G20 Influence on Business Regulation and Business Behaviour (What Has Worked and Why has it Worked)[1]

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Abstract

In 2009 the members of the Group of 20 (G20) proclaimed the forum to be the premier body for their international economic cooperation. But the G20's success in facilitating such cooperation is mixed. The G20's immediate response to the 2008 financial crisis was considered to be a success, but its effectiveness has waned since then. There are, however, two aspects of business regulation where the G20 has successfully facilitated international cooperation to achieve significant outcomes that have affected the business climate in G20 members. These are the efforts to strengthen financial regulation and to modernize the international taxation system. This article identifies the characteristics that have contributed to the G20 achieving greater progress in these two areas, how these differed from other issue areas and the lessons that can be derived for the G20. Some of the key points identified for the G20's relative success with financial regulation and international taxation include: broad agreement in advance on the underlying problem and solution; agreement on a common course of action for each member; agreement on a mechanism to monitor compliance; the presence of domestic public pressure on countries to act; and the continuity provided by successive G20 chairs.

Key words: G20; business regulation; financial regulation; international taxation

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Introduction

Assessing the impact of the G20 on business behaviour goes to the heart of assessing the effectiveness of the Group of 20 (G20), for if the forum is to achieve its objectives, it will ultimately have to have an impact on the decisions of businesses. Put differently, a basic measure of the effectiveness of the G20 is whether businesses are doing things differently because of it. The G20 can influence business behaviour indirectly by boosting (or reducing) business confidence if G20 members clearly demonstrate (or fail to demonstrate) that they are working together to deal with pressing global problems. Al-

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ternatively, G20 can affect business behaviour through the domestic implementation of measures agreed to by each G20 member – measures covering macroeconomic, structural and regulatory policies.

The general narrative around the G20 is that its best days are behind it, in immediate aftermath of the global financial crisis in 2008. Since then, as the urgency of the crisis receded and the list of topics being pursued through the G20 has grown, it has faced criticism for its declining effectiveness. However, the G20 continues to have significant impacts on business regulation and behaviour in two stand-out areas: financial regulation and international taxation. In both of these areas, businesses around the world are doing things differently as a result of the measures agreed to by G20 members and subsequently implemented in national jurisdictions. This article examines why the G20 has been able to impact business behaviour more effectively in the areas of financial regulation and international taxation compared with other issues it has pursued and considers whether there are some wider lessons for the G20.

The G20 and Economic Policy Cooperation

In the immediate wake of the collapse of Lehman Brothers in 2008 and the onset of the global financial crisis, there were high hopes that the elevation of the G20 to a leaders' level forum represented a new period of enhanced international economic cooperation. This optimism was based on the apparent success of the G20 in responding to the crisis – a response that combined relaxed monetary policy, fiscal expansion, strengthened financial regulation, a commitment not to introduce new protectionist measures and an increase in resources for the International Monetary Fund (IMF). This response was described as displaying "a remarkable degree of international cooperation" [Vines, 2016]. Importantly, the fact that G20 leaders came together, particularly at the London Summit in April 2009, and agreed on a substantive package of measures in response to the crisis demonstrated that countries were working together and this boosted confidence, particularly business confidence. This is reflected in the various market volatility data prior to and after the London Summit. The onset of the crisis saw a collapse in business confidence, a massive increase in uncertainty and a spike in market volatility. Immediately after the London Summit, many volatility indicators stabilized. The G20 clearly did have a positive impact on business confidence. As Gordon Brown, British prime minister and chair of the London Summit, stated immediately after the summit, "this is the day the world came together to fight back against the global recession" [Pimlott, 2009].

The G20's sense of accomplishment was reflected in the communiqué from the Pittsburgh Summit in September 2009, where G20 leaders said the world had "confronted the greatest challenge of our generation" and that "our countries agreed to do everything necessary to ensure recovery and repair of our financial systems" [G20,

2009]. Leaders went on to confidently claim that "it worked." Building on this triumphant air, leaders declared that "we designated the G20 to be the premier forum for our international economic cooperation."

