



THE CORNWALL CONSENSUS

Build Forward Better

The post-war integration of the global economic system has contributed to an enormous improvement in living standards, yet it has left too many people and nations behind, and 'once in a generation' shocks risk becoming the norm. The financial and COVID-19 crises have highlighted the severe economic and social impacts, particularly on disadvantaged groups, of acute shocks. Even before the pandemic, chronic and harmful market distortions have arisen naturally and by direct policy intervention. In addition, global economic governance has not kept pace with innovation. The G7 should lead on agreeing a new consensus and restore public trust in a rules-based, free, fair and open economic system. This new consensus would make sure that economic growth is green and inclusive, and makes us resilient against environmental, economic and geopolitical risks.

While economic resilience starts at home and primarily owes itself to sound, inclusive and sustainable domestic policies, stronger collective action is also needed. This must be built on more purposeful investment and innovation, and on governments and businesses working in partnership to build economic resilience as a global public good, learning the lessons from the pandemic.

Therefore, as the international community strives to implement the sustainable development goals, adapt to climate change, and ensure all citizens benefit from increasing prosperity, the G7 should lead action to strengthen and, where needed, reform international markets and institutions. The G7 should therefore pledge to:

- **Solidarity:** Accelerate reform of global economic governance to promote the common good; ensure that national economic policies not only respect each others' interests, but advance common goals; and respond more collectively to economic crises, coercion and market distortions.
- **Better Risk Management:** Establish collective mechanisms to monitor, assess and invest in addressing emergent economic, environmental or geo-political risks;
- **Sustainable and Purposeful Supply:** Collaborate with business to design open innovation-friendly market systems which are resilient to natural or deliberate disruption in critical sectors affecting national, economic or human security;
- **Better Governance:** Promote common global standards, rules and norms for the new economy which conform with our values, promote sustainability, uphold



labour standards, and encourage national and international regulations that strengthen our collective economic resilience; and

- **Inclusion:** Accelerate investment in the Sustainable Development Goals, promote digital inclusion, eliminate tax evasion, and facilitate full access for developing countries to global markets; alongside national policies to tackle inequality and support traditionally under-represented groups such as women and minorities.

The G7 should also recognise its responsibility to reflect the interests of the wider international community, particularly emerging and developing economies. G7 Leaders should invite other nations to associate themselves with these pledges and thus form the nucleus of a broader international commitment to the *Cornwall Consensus* as together we tackle the challenges and opportunities of the mid 21st century.