

# Cooking an edible Hamburger

The G20 summit opens Friday to a melancholic backdrop. Discontent about stagnant incomes and anxieties over the economic future will bring leaders from outside the traditional political establishment to Hamburg, who do not automatically support an international order based on market principles and open economies. Brazil will not even send its leader; India and China face serious military tension. Russia is viewed suspiciously as interfering in political outcomes in advanced economies. Turkey, South Africa, Saudi Arabia, Australia and South Korea are beleaguered by domestic and regional challenges. The US has rejected the Paris Climate Accord. The UK is caught in a Brexit-ignited swirl of disorder and discontent.

The German presidency has proposed an agenda to address “the fears and challenges associated with globalisation.” But the agenda reflects no new thinking that could inspire and lead the global economic community. The usual lip service has been paid to limiting global warming, reducing tax competition, and combating international terrorism by closing channels of financing. While workaday progress has indeed been made on some fronts, there is nothing inspirational or novel in the agenda. The International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD) and the World Bank continue to be tasked with producing pilot reports on policies to promote strong and sustainable growth. Eminent persons’ groups and study groups on different issues continue to be framed without delivering anything the beleaguered leaders could take to their constituents to address their fears.

At a time when global uncertainties, political fears, and suspicions of the intentions of other countries abound, this is unacceptable. We need fresh thinking and we need it now. My suggestions:

## Focus the finance track on the big global issues:

Escalating the G20 to the leaders’ level was supposed to signal that it would focus on the architecture of global finance and macroeconomics. But the finance track seems to have reverted to just talking about the plumbing. As Samir Saran and Sunjoy Joshi point out, micro issues do need to be on the table but the temptation to address them as part of the G20 agenda only dilutes the ability of the G20’s founding purpose<sup>1</sup>. Specifically, the finance track needs to address how the financial system would provide significant long term finance for infrastructure investments in developing countries which is, today, the only way to spur global growth. It is doing everything but this. If no concrete results are delivered on this front, this annual global summitry is pointless.

Financing for the sustainable development goals (SDGs) is essentially about long-term investment,

and it is therefore critical that the G20 finance track takes the lead in ensuring that the means of implementation of the SDGs are fit for purpose. Delegating this question to the dysfunctional development track or to study groups will not do the job. The UN needs to play its part in this endeavour by putting sustainable finance at the heart of work on the SDGs, but the G20 is the forum where the largest economies can articulate a credible solution to the challenge, especially given the failure of the Addis Ababa meeting on the subject to deliver anything of relevance.

**End mission creep:** The G20 is prone to an extreme version of mission creep. Individual presidencies cherry-pick topics of focus. Much rhetoric is produced and then forgotten by the next presidency. This year, the G20 presidency has chosen to focus on Africa. But there are serious concerns about whether this will compete with Africa’s own initiatives and blur the case for maintaining commitments on official

development assistance to poor African countries. The G20 should commit to a medium-term agenda that does not overlap with those being pursued at the country, bilateral or multilateral levels and where coordinated action by G20 members can make a positive difference to the global economy.

**Own the analysis:** G20 analytical work is all outsourced, mostly to the World Bank, the IMF, and the OECD. These institutions are limited by their own agendas, and their existing ideational framework. It is inconceivable that the twenty biggest economies in the world cannot do their own research by forming consortia to deliver the required original thinking. The T20 already presents a place where such work can be nested. I engaged with this year’s T20 and was gratified to see that collaborative research between G20 institutions did produce solutions that held promise for breaking political deadlocks and current technical cul-de-sacs. I had a similar experience with the Australian presidency. However, the T20 suffers from the same defect as the G20, namely lack of a medium term research agenda, and the overbearing weight of the priorities of the chair. If the multilateral agencies can be tasked with medium term work programs, then so can T20 consortia. This will bring intellectual continuity and focus, and also greater G20 ownership of the ideational agenda.

A final, India-specific, word. Brazil’s absence, and the disruptive domestic agendas and tensions that many leaders will bring to Hamburg, should signal to us that the traditional G20 division between emerging and advanced economies is not one to which India should confine its engagement. There is merit and opportunity in exploring other collaborations on issues of common interest which would benefit India. Our delegation would do well to remember the guiding principle of economic negotiation: Benefits come from shared interests, not common positions.



## PUBLIC INTEREST

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1. “Global Perspectives: G20 Leaders Summit”, [www.cfr.org](http://www.cfr.org)  
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