



# BUSINESS SUMMIT 2019

## Inclusive, Sustainable Economic Growth and Governance for the 21<sup>st</sup> Century

Joint statement



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Aix-en-Provence - thecamp

# Inclusive, Sustainable Economic Growth and Governance for the 21st Century

**We, the business organizations of the G7 countries, are issuing this declaration at the conclusion of the 2019 B7, held in Aix-en-Provence, France, on 4 and 5 July 2019.**

We do so by building on the declaration of the Business 20 put forward in March 2019, advocating for a “Society 5.0 for SDGs”. For years, the B7 and the B20 have consistently stressed the need for a more inclusive and sustainable growth and a renewed global governance to deliver this goal.

We express our deep concern at the current state of multilateralism, which is increasingly threatened by the surge of national go-it-alone strategies. The global trading order is severely challenged by rampant protectionism and a stalemate of the World Trade Organization. Uncoordinated national digital policies and the lack of global rules on digital trade harm economic growth and development. The failure to implement the Paris Climate Agreement as well as a reversal of policies at the national level by certain countries undermine the joint efforts of the international community to effectively protect the environment. In a world in which our economies have never been so interconnected and the risks so global, we urge governments to take coordinated action against protectionism and misdirected distrust in the global economy.

**The B7 believes that 2019 gives the G7 the opportunity to engage in a global and ambitious initiative to foster sustainable and inclusive growth and governance for the 21st century**, as the issue of inequalities is brought to the forefront by the French Presidency as a G7 priority.

The G7 has the tools and credibility to deliver a positive political momentum, with an increasing number of governments realizing the urgency for action. On the 75<sup>th</sup> Anniversary of the Bretton Woods Agreement this month, the leading international institutions have an opportunity to strongly engage in the direction of a reform of the international governance. The G7 should support pro-growth efforts by the IMF and the World Bank Group and encourage the UN in its effort to reform. The G7 shall urgently enable the WTO to undertake substantial overdue reforms. The G7 should also work with the ILO as it strengthens its role to reflect new challenges.

**Businesses view inclusiveness as a strategy to enhance the economic and the social potential of nations, regions and communities in the long term.** Consequently, the B7 urges the G7 to develop a strong statement reflecting the following recommendations:

## Open and fair international trade and investment

1/ Engage all the necessary efforts to urgently find a solution to the current stalemate regarding the Appellate Body of the WTO, modernize its Dispute Settlement Mechanism and undertake a profound reform of its overall governance and functioning;

2/ Develop a more effective and stricter framework for industrial subsidies and state-owned enterprises and continue the efforts to address excess capacities;

3/ Elaborate multilateral rules on digital trade, notably through an ambitious and comprehensive e-commerce agreement;

4/ Pursue trade liberalization by concluding and implementing ongoing multilateral and plurilateral initiatives and ensure more balanced market access based on the economic weight and level of competitiveness of WTO members;

5/ Balance national security with open trade and investment;

## **Ecological transition and biodiversity**

1/ Set an ambitious agenda to address the intersecting challenges of climate change and biodiversity, deploy the decisions taken in previous international conferences (e.g. Paris Agreement, NY Declaration on Forests), and pursue the global discussion on carbon pricing in a way that adequately internalizes externalities and levels the marginal costs of reducing emissions globally;

2/ Promote and encourage resource efficiency solutions and the retention of value in secondary materials to sustain economic growth;

3/ Promote long-term financing for sustainable quality infrastructure using an inclusive approach, providing coherence and ensuring visibility for financial stakeholders and companies in an environment of fair competition;

4/ Support business in their ecological transition with economic, social and labor market policies that ensure the necessary skills and qualifications required for existing and emerging jobs and transparency on the economic and social costs of the ecological transition;

## **Digital transition and Cybersecurity**

1/ Promote fair competition in the digital market by ensuring a level playing field;

2/ Develop an international platform on Cyber Risks to collect data from cyber incidents all around the world to improve global knowledge, stimulate common actions and help prevent attacks;

3/ Charge international standardization bodies with the elaboration of common cybersecurity standards for product groups (e.g. 5G and Internet of Things), with a strong involvement of industry in the process;

4/ Promote awareness and education of citizens and businesses regarding cyber hygiene actions, and work on a better framework to protect critical infrastructure (e.g. definition; security measure requirements);

5/ Develop government capacities, building on the Budapest convention and on the UNGGE, to counter cyber-attacks and avoid any approaches that rely on “private justice” as a legitimate tool in cyberspace, and refrain from any initiative that would weaken encryption capabilities or require built-in weaknesses and vulnerabilities to access user data;