This spirit of cooperation and sense of achievement have significantly declined since the Pittsburgh Summit in 2009. The widely held view is that the best days of the G20 are behind it and it is routinely criticised for failing to deliver the cooperation needed to deal with the challenges confronting the global economy. For example, Alan Alexandroff [2016] states that it is "generally accepted that the G20 Leaders acted with enough coordination that the global economy avoided a breakdown that could have easily rivaled the Great Depression. It is also commonly accepted that the G20 Leaders Summit has failed subsequently to provide much successful collective leadership since that time." Similarly, Tamim Bayoumi, Stephen Pickford and Paola Subacchi [2016] have observed that "despite warnings about the risk of a 'new mediocre' outlook for the world economy and complaints about significant spillovers from the unconventional monetary policies of the main advanced economies, international interest in policy cooperation or coordination has started to wane." In contrast to the triumphant flavour of the Pittsburgh communiqué, the opening paragraphs of recent G20 communiqués have focused on the continuing sub-par and uneven performance of the global economy and the many downside risks to the outlook. There certainly has not been a G20 summit that has had the same overall impact on business confidence as was achieved at the London Summit in 2009.

If the core objective of the G20 is to coordinate members' policies to achieve strong, sustainable and balanced growth, it has failed to date. The IMF downgraded its forecast for global growth nine times between the Brisbane Summit in 2014, at which G20 leaders committed to increase their growth rates by a collective two percentage points by 2018, and December 2016 [G20, 2014]. At their meeting in Chengdu, China, on 23–24 July 2016, G20 finance ministers and central bank governors [2016] acknowledged that the global economic recovery remains "weaker than desirable" and that the "global economic environment is challenging and downside risks prevail." They went on to say that they "worked closely in the spirit of cooperation and solidarity," but no tangible outcomes of renewed macroeconomic policy cooperation were identified that would lift global growth. Similarly, the communiqué from the G20 Hangzhou Summit on 4–5 September 2016 commences by noting "growth is still weaker than desirable. Downside risks remain due to potential volatility in the financial markets, fluctuations of commodity prices, sluggish trade and investment, and slow productivity and employment growth in some countries" [G20, 2016].

G20 Policy Cooperation on Business Regulation

While the G20's efforts at economic policy cooperation are increasingly being found wanting, its most significant achievements in terms of policy cooperation lie

in the area of business regulation – specifically the international effort to strengthen financial regulation, reform international taxation and combat tax evasion and avoidance. These two areas stand out as relative successes on the G20 agenda. Success with tangible outcomes in terms of policy cooperation has not been achieved to the same extent across all areas of the G20 agenda – such as with trade, investment or anticorruption. The International Chamber of Commerce (ICC) releases a scorecard that evaluates the outcomes from G20 summits in terms of their importance to business. In the fifth edition of the ICC G20 Business Scorecard covering the 2015 Antalya Summit, the outcome on trade was assessed as being poor (with a score of 1.0 out of 3.0) [ICC, 2016]. The ICC said that progress on ratification of the Trade Facilitation Agreement of the World Trade Organization (WTO) had been disappointingly slow and there had been insufficient action by the G20 to curb protectionism.

On infrastructure and investment, the ICC assessment of G20 progress was also rated as poor (with a score of 1.3 out of 3.0) [ICC, 2016]. Infrastructure investment has regularly been identified as a G20 priority and the G20 has launched a range of initiatives to encourage such investment, including the development of high-level principles on long-term investment financing, the establishment of the Global Infrastructure Hub, the hosting of many conferences and workshops and the endorsement of the aim to promote global infrastructure connectivity. Notwithstanding these initiatives, it is difficult to identify whether the G20 has had any specific or concrete influence on the investment climate in G20 members, or most importantly, whether it has contributed to an increase in business investment.

As regards the G20's outcome on anticorruption, the ICC [2016] assessed this as fair (with a score of 2.3 out of 3.0). A number of high-level initiatives have been advanced through the G20's anticorruption work, such as the development of an Anti-Corruption Toolkit for SMEs (small and medium-sized enterprises) and of High Level Principles on Private Sector Integrity and Transparency. Among the particularly significant initiatives are the efforts to introduce greater transparency into the beneficial ownership of companies. While there has been progress, it remains patchy and, as with infrastructure investment, it is difficult to identify if businesses are doing things significantly differently because of the G20's activities.

In contrast to the limited ability of the G20 to affect business behaviour in G20 members directly through international policy cooperation, the work of the G20 on financial regulation and international taxation stand out in terms of having real impacts on business decisions.

