



G20

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Solidarity

Equality

Sustainability

G20 Principles for Inclusive Economic Growth, Employment and Reduced Inequality

(G20 Task Force One: Deliverable 1)

G20 Principles for Inclusive Economic Growth, Employment and Reduced Inequality

Preamble

Over the past three decades, global economic progress has lifted over a billion people out of extreme poverty and doubled GDP per capita. However, this progress has not been evenly shared, and the link between economic growth and the creation of decent work has weakened. In a time of profound transitions driven by multiple factors including climate change, rapid technological transformation, demographic shifts, and growing inequality the G20 reaffirms its shared responsibility to strengthen the critical link between growth, employment, equality, and sustainability.

G20 Principles for Inclusive Economic Growth, Employment and Reduced Inequality provide a renewed foundation for global collaboration, grounded in shared evidence and adapted to diverse national circumstances. These Principles aim to ensure that economic transformation delivers not only stronger growth but also more equitable and sustainable outcomes, as well as decent work for all, in line with international labour standards and the ILO decent work agenda. They are aligned with the vision set out in Sustainable Development Goal 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

Principle 1: Employment as a Central Objective of Economic Policy

Economic transformation must be rooted in sound macroeconomic frameworks and must prioritise the creation of decent jobs. The G20 recognises that macroeconomic, fiscal, industrial, and social policies should align to create productive, inclusive, and high-quality employment, in which fundamental principles and rights at work and fair wages in particular are promoted. Employment must be placed at the heart of national and global growth strategies. An enabling environment should be created to facilitate the flow of investment toward sectors with high employment and growth potential, including sustainable industries, agri-food systems, care economies, and digital innovation in line with national circumstances and strategic economic priorities. The effects of the use and development of digital and emerging technologies in the workplace, including artificial intelligence (AI), and the impact of extreme weather events and natural disasters on employment, must receive sufficient policy and regulatory attention in line with national circumstances.

Principle 2: Job Quality as a Cornerstone of Structural Transformation

Job quality is fundamental to facilitating sustainable, resilient and inclusive structural transformation. Structural transformation entails the upgrading of the economy, the labour market and a sustainable industrialisation process; it must progressively facilitate the transition from informal to formal economy. The transitions must prioritise decent work as well as equitable outcomes for workers, and their families, particularly people in vulnerable situations. Support should be given to displaced workers through income security, retraining, and dignified re-employment, while fostering economic diversification in the affected regions. Policies must promote transitions to productive, fairly remunerated and high-quality jobs that provide dignity, stability, and opportunity for all workers.

Principle 3: Strengthened Labour Institutions and Fair Wage Setting

Labour market institutions, including social partners, are critical enablers of equitable economic development. The G20 underlines the importance of promoting social dialogue and collective bargaining, as well as wage-setting mechanisms and wage protection policies. Promoting fair wages and ensuring decent working conditions not only protects workers but also supports demand, fosters productivity, and contributes to social cohesion. These mechanisms are vital for realising equitable economic development, which in turn advances gender equality as they safeguard work-life balance, ensure the equal sharing of parental leave and care provision, promote equal pay for equal work, and protect individuals from all forms of discrimination, violence, and harassment in the workplace. Moreover, promoting equality between men and women through equal pay for equal work or work of equal value, work-life balance, and protection from discrimination, violence, and harassment at work is paramount for achieving equitable economic development.

Principle 4: Universal and Adaptive Social Protection

Universal, rights-based, comprehensive, adequate, and adaptive social protection systems are critical tools essential to manage and mitigate risks, transitions and shocks, reduce inequalities and ensure a social protection floor for all, in line with national priorities and policy approaches. Rather than being a cost, social protection constitutes a long-term investment that contributes to long-term resilience and sustainable development, and it is a central tool to reduce inequalities. Social protection acts at both the household and macroeconomic levels as an economic multiplier, as well as a means to advance gender equality through the empowerment of women and girls. Comprehensive systems encompassing health coverage, income security, and unemployment support and enable labour market transitions and mitigate

social risk. They are indispensable in supporting the inclusion of people in vulnerable situations and in facilitating structural transformation with contributions from the social partners. Strengthening investment in social protection measures, including social protection floors, to emphasize the importance of ILO Recommendation 202, is key to progressively achieving universal coverage.

Principle 5: Education, Skills and Lifelong Learning

No one should be left behind. Inclusive, equitable, and quality education and training systems must be future-oriented and agile, equipping all people—including women, workers from racial and ethnic minorities, migrants, older persons, youth, persons with disabilities, and those in vulnerable situations—with the skills required by our transforming economies, including for the digital, sustainable, and demographic transitions. Lifelong learning must become a systemic policy priority, supported by strong links between educational institutions and labour markets. Targeted programmes including soft skills development, entrepreneurship, apprenticeships, and on-the-job training have demonstrated high returns, particularly for people in vulnerable situations.