## **New global governance and the future of work**

1/ Launch an international initiative in view of achieving a renewed, more balanced and coherent global governance. This involves increased collaboration and policy coherence among international institutions on pro-growth governance reforms;

2/ Strengthen public policies in terms of equality, diversity and inclusion. Encourage voluntary company initiatives aiming at wage and career inequalities’ reduction and support female entrepreneurship by ensuring gender-neutral access to finance, training and other services should be a priority for the G7 countries;

3/ Urgently reform the G7 countries’ education and training systems to raise the level of qualifications and provide youth and adults with the skills needed for the era of digitalization.

# **Inclusive, Sustainable Economic Growth and Governance for the 21st Century**

## **OPEN AND FAIR INTERNATIONAL TRADE AND INVESTMENT**

The current WTO crisis is a symbol of the wider crisis of multilateralism, with a return to the use of unilateral measures in various fields, leading to trade wars and challenging global governance and various international organizations. Among the different converging factors explaining the current international context, two deserve to be highlighted in particular: the digital revolution, which has been creating major opportunities and challenges in a wide range of areas, and the significant global distortions caused, among others, by distortive industrial subsidies and practices by some state-owned and state-controlled enterprises.

The B7 remains resolute in its support for the multilateral trading system and the value of the WTO, however the institution must be reformed and strengthened to reflect the shifting sands of 21<sup>st</sup> century trade.

The WTO reform is clearly an opportunity to update rules, securing a level playing field, and to regain people's trust in trade and globalization. It is clear for the B7 that the WTO will lose its relevance if the reform efforts were to fail.

Revitalizing the WTO is therefore the priority for businesses. The B7 is calling on the leadership of the G7 to seriously promote and engage in negotiations leading to a substantial modernization of the WTO with the following objectives:

### **1) End the impasse over the failure to appoint members to the WTO Appellate Body**

Rules without enforcement do not deliver the expected results. A well-functioning dispute settlement mechanism is crucial for a stable and predictable environment for businesses all over the world. That is why the B7 is seriously concerned by the impasse over the WTO Dispute Settlement Mechanism (DSM), which will collapse by the end of the year without the appointment of members to the Appellate Body.

The B7 urges the G7 and WTO members to engage all necessary efforts to find a solution to the current stalemate regarding the Appellate Body and engage in modernizing the DSM (e.g. streamlining proceedings, clarifying the scope of judgments). As a last resort, the WTO members should consider establishing alternative mechanisms to ensure that countries have recourse to binding dispute settlement, including potentially utilizing Article 25 provisions. These interim efforts should not prejudice the overall goal of securing a permanent and long-lasting solution to reforming the Appellate Body.

Failing a resolution could harm the present system, by undermining the ability to properly enforce agreed multilateral rules. Uncertainty is damaging for business and citizens, as it hampers investments and economic growth.

### **2) Ensure a level playing field for companies**

The growing distorting impact of massive and distortive industrial subsidies and State-Owned Enterprises (SOE) activities on international trade and investment has become the subject of significant debate. Independent of their ownership, all companies should operate on a level playing field. Therefore, the B7 believes there is an urgent need to develop a better framework for industrial subsidies and the treatment of state-owned enterprises. In this regard, B7 urges governments to continue the efforts to address excess capacities.

Exploring competitive neutrality issues is where the WTO could make an important contribution. Subsidies notification is also an area where the respect of rules, transparency and efficiency must be urgently improved.

The B7 hopes that the trilateral discussions between the United States, Japan and the European Union can rapidly bring concrete proposals in this area.

The B7 also calls on the G7 to take the lead in the development of new rules to prohibit forced technology transfer.

### **3) Elaborate rules adapted to digital trade**

Digital trade constitutes a key factor of today's global economic development. The lack of rules tailored to this new trade reality is an issue, since countries have adopted different approaches and measures in this field, ranging from policies that enhance innovation to new forms of digital protectionism. In this context, businesses and consumers often turn to a patchwork of rules agreed by some countries in their bilateral or regional trade agreements.

Businesses, however, seek the certainty of consistent multilateral rules on digital trade in order to effectively operate in global markets. Seventy-seven WTO members have already started working on the e-commerce negotiations.

B7 requests that our political leaders built upon this momentum and negotiate an ambitious and comprehensive e-commerce agreement which delivers concrete and timely results. The agreement must establish binding rules for free, trustworthy and reliable cross-border data transfers. Forced localization policies and other restrictive measures should also be tackled, as they cause inefficient operations, harm customer welfare, create an un-level playing field and lead to increasing market fragmentation. The transfer or access to source codes should not be a market access requirement for providing services or selling software.

