



A laboratory to analyse a changing world order

The G20 has prompted various reactions throughout its existence, yet one thing is clear: in a world where the old distinctions have dissolved, it reflects complexity and provides an arena for testing new modes of international relations

By Karoline Postel-Vinay, senior research fellow, Sciences Po (Paris)

Back in early 2008, the G20 was still a little-known ministerial-level forum that only a few economic experts and international analysts seemed to care about. Today, the G20 is so well established that it seems to be an inescapable reality. Could this be the new centre of global leadership? This view is becoming commonplace, generating alternately excitement or anxiety, hope or resignation. Yet the G20 looks much more like a construction site than an established and fully functioning institution. It may prefigure a new mode of global governance, the form of which is not yet known.

But, for now, the G20 is essentially a laboratory: it analyses a changing international order and tries to organise it.

Result of metamorphosis

The G20 reflects the complexity of a world order in which lines that were still familiar in the late 20th century have become blurred. The 'East' and 'West' have disappeared, leaving – both within the former western camp and the opposite side – deep uncertainties regarding the promotion of political progress. The sharp division between 'North' and 'South' has dissolved. The difference between 'developed' and 'developing' does not systematically

Using test tubes to grow plants in Korea. The G20 is acting as a testing ground for new international codes

match national borders: China, India and Brazil are both very rich and very poor. The issue of underdevelopment, which used to refer to a neat wealth/poverty nexus, has become a general problem of inequality that is de facto transnational. International actors have changed, too. Sovereign states, consecrated by the United Nations system as the paramount actors in world affairs, must now accommodate, negotiate and cooperate with a host of other actors – public and private, subnational and supranational. The G20, by its very composition and evolving modus operandi, mirrors these changes.

Space for analysis

The G20 is also an arena where the world's socioeconomic changes are examined and where new codes and modes of international relations are tested. It regularly calls on the expertise of specialised organisations, such as the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO) and the Food and Agriculture Organization (FAO), to provide assessments of global issues such as taxation, growth, employment and food. The old powers of the North are learning to work on an equal footing with the emerging South, and the latter is increasingly part of the solution rather than the problem. The 19 sovereign states of the G20 are establishing new channels of communication with regional groupings – not just the European Union but also others, such as the New Partnership for Africa's Development (NEPAD) or Association of Southeast Asian Nations (ASEAN) – that are regularly invited to the summit.

Very different countries – secular and religious, democratic and authoritarian, highly developed and less developed – collectively define an agenda for discussion. Actors with often divergent interests are testing their ability to cooperate on concrete topics such as currency, agricultural commodities and job creation. In this era of global impatience, the results look mixed, but they are never insignificant. The very fact that such diverse actors are engaged in this collective process is an achievement. As José Manuel Barroso, president of the European Commission and, as such, an expert in supranational management, noted, it is indeed “a huge step forward that would not have been possible a few years ago”.

Questions over legitimacy

The G20, according to its critics, is not legitimate, or, according to many of its supporters, sufficiently legitimate. The G20, say the former, does not include all member states of the UN, particularly any least-developed countries (LDCs). Measuring the legitimacy of the G20 on the basis of this correct observation is to forget that legitimacy is not an objective concept, but a political one. In international politics, legitimacy derives from a consistency between norms that are accepted at a given historical moment and the actions of those who share them. International legitimacy cannot be achieved by simply lining up a great number of states. Yet if the legitimacy of the G20 were only a matter of numbers, the majority of the world population living below the poverty line resides in emerging countries, not in LDCs. This has to do with the very unequal pattern of development experienced by most emerging countries – a phenomenon amplified by the demographic size of some of them, starting with China and India. As the major emerging countries are represented in the G20, so are the majority of the poorest inhabitants of the planet.

The most radical sceptics fear that the G20 is about to take over the UN. But it is difficult to detect, in either the G20's declarations or its initiatives, any intention to make such a bold bid. On the contrary, what looks obvious is that its members, individually and collectively, recognise the need to maintain a place where all the world's states can congregate.

