Briefing

January 2015

The Group of Twenty (G20)

Setting the global agenda

SUMMARY

The Group of Twenty (G20) is an informal forum for international cooperation, and consists of 19 major economies plus the European Union. It gained in prominence in 2008 – when regular summits at the level of leaders commenced – taking on the role of 'global crisis management committee'.

While the majority of observers argue that the G20 did remarkably well to contain the financial and economic crisis in 2008 and 2009, it has been less successful in finding consensus and making progress on its agenda since the urgency and immediate pressures diminished. The outcomes of recent summits have therefore been rather modest, if not disappointing. The gap between agreed commitments and their implementation varies across policy areas and member countries but, for many observers, threatens to undermine the G20's credibility. The assessment of G20 policies remains mixed as its achievements are often accompanied by stalled progress and failure to implement. However, there are limits as to what can be accomplished due to the G20's voluntary rather than legal character, and lack of a formal enforcement mechanism.

The G20 and the EU have the potential to mutually advance their agendas. The EU is strongly represented in the G20 which, according to some, gives it some influence on the G20's agenda. At the same time G20 commitments have had substantial impact on Europe's reforms of its financial sector.

The November 2014 Brisbane summit was hailed as a success by the leaders, whereas the view of commentators was more mixed. Many argue that it was a modest, selective success, with political issues crowding an economically oriented agenda. It remains to be seen whether the G20 can support long-term economic recovery.

In this briefing:

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Background

The Group of Twenty (G20) is the international forum for economic cooperation on the key issues of the global economic and financial agenda. Its members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States (US) and the European Union (EU). They represent about two thirds of the world's population, 85 per cent of global gross domestic product and more than 75 per cent of global trade.

The G20 was launched in 1999 by the Group of Seven (G7) countries. The G7, which comprises seven major developed nations,[1] sought to add key emerging economies to address the challenges to international financial stability posed by a series of financial crises centred in Latin America and Asia. The G20 was launched with a series of annual meetings, bringing together finance ministers and central bank governors, to discuss financial stability concerns and long-term growth related issues.

At the end of 2008 it became evident that neither the G7 governments nor the international institutions such as the International Monetary Fund (IMF) would be able to provide a global coordinated response to the rapidly developing economic and financial crisis. Consequently, the G20 was thought to be an appropriate forum as it included key economies from both developed and developing worlds. The G20's role and political profile increased when regular summits of its members' heads of state or government commenced. Since 2008 eight such summits have taken place.

How the G20 works

The G20 has no permanent staff or secretariat. Its chair rotates annually and is selected from G20 members clustered in five regional grouping of countries (each year a country from a different group hosts a summit to ensure geographical balance over time). The present chair, together with the immediate past and future chairs, form the 'Troika',[2] whose role is to ensure continuity in the G20's work. The current presidency is responsible for coordination of the Group's work and the organisation of its meetings, as well as for setting the G20 agenda in consultation with other members, and reacting to developments in the global economy.

The G20 takes decisions by consensus: every country can voice its opinion and has the right to a veto, which if used leads to the topic being taken off the agenda for the time being. Since it is an informal, non-treaty based network, its decisions do not constitute legally binding rules such as declarations of the IMF or the World Trade Organisation (WTO).

In order to prepare the annual G20 leaders' summit, two groups of officials meet throughout the year: one is led by the finance ministers and central-bank governors, the other by the 'Sherpas' – representatives of the leaders. Both bring together working groups and task forces which carry out technical work in the policy areas covered by the summit. In addition, there are five recognised engagement groups to advise and inform the G20's decisions: business leaders, civil society, organised labour, think-tanks and academics, and youth (young leaders). The G20 is also supported by international organisations, which advise on identifying the priorities and policy areas in which action would have the biggest impact.[3]

The G20 committed, in its fifth anniversary Vision Statement, to 'listen carefully to all institutions and countries that are not in the Group', since the impact of its actions is far-reaching and affects countries at all stages of development. Each G20 chair has its own outreach strategy, involving dialogue with international and regional institutions and forums as well as inviting some non-member countries to summits.[4] This outreach seeks to improve international understanding of the G20, increase external transparency and provide views and input to summit agendas.