Furthermore, the moratorium on import duties on electronic transmissions should be made permanently legally binding.

### **4) Ensure trade liberalization and more balanced market access**

According to the WTO, the trade coverage of new import-restrictive measures applied by the G20 economies between October 2018 and May 2019 is estimated at USD 335.9 billion, which is more than 3.5 times the average since May 2012. G20 stand-still and roll-back commitments as well as the WTO negotiations have failed not only to prevent those measures, but also to ensure that trade liberalization takes place in a more balanced way.

In addition to the removal of barriers, the B7 believes that more effort should be made by countries that today have an important part of the global market share, but still enjoy differentiated treatment thanks to "self-declared developing status". WTO members should undertake commitments according to their current economic weight and level of competitiveness. The absence of some of the major players in the WTO's Government Procurement Agreement (GPA) is a good example of the lack of balance which needs to be urgently addressed.

In addition, governments should be encouraged to expand the Information Technology Agreement (ITA), resume negotiations for the Trade in Services Agreement (TiSA), accelerate the full implementation of the Trade Facilitation Agreement (TFA) by all WTO members, and work towards a more comprehensive Environmental Goods Agreement (EGA) that avoids complex customs procedures and trade diversion.

The WTO members should continue pursuing flexible multilateralism that drives forwards trade liberalization. E-commerce negotiations are one example of this, and plurilateral approaches in Geneva should also look again at the currently stalled trade in services agreement to deliver the tangible benefits of trade liberalization to ever more segments of the global population.

## **5) Balance national security with open trade and investment**

The B7 stresses the need for the G7 countries to keep their markets open to foreign trade and investment. The G7 countries, which are still the major players in the world trade and investment, must take the lead in setting good examples for other countries.

At the same time, it is indispensable for the G7 countries to be equipped to act when their national security is at risk. The B7 supports necessary and proportionate measures to safeguard the national security of our economies as it is a legitimate goal in the overall interest of society. In developing those measures, the B7 calls upon the G7 to coordinate with other countries so as not to create a loophole. The scope of technologies which are subject to regulations should be narrowly defined to cover only technologies that are indeed critical to national security.

National security should not serve as a blank cheque for introducing protectionism and discrimination against foreign economic operators. The B7 urges Governments to respect their international commitments.

## **ECOLOGICAL TRANSITION AND BIODIVERSITY**

Business engagement is key to address major environmental challenges such as climate change, loss of biodiversity and resource scarcity. Long-term, coordinated action involving all stakeholders is needed to enable the necessary transformation towards a sustainable economy.

The B7 fully supports the UN Sustainable Development Goals (SDGs), which through use of a common language and a partnership approach contribute to sustainable and inclusive global economic growth. In addition to the clearly identified challenge of climate change, companies welcome G7 attention to the risks associated with biodiversity loss. Sustainable and inclusive economic growth must necessarily be based on the protection of the living world.

Companies believe their actions and capacity to provide innovative solutions to sustainability challenges to be essential to the success of the 2030 UN Agenda. The B7 calls on the G7 to acknowledge the role, expertise and contribution of companies by integrating them into regional, national, European and international decision-making bodies.

To tackle the environment challenges, the B7 believes it is necessary to:

### **1) Set an ambitious global agenda to address the intersecting challenges of climate change and biodiversity**

Sustaining economic growth which considers the availability of natural resources and factors such as climate change and the loss of biodiversity represents a major challenge for policy-makers, businesses and society. It is therefore necessary and urgent to combine objectives related to economic growth and the preservation of natural capital. The B7 stresses the need for integrated and stable policies that will enable business to deliver the full potential of the low carbon transition and resource efficient use and to globally contribute to a very low carbon society by 2050.

Companies from the G7 countries are calling for the following:

- Promote effective implementation of the Paris Agreement by the main emitting countries, by accelerating the research, development and deployment (R&D&D) of innovative technologies and by intensifying the global discussion on carbon pricing in a way that adequately internalizes externalities and levels the marginal costs of reducing emissions globally. Measuring, reporting and verification tools and the harmonization of information collection methods are essential for science-based decisions and application of data.

We urge government to reach agreement on implementation guidance on the Article 6 of the Paris Agreement in order to establish market mechanisms capable of improving cooperation among Governments on Greenhouse Gas (GHG) mitigation.