The ‘pro-G20’ side commonly argues that the G20's relative lack of legitimacy is counterbalanced by efficiency. That efficiency is usually measured by comparing UN unwieldiness with G20 swiftness. Undeniably, the G20 reacted rapidly to the financial crisis in 2008; it was also instrumental in reforming voting rights at the International Monetary Fund (IMF). But again, deciding whether a given entity (international or domestic) is efficient depends on the definition of its mission. In the case of the G20, this definition is an ongoing process. So far, its mission is more limited than that of any major international organisation.

Distinct identity

Many have said that the new ‘G’ will replace the G8. However, as John Kirton, a longtime observer of both the G8 and the G20, has argued, this will probably not happen. Major topics addressed by the G8, such as security-related ones, would be difficult – if not impossible – to transfer to the G20 agenda. At the 2011 G8 Deauville Summit, French president and host Nicolas Sarkozy noted that the “democratic family” needs a place to meet. But that family picture is incomplete: India and Brazil, at least, should be included. In the absence of any global association of democracies, the G8 is an imperfect, yet useful, forum for like-minded countries.

The historical trajectories of the G8 and G20 differ significantly. The invitation from the G7 to Russia in 1997, rather than to China, was a clear reference to the dying repertoire of the Cold War. The G20, which was first a G22 and then a G33, emerged from the events

Actors with often divergent interests are testing their ability to cooperate on topics such as currency, agricultural commodities and job creation

that followed the fall of the Berlin Wall, ranging from the financial crises of the 1990s in East Asia, Russia and Latin America to the ongoing turmoil in Europe and the United States. Having different origins, the two ‘G’ groups are most likely to have different destinies. The G8 has remained an informal entity, which does not imply that the G20 should or should not do the same. In August 2010, President Sarkozy raised the idea of a permanent secretariat for the G20, although this quietly disappeared from the French G20 presidency's agenda. Canadian analysts Roy Culpeper and Joe Ingram have argued that their country, one of the founders of the G20 and indeed a very engaged one, should become the permanent home of the G20. The French could warm up to the prospect of Montreal being to the G20 what Brussels has been to the European Commission.

But on the eve of the Cannes Summit, the debate on institutionalisation looks speculative, at best. The G20 is a novel framework that tries – and, in many regards, succeeds – to reinvent international cooperation; the organisation is obviously too busy to think whether it should be nomadic or sedentary. ♦



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Books on the G8 and Related Issues **from Ashgate Publishing**

Securing the Global Economy: G8 Global Governance for a Post-Crisis World, Andreas Freytag, John Kirton, Razeen Sally and Paolo Savona, eds. (Global Finance Series)

Making Global Economic Governance Effective, John Kirton, Marina Larionova and Paolo Savona, eds. (Global Finance Series)

Financing Development, Michele Fratianni, John Kirton and Paolo Savona, eds. (Global Finance series)

G8 against Transnational Organized Crime, Amandine Scherrer (Global Finance series)

Innovation in Global Health Governance, Andrew F. Cooper and John Kirton, eds. (Global Environmental Governance series)

The G8 System and the G20, Peter I. Hajnal (Global Finance series)

The New Economic Diplomacy (2nd edition), Nicholas Bayne and Stephen Woolcock (Global Finance series)

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Accountability in G20 governance

Accountability and transparency are important elements in ensuring that the G20 is delivering on its commitments, but few formal mechanisms exist for holding member countries answerable for their decisions and the subsequent effects



By Marina Larionova, International Organisations Research Institute, Higher School of Economics; and Ella Kokotsis, G20 Research Group

To retain its credibility and legitimacy as the centre of global economic governance, the G20 must demonstrate continued value, leadership and effectiveness. Accountability is a critical component in demonstrating the G20's effectiveness, as implementing commitments ensures that promises made are promises kept.

