

G20 Summit

[UPSC Indian Economy Notes]

What is G20?

An amalgamation of twenty countries took place in 1999 and gave birth to what we refer to as the G20.

- The Asian financial crisis prompted the advent of the G20.
- These countries represent the world's largest economies that aim to coordinate and work together to formulate global policies on the issues of trade, health, climate change, economic crisis and so on.
- The major intention of the G20 is to provide joint efforts to ensure financial stability and economic growth, especially in developing and industrialised regions.
- The G20 grouping represents 80% of global economic output accompanied by 75% of global exports, and 60% of the world's population.
- This international forum engages finance ministers and central bank governors from the major economies.
- It is noteworthy to mention that the G20 is not a permanent body and is accompanied by a leadership that is transferred annually among the members.
- The 'G20 Troika' depicts the current, previous and upcoming presidencies of the G20 wherein three member countries would work in close association to give effect to the agenda.
- The G20 troika consists of Indonesia, Italy, and India as of 2022.
- Spain has occupied the position of a permanent guest for the G20.

G20 Agenda

The regional grouping of G20 primarily emphasised assessing the macroeconomic policies that influence the global economy.

- The G20 summit that took place in 2018 in Argentina, expanded the ambit of the G20 agenda and stressed on fair and sustainable development.
- There were some agendas that discussed the issues of money laundering and international tax havens.
- At the 2016, G20 Summit in China, the focus was on the adoption of the Paris Agreement on Climate Change.
- During the pandemic, the major economies of the G20 group decided to suspend the debt payments that were supposed to be made by the world's poorest countries. This gesture of humanitarian essence offered billions of dollars of relief to the developing nations.
- The G20 leaders pledged to vaccinate 70% of the world's population against the COVID-19 virus by the middle of 2022.
- Joint efforts will be made to reduce harmful methane emissions and mitigate global warming.
- At the 16th G20 meeting in Rome, an agreement was signed among 140 countries to examine the entire process of international corporate taxation.

G20 Countries

G20 Countries UPSC must be prepared along with their locations. The G20 member countries are as follows:

- The European Union and the nineteen countries constitute the G20 grouping.
- These countries are namely,
 - Argentina
 - Australia
 - Brazil
 - Canada
 - China
 - France
 - Germany
 - Italy
 - India
 - Indonesia
 - Mexico
 - Japan

- Russia
- Saudi Arabia
- South Africa
- South Korea
- Turkey
- The United Kingdom
- The United States



G20 Summit 2022

The G20 Summit 2022 is scheduled from 15 November 2022. The G20 Summit 2022 also known as Bali Summit will be led by Indonesia. The G20 Summit 2022 theme will prioritise the following topics

- Global Health Architecture
- Digital Transformation
- Sustainable Energy Transition

The G20 Summit 2023 will be led by India.

G20 Summit 2021

Every year, the leaders of the G20 member countries indulge in important discussions on economic policies and matters of shared interests. This meeting of the partner countries is famous as the G20 Summit.

- Under the presidency of Italy, the G20 Summit 2021 theme is “People, Planet, Prosperity”.
- The leaders agreed to work towards the target of reducing global warming to 1.5°C compared to the levels of the pre-industrial era.
- An unswerving determination has been made to implement the norms of the Paris Agreement which is a legally binding international treaty on climate change.
- Discussions among the leaders were held to expand the ambit of climate finance and jointly provide a fund of \$100 billion per year to support developing countries in their initiatives to bring down greenhouse gas emissions.
- Issues related to energy security were highlighted to establish an energy market which invites free and fair competition.
- A strong commitment was expressed to bring carbon neutrality by the mid-century.
- For a fairer international tax system that includes a 15% global minimum corporate tax by 2023, new rules will be introduced.
- The summit emphasised augmenting the access to vaccines and other healthcare services for low and middle-income countries.
- The creation of a G20 Joint Finance-Health Task Force was discussed to extend financial aid to the countries in need.
- The summit concluded with the adoption of the G20 Rome Leaders’ Declaration which upheld the multilateral spirit to tackle the challenges of the present and the future.
- At the end of the entire process of the G20 Summit, there is a meeting that involves ministerial engagements which are referred to as the Sherpa meetings.

- A sherpa is a personal representative of the head of a state or the head of government who plans the international summit.
- During the sherpa meetings, negotiations of greater significance take place along with deeper economic engagements for shared prosperity.

G20 Summit 2021- The Rome Declaration

The G20 Summit 2021 concluded with the adoption of the Rome declaration.

- It paid adequate attention to emerging and upcoming global challenges and conveyed to initiate roadmaps to tackle the aftermath of the pandemic ensuring a sustainable and inclusive revival of economic growth.
- It was asserted that digital financial inclusion of the vulnerable and underprivileged sections of society will be encouraged.
- A major boost will be provided to micro, small and medium enterprises further promoting the components of the Global Partnership for Financial Inclusion.
- The Financial Action Plan of the G20 will be given effect.
- There will be a G20 Menu of Policy Options to expand the area of operation of digital financial literacy.
- Evolved strategies to augment financial literacy and inclusion will be provided to the policymakers for a speedy and better economic recovery in the post-pandemic period.
- The Rome declaration had assured support to the Global Partnership for Financial Inclusion in the monitoring of the National Remittances Plans.
- The G20 financial indicators carry out an assessment of the state of financial inclusion and the digital financial services in different countries across the globe.