

'THE FEAT AND BEAT OF G20; AN EVALUATION OF LEADERS' SUMMITS'**Dr. J.K.Chandel, Assistant Professor,****Institute of Management Studies,****Kurukshetra University-136119, Haryana (India)***"We sacrifice for freedom as nothing is free in life"- Dr. J.K.Chandel***ABSTRACT**

The G20 is the premier forum for global economic stability and sustainable growth which formed in 1999 combating the aftermaths of Asian Financial Crises of 1997 and gained momentum by organising its first Leader's Summit in 2008. It comprises of 20 members (19 developed and developing countries plus European Union). The G20 leaders meet annually, besides Finance Ministers and Central Bank Governors of respective nations meet regularly during the year to discuss ways to strengthen the global economy, reform international financial institutions, improve financial regulation, and discuss the key economic reforms that are frequently needed. Having close intimacy with IMF, ILO, UNO, WB and other prestigious international organisations, the G20 continues to focus on job creation, open trade, measures to fight economic crises, global economic growth and overall development in the member countries and support to other countries. For attaining and maintaining international economic cooperation and effective decision-making, the Chair of the G20 every year invites non member countries also. Considering the pivotal role being played by G20, this paper attempts to explore the objectives behind the formation of G20 and investigate into the steps taken in Leader's Summits. The paper tries to investigate success/failure of G20 as a powerful grouping of developed and developing countries in responding and managing the financial crises of late 1990s and late 2000s. The paper also looks into the functioning and leadership structure of G20. The data for the paper has been collected from official websites of the forum, e-news and other related websites.

(Key Words: Financial Crisis, Economic Cooperation, Economic Reforms, Economic Stability, International Trade etc.)

'THE FEAT AND BEAT OF G20; AN EVALUATION OF LEADERS' SUMMITS'**Introduction**

The international economic and regional integrations play vital role in uplifting social standards, maintaining peace, escalating economic growth and boosting international trade amongst the nations. The G20 radically represents two thirds of world population and accounts for 90 per cent of the world GDP and nearly 80 per cent of World trade (in 2011). The G20 (group of twenty) forum was created at the initiative of the G7 (the group of seven most powerful industrial countries) to promote consultations and coordination with the emerging and developing economies for effective inclusion and decision making in concerning global economic issues. The G20 members now include the G8 countries, namely, USA, Japan, Germany, UK, France, Italy, Canada and Russia; and the 11 emerging and developing countries, namely, Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Korea, South Africa and Turkey; and the EU. The European Union (EU) is represented by the President of the European Council and by the European Central Bank.

The current G20 has grown in stature from the original G20 that was established in September 1999 as a forum of the Finance Ministers (FMs) and the Central Bank Governors (CBGs) of the 19 nations and the EU in the aftermath of East Asian Crisis of 1997. Since establishment, the FMs and the CBGs of this group met annually from December 15-16, 1999 in Berlin. The subsequent meetings were held in Canada in 2000 and 2001, India in 2002, Mexico in 2003, Germany in 2004, China in 2005, Australia in 2006, South Africa in 2007, and in Brazil in 2008. (**Source**¹: official websites of G20 India and Australia). The forum finally gained momentum with the first summit of the Leaders of G20 held in Washington D.C. in November 2008 in the wake of global financial crisis. Subsequently, the forum met biannually in 2009 and 2010 and annually since 2011. In order to avert the impact of Global Financial Crisis of 2008, the Leaders' summits of 2008, 2009 and 2010 organised frequently. The forum played a key role as a crisis manager and successfully contributed in averting further serious consequences of the global financial crisis.

II. Review of Literature

Narlikar and Tussie (2004) found that G20 on agriculture in Cancun depicted an especially fascinating case of a coalition that combined a great diversity of members and apparently incompatible interests. It is also investigated that how G20 survived despite collapse predictions, the sources of its unity, certain structural features and its strategies that helped to cement it further. **Botelho (2005)** talked about protectionism and free trade besides studying the G20 origin, aims and sources of its cohesion and found that external pressures, internal affinity and the G20 tools are in order to preserve its unity and influence. **Pal (2005)** found that G20 must play key role in suggesting

new ways to combat the problems related to subsidies in agriculture and blue box subsidies. The G20 has proposed appropriately structured 'tiered subsidy reduction formula' with high reduction coefficients for countries with high level of TDS. If effectively calibrated, such a formula can lead to a near harmonization of subsidy levels and can also take care of some of the shortcomings.