The question of accountability and effective follow-up is not new to the G20. Meeting for their first summit in Washington in November 2008, the leaders devoted a section of their declaration to 'Strengthening Transparency and Accountability'. In it they emphasised the importance of implementing their commitments through detailed targets and timelines. In establishing an action plan to implement principles for financial and regulatory reform, the G20 tasked their finance ministers with the responsibility of ensuring that the commitments were "fully and vigorously implemented".

In Toronto in 2010, Canadian prime minister Stephen Harper said that accountability would be the "defining feature" of both the G8 and G20 summits that he was hosting. Indeed, the G8's *Muskoka Accountability Report* was the product of the first comprehensive accountability mechanism ever created by the G8 and supported by a senior-level working group, with a consistent methodology for reporting on key commitments.

In delivering the report as promised, the leaders expressed their pledge to implement their decisions and strengthen the effectiveness of their actions. Yet despite the letter in March 2010 by Harper and leaders of the United States, the United Kingdom, Korea and France to other G20 members asserting that "we are all accountable" and "now is the time for the leaders of the G20 to commit themselves and deliver on the ambitious reform objectives and agenda", the G20 summits in Toronto and Seoul failed to produce an accountability mechanism similar to that of the G8.

Much of the criticism of the G20's accountability deficit derives from two sources: the group's lack of formal authorisation and the lack of key accountability components, including standards, sanctions, shared values, norms and information. Nonetheless, the G20 submits to accountability mechanisms insofar as the leaders mandate their ministers, experts and working groups to report on progress made on decisions rendered. In addition, the G20 often requests relevant international organisations to report publicly on G20 compliance with their commitments. There are also actors such as non-governmental organisations (NGOs), academic institutions and international organisations that hold the G20 accountable on the impact of their decisions on economies and societies.

Reports and assessments

Since 2008, there have been 53 publicly available reports on G20 accountability. The two main types are those mandated by the G20 and those initiated by actors seeking to hold the G20 accountable. The authors can be classified

“ The individual and collective performance of G20 members should be evaluated more rigorously, and there should be more consultation with those affected by G20 decisions. Addressing these shortcomings may improve the G20's performance ”

as G20 structures, international institutions, academic institutions and NGOs. These reports address the four accountability aspects of transparency, consultation, evaluation and correction. Some provide evidence for each G20 member rather than an aggregated assessment. Many provide recommendations that promote consultation, and some offer scores and performance ratings.

Most of these reports (29 in total, or 55 per cent) were produced by international organisations, with 24 mandated by the G20. Five were initiated by the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO), and assessed G20 members' compliance with commitments to fight protectionism, enhance tax transparency, and promote employment and social protection policy.

The first WTO report on compliance with the anti-protectionist commitment made at the G20 Washington Summit, which was published in January 2009, was not requested by the G20. But at the London Summit later that year, the G20 leaders called on the WTO to continue to monitor their adherence to this commitment. Most of the reports (18) by international organisations provided

evidence based on individual G20 members' performances, whereas 11 presented data in aggregated form. None of these reports provided a scoring methodology, and only five offered recommendations for future action. Overall, the number of reports produced by international organisations has been steadily increasing: two at London, six at Toronto and eight at Seoul.

Eight reports have been produced by various G20 institutions at the mandate of the leaders. All reports present aggregated data without an evidence base or a scoring methodology. Furthermore, these reports do not propose recommendations for future action, apart from the two reports by the G20 trade finance experts group.

Seven of the reports (13 per cent) were by academic institutions. Nine reports (17 per cent) were released by NGOs. These 16 reports were self-initiated, provided a distinct evidence base and tracked individual compliance of G20 members, thus contributing to the transparency and credibility of the assessments. The academic institutions assessed G20 compliance using a scoring system and ratings, which were absent from other accountability reports.