Major issues on the G20 agenda

Financial and economic crisis and reforms

When the G20's leaders first convened in Washington in November 2008, the immediate need was to restore confidence in the rapidly deteriorating global financial system. Reforms undertaken since then focused first on stabilisation of the global financial markets and then on longer-term reforms which would prevent the crisis from reoccurring again. The G20 members succeeded in containing the crisis by using macroeconomic stimulus packages (cutting interest rates, unconventional monetary measures, and expansionary fiscal policies to stimulate economy) and increasing IMF funding to reinforce global firewalls and support the most affected countries. The G20 also managed to improve and strengthen regulatory and supervisory regimes, by launching the Financial Stability Board and agreeing on Basel III (a stricter framework for the capital, leverage and liquidity of banks). There seems to be consensus among researchers that these initial reforms were the most successful of the G20's crisis-addressing actions, and that the G20 was at its most effective during that period.

Over time, the financial-sector reform agenda has grown substantially in complexity, and progress in many areas has been mixed. It is focused around four main strands: enhancing financial regulation, supporting institutional reforms, increasing global coordination and improving the supervision and monitoring of financial markets and entities.

Table 1 – Overview of selected items on the G20 financial-sector reform agenda

Regulation	Institutions	Coordination	Data gaps
Reinforcing existing framework: Basel III require-ments, information disclosure obligation for banks	Creation of the Financial Stability Board	Resolution of systemically important banks	Enhancement of existing sets of data: identifying and closing information gaps
New regulatory framework: 'over the counter' derivatives, shadow banking, credit rating agencies, financial benchmarks	Reform of the IMF: higher recapitalis-ation and rebalancing to increase influence of emerging economies	Harmonisation of the global accounting standards	Development of new frameworks: building global sets of data (large banks, derivatives)

Even if the agenda set by the leaders is ambitious, reforms often suffer from inconsistent implementation at national level. The Financial Stability Board argues that the task of agreeing measures to address the fault lines that caused the crisis is now largely completed. However, some argue that insufficient international regulatory institutional arrangements are likely to cause more contradictions and conflicts as G20 reforms are implemented in the member countries.

So far, progress on regulating 'over the counter' derivatives and shadow banking is considered by many slow, while efforts to harmonise global accounting standards have stalled. Work on the resolution of complex international financial institutions has progressed but substantial work remains to be done regarding the implementation regimes. At the same time good progress has been achieved in improving cross-border financial statistical data (data gaps).

Some commentators attribute the varying degree of success of the G20's reforms to the lack of an overarching coherence, and consider the financial agenda to be in essence a list of many separate initiatives. Others consider this 'loss of momentum' inherent to the G20's character, since it is a forum of countries which, after having addressed, in a coordinated manner, the common threat (implosion of the financial system), each started to push their own priorities. This has been evident, for example, in opposition in the US to ratifying the IMF quota system (giving more influence on the IMF to developing countries), which it had endorsed during the 2010 G20 summit. Despite the many improvements the G20 brought to the global financial system, it seems that there is still a long way to go before it is profoundly reformed, to be safer[5] and serve the real economy.

Interestingly, in a recent study, the European Central Bank found that G20 meetings do not have immediate strong effects on financial markets (e.g. on volatility or pricing) but may nevertheless have had a mild calming impact on market developments.

Ending 'too big to fail'?

The TBTF (too big to fail) are financial institutions whose failure is prevented by governments due to their size, market importance and interconnectedness. The TBTF issue has been on the G20's agenda since 2009. In 2010, the leaders endorsed a framework for reducing the moral hazard posed by systemically important financial institutions. Both banks and insurers of systemic importance have been identified, and required to meet more stringent standards and be subject to closer supervision.

The latest proposal of the Financial Stability Board, endorsed by the leaders in **Brisbane**, would require TBTFs to hold additional loss-absorbing capacity to protect taxpayers from bailing them out in case of failure. This has been considered by many observers a step in the right direction. However, the new requirements are unlikely to take effect before 2019 and may be subject to further renegotiations. The implementation of the requirements across jurisdictions will also remain crucial. It remains to be seen whether the G20's efforts will indeed influence the size of big banks or lead to governments allowing their failure.

