POLICY BRIEF

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Leveraging Life Economies: A Transformative Approach to Address Inequalities and Environmental Degradation in the G20 Agenda

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Dr Ilcheong Yi, Senior Research Coordinator, United Nations Research Institute for Social Development (UNRISD) (Switzerland)
Pamla Gopaul, Senior Programme Officer and Unit Lead for Economic Analysis and Foresight, AUDA-NEPAD (South Africa)
Heerad Sabeti, CEO, Fourth Sector Group (US)
Dr Swayamprabha Das, AVP and Lead, Policy and Planning, Development Alternatives (India)

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SUBTHEME 1

Abstract

This policy brief explores the transformative potential of life economies in addressing the systemic roots of inequality and environmental degradation. Drawing on research led by GALERI, and commissioned under Brazil's G20 presidency, the brief articulates why life economies are not only timely but also essential for advancing the G20's sustainable development agenda. It offers specific policy recommendations that align economic, social, and ecological priorities, highlighting how G20 leadership can catalyse structural change.

Keywords: Life Economies, Inequality, Sustainable Development, G20, Inclusive Growth, SDGs, Systemic Change

Diagnosis

The world continues to grapple with widening inequality, unsustainable growth, and escalating ecological crises. These overlapping challenges – exacerbated by current economic models prioritising GDP and wealth accumulation – have prompted increasing demand for systemic solutions. Life economies, which place human wellbeing, equity, and environmental sustainability at their core, provide a coherent and actionable response to these crises.

In many G20 countries and beyond, inequality has been recognised as a central threat to global progress, not only undermining the SDGs but also deepening divisions across and within societies. The current global economic paradigm – dominated by disembedded, profit-centric economic models and practices – has perpetuated cycles of exclusion, ecological degradation, and social fragmentation. As laid out in the GALERI report,[1] life economies offer an innovative development framework to address these issues holistically.

Why this matters for the G20

The G20 has increasingly acknowledged the need for alternative economic models. The G20 Action Plan on the 2030 Agenda, the High-Level Principles on Lifestyles for Sustainable Development (2023), and the G20 Rome Leaders' Declaration (2021) collectively highlight the urgency of embedding sustainability into core economic planning. Building on India's leadership on the LiFE Economy, Brazil's focus on equity and now South Africa's emphasis on the necessity of a paradigm shift, life economies offer an actionable framework to translate G20 commitments into measurable progress. To institutionalise this

[1] GALERI. 2025. "Leveraging Life Economies to Address the Root Causes of Inequalities and Environmental Degradation." GALERI. 2025. https://www.unrisd.org/en/library/publications/leveraging-life-economies-to-address-the-root-causes-of-inequalities-and-environmental-degradation .

paradigm, G20 members can embed life economy principles into the existing architecture – such as the Development Working Group, Finance Track, and G20 Sustainable Finance Working Group – through explicit mandates, knowledge-sharing platforms, and financing mechanisms. Pilot country-led initiatives, backed by voluntary reporting mechanisms and peer-learning hubs, can accelerate uptake and help mainstream life economies into G20 policy cycles.

Understanding life economies

Rooted in Aristotelian principles of "oikonomia" – the ethical management of shared resources – which is very much aligned with the spirit of Ubuntu, life economies contrast sharply with "chrematistics", the pursuit of wealth for its own sake. They re-embed economic activity into ecological, cultural, and social contexts. This holistic model aims to restructure how value is produced, distributed, and evaluated, rejecting the narrow emphasis on growth at all costs.

Key characteristics of life economies include:

- Prioritisation of social justice, environmental sustainability, and inclusivity.
- Promotion of regenerative practices and intergenerational equity.
- Recognition of plural economic models shaped by cultural and geographic contexts.
- Emphasis on for-benefit enterprises and purpose-driven business models.

Case studies in the GALERI report – from Denmark's community-based energy transition to South Africa's Working for Water programme – underscore their adaptability and potential for scale, particularly when embedded in supportive regulatory and policy ecosystems.