It is the quality and not the quantity of G20 accountability that should be addressed. Accountability is being practised in a dispersed, but not shared, fashion. Accountability procedures are indirect. The accountability mechanisms are weak and need to be strengthened, and the technocratic nature of the accountability reports renders them inscrutable to the public. The reports by academic institutions and NGOs lack recommendations. International organisations either do not provide evidence by member or do not offer recommendations, while the G20 structures' reports contain neither evidence base nor assessments nor any recommendations.

The G20's pursuit of its mission thus lacks transparency on delivery. The individual and collective performance of G20 members should be evaluated more rigorously, and there should be more consultation with those affected by G20 decisions. Addressing these shortcomings of the accountability system may improve the G20's performance.

Advancing G20 accountability

Two major steps are required for the G20 to advance its accountability at its 2011 Cannes Summit. First, the G20 should recognise that effective leadership means going beyond simply identifying inputs (such as resources allocated and programmes created) to developing a regular, clear and transparent reporting mechanism.

Such a mechanism would need to acknowledge its own limitations, the most important being that of attribution. On many environment- and development-related initiatives, the G20 must rely on partner organisations, NGOs, private foundations, civil society and the private sector to contribute to the successful outcome of its goals. G20 interventions are therefore influenced by how all these partners and groups come together to deliver results.

As with the G8, an ongoing accountability working group is essential in ensuring that the G20 stays on track. It would make sure that consistent methodologies allow for rigorous assessments, that standard and quantifiable terms are employed, that common benchmarks and baselines exist, and that adequate monitoring systems on the ground provide for the timely and reliable information essential to results-oriented reporting.

This type of self-reporting and accountability has a positive impact. Holding themselves publicly accountable places added pressure on G20 leaders to comply with their global commitments. To stay on track after Cannes to Mexico in 2012 and beyond, the G20 can enhance its credibility as the centre of effective global economic governance by providing candid self-assessment on its collective accomplishments and reporting on them in a clear, transparent and measurable way. ♦

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A role for parliaments and civil society

The first meetings of the G20 were informal, pragmatic summits, but it is time now for a more structured framework to be set up for the organisation, with input from both the politicians and the civil societies of the member states

By Olivier Giscard d'Estaing, Comité pour un parlement mondial

People have lost faith in their leaders and their governments. This phenomenon is apparent in the outcomes of recent parliamentary elections, which condemn the governments in place, whether they be right-wing, left-wing or centrist. Worse still, public revolts attempt to remove leaders from office, while the leaders try to stay in power in the name of their constitutional legitimacy. These events can lead to long and bloody civil wars, followed by oppressive trials.

Admittedly, the current crisis in public finance, the associated economic slowdown and rising unemployment are a heavy burden. Daily criticism in the media stirs public opinion and casts doubt on the ability of governments to take reassuring corrective steps.

In reality, everyone is responsible for these public deficits, which are the cause and consequence of astronomical debts. These debts represent 100 per cent of the United States' gross domestic product (GDP). In the eurozone, they exceed the maximum of 60 per cent established in the Maastricht Treaty. Some governments' and parliaments' budgets present such deficits that they can be financed only through government loans, with unbearable budget liabilities in terms of interest and repayment. Add to that the mismanagement of public funds, errors and, in some cases, corruption.

But, overall, governments' decisions are based on how they perceive the need to spend to meet citizens' requirements, expressed by voters and unions and amplified by the media. These choices can be unpopular, as governments are forced to make sacrifices in jobs, the social safety net, salaries and retirement plans, that in turn lead to decreased consumption, increased unemployment and further dissent.

Leaders under fire

Unwavering resistance that does not protect the public interest, but simply works to win back power, leads to the criticism of reasonable, often courageous and potentially effective measures. The only goal is to make people believe in the incompetence of leaders, who are constantly under fire for everything they do, in public and in private.

Unfortunately, parliamentarians are constantly swayed by their concern for staying in power. Members of the opposition believe that their only chance is to attack the leader and his or her party, which is easy thanks to glaring crises and inequities, and because actions are slow to take effect. All this makes a deep and negative impression on public opinion.