Reducing imbalances & promoting growth and jobs

One of the main reoccurring items on the G20 agenda is the restoration of economic growth. First efforts were undertaken in 2009 in Pittsburgh, with the introduction of the Framework for Strong Sustainable and Balanced Growth. This framework is supported by the Mutual Assessment Process (MAP), which is a multilateral process through which G20 countries identify growth objectives for the global economy, the policy measures needed to attain them, as well as monitor the progress achieved. This is done through mutual peer reviews of medium-term policy orientation[6] submitted to the IMF, which examines whether the policies are sufficiently aligned to ensure growth.

Researchers have mixed views on the success of the MAP. Some consider it fundamental in combating the crisis as it helped to encourage financial reforms in some countries and led to greater cooperation between G20 economies. However, the majority of commentators see room for improvement, e.g. through clearer definitions, widening its scope or strengthening the peer-review process.

Every summit stresses the importance of growth and jobs and adds building blocks to the Framework. Topics such as structural reforms, fiscal consolidation and price stability have been prominent on the agenda. Much attention has also been devoted to the issue of global imbalances (for instance, large surpluses in some countries, and large deficits in others). Since the onset of the crisis these imbalances have been significantly reduced, but the majority of analysis point out this was mainly cyclical in nature and not due to the G20's actions.

Since 2013, the leaders have taken an interest in investment in infrastructure as a way to stimulate growth. Even though infrastructure investment is more national than global in character, the G20 may play a vital role through reducing obstacles in the investment environment and so attracting more private funding. In **Brisbane,** they endorsed a Global Infrastructure Initiative to increase public and private infrastructure investments, supported by a Global Infrastructure Hub, and a knowledge-sharing and networking platform.

A recent IMF assessment concludes that there is no evidence that the G20's growth framework and economic policy coordination led to substantial adjustments in members' policy choices. Other researchers argue that the Framework has achieved modest results, at best, in lifting global growth. The same critics claim that (even though every summit produces an action plan for growth and jobs), the G20 cannot deliver a clear, consistent message as to how its members could collectively restore global economic growth. Instead, the focus is often on areas of disagreement such as the debate over 'growth versus stability'.

2018: raising the G20's gross domestic product by 2%

During the **Brisbane summit** the leaders approved a growth package which aims to raise the G20's collective GDP by 2% over the next five years. When fully implemented, the package is estimated to deliver a 2.1% boost to GDP, adding more than US$2 trillion to the economy and creating millions of jobs. This will be attempted by multiple measures which include boosting investment, trade, employment and competition, changes in the labour market and taxation and spending on research and development and infrastructure. Employment is an important element of the package: leaders agreed on the goal of reducing the gender gap in employment participation by 25% by 2025 (which could bring 100 million women into employment), prepared country-specific employment plans, and endorsed a plan to fight youth unemployment. The OECD's Chief Economist argues that the main challenge to the 2% goal will be to overcome the inevitable implementation difficulties (since many of the measures are structural) and political obstacles (some need legislation) and applying mutual peer pressure among members to stay on the agreed course.

Trade

At the first G20 summit in 2008, the leaders pledged to refrain from protectionist trade policies The G20 recently recognised that removing restrictive measures remains challenging. After initial success signified by a lower rate of protectionist measures in the 2009-11 period, G20 members started to shift towards introducing a significant number of restrictions to trade (as evidenced by joint OECD-WTO-UNCTAD[7] reports on trade and investment and Global Trade Alert assessments). WTO and World Bank 2014 reports suggest that the introduction of protectionist measures may have reached its peak, since G20 members are now introducing them at a slower rate.

Observers have mixed views on the G20's efforts to tackle trade protectionism: some commend the G20 for avoiding a widespread retreat to protectionism, so helping to minimise economic decline during the peak of the crisis, while others see the persistent introduction of new measures as disappointing.

Critics of the G20 also point to the commitment of the Group to conclude the Doha Round of WTO negotiations, and say that the inability to fulfil this has weakened its credibility. The G20 however continues to declare its commitment to the multilateral trading system under WTO rules, and committed in **Brisbane** to fully implement the 2013 WTO Trade Facilitation Agreement concluded in Bali, Indonesia.[8]

Development

The G20 development agenda is based on the 2010 Seoul Development Consensus and the accompanying Multi-Year Action Plan on Development (MYAP). The nine main areas in which G20 actions were identified as necessary to remove the obstacles to strong, inclusive and sustainable growth in developing countries were: infrastructure, human resource development, trade, private investment and job creation, food security, growth with resilience, financial inclusion, domestic resource mobilisation and knowledge sharing. Successive summits took steps to address the problems in these areas. The (October 2013) assessment of the implementation of the 67 MYAP commitments declared good progress (33 were complete, 33 on-going and 1 halted).