- Regarding biodiversity, involve companies in the definition of realistic objectives and support biodiversity research and the development of relevant measuring and verification tools, particularly in view of the COP 15 biodiversity summit in 2020.

It is also important to rapidly deploy the UN framework on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries projects (REDD+) and to endorse the New York Declaration on Forests to end global deforestation by 2030. These two initiatives will help mitigate climate change and protect biodiversity.

## **2) Promote resource efficiency solutions to sustain economic growth**

Faced with the scarcity of some natural resources, circular economy and other resource efficiency solutions offer a way to promote a “Sound Material-Cycle Society” and sustain economic growth. These economic concepts provide a wonderful opportunity for development in all regions of economic and industrial activities that cannot be relocated: eco-design, functional service economy, reconstruction, regional approaches, 3R (Reduce, Reuse, Recycle), etc.

To achieve the transition towards an economy based on resource efficiency and encourage the development of solutions that aim to retain the value of secondary raw materials (at a competitive price and in sufficient quantities and levels of quality), several levers are available. The B7 recommends the following in particular:

- Favor solutions that offer the best environmental performance in terms of cost per ton of CO<sub>2</sub> avoided and so on, considering their global economic impact, and based on a life-cycle approach;
- Develop incentives to promote Research and Innovation (R&I) and the deployment of technologies aimed at reducing the GHG impact of fossil fuels;
- Fight illicit dumping of products and materials including marine plastic litter and the illegal transfer of waste through enhanced cooperation between States;
- Adapt existing energy transition financing instruments to circular economy and resource efficiency, given the contribution that these models can make in terms of reducing GHG emissions and improving energy efficiency;
- Examine opportunities to develop innovative tools to finance circular economy and resource efficiency on a global scale;
- Use the G7 Alliance for Resource Efficiency to promote the dissemination of best practices in the efficient use of resources in enterprises;
- Share best policies and practices that promote better resource efficiency in major economies.

## **3) Promote long-term financing for infrastructure using an inclusive approach**

Achieving the 17 SDGs by 2030 requires financing to be directed towards companies that are developing products and services which provide solutions and those that are transforming their production methods or helping to change consumption patterns. The growth of sustainable finance should be encouraged in the following ways:

- Improve the understanding of companies' climate strategy (Environmental, Social and Corporate Governance non-financial reporting) by the financial community, in order to facilitate green investments in every sector of the economy;
- Promote the harmonization of practices: public and private sustainable finance initiatives are increasing (e.g. Task Force on Climate-related Financial Disclosures). To provide coherence and ensure visibility for financial stakeholders and companies in an environment of fair competition, the B7 is calling for a harmonization of initiatives and the development of common voluntary practices using the existing widely-used international framework that relies on a single language at the international level, and which considers the business communities' experiences and contributions;
- Identify the most relevant tools (public partnerships, private, financial de-risking tools, etc.) to reduce the financial risks inherent in infrastructure (energy, transport, construction, etc.) and low-carbon innovations;
- Promote effective incentives to encourage industry to move towards green financing. Existing financial legislation should be examined to identify where incentives can be built in to encourage green take-up.
- Avoid market fragmentation in sectors such as financial services where implementation of global rules is diverging across multiple jurisdictions. The G7 should reaffirm its commitment to global standards implemented in a consistent way to ensure a level playing field and avoid fragmentation of markets, protectionism, and regulatory arbitrage. This will serve to enable greater global access to long-term and inclusive financing.
- Promote quality infrastructure based on the following elements:
  - A) Alignment with development strategies, openness, transparency and fiscal soundness
  - B) Stability, safety and resiliency
  - C) Local high-quality development: job creation and capacity building
  - D) Economic and financial soundness: cost-effectiveness including life cycle cost and utilization of markets
  - E) Social and environmental sustainability

#### **4) Prepare the labor market for the ongoing transformation**

Ongoing changes represent a major opportunity for a large number of companies and numerous jobs can be created.

They may also lead to the revaluation of industrial assets and impact some industrial activities in G7 countries, such as the manufacturing industry, the energy sector or the transport sector.

For companies to commit to the sustainable transformation of their business models, they need to be supported during this transition with economic, social and labor market policies that ensure the necessary level of skills and qualifications required for new emerging jobs and for existing jobs and which provide for the necessary flexibility to adapt and remain competitive.

Anticipating these changes is crucial so that companies in these regions are assured that the level of employment, qualifications and skills is improved.