Sometimes, it is the longevity of the leaders and their political parties that people can no longer stand. Staying

in power for too long warps those who wield it. Isolation and arrogance, combined with supreme power, make such leaders perfect targets for the press. Worse still are unchecked corruption and accumulated wealth, which can reach such proportions that they can cause only hate and rejection.

Yet for economics and politics to work, trust is key. It motivates and stimulates labour, investment and consumption. How can this situation, which affects not only states but also leaders' meetings, particularly those of the G8 and G20, be rectified? A good communications policy is essential, but its effects are limited. The public's economic and political education, needed for understanding complex problems and assessing proposed solutions, is inadequate. Moreover, critics always claim that any action is intended to keep those in power where they are.

Two possible solutions exist: basic economic and civic education, and a new approach to the role of parliament, which is the only way to democratise international political life.

Economic education

From a very young age and throughout school, students must learn about how the economy works. Their education must also help shape their character, and teach community involvement and responsibility. Such schooling will generate effects in the medium term and thus must be supplemented by short – week-long or evening – programmes for adults, with international participation, dealing with national and worldwide economic and social issues.

Members of parliament and senators represent the sovereign power of democracy. They decide the laws; they appoint or revoke the government; they connect power and people. So parliamentary participation in the work of the G8 and G20 must be organised. Such participation could take the form of two special sessions of parliament, designated for this purpose by national or continental parliaments, such as those of the European Union or the African Union. Such sessions could each last a week, and could take place three months before and after the leaders' meetings.

In addition, the way that the G8 and G20 operate must be addressed, because the leaders – all remaining in power – are the only players involved. At first, these summits were simple consultations among leaders, like the meetings of finance ministers at the Organisation for Economic Co-operation and Development (OECD). The benefits were to know each other better, to compensate for bilateral meetings, to familiarise themselves with other national policies and, above all, to take into account – and even



Schooling for students on the economy must be supplemented by short programmes for adults on economic and social issues



influence – the national policies of each member country. These summits subsequently led to joint decision-making, and to interventions of a financial or regulatory nature.

The expansion from the G8 to the G20 was necessary. The presence of new participants makes it possible to associate great countries from all continents with this coordination, and change the image of a G8 favouring large, wealthy states.

But the will of the people, and economic necessities, demand more: these annual meetings have become exceptional opportunities for collective decision-making with global impact. People expect more than the summits can offer, and the resulting disappointments compromise the necessary trust they deserve. There is no institutional framework, no democratic participation and no system to follow up. However, the analysis conducted by the University of Toronto's G8 and G20 Research Groups does provide detailed assessments of summits and their follow-ups in each member state. This private initiative could serve as a model for an indispensable regular evaluation of the leaders' actions.

At first, the informal and pragmatic nature of the summits ensured their continuation. Anglo-Saxon countries prefer this type of process, which depends on experience rather than written texts for every consensus, which is hard-won. This approach echoes an emphasis on jurisprudence over a civil code. But it is no longer enough: there can be no major international action without first establishing and adopting the institutional framework for its implementation.

Multilateral mission

Given its charter and number of members, the United Nations cannot take on this mission of multilateral economic governance. Attempts to reform its charter with a two-thirds majority have failed. Voting members could not even agree on changes to the composition of the Security Council. And despite their beneficial role, UN agencies have neither the financial means nor the institutional framework necessary to fulfil their missions. There have been UN programmes established recently with medium-term objectives that mobilise global goodwill, but they lack the compelling nature needed to achieve the desired goals.

Often under the impetus of the G8 or G20 chair as part of the presidency, national and international meetings are organised that involve representatives from

nongovernmental organisations, government ministries, experts and researchers to prepare the summits' work. In addition, there are meetings of the members' ministers involved in the economy and finance, domestic issues, the environment, foreign affairs, health, education and research, to name but a few, assisted by leaders' representatives, or 'sherpas'. These meetings are fruitful opportunities for the members to exchange ideas, share experiences and establish cordial relations, as well as to present proposals and analyses of needs and appropriate action.