Inequality as a multidimensional and systemic issue

Economic inequality, driven by wealth concentration, labour exploitation, and restricted access to essential resources, is deeply connected to environmental degradation and political disenfranchisement. This further enlarges social inequities and disparities that impact human development and social security, often leading to conflicts and further deprivation.

Current economic systems fail to address these interconnected crises. Instead, they often reinforce structural disadvantages, with marginalised populations bearing the brunt of ecological harm, policy exclusion, and financial instability. These dynamics are not merely aspects of inequality – they are its root causes.

Inequality should be recognised as a system-wide phenomenon that permeates all areas of governance and society. Tackling it therefore requires an integrated, systemic approach – precisely what life economies aim to achieve.

Life economies around the world

Life economies represent a diverse and evolving set of economic models grounded in the values of sustainability, inclusion, and human wellbeing.

Key examples include the care economy, which recognises and compensates unpaid and paid care work as essential to wellbeing and inclusive growth. The circular economy 3.0 builds on earlier waste reduction models to incorporate social innovation and systems thinking, aiming for holistic resource efficiency and societal transformation.

The green and blue economies prioritise environmentally responsible development on land and at sea, promoting renewable energy, sustainable agriculture, aquaculture and ocean conservation while supporting livelihoods, creating jobs and protecting ecosystems. The impact economy and social and solidarity economy (SSE) focus on purpose-driven business models and community-led enterprises that embed equity and sustainability in their core operations.

Other notable models include the wellbeing economy, which shifts the focus of public policy from GDP growth to quality of life, and the LiFE Economy (Lifestyle for Environment/Sustainable Development), an Indian G20 initiative that encourages sustainable consumption and production patterns with the aim to realise development, environment and climate goals. Meanwhile, regenerative and ubuntu economies emphasise interdependence, ecosystem restoration, and shared prosperity rooted in local knowledge and cultural values.

Each of these models contributes uniquely to achieving the SDGs, particularly SDG 10 on reducing inequalities. By adapting to local contexts and needs, they demonstrate the flexibility and scalability of life economies. Collectively, they form a pluralistic, people-centred alternative to conventional growth models, pointing towards a more equitable and sustainable global future.

Recommendations

To institutionalise life economies within the G20 and ensure operational relevance, we propose five integrated policy directions:

1. Embed life economy principles in G20 policy instruments

- Leverage existing mechanisms (eg, G20 Action Plan on the 2030 Agenda) to include life economy indicators and targets.

- Establish a Life Economy Task Force under the G20 Development Working Group with rotating chairmanship to ensure continuity.

2. Catalyse Financing Aligned with Life Economies

- Align G20 financial flows with inclusive, regenerative outcomes by standardising criteria for SDG-aligned bonds and blended finance instruments.
- Encourage MDBs and national development banks to prioritise sectors foundational to life economies (eg, care economy, circular economy, sustainable food systems).

3. Strengthen enabling regulatory ecosystems

- Support legal recognition of for-benefit enterprises, backed by procurement incentives, social outcome-linked credits, and cross-border accreditation.
- Promote integration of purpose-driven metrics (eg, Sustainable Development Performance Indicators [SDPI], Better Life Index [BLI]) into national policy planning and fiscal review frameworks.

4. Invest in capacity and multi-level coordination

- Create a G20 knowledge-sharing platform for life economy approaches, grounded in case-based learning and south-south cooperation.
- Train public officials and civil society leaders on life economy planning, with special emphasis on local government innovation.

5. Develop a strategic communication and outreach agenda

- Launch a G20-wide “Life Economy Transition Narrative” campaign targeted at youth, media, and educators using accessible storytelling and data visualisation.

- Partner with multilateral platforms (UNRISD, UNDP, OECD) to develop toolkits for community-level awareness and engagement.
- Use high-profile G20 summits to elevate positive stories (eg, Denmark's energy transition or South Africa's Working for Water) that demonstrate impact.

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For publication enquiries, please contact t20@t20southafrica.org

Website: www.t20southafrica.org