## **DIGITAL TRANSITION AND CYBERSECURITY**

The B7 believes that technology is ushering in a new phase of globalization that must be managed properly. Seizing opportunities also means preventing risks, such as the cyber incidence and cyber-crime.



Businesses are deeply concerned about the rise of cyber threats. In recent years, companies have digitalized most of their processes, information, information storage, patents, etc. Intangible assets have greatly increased in the value of companies.

Whereas many companies are used to managing the risks associated with their production processes, technological deployment and their reputation, not all companies - particularly small and medium-sized - have implemented holistic cybersecurity strategies.

In addition, cyber incidents can harm individuals and disrupt vital infrastructure if not well managed. The impact of such incidents may grow further as the number of connected devices proliferates, and the potential contagion in a deeply connected world increases.

While businesses aspire to do what they can to effectively mitigate the negative consequences caused by cyber-attacks, they often lack institutional support and legal protection against individuals and organizations who act with complete impunity. Moreover, there is even higher risk resulting from state-funded cyber espionage that will be extremely difficult for companies to address on their own. A coordinated response among G7 countries is even more important in this case. The B7 urges the G7 to provide companies with more support in their fight against cyber criminals. The B7 also calls on the G7 to support and to build on the 2018 "Paris Call for Trust and Security in Cyberspace".

Cybercrime being a global threat, the B7 supports a standardized and coordinated approach to improve cybersecurity by:

## **1) Threat Data Assessment and Sharing**

An international platform on Cyber Risks to collect data from cyber incidents all around the world should be developed, evaluated and published, possibly under the leadership of Interpol in coordination with other relevant entities.

We affirm that the sharing of threat data in a structured, safe and secure manner (e.g., malicious code, indicators of compromise, tactics of malicious actors, defensive measures) enables organizations to protect and defend their networks. International organizations and appropriate government bodies are most successful when they build on trusted communities of interest, enable bidirectional sharing, and provide stakeholders with prevention and mitigation measures.

## **2) Defining**

In the era of digitalization, the B7's globally-oriented industries require common standards inspired by the "security by design" principle developed in international standardization organizations, based on security principles for products, services and processes, and a common approach to authentication and encryption while avoiding the establishment of technical barriers to trade.

National approaches will not be sufficient to cope with global cybersecurity issues. We believe that governments should establish interoperable requirements for security measures based on mutually recognized international standards.

A common definition of cybersecurity standards, for example for product groups such as 5G and Internet of Things, should be developed by international standardization bodies with a strong involvement of representatives from industry. Moreover, industry should be encouraged to share best practices.

Classification of the possible reactions to cyber-attacks and proposal of "instructions for use" for States and stakeholder victims of attacks that wish to react within the framework of international legality, possibly through an international guide. The B7 supports the ongoing work of the European Commission in this regard and encourages the setting of multi-stakeholder working groups under the leadership of the OECD. These working

groups should address a plethora of topics ranging from best-practice sharing to the definition of common cybersecurity standards.

Furthermore, it is important to elaborate a list of minimum-security requirements for all players in the supply chain, and effective mechanisms that can support their implementation. The result must be a process of responsibility throughout the supply chain, while ensuring that international trade is not hampered by the process.

### **3) Preventing and protecting**

States and companies should continue to proactively protect their critical infrastructure and must exercise “due diligence” control in respect of non-State actors acting from their territory. For States, this duty flows directly from their obligation to not allow their territories to be used for acts contrary to the rights of other States. However, it is of utmost importance that the group of companies constituting a critical infrastructure should remain limited to a clearly and justifiably defined set of organizations.

The B7 calls for each State to clearly define what constitutes critical infrastructures and to develop security measure requirements for critical infrastructure that are aligned with international standards and best practices. In addition, clear rights and responsibilities need to be defined.

Given the evolution of digital transformation and related security debates (cf. 5G), digital infrastructure, products and services must be cyber-resilient. B7 strongly opposes any initiatives that would weaken encryption capabilities or require built-in weaknesses and vulnerabilities to access user data, which will inevitably create vectors through which criminals and nation-states can attack infrastructure, products and services.

The B7 also calls attention to the need for governments to educate businesses, especially MSMEs, through free-to-access courses and resources that outline the basics of cybersecurity good practice and provide for a more comprehensive cyber-secure economy. For the same reasons, educating citizens in implementing cyber hygiene actions (e.g. regular software updates, spotting anomalies) is also very important.

The G7 needs to increase the investment in life-long digital education – including cyber-awareness – and should initiate a broad societal dialogue on how smart regulation can help to ensure trust in the digital transformation.