Principle 6: Youth at the Centre of Employment Strategies

Youth exclusion is a global crisis. To reverse this trend, building on the 2015 Antalya Youth Goal, G20 members commit to the Nelson Mandela Bay G20 Youth Target, to reduce the rates of 15-29-year-olds not in employment, education, or training (NEET) by a further 5% by 2030, with a special emphasis on supporting disadvantaged youth, including young women, youth with disabilities and people in vulnerable situations at risk of exclusion. Achieving this target requires coordinated action to ensure access to quality education, tailored skills training, and decent employment pathways, supported by economic policies that create an enabling environment for private sector development and investments. Empowering young people and tapping their full potential is not only a question of justice, it is also an economic imperative and a foundation for future prosperity.

Principle 7: Unlocking Women’s Potential through Decent Work

Almost all countries have narrowed the labour force participation gap between men and women since 2012, with approximately half of G20 countries on track to meet the 25% reduction goal by 2025, with more countries on track to meet the 25% goal by 2030. However, women’s underrepresentation in decent jobs, and in leadership and decision-making roles, remains a persistent global challenge. Therefore, we adopt the Brisbane–eThekweni Goal, which builds on the original ambition by extending our commitment to reduce the gender gaps in labour force participation by 25% by 2030 from 2012 levels, taking into account national circumstances. Achieving these goals

requires removing structural barriers and expanding access to decent employment, including through access to finance, active labour market programmes, affordable care services and infrastructure, adequate labour earnings, protection against discrimination and violence, and opportunities for skills development and entrepreneurship. Empowering women through decent work and into leadership roles is essential to building just, resilient, sustainable and inclusive economies.

Recognising that unequal pay for men and women for work of equal value remains a main obstacle for gender equality in the labour market, we commit to progressively reduce the gender wage gap and to advancing equal pay for work of equal value and encourage G20 countries to work towards reducing the unadjusted wage gap between men and women by 15 per cent by 2035 (based on 2022 levels). We will undertake our review after 5 years to consider increasing the target to 35 per cent by 2035.

Principle 8: Enabling Environments for MSMEs and the Transition from the Informal to the Formal Economy

Micro, small and medium-sized enterprises (MSMEs) are vital to inclusive growth, employing over 70% of the global workforce. They could, for example, be supported with access to affordable finance, skills, technology, and business development services to strengthen productivity and competitiveness. Formalisation, digitalisation, and social and labour protection for workers of MSMEs are necessary to unlock their full potential. Policies should support MSMEs led by women, youth, and informal entrepreneurs to develop their potential and contribute meaningfully to economic transformation and transition to the formal economy.

Principle 9: Coordinated Industrial Policy for Inclusive Transformation

Industrial policy should be informed by social dialogue, evidence, and long-term vision, in line with WTO rules. It is a tool for aligning government, private sector, and social actors around shared objectives. The G20 supports national efforts to foster sustainable, inclusive, and just transformation through industrial strategies that build productive capacity, address market failures and catalyse innovation and competitiveness. As these strategies have cross-border impacts, the G20 underscores the importance of transparency, international dialogue, and knowledge exchange to build trust and promote cooperation. Fiscal space, sound macroeconomic policies and robust institutions, particularly in developing economies, are critical to support such ambitions. Enhanced international cooperation, linking finance closely with the real economy, and domestic resource mobilisation are required. We acknowledge the strategic importance of an enhanced G20 partnership with African economies, including through strengthening the G20 Compact with Africa.

Principle 10: Integrated Policy Frameworks for Structural Change

The G20 calls for coherence across macroeconomic, labour market, social, industrial, agri-food systems and environmental policies. In light of high public debt and fiscal pressures, growth oriented macroeconomic policies and well-targeted structural reforms are essential for generating strong economic growth and creating more and better jobs, while ensuring fiscal sustainability. Economic transformation must address the root causes of inequality, unemployment, and underemployment. The G20 also affirms the importance of trade integration and fair competition as enablers of sustainable development and inclusive employment. The G20 resolves to preserve and strengthen multilateralism, international cooperation and, through its reform, the rules-based multilateral trading system, with the WTO at its core, as a key driver of economic growth and sustainable development. Whole-of-government coordination and effective social dialogue are essential to this task. We recognise the importance of integrating tools such as employment impact assessments, pro-employment budgeting, and job-sensitive infrastructure investment across policy domains.

Principle 11: Data for Accountability and Inclusive Governance

Policy must be guided by what matters. Beyond GDP, the G20 urges investment in robust, disaggregated data systems that reflect job quality, income security, social inclusion, environmental sustainability, and women empowerment. Official statistics, complemented by new data sources, are essential for closing knowledge gaps, informing decision-making, and enhancing accountability. Strengthening labour market information systems and ensuring transparency will empower governments and stakeholders alike, according to national circumstances.

Principle 12: Digital Inclusion

We reaffirm the importance of promoting an inclusive, open, accessible, equitable, human-centric, safe, secure, trusted, sustainable, development-oriented digital transformation, in which digital government services, including those based on digital public infrastructure, can play a key role in improving the responsiveness, effectiveness, transparency and reliability of the public sector in the digital era, while protecting privacy, personal data, human rights and fundamental freedoms. Further, these efforts are important to empower MSME's, enable digital trade, and support job creation, sustainable employment, self-employment and inclusive economic development.