Financial Regulation

The ICC assessed G20 outcomes on financial regulation as good, with a score of 2.8 out of 3.0. Regarding progress made on financial regulation, the ICC welcomed the

efforts of the G20, led by the Financial Stability Board (FSB), to improve the resilience of the financial system through more robust regulation that, if properly implemented, would help support economic activity and growth. Nicolas Véron [2016] has observed that “the action of the G20 since 2008 qualifies as the most ambitious and impactful coordination effort ever to overhaul financial regulation at the global level.” Although much has been achieved, not all of the G20’s efforts to strengthen financial regulation have achieved the same level of success, and many of the new standards have yet to be fully implemented by national authorities. In addition, there is some criticism that the strengthened requirements go too far and excessively impede the ability of the financial sector to support economic growth.

Nevertheless, much of the financial regulation achieved through the FSB (which was created by the G20 and thus enjoys its political support) can be classified as a success and has a significant impact on the business environment in member countries. Chief among these is the Basel III accord, which significantly strengthened capital requirements for banks and introduced leverage and liquidity requirements. As Véron [Véron, 2016] has noted, “there is no question that it is an improvement on the prior global Basel II regime, and little doubt that it owed its quick finalisation to the political impetus provided by the G20.” The FSB and G20 are also advancing a range of other regulatory initiatives across the financial sector, including improving financial statistics, a framework for the orderly resolution of globally systemically important banks, increased capital requirements standards for internationally systemic insurers and requiring financial derivative contracts to be cleared at central clearing houses.

International Taxation

The ICC did not score the G20 achievements on international taxation, although this is the other area of the G20 agenda that stands out in terms of the advancement of a range of detailed and far-reaching reforms with significant impacts on business behaviour. In October 2015 the Organisation for Economic Co-operation and Development (OECD) published a series of reports dealing with tax base erosion and profit shifting (BEPS). This was the outcome of work begun in September 2013 at the request of the G20. The OECD said the measures would end double non-taxation and would “change the paradigm” by making tax planning marginal rather than a core business [Pullar-Strecker, 2015]. Many of the global accounting firms acknowledged the significance of the BEPS outcome, although they warned that incomplete and inconsistent implementation would usher in a period of significant uncertainty and major disputes. There was criticism. For example, *The Economist* [2015] described BEPS as having missed the opportunity to pursue more far-reaching reforms, and Oxfam said it was a toothless package. Notwithstanding these criticisms, and given that in many respects BEPS is still work in progress, it is a very significant achievement and will

change the way multinational corporations and tax authorities operate. Critics of BEPS generally argue that the measures do not go far enough. But the mere fact that business is concerned about the consequences of inconsistent implementation by national governments demonstrates that the measures will have an impact on business behaviour. This is also demonstrated by the lengths to which major accounting firms have gone to prepare businesses for BEPS. As Brian Peccarelli, president of the tax and accounting business of Thomson Reuters, stated "preparation for BEPS compliance is a daunting operational burden on multinational companies as they work to keep up with the growing list of new and changing global regulations" [Accountants Daily, 2016].

An enormous volume of work on international tax, including extensive consultation with business representatives, was completed through the BEPS project within two years. The extent to which agreement was reached on controversial issues surprised many critics. Moreover, as a result of the OECD/G20 BEPS project, international tax issues have permanently moved beyond the domain of the OECD and moving forward will involve the non-OECD members of the G20 along with developing countries. The OECD has adopted an "inclusive" framework for BEPS implementation by opening up the decision-making body of the OECD's tax work – the Committee on Fiscal Affairs – to all interested countries and jurisdictions. The G20 has changed the landscape for international tax.

Requirements for Successful International Economic Policy Cooperation

The intriguing question that arises is why there has been significantly more impactful cooperation between G20 members in the areas of financial regulation and international taxation compared with other issues on the G20 agenda.

History demonstrates that most periods of significant international policy cooperation comes at a time of crisis. Perhaps the landmark example of policy cooperation was the Bretton Woods Agreement in 1944 that created a system for monetary and exchange rate management and established two international institutions, the IMF and what was to become the World Bank Group. The Bretton Woods Conference took place while World War II was still underway. The influence of the war and the desire of the major powers to establish rules for the post-war international economy also resulted in the signing of the General Agreement on Tariffs and Trade at an international conference in October 1947.