Leonardo and Woods (2009) examined that the G20 Leaders' network will likely have three effects on international organizations. First, it will have a **complementary effect**, generating political support for their activities and exerting pressure to accelerate their initiatives. Second, a **competitive effect**, the G20 is seen by existing institutions as a competitor, wresting authority away from formal bodies such as the International Monetary and Financial Committee of the IMF and the Development Committee of the World Bank. Finally, the G20 Leaders' network may have a **rebalancing effect** in global governance and international organizations by bringing emerging economies into discussions of coordination and agenda-setting. **Vines (2010)** sketched the global origins of the crisis, described current policy responses; and suggested which global policy coordination might be necessary. The financial crisis of 2008 is a global crisis and it differs from the financial crises in Latin America in the 1980s or the crises in Mexico 1995, in East Asia in 1997-98, in Russia in 1998, and in Argentina in 2002.

Heinbecker (2011) argued that G20 has been effective in stabilizing financial markets, coordinating financial regulatory reform and launching a global economic stimulus and can do more to achieve balanced, stable and sustainable global growth; but the G20 confronts difficult, intractable problems that will be solved with the passage of time and the group should not be judged harshly for not readily resolving these complicated issues. **Conway, Waage and Aubert (2014)** argued that combination of measures demonstrates that the historical gap between the science 'haves' and 'haves not' is closing. In terms of top level science, the world is no longer bipartite (Europe and North America), it is now at least tri-partite (Europe, North America and Asia), and perhaps more, as select nations in South America (Brazil), Africa (South Africa) and the Middle East (Saudi Arabia, Turkey and Iran) increase their output, gain world share and advance in citation impact.

III. Methodology and Objectives of the Study

The data for this paper has been collected from the official websites of the G20 India and the present chair Australia, besides e-newspapers and other related websites. The source of the data is secondary and the present study has been the descriptive one. The objectives of the study are specified as-

- 1) To identify the objectives behind formation of the G20 and its working and leadership structure.

- 2) To know about the decisions and actions taken in all Leaders' Summits.
- 3) To investigate into the success (feat) and failure (beat) of G20 as a powerful grouping of developed and developing countries in responding and managing the financial crises of late 1990s and late 2000s.

IV. Discussion and Analysis

The G20 started in 1999 as a forum (but not an organisation) with the meeting of FMs and CBGs bearing in mind the aftermaths of Asian financial crisis. The first G20 Leaders' Summit held in 2008 and the group played a key role in responding to the global financial crisis of 2008. Its influential and coordinated actions boosted confidence of consumers and business community and supported the first stage of economic recovery. Following imperative facets of G20 are discussed in this paper.

A. Working, Structure and Leadership

The G20 does not have any permanent secretariat or administrative structure. One of the G20 countries is selected to hold the Chair on rotational basis, better known as 'G20 Presidency'. The immediate past, present and the next chair constitute a "Troika" and manage continuity in the G20 work. The Presidency establishes a temporary secretariat for the duration it holds the chair. The Secretariat coordinates all work and organizes G20 meetings. For selecting a Presidency, a system came into existence in 2010 when South Korea held the chair in which 19 countries were categorised into 5 regional groupings, viz.

Group 1: Australia, Canada, Saudi Arabia, USA

Group 2: India, Russia, South Africa, Turkey

Group 3: Argentina, Brazil, Mexico

Group 4: France, Germany, Italy, U.K.

Group 5: China, Indonesia, Japan, South Korea

Each group consist maximum of four nations. The presidency chair rotates among the groups and one country from a group is selected in a specific year. The current presidency is held by Group 1-Australia (2014) and in the past Group 2-Russia (2013), Group 3-Mexico (2012), Group 4-France (2011), Group 5-South Korea (2010), Group 4-UK (2009) and Group 1-USA (2008). After Australia, Turkey (Group 2) will hold the G20 chair in 2015. The Australia has invited Spain (permanent invitee); Myanmar, as the 2014 Chair of ASEAN; Senegal representing the New Partnership for Africa's Development, Singapore and New Zealand. The Chair of the African Union (AU) was also likely to be invited.