All of these activities are a primer for multilateral governance, but they lack an institutional framework for action. To consolidate these efforts, to reassure the public, to manifest a concern for involving players in public life, an institutional framework should be enshrined in a treaty that fosters, among other things, a democratic and parliamentary approach to global governance.

Input from leaders

The proposal of a treaty instituting the G8 or G20 should be examined at the initiative of several leaders, as has always been the case for the creation of international entities: it was on the initiative of Robert Schuman, France's minister of foreign affairs, that the six countries of France, Germany, Italy, Belgium, Luxembourg and the Netherlands adopted the treaty instituting the European Coal and Steel Community in 1951 – which eventually led to the establishment of the EU. Similarly, the UN Charter was signed in 1945 by the 51 founding countries, based on proposals drafted by the leaders of the United States, the United Kingdom, China and Russia.

This new treaty would confirm current practices, but could also innovate to help create true global economic governance. The terms of reference, meetings and key themes to be addressed would be specified, reaffirming the principle of subsidiarity and the conditions for admission into this international community, in which invited members would decide to take part. Provisions would have to be made for international taxes to finance their operations and interventions, a parliamentary assembly and a court of audit.

The historical evolution towards a new model will take time, since many political leaders still defend their national sovereignty. Nonetheless, such a project is the best response to concerned citizens and anti-globalisation protestors, whose revolts could mark the start of a new ordeal accompanied by unbearable violence. ♦

Voting in a general election in Bermuda. Any treaty for the G8 or G20 needs to foster a democratic and parliamentary method of working



The Astana consensus to meet today's challenges

Last May's gathering of experts from a wide variety of professional communities at the 2011 Astana Economic Forum produced a wealth of proposals for meeting today's economic challenges, and which should be adopted by the G20 members

By Astana
Economic Forum

In May 2011, the fourth Astana Economic Forum assembled more than 5,000 people from 80 countries, including economists, politicians, academics and business people to focus on the global economy and finance, business and investment, and society and development. Participants included members of the Club of Madrid, the Reinventing Bretton Woods Committee and the G20 Research Group, as well as the Astana Club of Nobel Prize Laureates members John Nash Jr, Roger Kornberg, Robert Mundell, Sir James Mirrlees, Robert Aumann, Finn Kydland and others. During the two-day forum, they developed several recommendations for the G20.

The world economy and international monetary system

The G20 should solve global financial imbalances, including high price volatility and exchange-rate disparities, a non-equilibrium system of reserve currencies, the state of public finances of the countries that provide the world currencies, and bias in rating sovereign emitters and uncontrollable derivatives. Doing so involves the following:

- Forming a permanent committee to discuss creating a subnational world currency, including choosing the source, determining the principles for participation, preparing the financial tools to be denominated in the supranational currency and identifying projects to provide such tools;
- Elaborating standards for determining the key indicators of the financial status of developed countries in order to maintain stability and predictable currency rates;
- Moving from sovereign credit ratings by rating agencies to ratings from authoritative international organisations – such as the United Nations, the World Bank and the G20 – that provide objective indicators;
- Restricting investment in currency derivatives, cutting off speculative capital from operations in currency markets, returning to separating credit and investment in banks.

International financial institutions

To boost the legitimacy and efficiency of the international financial institutions, the G20 should do the following:

- Give more voting rights to developing countries by reducing the veto of the United States, decreasing the majority required from 85 per cent to at least 70 per cent and reducing Europe's predominance;
- Consider including population and reserves in calculating the quotas of the International Monetary

