

One Step Ahead: The G20's Leading Role in Developing Global Economic Agenda

The G20 leaders met for their 12th summit on 7–8 July 2017 in Hamburg. The decisions taken by the G20 have made a major contribution to overcoming the crisis and restoring the global economy. However, many challenges persist, including sluggish growth in the global economy and trade, high levels of protectionism, declining investment activity and workforce productivity, growing inequality in incomes and in access to innovations and finance, the slow pace of structural reforms and resource constraints on long-term infrastructure funding. Risks related to climate change, pandemic diseases and terrorism are intensifying. New significant challenges such as migration, the uneven diffusion of innovations and digital technologies and antimicrobial resistance are affecting the global economy. The G20 seeks not only to solve economic problems, but also to shape common approaches and determine the direction of coordinated efforts to manage such risks and challenges in the interests of sustainable development, and for the common public good of all countries. The G20's core agenda is expanding steadily, but the G20 has not lost its dynamic or its effectiveness. To a large extent, the G20's success relies on its unique potential to forge and implement decisions that link challenges across different areas, to collaborate in resolving shared problems with an understanding of differences in approach and to exert a catalytic influence on the development of global governance. Of particular importance for the G20's success is the “concert of peers” model of internal engagement based on consensual decision-making, free of international organizations' bureaucracy.

During the process of deliberation, decision-making and the delivery and monitoring of implementation, the G20 cooperates closely with international organizations, thus increasing the coherence, legitimacy and efficiency of its efforts. International organizations seek political support for their mandates and project their influence through cooperation with the G20. The G20 has become the central forum for cooperation in economy and finance, with more than 90 organizations in its orbit. However, the International Monetary Fund (IMF), Financial Stability Board, World Bank, Organisation for Economic Co-operation and Development (OECD), United Nations, World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD), International Labour Organization (ILO) and multilateral development banks remain its key partners.

The role of social partners is growing. Given the impact of G20 decisions on the business environment at the global and national levels every year, “Business 20” (B20) sets out recommendations on a wide range of G20 agenda issues. “Labor 20” (L20) is engaged in dialogue with the G20 on employment issues. “Civil 20” (C20) has become an important interaction platform, particularly on sustainable development and inclu-

sive growth. “Women 20” (W20) and “Youth 20” (Y20) set out proposals reflecting the economic interests of women and young people. “Think 20” (T20) is an important intellectual resource on the most vital issues of the G20 agenda. The first meeting of “Science 20” (S20) was held in 2017.

The implementation of the forum’s decisions is a priority for all G20 members. Despite the steadily expanding G20 agenda and related risks of decreasing efficiency, G20 compliance performance is rising. According to joint research by the Center for International Institutions Research at the Russian Presidential Academy of National Economy and Public Administration (RANEPA) and the University of Toronto, the compliance level has consistently surpassed 70% since the Seoul summit. Preliminary monitoring results of the Hangzhou summit commitments indicate that G20 members successfully implement commitments in traditional issue areas (on macroeconomic regulation, average compliance reached 83%; on development assistance, 95%; and on lowering trade costs, 85%) and new areas (compliance on the knowledge and technology transfer commitment has reached the highest possible rate of 100%).

Russia’s work in the G20 has been a definite success. Implementation of G20 decisions and related international organizations’ recommendations in such areas as structural reform, infrastructure investment, macroeconomic stability and financial sustainability, and qualitative and productive employment will contribute to the national long-term goal of transitioning to a new model of economic development.

The G20’s key decisions on trade and investment liberalization; eradication of cross-border barriers and facilitation of trade; transparency and openness of bilateral and regional trade agreements and their consistency with the multilateral trade system based on the WTO rules; integration into global value chains; implementation of the OECD/G20 Action Plan on Base Erosion and Profit Shifting; and financial regulation reform (including Basel III standards, effective insolvency regimes and implementation of the Principles for Financial Market Infrastructures) will contribute to the Russian economy’s resilience and its integration into the global system as an equal and strong partner. It is gratifying that the foundation for many policy directions of the G20’s current agenda were set during the 2013 Russian presidency.

The implementation of the G20 commitments on improving the investment climate, stimulating long-term finance and encouraging institutional investors, and developing alternative instruments on the capital market and asset-backed funding models is vital for developing infrastructure and improving the environment for foreign direct investment inflows.

Cooperation on the G20’s new agenda on innovation and the digital economy will contribute to a qualitative leap in our country’s technological development, allowing us to reap the benefits of the “new industrial revolution” with due account of Russia’s interests in shaping the rules of cooperation in the global markets for high-tech goods and services.

In the medium term, the G20 will retain its central role in global economic governance. The G20 agenda will deepen, and the interconnection between the issues will

strengthen. By the year 2026, the first cycle of the G20 chairmanship rotation will be completed (counting from the first summit of G20 leaders in 2008). The G20 will then launch a second cycle of cooperation. What will the future priorities be? Forecasting is a thankless job. However, the reflections of leading experts from G20 countries on the forum's goals and mission, published in the journal, may prove useful for assessing current achievements and anticipating the future.

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