Each member of the G20 is represented by its Head of the State in the Leaders' Summit. The Leaders are assisted by their (i) FMs and CBGs, and (ii) Sherpas – the personal representatives of the

respective Leaders. The FMs and CBGs are further assisted by their Deputies, and Sherpas are assisted by the Sous-Sherpas. Thus, there are broadly two channels through which work is done: (i) The Finance Track and (ii) The Sherpa's Track. The finance Channel comprises of the FMs, CBGs and their Deputies. In the Sherpas channel, every member country of G20 has nominated a Sherpa to lead the Development agenda discussions. The Sherpas have been tasked by their Leaders to negotiate the Summits documents on their behalf. Thus, Leaders' Declarations are finalised by Sherpas.

Both the tracks rely on technical analysis, advice and recommendations of a series of Expert Working Groups and Committees on specific issues. These working groups/task forces/committees are generally co-chaired by one advanced and one emerging economy member of the G20. The government officials (experts) of respective subject/area are nominated as members in the Working Groups. The representatives of the non-member countries and International Organizations are also invited in these working groups and task forces. Specific G20 Ministerial Meetings such as G20 Agriculture Ministers, Labour Ministers and Trade Ministers are organized on specific themes of importance as identified by the G20 Leaders or Presidency. The outcomes of such ministerial meetings feed into the Sherpas Track and subsequently to Leaders' declarations.

B. Objectives of the G20 and relationship with rest of the world

The major objectivesⁱⁱ of the G20 are:

- ✓ Policy coordination among its [members](#) in order to achieve global economic stability and sustainable growth;
- ✓ To promote financial regulations that reduce risks and prevent future financial crises;
- ✓ To create a new international financial architecture.

The G20 Presidency has privilege to decide its priorities within these broad objectives and objectives are followed up and pursued through common agenda. The Chairing country's secretariat typically posts details of the meetings and work programme on the G20's website. The hosting of the website keeps rotating along with the Presidency Chair. The Presidency invites non-member countries and institutions to attend all meetings of Leaders', FMs' and Working Group and involve in drafting of Summit decisions. The invitation to five (maximum) non-member countries is however not guided by any formal rule yet is extended to give a fair and balanced geographical representation to non-members. The chairs of regional forums (like-AU, ASEAN, APEC etc.) are also invited. In the Seoul summit, it was formalized that amongst five non-member invitees, two must be from African countries.

The G20 FMs and the CBGs meet twice a year considering IMF-WB annual/spring meetings and prior to the G20 Leaders' Summit. In fact, the G20 FMs statement constitutes the inputs for

Leaders' Declaration and Communiqué. The G20 invites and maintains close association with International Organizations (Like- IMF, WB, OECD, WTO, UNO, ILO, UNCTAD etc.) for expert advice, support and providing reports/position papers relating to the Agenda Items in premier forum and working group meetings.

C. Leader's Summits and decisions taken

The G20 has so far organised eight Leader's Summits. The forum for FMs and CBGs was elevated to the Head of State's forum in the wake of the global financial crisis in 2008.

1. The first G20 Leader's Summit: It was held in Washington D.C. (USA) on November 14-15, 2008 with the initiative of US President viewing Financial Crisis of 2008 and focused primarily on strengthening financial regulation, with agreement on a 47-point action plan to arrest deteriorating financial market conditions and improve financial regulation over the medium term besides agreement on resistance to trade protectionism. The Leaders recognised that during pre-crisis period some advanced countries, did not adequately address the risks building up in financial markets, keep pace with financial innovation, or take into account the systemic ramifications of domestic regulatory actions; and inconsistent/ insufficiently coordinated macroeconomic policies, inadequate structural reforms led to unsustainable global macroeconomic outcomes that resulted in severe market disruption.

Considering this scenery, the Leaders' agreed to bring about a broader policy response based on closer macroeconomic cooperation, to restore growth, avoid negative spill-over and support emerging market economies and developing countries through actions to stabilise financial system, use fiscal measures to stimulate domestic demand, help emerging economies gain access to finance through liquidity facilities and program support. The Leaders pressurised the IMF and WB to use their instruments and funding capacity for crisis management. To strengthen the financial markets and regulations, the Leaders agreed to implement reforms (action plans) as (i) Strengthening transparency, accountability and enhancing sound regulation, (ii) promoting integrity in financial markets and enforcing international cooperation, and (iii) reforming international financial institutions.