More recent examples of significant international economic cooperation – such as the 1978 Bonn Summit of the Group of Seven, the 1985 Plaza Agreement and the 1987 Louvre Accord – all occurred at times of crisis. More recently, and as noted previously, the 2008 global financial crisis saw the G20 respond with a coordinated programme of fiscal expansion, commitments to avoid protectionism, an increase in the resources

of financial institutions and financial regulatory reform. However, and as also previously mentioned, as the immediacy of the crisis faded, so did the spirit of policy cooperation in the G20.

There are a number of reasons why policy cooperation is likely to be more challenging in the absence of a crisis. Countries find it difficult to agree on the nature of their shared economic situation and on the impact of one country's policies on others. It may also seem that the costs associated with cooperation exceed the cost of spillovers. Moreover, there may be little domestic political support for a government adopting policies for the benefit of another country or for the "international good." As David Vines [2016] noted, "any reforms to economic policy making are – in the end – driven by domestic political agendas. This means that national policymakers will not adopt macroeconomic policies that are in the global interest unless they are also in the national interest."

The situation is different in times of crisis because countries are likely to be facing a similar economic shock that requires a similar policy response. This suggests however that what might seem to be international policy cooperation in response to a crisis may in fact be a situation where countries were inclined to adopt similar policies in the absence of a multilateral meeting or forum such as the G20.

Irrespective of whether there is a crisis, it is possible to identify some fundamental minimum requirements that will facilitate international economic policy cooperation. Narayanan Raman [2016] has argued that a key requirement for cooperation includes ex ante agreement by countries on the following: the diagnoses of the underlying problem and its solutions; the course of action that each country is committed to take; and a way to monitor compliance and enforce commitments. The first two requirements go a long way toward explaining why there has been more progress on international policy cooperation on matters of financial regulation and international tax compared with other items on the G20 agenda, including, in particular, cooperation on macroeconomic policies.

Ex Ante Agreement on the Underlying Problem and Solution

In the case of both financial regulation and international tax, there was a clear international consensus that the existing system was deficient and reform was required. This recognition of the need for reform did not decline across successive G20 summits. In the wake of the near collapse of the global financial system, sparked by the collapse of some financial institutions, there was widespread support for strengthening financial regulation. It was clear that the regulatory system was found wanting and similarly there was no dispute over the required solution – regulation needed to be strengthened. In addition, the spread of the crisis following the collapse of Lehman Brothers in 2008 clearly demonstrated the interconnected nature of national financial systems and the

need for a coordinated response to strengthening the regulation of globally-operating financial institutions. In the communiqué from the first G20 leaders' summit held in 2008, there were 47 action points, 39 of which involved financial regulation. The focus on financial regulation continued in subsequent summits and progress on advancing regulatory reform received prominent attention in the communiqués. Leaders felt the need to reassure their people that they were taking steps to ensure that a similar financial crisis would not happen again.

The emphasis on the need to reform international taxation developed over a number of G20 summits. While there had been ongoing work in the OECD on combating tax havens for decades, the global financial crisis compounded the pressure for reform. Weak regulation within tax havens was seen to have facilitated the use of risky financial products and, as fiscal challenges rose, governments had an increased incentive to recover lost tax revenue. However, the main drive for the G20 to reform international taxation came from the work on base erosion and profit shifting – the ability of corporations to shift profits to low or untaxed jurisdictions. Concern over base erosion and profit shifting was raised in the communiqué from the Seoul Summit in 2010, but it was in the context of developing countries. BEPS became a high-profile issue for G20 leaders following several prominent cases involving multinational corporations taking advantage of their international arrangements to pay minimal tax. Growing evidence that multinational corporations were not paying "their fair share of tax" became a major issue for fiscally constrained governments – one that resonated powerfully with taxpayers facing the consequences of tight fiscal conditions. The fact that globally operating companies were exploiting loopholes in current tax laws and double-tax agreements to make profits disappear or shift them to low-tax jurisdictions clearly highlighted the need for international cooperation to deal with this problem. There was broad ex ante agreement among G20 members that the existing international tax standards were out of date, particularly given the increased importance of multinational governments and the technological changes which had revolutionized the production process. This led to the establishment of the G20/OECD BEPS project in 2013 and a two-year work programme.