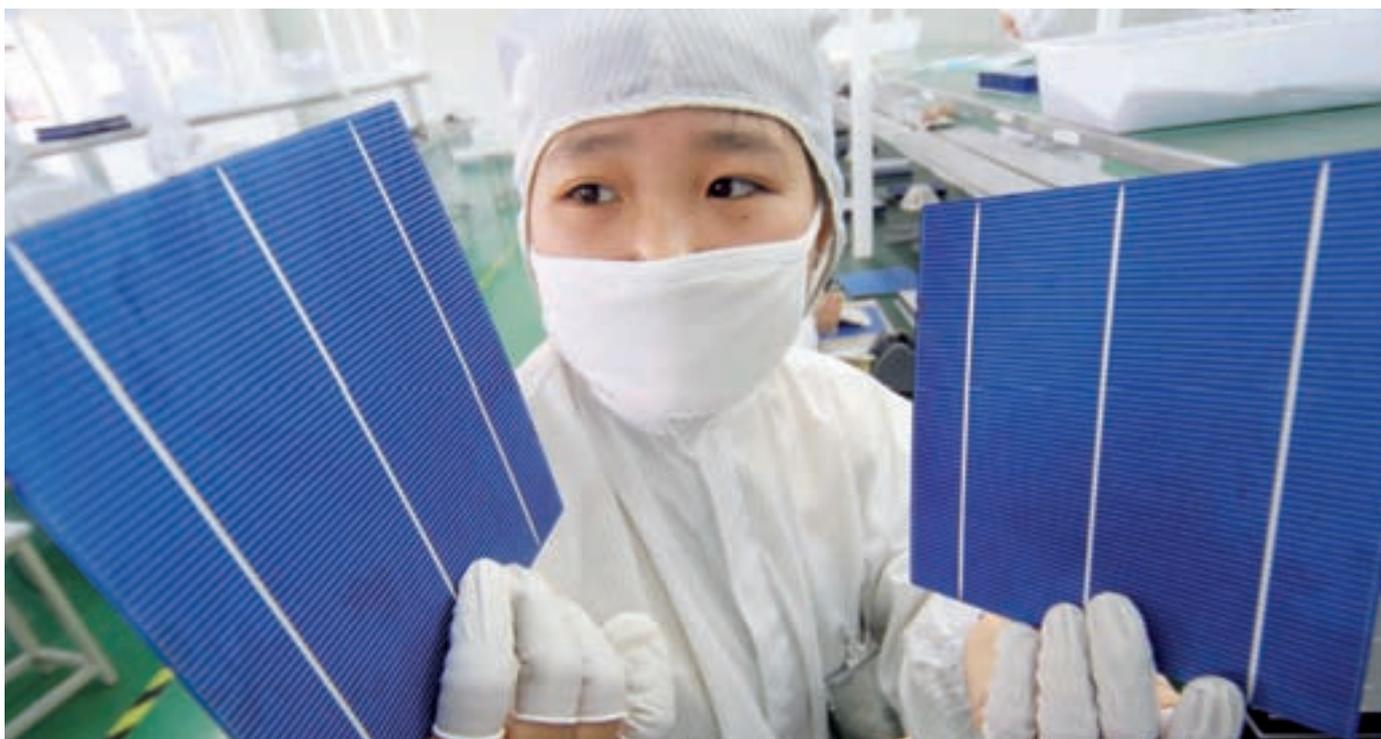
Fund (IMF), as currently 80 per cent of the formula is based on gross national product;

- Select the managing director of the IMF and the president of the World Bank according to professional merit, rather than maintaining the tradition of appointing a European to the IMF and an American to the World Bank;
- Create a new IMF council that will ensure more active participation at a high political level of country members, which will diversify the and rebalance quotas;
- Create a mechanism for automatically recapitalising development banks to improve their ability to react quickly to crises.