The First G20 Leaders summit was successful in understanding the root causes of the global crisis, in reviewing actions taken by countries and further addressing the immediate crisis, in agreeing on common principles for reforming the financial markets, and in launching an action plan to implement those principles. The leaders reaffirmed their commitment to free market principles and agreed to reject protectionism and to refrain from imposing any new trade or investment barriers for the next 12 months.

2. *The second G20 Leaders' Summit*: It was held in London (UK) on April 2, 2009, the Leaders recognized that the crisis deepened further since November 2008 and called for global solution to a global crisis. They pledged to act together to bring the world economy out of recession and prevent recurrence of a similar crisis in the future by (a) restoring confidence, growth, and jobs; (b) repairing the financial system to restore lending; (c) strengthening financial regulation to rebuild trust; (d) funding and reforming international financial institutions to overcome this crisis and prevent future ones; (e) promoting global trade and investment and reject protectionism, to underpin prosperity; and (f) building an inclusive, green, and sustainable recovery.

The London Summit focused on coordinated fiscal and monetary stimulus measures to avert the threat of global depression and to assist countries weather the financial crisis. The Leaders agreed to treble resources available to the IMF to \$750 billion, to support a new SDR allocation of \$250 billion, to support at least \$100 billion of additional lending by the MDBs, to ensure \$250 billion of support for trade finance, and to use the additional resources from agreed IMF gold sales for concessional finance for the poorest countries. These constituted an additional \$1.1 trillion programme of support to restore credit, growth and jobs in the world economy.

To strengthen financial supervision and regulation, the Leaders established a *Financial Stability Board (FSB)*, a successor to the Financial Stability Forum (FSF) and also declared that the era of banking secrecy is over. The new FSB include all G20 members, FSF members, Spain, and the European Commission. Major mandates of the FSB were set to collaborate with the IMF to provide early warning of macroeconomic and financial risks and the actions needed to address them; to take action against non-cooperative jurisdictions, including tax havens, to set a high-quality global accounting standards; and to extend regulatory oversight and registration to Credit Rating Agencies to ensure they meet the international code of good practice.

3. *The Third G20 Leaders' Summit*: It was held in Pittsburgh () on September 24-25, 2009 in which the premier forum designated for international economic coordination and agreed for strong, sustainable and balanced growth through surveillance process, the Mutual Assessment Process (MAP), peer review and through reforms in global financial institutions (IMF and World Bank) to face realities of 21st century. With detailed timetable and assisted by IMF, WB etc. a consultative MAP initiated to evaluate effectiveness of policies in attaining objectives. The leaders took decision to reform IFIs by shifting IMF's quota share to under-represented countries of at least 5% from over-represented countries, WB to generate an increase of at least 3% voting power for developing and transition countries that are under-represented; and ensuring that the WB and the Regional Development Banks (RDBs) have sufficient resources to address global challenges.

The leaders noted that the process of recovery and repair still remained incomplete and pledged to adopt more effective policies because in many countries, unemployment remained unacceptably high, and the conditions for a recovery of private demand were not yet fully in place but at other end positive results of G20 actions were also seen, like- in ensuring recovery, halting sharp decline in global activity, stabilizing financial markets, rise in industrial output, increase in international trade, raising needed capital by financial institutions and improved confidence in investment, lending and financial markets.

Further, the Leaders tasked the FSB to monitor the implementation of FSB standards and propose additional measures as required by March 2010 and asked OECD, WTO and UNCTAD to prepare a joint report on G20 Trade and Investment Measures. The reports submitted with time intervals by FMs, CBGs, FSB, OECD, WTO, WB, OPEC, UNCTAD and in consultation and support of other nations/bodies highlighted that the G20's strong policy response to the crisis played a pivotal role in restoring growth and global economy continued to recover faster than anticipated, although at an uneven pace across countries and regions. However, the volatility in financial markets indicated presence of significant challenges yet G20 was committed to intensify efforts, accelerate financial repair and reform.

4. The Fourth G20 Leaders' Summit: It was held at the Toronto on June 26-27, 2010 and was the first summit of the G20 in its new capacity as the **premier forum** for international economic cooperation. The theme of this Summit was stated as 'Recovery and New Beginnings'. The 'Development' was put into G20 agenda and a high Level Development Working Group was created. The summit focussed on the need for fiscal consolidation, with agreement that advanced G20 economies would at least halve fiscal deficits by 2013 and stabilise or reduce sovereign debt ratios by 2016 through ongoing structural reform across G20 members to rebalance and strengthen global growth. The Leaders agreed for new global regime for bank capital and liquidity as suggested by Basel Committee on Banking Supervision (BCBS) by next Summit. They extended their pledge to refrain from imposing new protectionist barriers until the end of 2013 and reiterated support for a successful conclusion to the Doha Round. The G20 Leaders reiterated their commitment to provide a US\$350 billion increase in capital to multilateral development banks (MDBs) and associated institutional reforms.

