

Enabling an effective future

By DANIEL FUNES DE RIOJA

CHAIR OF BUSINESS 20 (B20)



DANIEL FUNES DE RIOJA is an academic at the National Academy of Law and Social Sciences in Buenos Aires and Vice President of the National Academy of Business Sciences. He is Vice-President of the Argentine Industrial Employers Chamber (UIA) and President of the Food Industry Chamber (COPAL). He combines several years' experience in labour relations and policy building with international experience as President of the Business Advisory Committee on Labour Relationships at the Organization of American States (CEATAL/OAS). He also served as President of the International Organisation of Employers.

The priorities set by the Argentine government for B20 were clear: unleash people's potential through quality education, build infrastructure for development, ensure a sustainable food future, and promote gender equality. These are the fundamental enablers of a developed and inclusive future.

In that context, the B20 Business Engagement Group strongly agrees that multilateral cooperation is crucial to define consistent rules and standards that ensure investment predictability, promote economic growth and ultimately improve governability.

In this respect, the United Nations 2015 Sustainable Development Goals comprise the most ambitious multilateral consensus. Consequently, the B20 adopted this agenda as fundamental guidance for policy making.

Since we began work on November 1st 2017, 1700 members (1200 titular and 500 deputies, 27 per cent of which were women, 34 per cent representing small and medium-sized enterprises, and 80 per cent of which were the most senior leaders in their companies, employing over 35 million people globally) and national business federations were engaged in more than 56 task force meetings to provide meaningful consensus-based recommendations for the G20 leaders as a contribution toward these goals.

Following up on the German process (2017) and as part of the "Troika" (Germany-Argentina-Japan) we went through a learning process to lead the Argentine round and convey reliability to all the G20 stakeholders and strengthen our work methodology and structure. At local level we worked closely with the binational Chambers of G20 countries while engaging national business organisations and companies in the process.

Together with an executive Sherpa, a policy Sherpa, and the co-chair group, the G6 – a group of business organisations made up of the Association of Banks of Argentine Capital (ADEBA), Buenos Aires Stock Exchange (BCBA), Argentine Chamber of Commerce and Services (CACCS), Argentine Chamber of Construction (CAMARCO), Rural Society (SRA) and Industrial Union of Argentina (UIA) – we have organised ourselves as a cohesive team to lead this Argentine round.

In line with the agenda defined by the G20, we set up eight task forces, led by relevant Argentine business leaders, for trade and investment, financing growth and infrastructure, employment and education,

energy resource efficiency and sustainability, Digital Economy and Industry 4.0, Sustainable Food System, development of Small and Medium Enterprises, and Integrity and Compliance.

In addition we organised a high-level caucus (for advocacy), comprised of the top business leaders of national business federations and the most prominent leaders engaged in the B20 process, to provide a space to exchange strategic insights and views about the B20's progress and its policy recommendations.

We also organised the national leaders forum: several meetings took place in different provinces and regions, with the objective of facilitating the participation of the domestic business community, and as a way to engage SMEs on issues that have substantial relevance for economic development, thereby linking local concerns to global strategies.

Throughout the process the B20 worked with other engagement groups to promote a comprehensive viewpoint on themes aligned with the priorities set by the G20 Argentine Presidency. As a result, seven joint documents were also issued with the C20, L20, W20, T20 and Y20.

In this regard, we focused on fundamental and structural issues deemed to be urgent and correctible, either at a multilateral level or within national policies. We always look for consensus on best practices for moving forward.

Our main conclusions are as follows:

Promoting equal opportunities and inclusiveness. Despite economic growth over the past decades, shared economic development continues to be a pressing challenge as many of the key pillars for inclusion such as decent employment opportunities, satisfaction of basic needs for all, elimination of social discrimination and exclusion, remain unresolved. In fact, income inequalities in OECD1 countries are at the highest level of the past half century and seven times higher than 25 years ago.

To ensure social development with inclusion, seven topics were addressed under this pillar:

1. Guaranteeing quality education for all
2. Building a culture of integrity
3. Eradicating malnutrition
4. Achieving gender equality
5. Ensuring formal and inclusive labour markets with these concrete obligations:

- Promote diverse forms of work
- Rollback on informality
- Inclusion of vulnerable groups

Promoting growth. Sustainable economic growth is a fundamental driver to lift people out of poverty. Adequate structural conditions that enable formal job creation, investment in infrastructure and adoption of technologies need to be ensured. Growth also calls for a competitive level playing field that promotes participation in global value chains.

In this regard, the B20 Argentina recommendations comprise two categories with several subtopics for each one:

1. Driving national economic growth enablers:
 - Entrepreneurship as a fundamental source for job creation
 - Boosting investment in infrastructure
 - Ensuring access to affordable, reliable and sustainable energy
 - Reaching global connectivity
 - Enhancing productivity through technology adoption, including supporting *Industry 4.0*, promoting SMEs' competitiveness and growth, and supporting innovation in financing technology.
2. Reshaping the global trading system for a level playing field
 - 1. Eliminating state-related competitive distortions
 - 2. New rules for the digital age
 - 3. Removing food trade barriers
 - 4. Structural reforms of the WTO
 - 5. Multilateral investment policy

Climate action and sustainable use of resources. Increasingly, the "growth" debate has stressed the relevance of including environmental concerns given its potentially negative effects on people's well-being around the world. Population growth, with the consequent need for expansion of urban spaces and the new demand on public provisions, will create new challenges to reconcile increasing production with finite and limited natural resources. Economic growth should not be at the expense of life-supporting ecosystems.

The B20 identified six subtopics for policy development belonging to this category:

1. Sustainable food production
2. Minimising food loss and waste
3. Fostering resource efficiency and circular economy models
4. Facilitating transitions towards cleaner energies
5. Implementing energy efficiency practices
6. Investing in climate action

All this work would be insubstantial without implementation. Almost 75 per cent of our proposed action plans are implementable at national level and should therefore offer a compelling agenda for G20 governments. The remaining 25 per cent of the B20

action plans are to be discussed and implemented within multilateral forums.


During the whole process, we have decided to define crystal-clear policies, not only for large businesses, but also for SMEs, and not only internationally, but also laying out a "local commitment within the global system" for each one of the G20 countries.

We believe that business plays an essential role in the effort for inclusive and interconnected development. It is the incubator of new technologies and innovation, delivers jobs, incomes, and livelihoods, allows for community integration and facilitates greater economic and social equity and inclusiveness.

From today, the challenge for the B20 Argentina is to secure the adoption and implementation of our recommendations. We aim to promote structural reforms to create "enabling environments for business" that foster investment and growth, creating more and better jobs and simultaneously to respect global rules.

It is necessary to focus on structural recommendations that can be implemented in all countries participating in the process because this is not just about theoretical suggestions; our recommendations are substantive and subject to follow up. Our main purpose is that these suggestions become effective policies for all state members.

For the business community, the B20 means cooperation amongst private initiative, the integration of international markets, fair rules on trade, and creating effective public-private partnerships.

Dialogue and consensus building were and must continue to be the real drivers of the process and should therefore lay out an agenda for G20 governments facing the challenge of turning sustainable development goals into an effective reality for all. 

Business plays an essential role in the effort for inclusive and interconnected development

On July 18th, B20 Chair Daniel Funes de Rioja participated in Coloquio Fortuna. His panel, "B20 Argentina 2018: Businessmen's recommendations to G20 leaders"