Observers underline that progress has indeed been achieved in many important areas such as increased resources for international financial institutions, infrastructure investment, financial inclusion, increasing food security, promoting agricultural innovation and reducing the cost of remittances. Notwithstanding these achievements, critics say that while the G20 development agenda is ambitious (or even too broad), it fails to remove the biggest obstacles to growth and is peripheral to the core concerns of the G20, and as such is likely to have just limited value.

In **Brisbane** the leaders committed to reduce the global average cost of transferring remittances to five per cent, and make financial inclusion a priority. Critics considered a lack of guidance on the post-2015 UN development agenda disappointing.

Taxation

The G20's focus has been on: (i) the Base Erosion and Profit Shifting (BEPS) project, seeking to ensure that loopholes in the international tax system are closed, and company profits are taxed in the place of economic activity and value creation, and (ii) a new global reporting standard for the automatic exchange of tax information (AEOI) to improve tax-system transparency and deter tax evasion. In **Brisbane,** leaders committed to finalising BEPS by 2015 and making AEOI operational by 2017/18. However, analysts comment that global tax cooperation still faces many hurdles, and that the persistent commitment of future presidencies as well as maintaining pace with global and technological developments will be crucial to the success of these G20 taxation reforms.

Anti-corruption

Fighting corruption has officially been on the G20 leaders' agenda since 2009, set out in consecutive two-year action plans. The nature of these commitments has remained largely unchanged since 2010: ratification and implementation of the *United Nations Convention against Corruption* by members (all but Japan had ratified as of December 2014), combating money laundering, promoting integrity in public administration and cooperating with other countries to investigate, prosecute and recover gains from corruption. In **Brisbane** the leaders endorsed the 2015-16 action plan, which focuses on implementing and enforcing bribery legislation, preventing the abuse of legal persons and arrangements, and identifies high-risk sectors such as customs or construction. However, the G20 failed to strengthen transparency and bolster the fight against illicit financial flows.

In its June 2014 assessment report, the G20 considered that good progress is being made on all the outstanding anti-corruption commitments and that a substantial share of them would be met by the end of 2014. Independent observers argue that while most of the G20 anti-corruption work has been progressing in somewhat small steps, its most meaningful contribution is enhancing cooperation and dialogue among previously compartmentalised global institutions dealing with the problem, such as the United Nations, the IMF, the World Bank, the OECD and the Financial Action Task Force.

Energy

During previous summits, the G20 has discussed several energy-related issues such as phasing out fossil-fuel subsidies, oil price volatility, promoting clean energy investment, market transparency and energy efficiency. The assessment shows that energy is an area in which compliance with commitments remains relatively high. Critics however say that the progress across the countries is uneven and, as such, G20 policy is characterised by fragmentation rather than bringing about global energy reform. Commentators argue that the G20 members do not have a clear vision or preference for the multilateral energy architecture which could address energy from a global perspective and progress in this area will be made in incremental steps rather than through fundamental changes. The biggest failure of the G20 has so far been in the phasing out of inefficient fossil-fuel subsidies which has been on the agenda since 2009. Despite contrary declarations, the member countries maintain investment in fossil-fuel exploration (amounting to US$88 billion in 2013), and the global level of fossil-fuel subsidies remains very high, rendering the G20's agreements insufficient.

Climate change

In **Brisbane** the leaders pledged to take formal steps to address climate change and ratify the United Nations Framework Convention on Climate Change, as well as work towards adapting a legal implementing instrument. However, the G20 is far from unanimity when it comes to climate change, as evidenced by Saudi Arabia blocking negotiations on covering hydrofluorocarbons under the Montreal Protocol, lack of progress in climate finance initiatives, and resistance from Australia to having climate change on the Brisbane agenda at all, which was overcome only through political pressure from major powers including the EU and the US.

In **Brisbane** the G20 held its first ever session dedicated to global energy issues and announced that the G20 energy ministers will meet annually to advance this agenda. The leaders agreed on the Energy Efficiency Action Plan programme, which includes actions aimed at improving fuel quality and reducing carbon emissions from 'heavy duty' vehicles. They also endorsed long-term Principles on Energy Collaboration, including the goal of securing access to energy for all.