5. The Fifth G20 Leaders' Summit: It was held in Seoul (South Korea) on November 11-12, 2010. The Summit delivered the Seoul Development Consensus for shared growth through Seoul Action Plan (SAP), under which member countries committed to implement macroeconomic policies to ensure ongoing recovery and sustainable growth, and enhance the stability of financial markets. The leaders agreed to develop guidelines for addressing large current account imbalances, financial sector reform through agreement on the Basel III package of reforms to strengthen supervisory

oversight of the global financial system. They noted progress on strengthening global financial safety nets, including enhancement of the IMF's Flexible Credit Line (FCL), and the creation of the Precautionary Credit Line (PCL).

The Leaders determined to increase employment, provide social protection, decent work and accelerate growth in low income countries (LICs). The theme 'Shared Growth Beyond Crisis' with G20 Development Agenda embodied in the Multi-Year Action Plans having nine development pillars: (i) Infrastructure; (ii) Human resource development; (iii) Trade; (iv) Private investment and job creation; (v) Food Security; (vi) Growth with resilience; (vii) Domestic resource mobilization; (viii) Knowledge sharing; and (ix) Financial inclusion. The MDBs were asked to pursue actions in specific areas and a High Level Panel was created to review MDB Action Plan and to identify ways to scale up financing for investments in infrastructure.

6. The Sixth G20 Leaders' Summit: It was held under the French Presidency in Cannes (France) on November 3-4, 2011. The French Priorities were (a) Reforming the International Monetary System; (b) Strengthening Financial regulation (c) Combating commodity price volatility (d) Strengthening jobs and the social dimension of globalization (e) Fighting corruption and (f) Focusing on the two pillars of infrastructure and food security under the Development agenda. The major outcomes of this summit were regulation of commodity derivative markets, action plan on commodity price volatility and agriculture, increasing transparency of energy markets, and supporting the recommendations of the High Level Panel on infrastructure. This final declaration was titled 'Building our Common Future: Renewed Collective Action for the Benefit of All' and was accompanied by 'Cannes Action Plan for Growth and Job'.

Reviewing the global economic situation in the backdrop of Euro-zone crisis, they discussed financial regulation, trade, jobs, food security, agricultural productivity and development; and included i) the development of a country specific Action Plan on Growth and Jobs to address short-term economic vulnerabilities and strengthen the medium-term drivers of growth; ii) a commitment to ensure the adequacy of the European Financial Stability Facility (EU Members) and IMF resources (G20 Members); iii) reaffirmation of the G20 anti-protectionism pledge and agreement to strengthen the WTO by considering additional and parallel international trade negotiations beyond the Doha Round mandate; iv) agreement to strengthen the regulation of 'shadow banking activities' and adoption of an action plan to support the development and deepening of local bond markets; v) endorsement of an Action Plan on Food Price Volatility and Agriculture, aimed at improving agricultural production and productivity, and increasing market information and transparency.

7. The Seventh G20 Leaders' Summit: It was held under Mexican Presidency in Los Cabos (Mexico) on June 18-19, 2012 which focussed on the current state of the global economy, development policy,

green growth, trade and employment; and the leaders agreed on Los Cabos Growth and Jobs Action Plan wherein individual countries to take up measures to contribute to strong, sustainable and balanced growth. The Action Plan was developed by the Framework Working Group (FWG) co-chaired by India and Canada. In addition, progress was reported in the area of financial regulation and further pledges to boost the financial resources of the International Monetary Fund (IMF) including India's pledge of \$10 Billion. The Summit sent a strong message about the Group's commitment to promote global economic growth and job creation.

