](#), Partnership for Action on Green Economy, 2017, [Green Industrial Policy and Trade](#)

- **Migration:** Fragility, conflict and climate shocks have created large pressures to migrate. Meanwhile, many countries are seeing their labor forces shrink while others are still adding workers. Migrant workers fill essential roles, supporting economic growth, but also raise challenges related to integration and resource access. Leveraging a diverse workforce can drive innovation and inclusive job creation

As an Annex countries could submit up to five policies that have proved to be useful in tackling the challenges associated with inclusive economic growth, industrialization, employment and equality.

Work Program: The Task Force will meet three times virtually.

First meeting: Setting the stage. Delegates will discuss main challenges in advanced and developing countries to implement policies that would promote economic growth that in turn generates more and better jobs and reduces inequality, including through opportunities of new technologies, green transitions, resilience to shocks, and demographics. The World Bank will provide a paper to frame the discussion. The Chair will also present the envisioned deliverable.

Second Meeting: Discussion of a first version of the G20 deliverable “G20 Principles for Inclusive Economic Growth, Employment and Inequality”.

Third Meeting: Finalization of the deliverables report on principles to promote jobs and inclusive growth.

After comments sent by members in writing, a final discussion can take place during this meeting.

Ministerial Meeting: Joint meeting between Foreign, Finance, and Development Ministers to issue a joint Ministerial declaration and endorse the principles, which will then be part of the G20 Leaders Declaration.

The Task Force on Inclusive Economic Growth, Industrialisation, Employment and Reduced Inequality will draw from, and bring together, overlapping efforts currently being addressed separately in the G20 Sherpa Track (specifically the Employment, Development, Trade and Investment, and Women’s Empowerment Working Groups) and the Finance Track (the Framework Working Group).