Legitimacy and effectiveness of the G20

The G20's status has been elevated through its involvement in mitigating the economic crisis and its holding of regular leaders' summits. This has inevitably led many to question its legitimacy and accountability. The G20 is a self-appointed forum, which lacks clear, transparent and objective criteria for membership.[9] The main criticisms of the G20 member structure is that Europe is over-represented while Africa is under-represented, and that low-income countries or small countries have no representation at all. At the same time, however, G20 decisions on development, climate change or financial reforms may affect such countries. Some also argue that the industrialised, developed countries have disproportionate influence over the agenda and decision-making. There is however no easy fix as the limited membership of G20 is unlikely to change since allowing more members could compromise the G20's advantage of being a relatively small, informal forum which can be flexible and adaptable.

The G20's proponents argue that because of the GDP and population represented it should address issues of global importance, especially when the existing multilateral organisations fail to do so.

The alleged lack of legitimacy of the G20 could be counter-balanced by its ability to act efficiently and deliver improvements to the global financial and economic system (so-called output legitimacy). However, the debate on the G20's effectiveness is far from conclusive. The majority of commentators agree that the G20 fared very well in the initial phase of the crisis, but became less successful once the urgency lessened. Delivering more structural, longer-term solutions to create a more balanced global economy requires more far-reaching actions at domestic level, often needing the approval of national parliaments, which effectively makes advancing the G20 agenda more difficult. Furthermore, the member countries do not share the same economic or political values and often pursue conflicting interests. Analysts therefore argue that the weakest point of the G20 is closing the gap between commitments and their implementation, which is exacerbated by the lack of a formal enforcement mechanism and the voluntary nature of obligations. However, some say that much of the criticism reflects unrealistic expectations of what can be achieved by an informal international forum as well as the inability of individual countries to implement necessary domestic policies.

Tracking the progress of G20 commitments is not easy, as subsequent summits may extend deadlines, reiterate or drop previous commitments, which, in the eyes of critics, creates an impression of incoherence and lack of continuity in the agenda. The commitments have also often been too general for monitoring or delivering concrete policy measures, although there has been a tendency to formulate them more clearly. The G20 seems to be aware of this problem, and asked the OECD and the IMF in Brisbane for help to monitor its growth, jobs and gender commitments. The complexity of following the G20 also comes from its ever-expanding agenda.[10] While some analysts see the expansion of the G20's agenda as detrimental to its ability to succeed outside crisis times, others argue that diversity in topics should be maintained as the expanded agenda often

Implementation of G20 commitments

The G20 established the Accountability Assessment Framework in 2012 to monitor progress in achieving growth-related commitments. The 2014 Accountability Assessment has recorded progress across all areas. It was however uneven across the countries and the report called for increased efforts in some areas (e.g. exchange rate flexibility). In 2013 the OECD assessed the implementation of structural commitments, finding that 22% have been completed.

Systematic reviews across different policy fields are carried out by the academic G20 Research Group. For the first six summits the estimated average compliance score was 70.5%, followed by 78.5% for the 2012 summit and 72% for the 2013 summit. Overall the highest compliance levels were achieved on labour, employment and education measures, followed by macro-economic policy, energy and financial regulation. The results are however only partial as the assessment takes into account a sample of commitments considered as 'high priority', albeit from different policy areas (in 2012 17 out of 180 commitments were examined and in 2013, 16 of 281 commitments).

Sometimes measures implemented raise questions as to whether they achieve the intended purpose, e.g. the 2014 survey by the labour engagement group found that more than half the policies failed to have an impact.

represents real progress in many areas, which would have been impossible or difficult to achieve without the G20.

The majority of research suggests a mixed record for G20 efficiency, with less successful outcomes of post-crisis summits and uneven progress across countries and policy areas.

The G20 and the European Union

The EU (represented by the Presidents of the Commission and European Council during leaders' summits) is the only non-state member of the G20. The EU Treaties do not give a clear legal basis or guidance as to EU representation and preparation for G20 meetings. The EU's membership is challenging from two perspectives: the four EU G20 members may deviate from the position of the EU or bypass the EU decision-making process, and the interests of the non-G20 EU members may be under-represented. Coordination efforts to work out common positions take place in advance of G20 meetings at Council and European Council level.