The main outcomes of the summit included: a) the establishment of country-specific measures each G20 member would take to strengthen demand, growth, confidence and financial stability; b) reaffirmation to increase IMF resources by US\$456 billion and to implement the 2010 IMF quota and governance reforms; c) further extension to the end of 2014 of the G20's pledge to resist and roll back protectionist trade and investment measures; d) Furtherance to WTO Doha Round negotiations, trade facilitation and streamlining accession procedures for least developed countries; e) a call for deeper analysis (by the WTO, OECD and UNCTAD) of the impact on global value chains of restrictive trade and investment measures; f) progress on the G20 development agenda, particularly on food security, financial inclusion, sustainable development and inclusive green growth.

8. The Eighth G20 Leaders' Summit: It was held in St. Petersburg (Russia) from September 5-6, 2013 which was focused on strengthening growth and creating jobs. The main outcomes of the summit included: a) jobs and growth are the top priority; b) a commitment for developing and sharing growth strategies; as well as agreement to identify and implement specific measures by the Brisbane Summit to generate new growth and better employment through increased investment and infrastructure development; c) agreement to throw the G20's weight behind the WTO's forthcoming ministerial meeting in Bali, and a concrete demonstration of the G20's commitment to fight protectionism by extending the standstill on new protectionist measures to the end of 2016; d) agreement to work more closely together to fix the leaks in the revenue base from tax avoidance and profit shifting, by working together to change tax rules; e) commitments to continue implementation of the G20's ambitious reforms to financial regulation, including rules to tackle domestic and cross-border problems when big institutions fail, and addressing risks posed by financial institutions other than banks; and f) endorsement of the St Petersburg Development Outlook which provides clear guidance to implement a focused approach to development.

The G20 Leaders also marked the 5th Anniversary of the G20, reaffirming their conviction that the foundation for sustainable growth and rising prosperity for all is an open world economy based on market principles, effective regulation, inclusiveness and strong global institutions,

underpinned by the closer partnership and collective action and shared responsibility of the G20, based on effective policy coordination.

Present Status and Prospects

Considering macroeconomic and reform priorities, in a report prepared by IMFⁱⁱⁱ with inputs from OECD and WB in Feb 2014, stated that joint action is needed to boost output and to lower global risks substantially through more sustainable and balanced growth. The focus should be on bringing output back to potential, rebalancing growth through reforms, competitiveness and demand-supply balancing; and raising potential through market reforms, labour market reforms, and infrastructure investment. The members should improve the functioning of product markets for better trading, labour markets for boosting employment and infrastructure in emerging markets economies to get benefit from a modernization. The strengthened, cooperative policies and labour market reforms together with rebalancing policies in key external deficit and surplus economies, would raise world output by 2.5 trillion dollars by 2018 (about 0.5 percentage point higher growth per year), while reducing substantially global imbalances and lowering public debt ratios.

While most of the gains are attributable to domestic policies, joint action may produce beneficial growth spill-over in the medium to long term besides reducing the risk of renewed global turmoil both by reducing external imbalances and internal distortions, and by strengthening market confidence. In view of resisting trade and investment protectionism, while reporting at the request of G-20 Leaders, the WTO, OECD and UNCTAD, the WTO OMC^{iv} reported on 17.06.2013 that world trade is expected to expand slowly in 2013 as few G-20 nations continue to put in place trade restrictions, the share of trade facilitating measures is smaller than during the previous review period, restrictions continue to accumulate, as the pace of removal remains slow, G-20 Leaders need to act to reinforce the multilateral trading system.

The Australia is the hosting presidency chair of the G20 from 01.12.2013 to 30.11.2014 which gives Australia a valuable opportunity to influence the global economic agenda and to strengthen engagement with the world's major economies. The Australia is leading a series of preparatory meetings that will culminate in the G20 Leaders Summit, to be held on 15-16 November at the Brisbane Convention and Exhibition Centre in Queensland, will be the most significant meeting of world leaders Australia has hosted. The Australian presidency is working closely with engagement groups – the B20, C20, L20 and T20 and Y20 – as they bring together the range of opinions and perspectives from outside government that inform the G20 membership. The key themes are: promoting stronger economic growth and employment outcomes; and making the global economy more resilient to deal with future shocks; and maintain a tight focus on practical

outcomes that will lift growth, boost participation, create jobs and build the resilience of the global economy.