Financial regulation and supervision

The recommendations on reforming domestic financial regulation and supervision are as follows:

- Implement the commitments agreed to by the G20;
- Create an effective, transparent, independent and authentic mechanism for all G20 members to report their progress in implementing their commitments on financial regulation and supervision;
- Set out the principles and processes for promoting financial regulations that would apply to all, including developing countries;
- Supplement the work of the Financial Stability Board (FSB) by involving the private sector, which possesses broad knowledge about complex markets, tools and institutions.
- Make financial regulation and supervision a high-grade component of IMF consultations under Article IV, especially in cases where budgetary restrictions prevent a country meeting its obligations as quickly as required;
- Advance work on the shadow banking sector;
- Apply bank charges only in countries where banks and other financial institutions have needed urgent financial support as a result of the 2007-08 financial and sovereign debt crises;
- Conduct stress tests on banks, insurance companies and financial institutions to assure their stability in the face of especially powerful shocks;
- Establish solid regulations for the commodity markets that allow for increased manufacturing and improved distribution of raw materials;
- Set out the principles and processes for the merger, absorption and competition policy of stock exchanges;
- Require national supervising bodies to give more attention to regulating and supervising the housing and commercial real-estate markets on an international basis.



Trade and investment

To support international trade and investment, the G20 should do the following:

- Correct world trade imbalances by adjusting exchange rates and stabilising internal savings;
- Use fiscal measures to support investment and eliminate tax dumping from offshore countries and zones;
- Maintain measures to stimulate the incomes (credit terms, salary levels) and private business (tax stimulus and liquidity), with special attention to low-income developing countries;
- Increase the state's responsibility to distribute incomes by rebalancing the rights and responsibilities of investors and the state;
- Remove barriers to foreign trade and investment by ensuring that the growing trend to selective industrial policies does not create barriers to trade and investment in developing countries;
- Create investment conditions congenial to foreign investors and investment hubs;
- Make investors more responsible for the ecological consequences of investments and manufacturing;
- Help conclude the successful Doha round of negotiations of the World Trade Organization.

Food and agriculture

To increase short- and long-term food security, the G20 should do the following:

- Demand that governments and international organisations expand food aid where needed by establishing a social protection system for the local population, preventing crisis situations early and creating a mechanism to react quickly to possible crises;
- Increase economic growth as the best strategy to reduce poverty, improve food security and increase agriculture productivity;
- Invest in social protection and social support to soften the most serious consequences of financial shocks and limit long-term consequences;
- Support investments in agricultural infrastructure as a priority by governments, international organisations and donors;
- Develop agricultural social infrastructure to improve the rural business environment and human capital.

Promoting measures to increase investment in new innovations – including these solar panels and other green energy technologies – is one way that the G20 can stimulate global economic growth

Green economy

In the short term, the green economy can provide growth in gross domestic product, increase per capita incomes and employment.

In the long term, it will preserve the environment and reduce social inequality. The G20 should therefore do the following:

- Eliminate inefficient grants and free-up national budget resources for ecological or social priorities.
- Eliminate trade barriers for ecologically friendly goods and services to accelerate the replacement of old technologies and reduce pollution levels and environmental damage caused by waste;
- Increase financing for innovation in developing clean technologies;
- Use fiscal stimulus to invest in the green economy;
- Increase state purchases of green goods and services;
- Include the economic consequences of ecological loss in national accounting systems, focusing on biodiversity and ecosystem services that justify additional financing and employment;
- Enhance the use of alternative energy to sharply decrease greenhouse-gas emissions;
- Include the findings of *A Global Energy and Environmental Strategy for Sustainable Development in the 21st Century*, prepared by Nursultan Nazarbayev, president of Kazakhstan, in the agenda of the 2012 Conference of the United Nations on Sustainable Development (Rio+20).
- Create a world energy ecological bank modelled on the World Bank.

Conclusion

The 2011 Astana Economic Forum demonstrated that a global gathering of committed experts from many professional communities can come to consensus on specific innovative ideas to meet the current challenges to the global economy.

The fifth forum, on 22-24 May 2012, will thus continue this effort on a greater scale, inviting leaders of national governments, science, business, arts and culture to focus on investment policy. It will also include a meeting of heads of large companies on the eve of the forum, within the framework of the Foreign Investors Council. ♦