The representation of the EU both in its own right and through its four largest Member States gives it good bargaining power. Furthermore, the EU has been one of the G20 leaders in terms of following up and implementation of the Group's decisions, which makes its voice stronger. Researchers estimate that the EU has managed to influence the G20's agenda in a fairly satisfactory way, but there are also instances of some items pushed by the EU being dropped (such as a financial transaction tax) while non-EU priorities were included on the agenda (such as currency wars). Some experts argue that the priority of the EU at the G20 has always been global financial reform and as such it has often successfully used the G20 as a venue through which other countries can be persuaded to follow its agenda. However, some researchers conclude that there is lack of academic analysis supporting the thesis that the EU managed to influence the outcomes of G20 summits.

The G20 also has an effect on the EU agenda: when a regulatory issue is elevated to the G20 level and agreed there, the EU can advance faster internally as it weakens the opposition from its Member States (for example in the case of a stronger banking supervisory framework). As such, the G20 is often referred to in EU legislation and policy documents.

There are, however, also some drawbacks to the current set-up. There have been instances of diverging opinions among G20 EU members, as well as of discontent from non-participating Member States regarding decisions taken during summits (concerning the number of European directors of the IMF, or the pace and scope of financial reforms, for instance). The evidence shows that non-G20 EU countries may influence the EU’s participation in the G20 but their influence varies and is possible only under certain favorable conditions (e.g. when the EU G20 countries disagree on an issue). There have also been numerous criticisms from the European Parliament that it has not be involved in debates, which feeds into the broader issue of the sidelining of parliamentary bodies from G20 deliberations (the last inter-parliamentary exchange forum took place in 2013).

The parliamentary dimension

In order to fill the gap in the parliamentary dimension, in 2010 the Parliament of Canada initiated the Speakers' Consultation. That meeting in Ottawa was followed by three further meetings: in Seoul (South Korea) in 2011, Riyadh (Saudi Arabia) in 2012 and Mexico City in 2013.

The meetings are a forum in which representatives of parliaments can exchange views on policies relating to globalisation issues. The participation varies from country to country with the general tendency being for the BRICS and emerging economies to show stronger interest and commitment.

The Speakers' Consultation has proven to be a useful forum for exchange on issues relating to globalisation. It agrees a 'Final communiqué' covering its discussions.

Table 2 – Participation in the Speakers' Consultation meetings since their creation (delegation leader)

	Argentina	Australia	Brazil	Canada	China	EU	France	Germany	India	Indonesia	Italy	Japan	Mexico	Russia	Saudi Arabia	South Africa	South Korea	Turkey	UK	USA
Ottawa 2010	A	-	M	P	VP	VP	VP	-	VP	M	VP	VP	VP	VP	P	P	P	P	M	A
Seoul 2011	VP	-	P	P	VP	VP	VP	-	P	P	VP	VP	P	P	P	-	P	P	M	M
Riyadh 2012	P	-	P	P	VP	VP	-	-	VP	P	VP	-	A	VP	P	-	P	P	-	-
Mexico City 2013	P	-	P	P	VP	VP	M	-	-	VP	-	M	P	VP	P	P	P	VP	P	-

P = Presiding officer; VP = Deputy-speaker, Vice-President; M = Member of Parliament; A = Ambassador
Source: EPRS

Nevertheless, the Speakers' Consultation suffers from a certain weakness due to the lack of consistent coordination with the leaders' summit. When it is linked to the presidency of the summit, it happens afterwards; but the meeting in Saudi Arabia was not linked to the presidency. And some recent presidencies, such as France, Russia and Australia, did not convene any parliamentary meeting.

There are a number of reasons for this part development of the parliamentary dimension. Some may fear in general the development of new layers of institutional structures and the costs related to it. Commonwealth countries such as the UK and Canada are traditionally reluctant to give a political role to their parliamentary speaker. Others like China consider the Speakers' Consultation as a place for exchanging experiences but in no way as a body which could be perceived as questioning the legitimacy of the leaders.

