

Group of Twenty (G20)

What is G20?

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The G20 is an international forum that brings together the world's 20 leading industrialised and emerging economies.

 \bullet The group accounts for 85% of world GDP and two-thirds of its population. \n

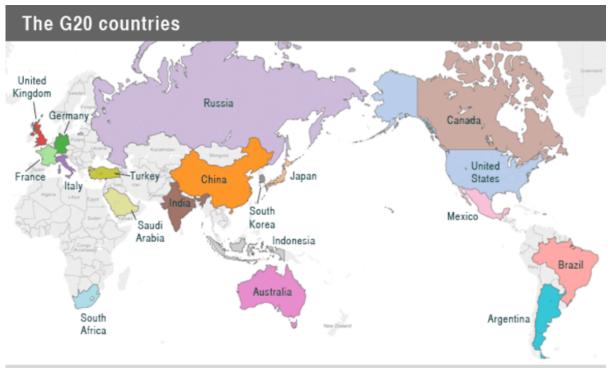
• Much of the important business takes place on the sidelines and in informal meetings.

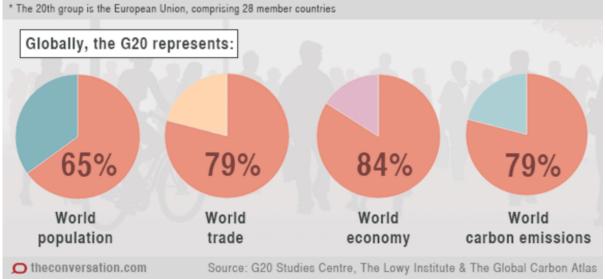
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• When it was established 17 years ago, the attendance at G20 summits was limited to the finance ministers and central bank governors of members.

But since an inaugural meeting between G20 leaders in Washington DC following the collapse of Lehman Brothers in 2008, summits between G20 leaders themselves have become an annual event.

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What are the general criticism against G20?

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- The process of determining which nations were to be invited to join the G20 and which nations would not appears to have been very informal.
- A 2011 report had criticised the G20's exclusivity, highlighting in particular its **under-representation of the African continent.**
- The G20 is a **self-appointed group.** It may be more representative than the G8, but it is still arbitrary.

- \bullet Critics say that G20 basically was an extension of the G7. \n
- \bullet It's not population, it's not GDP, it's not financial reserves, it's just a decision taken on what we assume are the important economies of the world. \n
- The G20's transparency and accountability have been questioned by critics, who call attention to the **absence of a formal charter** and the fact that the most important G20 meetings are closed-door.
- G20 summits have also attracted protesters from a variety of backgrounds, including information activists, opponents of fractional-reserve banking and anti-capitalists.

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What were the outcomes of the recent G20 meet?

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- The **G20 Hamburg Action Plan** laid out the group's strategy for achieving strong, sustainable, balanced and inclusive growth.
- The G20 final communique placed a new emphasis on the need for trade deals to be reciprocal and non-discriminatory towards developing countries.
- The Action Plan has been developed against a backdrop of improving growth and job prospects.

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- It included new policy actions to tackle challenges in economies, focusing on initiatives that foster inclusive growth, enhancing resilience and further the G20 efforts to implement structural reforms.
- In spite of the United States' withdrawal from the Paris Agreement, the German presidency wanted to make the most of the renewed public policy interest for **environmental sustainability.**
- It also outlined new actions to tackle the issues of correspondent banking and remittances, anti-money laundering and combating the financing of terrorism, fossil fuel subsidies and data gaps.
- \bullet The United States and Russia also reached a Syrian ceasefire agreement after talks between Trump and Putin in Hamburg. $\$

Why the US got sidelined?

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• Until recently, the world looked to the US for leadership at such international forums.

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• But in the six months since Donald Trump entered the White House, that has all changed.

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• The headlines at the end of the G20 were bad enough.

• The US was alone on the issue of climate change, where the 19 other members agreed to push ahead with the Paris Accord to reduce greenhouse gas emissions.

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• On issues ranging from **trade to climate change**, on how to deal with problems such as Ukraine, the US has turned its back on the considered consensus.

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 On trade, language was reinserted to commit the members to condemn protectionism, something that had been done after Trump had raised the prospects of tariffs.

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Why India was praised at Hamburg summit?

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 The G20 has praised the initiatives in India for promoting ease of doing business, startup funding and labour reforms.

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- G20 also appreciated India's financial sector reforms like popularising derivative instruments in exchanges or electronic trading platforms as part of measures to enhance resilience of its economy.
- It said India is facilitating external commercial borrowings (ECBs) by startups in order to encourage innovation and promote ease of doing business.

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• It further said India is introducing labour market reforms to provide security

to workers, increase female participation in the workforce and make doing business easier in the country.

 \bullet This acknowledgement assumes significance in the wake of India trying hard to improve its global ranking for ease of doing business. \n

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