In contrast to financial regulation and international taxation, there was little commonality of views among G20 members on the "diagnoses of the problem and required solution" for other issues on the G20 agenda. For example, in the area of macroeconomic policy, once the immediacy and commonly felt shocks of the economic crisis began to recede, countries recovered at different speeds and faced different economic challenges. For this reason, their policy responses varied and efforts at cooperation were more difficult. There was agreement on the need for a collective fiscal response among G20 members at the London Summit in April 2009, but when attention turned to fiscal consolidation at the Toronto Summit in June 2010, a "growth versus stability" debate began that would dominate G20 discussions for many years. Similarly, there

was disagreement among G20 members over the appropriateness of unorthodox approaches to monetary policy, with emerging market economies complaining that they were experiencing destabilizing spillovers from the policies of some developed G20 members. There may have been agreement as to the objective – namely the need to strengthen global growth on a sustainable basis – but there was no agreement as to the nature of the underlying problem that was holding back growth nor agreement as to the policy measures that would be required to promote it.

Trade policy is another area on the G20 agenda where progress has been disappointing because there is lack of agreement on the "problem and required solution." The G20 agreed at the Washington Summit in 2008 to impose a standstill on protectionist pressures, which was extended at subsequent summits. But it was always a controversial issue on the leader's agenda and G20 members have imposed new protectionist measures notwithstanding their commitment not to do so. There are rising protectionist pressures within many G20 members based on the view that steps must be taken to prevent the loss of jobs to other countries. As such, it is not surprising that there has not been cooperation through the G20 to drive multilateral trade liberalization.

Agreement on the Course of Action that Each Country Will Undertake

Another precondition for successful international policy cooperation is agreement on the course of action that each player will take. It is certainly the case that when there is more detail around an agreed course of policy action, including the specific actions each member will take, there is a greater chance that the measures will be implemented. However, there is an even greater prospect of successful policy cooperation if countries agree to a common course of action rather than deciding independently how to achieve the agreed outcome. In the case of the G20's efforts to strengthen financial sector regulations and international tax arrangements, the focus was on seeking agreement on a common and detailed course of action, namely the implementation of new international standards. There was minimal scope for countries to use their discretion in setting the new standards. This introduced certainty about commitments and facilitated monitoring of their implementation. In contrast, the actions agreed to at the Brisbane Summit in 2014 to meet the growth target were self-selected by members. Moreover, there were significant differences in the way members specified their commitments, with some defining very general and high-level undertakings while others specified more detailed policy measures along with dates for implementation.

Agreement on a Way to Monitor and Enforce Compliance with Undertakings

Another ingredient for successful cooperation on economic policy issues is agreement regarding monitoring and enforcement. Grand, collective commitments to

strengthen global growth, create jobs and expand world trade are regularly made by G20 leaders. But achieving such actions requires each member to implement specific measures. Countries are likely to feel more accountable if their responsibilities are clearly identified and their performance is monitored. This can be done by international economic organizations although it is very difficult for international bodies to have an enforcement power. While the WTO does have such powers as part of its dispute settlement system, in most other cases, enforcement comes via peer and/or public pressure. Consequently, one way to strengthen compliance is to regularly publish and promote the performance of members.

Paola Subacchi and Paul Van Den Noord [2016] view the monitoring of compliance as a distinguishing feature of the G20's success on financial regulation compared with its efforts at macroeconomic policy cooperation. They note that "the initial attempts (by the G20) at macroeconomic policy (cooperation) were essentially self-policing, with the IMF as the score keeper. On the other hand, detailed rules of action were drawn up for reform of financial regulation and a peer review mechanism was in place." The purported strength of the Mutual Assessment Process (MAP) which underpins the G20's attempts at economic policy cooperation is that the process is "owned" by the members rather than being imposed by an outside body, for example along the lines of IMF surveillance. In addition, the MAP involves an element of peer review as an accountability report is published at each G20 summit.