The European Parliament representatives at the Speakers' Consultation have always pleaded strongly for further development of the parliamentary dimension. It is argued that the globalisation process lacks a democratic dimension and checks and balances. While it is unlikely that the parliaments of the 20 countries will agree in the near future on a G20 assembly, the integration of the Speakers' Consultation into the official activities of the G20 would already be an improvement. The least which could be aimed at is the status given to 'Think 20', the meeting of think-tanks and academia or 'Business 20' the meeting of business and social partners, both integrated into the official activities of the country hosting the presidency.

Assessment of the Brisbane summit

The 2014 Brisbane summit was lauded as a success by the leaders, whereas the views of commentators and the media have been rather mixed.

The 2% growth objective has been commended by some as a clear deliverable that the public can understand, but critics say that it is based on flawed projections and therefore will not be fully achieved. Furthermore, bridging the employment gap between men and women (an important element of the growth and jobs commitments) is considered watered down by some commentators as it may allow opt-outs for members through taking into account national circumstances. Increased involvement of the IMF and OECD in strengthening the monitoring of the G20 (by regular reports on the growth and jobs commitments) has been widely considered a positive development, if the reports are taken seriously by the member countries.

Some consider that the summit in Brisbane, originally intended to focus on an economically oriented agenda, was burdened by pressing political issues. Even if this was the case, delivery on these items was poor as there was no financial commitment for the fight against Ebola and no reference to terrorism, Islamic State or the crisis in Ukraine, questions on which were only informally raised with Vladimir Putin. The communiqué referred vaguely to risks stemming from 'geopolitical tensions'.

The Turkish presidency of the G20

Turkey assumed the G20's presidency on 1 December 2014. In its priorities, Turkey announced that it will focus its efforts on ensuring 'inclusive and robust growth' through 'collective action'. This has been formulated as the three I's of the Turkish Presidency: Inclusiveness, Implementation, and Investment for Growth.

Turkey plans to bolster the inclusiveness of the G20 by increased focus on low-income developing countries, small and medium-sized enterprises, gender equality in employment, and youth unemployment. It also emphasised that 2015 will be the year of implementation measures in many of the G20 work streams such as the Brisbane Action Plan to increase G20 GDP by 2%. Turkey has also pledged to introduce a 'new narrative' to narrow the investment gaps of the member countries through solid and ambitious investment strategies.

The policy areas to be discussed during the Turkish presidency include: strong, sustainable and balanced economic growth, infrastructure investment, financial regulation, international financial architecture (IMF reform), international tax issues, energy, trade, employment, financing climate change, development and the fight against corruption.

Many consider that after its role as a somewhat improvised crisis-containment committee, the ambition of the G20 is to become the world's permanent steering body which will restore long-term economic growth. Commentators are agreed that the Brisbane summit did not provide a breakthrough in confirming this ambition.

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Endnotes

1 The G7 members are Canada, France, Germany, Italy, Japan, United Kingdom, and United States. Russia had been added to the group in 1998, forming the G8, but was suspended in 2014 due to its involvement in the Crimean crisis.

2 The current Troika consists of Australia, Turkey and China.

[3] These organisations include: the Financial Stability Board, the International Labour Organisation, the International Monetary Fund, the Organisation for Economic Co-operation and Development (OECD), the United Nations, the World Bank and the World Trade Organisation.

[4] These include: Spain (the only permanent guest), the current chair of the Association of South-East Asian Nations (ASEAN), the chair of the African Union, the chair of the New Partnership for Africa's Development, plus a country or countries selected, usually, from the presidency's region.

[5] The IMF proposed to consider as 'safer' a system which is less complex, more transparent, less volatile, better capitalised, less systemically risky, with clearer resolution mechanisms, and applying the same regulatory standards to similar risks.

[6] Including fiscal, monetary, trade and structural policies.

[7] UNCTAD: United Nations Conference on Trade and Development.

[8] In Brisbane the leaders welcomed the recent breakthrough in negotiations between the US and India which should lead to finalisation of the Bali trade agreement.

[9] For example, according to GDP size, Argentina, South Africa, and Saudi Arabia would not qualify as members, while factors such as democratic status could raise questions on the membership of China, Russia and Saudi Arabia.

[10] For example, the first communiqué of 2008 contained little over 1 800 words, while the summit in St. Petersburg in 2013 concluded with 12 000 words. Brisbane indicated a return to streamlining as the final communiqué contains about 3 100 words.

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