### **4) Enforcing**

States should strengthen their response capacities to protect citizens and the economy. They should avoid giving the impression that government action is slow, and ultimately offers few guarantees to victims. In order to counteract any approach considering “private justice” as a legitimate tool in cyberspace, countries should develop government capacities to counter cyber-attacks.

The B7 believes that the Budapest convention on cybercrime, ratified by 63 countries, provides a good basis for what should be an international legally-binding instrument against cybercrime. We recognize that defending against cybercrime requires additional public and private policies, legal frameworks, and resources to promote international cooperation amongst stakeholders.

The B7 also calls for an enhanced international law enforcement cooperation against cybercriminals who are known to be illegally targeting and misappropriating IP, information and data, including by way of cyber-enabled economic espionage, trade secret theft, piracy, or counterfeiting platforms, with the intent of providing competitive advantage to companies.

Finally, with appreciation for longstanding efforts and acknowledging the Dinar Declaration on The Cyber Norm Initiative, governments should continue their efforts, through the United Nations Group of Governmental Experts

on Information Security (UNGGE) and other forums, to develop international cyber norms which promote the security and stability of cyberspace.

## **NEW GLOBAL GOVERNANCE AND THE FUTURE OF WORK**

Artificial Intelligence and digitalization provide tremendous opportunities in terms of growth, employment and sustainable development. However, capitalizing on these opportunities will not come automatically, but will depend on putting in place conducive framework conditions and pursuing necessary labor market reforms.

These transformations imply flexible social policies and more efficient educational and training systems at the national level. However, while domestic policies are essential, global challenges also require global answers – for the sustainability of the multilateral system, social issues must be considered as a key factor. The multilateral system needs to ensure that all countries are on a path to sustainable and inclusive economic growth, as a basis to confront today's and tomorrow's social challenges and rising inequalities.

The best way to address inequalities is to ensure equality of opportunity, vertical mobility, reward for good performance and guarantee a minimum income to reduce and prevent social exclusion. The priority for governments in the fight against inequalities and poverty should be the rapid integration into the labor market. The aim must be to remove employment barriers first and foremost for those groups which are currently under-represented on the labor market.

In this context, the role of the private sector is central, as our businesses see inclusiveness not as a restriction but as a lever for enhancing development in the long term. Companies believe that an inclusive approach is the key to competitiveness and innovation, and to a sustainable economy.

The B7 calls on the G7 to:

### **1) Foster education and training systems**

Governments and employer organizations at national level need to strengthen their cooperation to ensure that education and training systems meet the needs of the labor market, which will evolve at an increasing pace.

Governments must urgently reform their education and training systems in order to raise the level of qualifications but also provide youngest and adults alike with the skills needed for the era of digitalization. This includes life-long learning and Science, Technology, Engineering and Mathematics (STEM) education. Therefore, the B7 calls for G7 countries to lead the way and invest more in vocational training in order to future-proof our economies, and make sure people remain employable for the future.

### **2) Foster equality, diversity and inclusion**

G7 countries should aim for a more balanced society and ensure better integration of women, ethnic minorities and senior members of society into the labor market.

We expect the G7 countries to commit to strengthening their public policies in terms of equality, diversity and inclusion. Progress on these policies should be tracked in each G7 country on a regular basis. Action plans

developed by companies at their own initiative can also be effective and complementary to governments' measures.

As regards to gender, the G7 countries should encourage voluntary initiatives by companies through the implementation of policies allowing for reduction of wage and career inequalities: this includes identifying and acting on the pay gap factors but also encouraging promotions at all levels (including management positions) and enlarging access to education and vocational training. More support is needed to companies acting on these fields and improving transparency. Supporting female entrepreneurship by ensuring proper access to finance, training and other services should also be a priority for the G7 countries.

### **3) Foster growth through a more balanced and coherent global governance**

This involves increased collaboration among international institutions on pro-growth governance reforms. It requires enhancing policy coherence of ILO with the IMF, the World Bank, the WTO and the OECD.

Cooperation to implement the SDGs, such as the Alliance 8.7 can serve as best practices in promoting such collaboration. Full engagement of the social partners is key as they can contribute with their knowledge and experience and play an important role at national level in the implementation of international commitments.

The ILO Centenary and the UN reform offer for instance possibilities to strengthen and to improve governance at the international level and enhance the legitimacy of policy making in the UN system.

The G7 should pave the way and be pro-active by launching an international initiative to discuss ways to improve the global governance. The G7 should also include social issues in its own recommendations.