The self-assessment/peer review monitoring of G20 commitments through the MAP has not been effective. More rigorous, public assessments of each member's performance by an international organization such as the IMF should give the monitoring process some teeth. However, this is not always effective. The G20 "mandated" the WTO, the OECD and the United Nations Conference on Trade and Development (UNCTAD) to monitor and report on members' adherence to their commitment not to introduce new protectionist trade measures. These international organizations have published fifteen monitoring reports, although it is not evident that this has had any influence in preventing the introduction of protectionist measures. For example, in the most recent report for the period of mid-October 2015 to mid-May 2016, the monthly average of new trade restrictions recorded was the highest it has been since the beginning of the monitoring exercise in 2009 [OECD and UNCTAD, 2016]. Despite the agreed-upon standstill, G20 members have introduced 1,583 new trade restrictions since 2008.

The monitoring of G20 members' commitments to introduce financial regulatory reforms and new international tax standards is overseen by international bodies – the FSB in the case of financial regulation and the OECD for international taxation. The FSB's processes on financial regulation are more developed than those of the OECD on taxation, but in both cases it is premature to assess the influence this monitoring may be having on the implementation of new standards by members. Regardless, it is

not enough to have processes in place to monitor commitments. To ensure successful international cooperation the other preconditions previously identified also need to be in place.

Is More Progress Achieved on Technical Issues?

Another factor that has been advanced to account for the G20's success in advancing financial sector regulatory reform and modernizing international taxation arrangements is that these are relatively obscure and uncontentious issues that can be delegated to international agencies and institutions. However, such a view simplifies the situation. Financial regulation and international taxation are very technical issues that require the attention and expertise of international bodies and national bureaucracies. At the same time, the outcomes of this technical work are anything but obscure. In fact, the reason why rapid progress was achieved in strengthening the regulation of the financial sector and reforming international taxation was because both had become pressing domestic political issues. In addition, while the identification of the necessary details that should inform new standards is done by international bodies, implementation can only be achieved at the national level – this can well be contentious.

It was, nevertheless, important for the success of strengthening financial regulation and international taxation arrangements that the technical work was advanced and led by international bodies, namely the FSB and the OECD. This distinguished the work on these items from many other issues on the G20 agenda. With the FSB and the OECD leading on financial regulation and international taxation, respectively, there was continuity with the work across successive G20 chairs and maintenance of intellectual capital. It also ensured the ongoing involvement of expert, dedicated staff. This is a more effective way to advance a topic than through the ad hoc creation of working groups by successive G20 chairs.

Summarizing the Preconditions for Successful International Cooperation on Economic Issues

To summarize, the relative success of the G20's efforts since 2008 to advance reform of financial sector regulatory arrangements and to modernize the international tax system reflected the following factors:

Agreement on the Underlying Problems and Solution

In the case of financial regulation, the global financial crisis clearly demonstrated deficiencies in the existing regulatory arrangements (the problem) and highlighted that regulation had to be strengthened (the solution) in order to prevent future crises. As regards international tax, the widespread reporting that a number of major global cor-

porations were using loopholes and shortcomings in tax arrangements to hide profits or shift them to low-tax jurisdictions clearly identified problems with existing tax arrangements and underscored the need to modernize international tax arrangements.

The Course of Action Each Country Would Undertake Was Clear

The strengthening of financial regulation and the BEPS outcomes involved agreement on new common standards that each country would implement. As such, the action required by each G20 member was clear.

There Was a Mechanism to Monitor Compliance

The existence of common standards facilitated the monitoring of members' commitments. In addition, oversight of compliance monitoring is conducted by international bodies – the FSB in the case of financial regulation and the OECD for international taxation – rather than through self-assessment by members. However, this is not unique for financial regulation and international taxation. International bodies monitor G20 members' undertakings on other issues, such as trade. Given that the implementation of new financial regulatory standards and international tax arrangements are still works in progress, it is too early to assess the impact that monitoring may have on the advancement of these issues. As to enforcing compliance of undertakings, the main mechanism across the G20 agenda is peer pressure.

Public Pressure on Governments to Act

Financial regulation and international taxation are very technical issues. The detailed work on strengthening international standards in these areas was undertaken by technocrats in international bodies and national agencies. Prior to the global financial crisis, it would have been unlikely for such technical issues to be on the agenda for a leaders' summit. But as the result of the collapse of financial institutions which sparked a global economic and financial crisis and the publicity around international companies not paying their "fair" share of tax, there was significant public pressure on governments to act. They were "hot" domestic political issues.

