

The G20 must keep it focused

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By Arturo Porzecanski of American University

The chances that this weekend's G20 Summit in Brisbane will be viewed as successful hinge largely on its leaders' ability to keep their discussions and declarations relevant and on point. This will require a break with trends to date, as these high-level gatherings have been undermining their own effectiveness by increasingly drifting away from a short-list of achievable priorities.

In the wake of the 2008 global financial crisis, the first meeting of G20 heads of state, in Washington DC in mid-November of that year, yielded a succinct and pointed declaration of fewer than 1,800 words. It was supplemented by an Action Plan to implement five agreed principles for financial reform, with a list of deliverables for the short and medium term.

As the worst of the crisis passed, however, the G20 summits started to lose focus. In St. Petersburg in September 2013, the meeting produced a concluding statement of 12,000 words. It covered a multitude of issues such as tax avoidance, financial inclusion, economic development, energy policy, climate change and the fight against corruption, in a communiqué brimming with good intentions. The Australian government is reportedly keen on a "less is more" approach to summitry, and this raises hope for a better outcome this time around.

To be sure, given that the legacy of the 2008 global financial crisis is still very much with us – especially in the eurozone – and in light of the slowdown in emerging-market countries from Brazil to South Africa, discussion of economic and financial challenges will and should take pride of place. The G20 are expected to identify new measures to help accelerate the pace of GDP growth by more than 2 percentage points by 2018 above its pre-2014 trajectory. In this connection, a commitment to supply-side reforms would be very important, given past over-reliance on fiscal and monetary pump-priming.

Other commitments are likely to focus on actions to boost infrastructure investment; increase the capital cushion of banks, particularly of systemically significant institutions; fully implement agreed financial regulatory reforms; discourage cross-border tax avoidance and evasion; and put into effect a WTO-sponsored agreement on trade facilitation measures. There will also be renewed mention of the need for the US – meaning Congress – to ratify the IMF governance reforms agreed to in 2010.

The government of Australia has been trying to revitalize the upcoming gathering by insisting on a more focused agenda and, for instance, has tried to minimize discussion of climate-change issues except for a common endorsement of energy efficiency initiatives. The final communiqué may go no further than to recommit the G20 to address climate change through the United Nations.

Likewise undeserving of the summit's time and attention is the attempt by deadbeat Argentina to get the G20 to commit to developing a supranational bankruptcy regime capable of solving its much-publicized difficulties with creditors and the US judicial system. Argentina is in renewed default out of choice and is a victim only of its own contemptuous attitudes and bad economic policies.

On the other hand, while economic and financial issues have traditionally been at the centre of all G20 summits, the time may have come to add national security as a legitimate issue for its agenda. And in Brisbane, Russia's presence and recently aggressive behaviour will surely be the elephant in the room. The group cannot possibly shut its eyes to what has been going on around Russia's periphery for several years now, and thus some statement ought to be made, at a minimum, about the need for respect of the territorial integrity of nations.

With geopolitical tensions having risen also in the Middle East, on the Korean peninsula and in the South China Sea since the September 2013 Summit, the time has come to knock G20 heads together and build consensus on at least some of these serious geopolitical matters. Persuading the G20 leaders to start dealing with issues beyond economic security could be the legacy achievement for Australia's turn at the helm of this global governance group.

Arturo Porzecanski is director of the International Economics Programme at American University's School of International Service in Washington DC.

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