

# Russia's vision for G20 summity

**The G20 has demonstrated its importance in addressing problems on a global scale. However, change is necessary if it is to remain an effective forum for coordinating policy and tackling crises**

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**T**he G20 has proven that it can respond to crises. It now has to live up to the expectations that it can prevent global risks and break the deadlocks that other institutions responsible for resolving critical issues have been unable to break. Challenging a plethora of sceptics, the G20 is now a long-term process in motion.

The G20 leaders' decisions based on the 2012 Mexican presidency's five priorities are broadly shared among the G20 members and beyond. Those decisions are expected to advance global financial and economic stability, promote growth and job creation through structural reforms, make progress towards reforming the international financial institutions, strengthen financial regulation, enhance food security and mitigate commodity price volatility. The summit commitments and their implementation by the G20 and relevant

international institutions will show how many of the expectations have been met.

## Principles for agenda-setting

Russia, which takes over the G20 presidency from Mexico for 2013, will build its agenda on several principles. First, Russia will focus on the complete and timely implementation of the G20's key commitments in priority areas. Assessment of the progress of that implementation will help identify which pledges of the G20's core agenda have been delivered and which remain fully relevant, and what should be done to provide impetus for further action, collectively and individually.

Second, Russia will concentrate on a limited number of priorities that should balance continuity and innovation, as well as leaving space on the agenda to accommodate emergency issues arising on the eve of the summit (as was the case in Cannes, where the leaders had to work on both the planned agenda and an emergency agenda).

Third, Russia will build on G20's comparative advantages. Bringing together the world's major advanced and emerging market economies, the G20 is an indispensable forum for economic policy coordination. Macroeconomic rebalancing, economic growth, reform of the international financial

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and monetary architecture, and improving financial regulation should remain at the heart of the G20 agenda.

Fourth, Russia will consolidate inclusive strategies, inviting leaders from non-G20 countries and engaging with international and regional institutions. The Eurasian Economic Community may be represented by its general secretary. This will bring Russia's eight regional partners into the G20 process. As surmounting global risks and implementing G20 decisions both on G20 members and on global institutions, the G20 should continue to collaborate in strengthening of the necessary institutions:

the United Nations and its International Monetary Fund and World Bank. To complete the work on consolidating the evolution of the Financial Stability Board in 2012, the G20 will reinforce its decisions on strengthening financial regulation.

Fifth, Russia will send a clear message about why the G20 process matters and what its decisions mean to the people. Effective consultation mechanisms with G20 civil society may help upgrade the social dialogue and promote awareness of the forum's contribution to people's well-being and to the global public good.

To make its relevance comprehensible to the global community, the G20 should set up an accountability process, along with the highly technical reviewing process mandated to be done by specialised international institutions. An ongoing official G20 website would help to sustain G20 engagement with citizens, academia and business.

## Managing global economic risks

The G20 should focus on managing and mitigating global economic risks arising from chronic fiscal imbalances – the centre of gravity as defined by the World Economic Forum's 2012 *Global Risks* report. This risk

is exacerbated by the others within the cluster: unmanageable inflation and deflation, recurring liquidity crisis, chronic labour market imbalances and prolonged infrastructure neglect. Four critical connectors, which join the five centres of gravity (economic, geopolitical, environmental, societal and technological) into one system, are also economic: increasing income

disparity, major systemic financial failure, the unforeseen negative consequences of regulation, and the extreme volatility in energy and agricultural prices. Most of these issues constitute the G20's legitimate mandate.

Russia's presidency should consolidate the incremental progress made by the G20 on macroeconomic imbalances and financial safety nets, sustain progress on international financial and monetary system reform, and re-energise the impetus for structural reforms. Progress on financial regulation should be coupled with due assessment of unforeseen negative consequences of regulation. G20 members should continue to collaborate to



Canadian prime minister Stephen Harper talks with then Russian president (now prime minister) Dmitry Medvedev at the 2011 G20 Cannes Summit. Russia takes over the G20 presidency in 2013

mitigate volatility in agricultural prices and engage more effectively in managing energy prices volatility. Making restoring growth and employment levels a priority, Russia should boost attention to policies aimed at overcoming income disparities. This will prove G20 leaders' commitment to ensuring a fair and sustainable recovery.

The G20 should consider making employment a formal indicator in the Mutual Assessment Process for strong, sustainable and balanced growth, as proposed by the International Trade Union Confederation and the Trade Union Advisory Committee of the Organisation for Economic Co-operation and Development. Russia's presidency can contribute to overcoming income disparities by promoting the adoption of the G20 action plan to support the implementation of social

protection floors at the national level. The G20 should deliver on the commitments to generate investment for infrastructure development as a condition for strong, sustainable and resilient economic growth in developing countries.

#### **Refining the summit structure**

With a large number of issues, multilevel coordination, diverse perceptions among the G20 members as well as non-members (including states, international organisations, civil society, trade unions and other actors), the G20 process has become increasingly challenging to manage. The G20 would benefit from a structured dialogue with civil society and academic institutions. Improved coordination within the troika of the outgoing, current and incoming presidencies

at different levels may prove an asset to the forthcoming and subsequent presidencies and to the G20's performance and credibility as a hub of global governance.

G20 decisions on economic and financial issues require political leadership, vision and responsibility. The leaders should have more time for strategic discussions. The presidency programme should be planned so that it leaves the details to the meetings of ministers, working groups and experts, and culminates in a summit with fewer seats at the table, thus creating space for the leaders' face-to-face engagement on big issues in a spirit of political vision and solidarity.

This is the way forward for attaining the G20 priorities of responding to crises, protecting against them and making globalisation work for all. ■