Conclusion

The G20 is the premier forum for its members' international economic cooperation and decision-making. The significant and synchronized actions of G20 leaders in response to the 2008-09 global economic crises restored market confidence and economic recovery. It prevented financial crises by creating sustainable and balanced global growth and reforming the architecture of global governance. Till now eight Leaders' Summits are held and 9th will be held in Nov. 2014 in Australia (being presidency chair for this year). Each summit was focussed on new but relevant agenda and for financial and economic development in general, like in London Summit, leaders agreed to deliver unprecedented domestic fiscal stimulus packages estimated at over US\$5 trillion, as well as to provide an additional US\$1.1 trillion in resources for the IMF, MDBs and increased support for trade finance. The focus then gradually expanded to include rebalancing global economic growth, strengthening financial regulation and reforming the governance of international financial institutions besides work on such issues as trade, development, anti-corruption, food security and employment.

The G20 is now perceived as a global decision making forum for contextual critical global issues that are important for achieving sustainable growth and maintaining stability and working towards strengthening the financial system and fostering financial inclusion to promote economic growth, improving international financial architecture in an interconnected world, enhancing food security and addressing commodity price volatility; and to promote sustainable development, green growth and the fight against climate change. The key challenge for this is to ensure that international policy cooperation is sustained and enhanced in a coordinated manner to be coherent and consistent with the business cycles. This also aims to foster and adopt internationally recognized standards through the example set by its members in areas such as the transparency of fiscal policy and combating money laundering and the financing of terrorism. Despite sometimes warranted criticism of the G20, member countries have been effective in moving together to stabilize financial markets, coordinate regulatory reform and launch a global economic stimulus.

Sources and References:

1. Amrita Narlika and Diana Tussie (2004), 'The G20 at the Cancun Ministerial: Developing Countries and Their Evolving Coalitions in the WTO', *The World Economy*, Vol. 27, Issue 7, pages 947–966, July 2004, www.onlinelibrary.wiley.com, Wiley Online Library), Article first published online: 16 JUL 2004, DOI: 10.1111/j.1467-9701.2004.00636.x
2. Marcio Botelho (2005), 'The G-20: Aims and Perspectives of a New Trade Alliance' published by Dissertation.com, Boca Raton, Florida, USA-2005, ISBN: 1-58112-300-0
3. Parthapratim Pal (2005), 'Current WTO negotiations on domestic subsidies in agriculture: implications for India', working paper no. 177, published by Indian Council for Research on International Economic Relations, Core-6A, 4th Floor, India Habitat Centre, Lodi Road, New Delhi-110 003
4. Simon Cox (2010), 'India and the G20: Enjoy the Silence' and David Vines (2010), 'The Global Macroeconomic Crisis and G20 Macroeconomic Policy Coordination', *India in the G20: Macroeconomic Policy Coordination, Regulation and Global Governance*, Published by- Centre for Economic Policy Research (CEPR), www.cepr.org, National Council of Applied Economic Research (NCAER), www.ncaer.org, University of Oxford, Australian National University and CEPR.
5. Leonardo Martinez-Diaz and Ngaire Woods (November 2009), 'The G20 – the perils and opportunities of network governance for developing countries' *Global Economic Governance Programme*, www.globaleconomicgovernance.org, published in *Networks of Influence: Developing Countries in a Networked Global Order* (Oxford University Press, 2009).
6. Paul Heinbecker (2011), 'The Future of the G20 and its place in Global Governance', CIGI G20 Papers No. 5, April 2011, Published by The Centre for International Governance Innovation (CIGI).
7. Yoon Je Cho (2012), 'Global Economic Governance Reform and the Role of Asia: Opportunities Offered by the G20', *Journal of East Asian Economic Integration* Vol. 16, No. 1 (March 2012) 3-23, ISSN 2234-8867
8. 'Report (2013) on G-20 trade measures' (mid-October 2012 to mid-may 2013) 17th June 2013, by WTO OMC.
9. Report (2014) on '[The Research and Innovation Performance of the G20](#)' released by Intellectual Property & Science business, www.thomsonreuter.com
10. E-newspapers, The Economic Times, Times of India

ⁱ Official websites of G20 India and Australia www.g20india.gov.in and www.g20.org

ⁱⁱ Data taken from official website of G20 Australia

ⁱⁱⁱ Prepared by IMF Staff with inputs from the OECD and the World Bank Meetings of G-20 Finance Ministers and Central Bank Governors, February 22–23, 2014 , Sydney, Australia, published by The Times of India Feb 22, 2014.

^{iv} 'Report (2013) on G-20 trade measures' (mid-October 2012 to mid-may 2013) 17th June 2013, by WTO OMC.