



## Role of G20 in a Changing World

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### INTRODUCTION

The Group of Twenty, commonly referred to as the G20, has emerged as a significant player in shaping the course of global affairs over the past two decades. Comprising the world's major advanced and emerging economies, the G20 was initially established as a response to the global financial crisis of 2008, a crisis that threatened the stability of the international financial system and had far-reaching economic and social repercussions. In the years since its inception, the G20 has become a platform for fostering international cooperation, addressing pressing global challenges, and setting the agenda for economic and political discussions on the global stage.

The G20 operates in a rapidly changing world, marked by increasing complexity and interconnectedness. As we delve into the subject of the G20's role and influence in this dynamic global landscape, it is essential to understand the historical context of its formation, its objectives, and its evolving role in international affairs. In this article, we will explore the G20's origins, the principles that guide its work, and the key developments that have taken place in the last decade.

### The Genesis of the G20

The idea of the G20 can be traced back to the late 1990s when the Asian financial crisis exposed vulnerabilities in the global financial system. Finance ministers and central bank governors from major economies began informal discussions on ways to improve global financial stability. These discussions eventually led to the first G20 meeting of finance ministers and central bank governors in 1999, held in Berlin, Germany.

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The group was formalized in 2008, in response to the global financial crisis that threatened the world's economies. Heads of state and government met for the first time in November of that year, in Washington, D.C., to address the crisis and develop a coordinated response. This marked a significant shift in the G20's mandate, expanding it beyond finance ministers and central bankers to include the highest level of political leadership.

### **The G20's Principles and Objectives**

The G20 operates on several key principles and objectives that underpin its work in a rapidly changing world. These include:

**Inclusiveness:** The G20 is unique in that it brings together a diverse group of countries, both developed and developing, representing different regions and economic systems. This inclusiveness is seen as a strength, as it allows for a more comprehensive and balanced approach to addressing global issues.

**Informality:** The G20 operates in an informal setting, which fosters candid and flexible discussions among leaders. The absence of rigid protocols and formal treaties enables more open and constructive dialogue.

**Consensus-Based Decision Making:** Decisions within the G20 are typically reached through consensus, meaning that all member countries must agree on a course of action. This approach, while sometimes challenging, ensures that all voices are heard and respected.

**Non-Binding Commitments:** The G20 does not create binding treaties or agreements. Instead, it encourages member countries to commit to implementing policies that promote global stability and growth. Member countries can choose how to implement these commitments within their own domestic contexts.

**Pragmatism:** The G20 focuses on practical solutions to real-world problems. It emphasizes results-driven initiatives and cooperation, rather than ideology or grand gestures.

### **A Decade of G20 Summits**

Over the past decade, the G20 has held numerous summits, each with its own unique set of challenges and opportunities. These summits have addressed a wide range of global issues, including the following:

**Financial Stability and Economic Recovery:** In the immediate aftermath of the 2008 financial crisis, the G20 played a pivotal role in coordinating the global response to stabilize financial markets and stimulate economic growth. The commitment to avoid protectionism and to stimulate demand through fiscal measures was a central theme.

**Global Trade:** Trade has been a recurring topic at G20 summits. The group has worked to promote free and fair trade, reduce trade barriers, and address issues such as intellectual property rights and subsidies. G20 leaders have also focused on the reform of the World Trade Organization (WTO).

**Climate Change and Sustainable Development:** G20 summits have increasingly emphasized the need to address climate change and promote sustainable development. The Paris Agreement, adopted in 2015, was a significant milestone in this regard, with many G20 countries committing to reduce greenhouse gas emissions.

**Health Crises:** The COVID-19 pandemic, a global health crisis of unprecedented proportions, presented a major challenge to the G20. The group played a crucial role in coordinating the international response to the pandemic, from sharing scientific information to providing financial support for vaccines and healthcare infrastructure.

**Global Inequality:** The G20 has recognized the importance of addressing economic and social inequalities. Efforts to combat tax evasion, enhance financial inclusion, and promote gender equality have been prominent on the G20 agenda.

**Global Security:** Beyond economics, the G20 has also taken up issues related to global security. These discussions have included counterterrorism efforts, non-proliferation of weapons of mass destruction, and responses to conflicts in regions like Syria.

Each of these summit meetings has contributed to shaping the G20's role in a changing world. It is important to note that the G20's agenda is not limited to these topics alone. The group has continuously adapted to address emerging challenges and opportunities on the international stage.

## **The Evolution of Global Governance**

The G20's journey over the past decade exemplifies a broader transformation in the landscape of global governance. Traditional international institutions, such as the United Nations and the International Monetary Fund,

remain significant, but the G20 has emerged as a dynamic and effective complement to these structures.

