

Policy Brief

2026



**THE TIME FOR  
ECONOMIC JUSTICE:  
REFORMING AND  
DEMOCRATIZING  
GLOBAL ECONOMIC  
GOVERNANCE**



CIVIL SOCIETY 7 (C7) is an official engagement group of the Group of Seven (G7) that brings together voices from G7 countries and beyond. In 2026, under the French presidency, C7 is coordinated by Coordination SUD, the platform of French civil society organizations working for global solidarity.

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# THE TIME FOR ECONOMIC JUSTICE: REFORMING AND DEMOCRATIZING GLOBAL ECONOMIC GOVERNANCE

Today, the global economy remains profoundly unequal. Wealth, resources, and decision-making powers remain concentrated in the Global North, whereas billions in the Global South face poverty, insecurity, debt traps and climate instability. These imbalances are not incidental; they are rooted in historical patterns of extraction, unequal integration into the global economy, and governance structures that continue to marginalize those most affected.

These structural imbalances are further reinforced by the concentration of decision-making power within international financial institutions, where countries most affected by debt and climate crises remain largely excluded from rule-setting processes that directly impact them.

At a time when multilateralism is under strain, the legitimacy and effectiveness of global economic governance depend on its ability to address these structural injustices. Yet, the international financial architecture remains largely shaped by a limited number of actors, with insufficient representation and participation of Global South countries in defining the rules that govern them. This democratic deficit undermines trust in multilateral institutions and limits their capacity to respond effectively to interconnected global crises.

Five overarching systemic issues are driving the economic injustice experienced by countries in the Global South. They include:

### → **Heavy debt burdens**

Over 60 countries, particularly those with low- and middle-income, are at high risk of unsustainable debt or debt distress. Debt servicing, with a high cost of capital, continues to consume over 42% of public budgets and as high as 53% in low-income economies<sup>1</sup>, crowding out the much-needed resources in health, education and climate action. More than 3.3 billion people live in countries that spend more on debt servicing than on health or education<sup>2</sup>. This situation is exacerbated by rising interest rates, a strong US dollar, and the growing dominance of private creditors, who now hold over 60% of Global South debt<sup>3</sup> and often resist or delay restructuring efforts.

### → **Declining Official Development Assistance**

Cuts by G7 countries to Official Development Assistance (ODA), combined with undelivered commitments, shifts toward securitized or transactional approaches and misuse of ODA, are dramatically widening financing gaps and undermining poverty eradication efforts.

### → **Tax abuse and inequality**

An estimated USD 492 billion is lost annually due to international tax abuse, including profit shifting by multinational corporations and tax evasion by wealthy individuals<sup>4</sup>. These losses are compounded by illicit financial flows, weak transparency standards and an outdated global tax system that disproportionately benefits high-income countries and particularly tax havens. Together, they deprive countries, particularly in the Global South, of critical domestic resources needed for sustainable development.

- 1 Norwegian Church Aid, [Resolving the worst ever global debt crisis, Time for an ambitious initiative? \(2024\)](#).
- 2 UNCTAD, [Explore the World of Debt Dashboard: Key insights across 188 countries \(2024\)](#)
- 3 Global Sovereign debt monitor, [Creditors of countries in the Global South. Who bears political responsibility for debt cancellation? \(2025\)](#).
- 4 Global Alliance for Tax Justice. [Advancing Care Economies: Why Fair Allocation of Taxing Rights Matters for Global and Gender Justice \(2026\)](#).

For instance, African countries alone lose an estimated USD 89 billion annually due to illicit financial flows<sup>5</sup>, further constraining domestic resource mobilization.

→ **Unjust trade and investment**

Growing exploitative rules in supply chains, digital economies dominated by few actors, weak protections for workers particularly women, youth, migrants and indigenous peoples along with persistent child and forced labor.

→ **Financial system flaws**

Multilateralism is struggling because of inadequate reforms, high borrowing costs from countries in the Global South, overreliance on private capital that prioritizes profit over public goods, and pressures and conditionalities from Credit Rating Agencies (CRAs) and International Financial Institutions (IFIs). These flaws reflect deeper governance imbalances where regulatory power is centralized and accountability mechanisms remain weak or non-binding, particularly in relation to private financial actors.

These challenges are mutually reinforcing. They deepen inequalities, exacerbate gender disparities, drive forced migration, hinder progress on the sustainable development goals and weaken global stability. These issues are not far from G7 policy options which have historically favored deregulation and unequal growth models. They also reflect systemic governance failures rather than isolated policy gaps, requiring structural transformation rather than incremental adjustments. Addressing them requires not only increased financing, but a fundamental rebalancing of global economic governance.

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5 Expertise France. [Securing a robust AML/CFT Framework against Illicit Financial Flows in Sub-Saharan Africa](#) (2026).