Work Was Advanced by International Bodies

The G20 is not a "doer." It does not have a permanent secretariat and the chair changes every year. But it can provide political impetus to the work of international bodies. The contribution that the G20 provided in strengthening financial regulation and international tax arrangements was its political support of the work of the FSB and OECD. Moreover, the fact that the detailed work was advanced through international

bodies was important because technical expertise was maintained and continuity was facilitated across successive G20 chairs.

Conclusion and Lessons

There are a number of factors that contributed to the success of the G20's efforts with respect to financial regulation and international taxation compared to other attempts at international cooperation, particularly macroeconomic policy cooperation. Of course, the "success" with respect to financial regulation and taxation relates to the setting of international standards. The real test is the extent to which these standards are implemented by national authorities, and this remains work in progress. Nevertheless, a relevant question is whether any of the factors contributing to the G20's relative success on financial regulation and taxation can be applied to other issues on the forum's agenda.

One key lesson is that the G20 will be more effective in achieving international cooperation if it concentrates on issues where there is recognition of a common problem and a broad agreement as to the solution. If this does not exist, the focus should be on achieving these preconditions rather than the G20 chair for a particular year launching a new initiative.

Another key contributor to the progress achieved on financial regulation and international taxation was the fact that governments were under pressure to do something in these areas. Consequently, the lesson for G20 members is to focus on issues that resonate with their publics, either because they are "hot" domestic political issues or because governments are able to clearly explain to their publics that international progress on the issue is important. Another standout factor was that financial regulation and international taxation were "international" issues where cooperation between countries was clearly required. Dani Rodrick [2016] has noted that not all economic issues necessitate global cooperation. Climate change does, because the world has a single climate system. However, as Rodrick points out, good economic policies benefit the domestic economy first and foremost, and the price of bad economic policy is primarily paid domestically as well. As to what policies will benefit from international cooperation, it is not black and white. But a lesson for the G20 is that it should focus on international economic "problems" that cannot be resolved by countries acting unilaterally.

The experience with the G20's efforts to strengthen financial regulation and international taxation also demonstrates that the G20 will be more effective if it concentrates on achieving agreed outcomes where it is clear what each country is committing to do, and preferably where there is agreement on common rather than self-selected action. Finally, the G20 is not a doer but can provide political support and impetus to the doers – the international economic bodies like the FSB and OECD – so that they can accelerate their work and achieve concrete outcomes. Consequently, the G20

should concentrate on issues where it can leverage the work of international bodies that can provide continuity and technical expertise to advance an issue across rotating G20 chairs.

If all these preconditions are in place, there is a greater prospect that the G20 will be effective in influencing the decisions of businesses.

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Влияние «Группы двадцати» на регулирование и особенности ведения бизнеса. Какие меры оказались эффективными и почему[1]

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В 2009 г. члены «Группы двадцати» провозгласили ее ключевым форумом международного экономического сотрудничества. Но прогресс «двадцатки» в стимулировании такого сотрудничества неоднороден. Быстрая реакция «Группы двадцати» на финансовый кризис 2008 г. признана успехом, но с тех пор ее эффективность уменьшилась. Существуют, однако, два аспекта регулирования, в рамках которых «двадцатка» достигла значительных успехов в содействии международному сотрудничеству, а результаты ее деятельности существенно повлияли на деловой климат в странах-членах. К ним относятся усилия по укреплению финансового регулирования и модернизации международной системы налогообложения. В данной статье автор показывает, какие характеристики сотрудничества по данным приоритетам внесли вклад, в достижение большего прогресса «двадцаткой», в чем их отличительные особенности, и какие уроки из этого может извлечь «двадцатка». Некоторые из ключевых характеристик, определивших относительный успех «Группы двадцати» в сфере финансового регулирования и международного налогообложения, включают: своевременный широкий консенсус по существующим проблемам и путям их решения; согласие относительно направлений действий, общих для всех стран; договоренности о механизмах мониторинга исполнения; внутренний общественный запрос в странах-членах на действия правительств; и осуществление работы по данным приоритетам другими международными институтами, обеспечивающее непрерывность соответствующей повестки в рамках последовательных председательств.

Ключевые слова: «Группа двадцати»; регулирование бизнеса; финансовое регулирование; международное налогообложение

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