Balancing the G20’s Global Impact

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Reporting on the G20’s Global Impact:

What is this resource?

This resource details the ‘blood pressure’ indicators of the world’s top twenty economies, the G20. Twenty brief reports based on consumption accounting methods present the critical economic, social and environmental measures that underpin how each country works. Behind it is a database that brings together the economic, employment and physical structures of 187 countries. Globalised trade is fully reconciled through the analysis of more than five billion global value chains (GVCs) that operate within domestic economies and throughout the world trade routes.

What is the G20?
Founded in 1999, the G20 began as a forum for finance ministers and central bank governors who met once a year, usually in late autumn, to discuss international economic issues. With the onset of the global economic crisis in 2008, the G20 evolved into the premier leaders’ forum for international economic cooperation. Last year’s meeting was in Moscow, this year’s meeting is in Brisbane in November while next year’s is in Turkey. This year’s policy goals are briefly discussed here: https://www.g20.org/sites/default/files/G20%20policy%20FAQs.pdf

Why is the G20 important?
As well as leading the world’s economic production (88%) and population number (66%), consumption activities by the G20 countries are responsible for the majority of the world’s formal employment (89%), greenhouse emissions (78%), threats to endangered animals (60%), use of scarce water resources (67%), requirement for land (79%) and material flows (80%). A 20 country grouping offers a feasible forum to control physical impacts through harmonised domestic policies, as well as through certification of the global value chains (GVCs) that underpin globalised trade.

Why is the global impact important?
Human population and economic development have grown to the extent that science now describes the present geological period as the Anthropocene, where humans have started to affect how the globe functions physically. Global climate change driven by greenhouse gas emissions is one example. Destruction of the ozone layer by refrigerant gasses is another, where global governance has already taken action. Science is now concerned that continued expansion of many activities will begin to cross planetary boundaries and propel critical physical functions into unpredictable situations.

What are important policy insights from this work so far?
- Countries that lead the G20 in economic production, high employment and low levels of inequality have high physical impacts outside their domestic territories. Impacts occur through complex global value chains that underpin high levels of personal consumption. There is no evidence of the “inverted U” Kuznetz’s curve once trade flows are reconciled through consumption accounting methods: the more you spend, the greater impact occurs.
- Lesser developed countries have much lower physical impacts on a per capita basis. Increasing quality of life and reducing inequality through higher levels of consumption will inevitably lead to higher physical impacts both domestically and externally through global value chains. No G20 country has high economic production, low inequality and low physical impacts.
- The G20’s growth agenda (2% above the current policy trajectory over the next five years) will inevitably increase physical impacts across most environmental domains in the absence of concurrent policies that impose physical constraints domestically and across global value chains.
- Achieving growth targets will probably benefit employment in many lesser developed G20 countries, particularly those with well-established low cost global value chains. Many more developed countries with high levels of youth unemployment may not benefit much from more growth. They have off-shored many job opportunities on the basis of price and there are few sectors about to boom, in the comprehensive research done here.

Pictorial synthesis: The Radar Diagram

- Introduction: basic demography and energy resources
- Physical impacts
- Economic and social impacts
- Rationale for Indicators

RUSSIA

- Employment footprint

RUSSIA

- Gross Domestic Product
- Net International Debt
- Material Flow
- Land Area

RUSSIA

- Inequality footprint

RUSSIA

- Social impacts