## A CRITICAL MOMENT FOR THE FRENCH G7 PRESIDENCY

As host of the 2026 G7, France holds a strategic position. It has already recognized the need to reform the international financial architecture, notably through its call for a “new global financing pact” and its participation in key multilateral processes such as the Financing for Development agenda and the negotiations on a UN Framework Convention on International Tax Cooperation. France has also acknowledged that the current financial system is no longer fit to address contemporary global challenges, creating a political window for advancing structural reforms.

Yet the French presidency must now translate this ambition into concrete political leadership. This includes advancing the democratization of global financial governance, building renewed alliances with countries of the Global South, acknowledging historical responsibilities in shaping current inequalities, and advancing reforms that place equity, human rights and sustainability at the core of global economic governance.

### C7 RECOMMENDATIONS ON ECONOMIC JUSTICE

The Civil 7 (C7), the official civil society engagement group with the G7, has consistently urged reforms for economic justice. Under Canada’s G7 presidency in 2025 the C7 called on G7 leaders to prioritize governance reform in the areas of trade, debt, and finance to build an equitable global economy, through its communique “Global Justice, Together”<sup>6</sup>. This call further echoes prior positions by the C7. For example, in 2024 under Italy’s presidency, the C7 called for the decolonization of systems and transformative justice emphasizing people centered policies amidst the polycrisis while insisting the G7 work towards multilateral cooperation for dignity, security, and sustainability.

<sup>6</sup> Civil 7, [Global Justice Together](#) (2025).

Arising from the contextual and historical analysis of recommendations, the C7 call on the G7 to:

→ **Champion Debt Reform and Relief**

Establish a UN Convention Framework on a sovereign debt for binding, transparent multilateral restructuring mechanism including all creditors, standardized debt suspension across creditors, reduce high capital costs through regulated rating agencies and concessional loans, reallocate SDRs (Special Drawing Rights) equally without debt spirals, eliminate IMF surcharges and austerity measures. Support debt cancellation where necessary and adopt national legislation in key financial jurisdictions to limit holdout creditors and facilitate fair and timely restructuring.

→ **Restore and Reform ODA**

Close the commitment and disbursement gap, allocate more resources to gender equality initiatives, reform the governance of ODA through a UN Framework on Development Cooperation under justice and reparation principles and introduce innovative non-profit focused financing.

→ **International Tax Cooperation**

Actively support an ambitious and binding UN Framework Convention on International Tax Cooperation as a historic opportunity to reform an unjust and ineffective tax system<sup>7</sup>. Promote a democratic and inclusive global tax governance system under UN auspices. Promote fair allocation of taxing rights, stronger action against tax abuse and illicit financial flows, increased transparency through public Global Asset and Beneficial Ownership Registries, higher global corporate taxation to 25%, and a global tax on high-net-worth individuals. International tax reform must enable countries to mobilize the resources needed for sustainable development and climate action.

→ **Fair Trade and Investment**

Adopt a rights-based approach to policies on trade, prioritizing women, child rights and environmental protection in supply chains, phase out investor-state dispute settlement, regulate intellectual property rights through The Trade-Related Aspects of Intellectual Property Rights (TRIPS) flexibilities, ensure ethical AI and digital trade and close the gender digital gaps.

<sup>7</sup> CCFD-Terre Solidaire, [De New York à Nairobi : 2025, une nouvelle page pour la justice fiscale internationale](#) (2026).

### → **Moderate a Balance between Private Finance and Public Services**

Avoid financialization of essential services, prioritize public interest and fiscal responsibility, and ensure that private finance is regulated and aligned with development priorities, with strong public oversight and accountability mechanisms.

### → **Gender-Transformative and Inclusive Policies**

Implement gender responsive fiscal rules, social protection and care systems, and ensure that resources unlocked through debt relief and tax reforms are directed toward essential services and gender equality, including reducing unpaid care burdens. Enforce the implementation of mandatory human rights and environmental due diligence for businesses building on UN Guiding Principles, ratify key international labor organization conventions to eliminate child and forced labor including the protection of vulnerable and often left behind groups.

### → **Democratize Global Financial Governance**

Strengthen the voice, representation and effective participation of Global South countries in international financial institutions, including through the reform of World Bank shareholding structures and the IMF quota review. Ensure inclusive decision-making processes that involve civil society and affected communities, reinforcing legitimacy, accountability and equity in global economic governance.

Delivering economic justice is not only a matter of fairness, but also a condition for restoring trust in multilateralism and ensuring global stability. Democratizing financial governance is central to this effort, ensuring that those most affected by economic and climate crises have a meaningful role in shaping the rules that govern them.

An ambitious French G7 presidency can send a clear signal: that the international economic system must evolve to become more equitable, more representative, and capable of delivering sustainable development for all.



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