The G20's ability to adapt and respond to rapidly changing circumstances is one of its defining characteristics. In the face of economic crises, the group has provided a forum for swift and coordinated action, allowing countries to collaborate in stabilizing the global economy. In addressing the challenges of the digital age, the G20 has tackled issues like cyber security, data privacy, and the regulation of emerging technologies.

The G20 has also played a role in recalibrating the balance of power in international governance. It has provided a platform for emerging economies to assert their influence and participate in decision-making on equal footing with established powers. This shift in dynamics reflects the changing economic and geopolitical landscape of the 21st century.

The G20 has also shown a commitment to promoting multilateralism—a concept that has come under scrutiny in recent years. By emphasizing the importance of international cooperation, the G20 seeks to address global challenges collectively and avoid the pitfalls of unilateralism.

### **Promoting Economic Stability and Growth**

One of the G20's central objectives has been to foster economic stability and growth, particularly in the wake of the 2008 financial crisis. The G20's approach to this challenge has evolved over the years, reflecting the changing nature of the global economy.

Initially, the focus was on preventing a global economic depression by coordinating stimulus packages and measures to restore confidence in financial markets. Subsequent summits shifted the emphasis towards ensuring the financial sector's stability through regulatory reforms and increased transparency.

The G20 also recognized the need to address structural economic issues, such as reducing excessive global imbalances and enhancing fiscal sustainability. Discussions on these topics have included fiscal policy coordination, exchange rate policies, and the role of international financial institutions.

In the face of evolving economic challenges, the G20 has committed to addressing issues like income inequality, unemployment, and financial inclusion. These considerations have become integral to the G20's broader economic agenda.

## **Multilateralism and Global Trade**

The G20 has played a significant role in shaping the trajectory of global trade. In a world marked by growing protectionist sentiments and trade tensions, the group has advocated for an open and rules-based trading system.

G20 summits have provided a platform for leaders to discuss trade issues, with an emphasis on the importance of the World Trade Organization (WTO) as the primary forum for negotiating trade agreements. However, the group has recognized the need for WTO reform to make it more effective and responsive to contemporary challenges.

In addition to advocating for the principles of free and fair trade, the G20 has addressed specific trade concerns, such as subsidies and overcapacity in certain industries. By fostering dialogue and cooperation on these issues, the group has contributed to the stability of the global trading system.

## **Financial Regulation and Global Resilience**

In the aftermath of the 2008 financial crisis, the G20 undertook significant efforts to enhance the resilience of the global financial system. Regulatory reforms were introduced to address weaknesses in the banking sector, improve transparency in financial markets, and prevent a recurrence of the crisis.

The G20's commitment to financial regulation has included initiatives such as the Basel III framework for banking supervision and the development of the Financial Stability Board (FSB) to coordinate and monitor global financial stability.

These measures have been instrumental in bolstering the global financial system against future shocks. However, the G20's role in financial regulation extends beyond its immediate response to the 2008 crisis. The group has continued to monitor and address emerging risks, such as those posed by fintech innovations and cyber threats to the financial sector.

## **Climate Change and Sustainability**

In a changing world characterized by environmental challenges, the G20 has increasingly turned its attention to climate change and sustainability. Climate change represents one of the most pressing global issues, with far-reaching consequences for the planet's ecosystems and human societies.

One of the G20's landmark achievements in this area was the support for the Paris Agreement on climate change in 2015. The agreement, reached at the 21st UN Climate Change Conference (COP21), set the ambitious goal of limiting global warming to well below 2 degrees Celsius above pre-industrial levels.

G20 member countries have pledged to reduce their greenhouse gas emissions and take measures to transition to more sustainable energy sources. This commitment reflects the recognition that economic growth and environmental sustainability are not mutually exclusive but can be mutually reinforcing.

The G20 has also addressed other aspects of sustainability, including food security and the conservation of biodiversity. These discussions reflect the group's holistic approach to addressing the world's interconnected challenges.

### **Global Health Challenges**

The COVID-19 pandemic, which emerged in late 2019, tested the G20's ability to respond to a global health crisis of unparalleled scale. The pandemic disrupted economies, strained healthcare systems, and caused profound social and human suffering.

The G20 played a critical role in coordinating the global response to the pandemic. Leaders from member countries collaborated on several fronts, including:

**Vaccine Development and Distribution:** The G20 supported initiatives such as COVAX, a global program designed to ensure equitable access to COVID-19 vaccines. Member countries also committed to providing financial resources to facilitate vaccine distribution to low- and middle-income countries.

**Economic Recovery:** The G20 introduced measures to mitigate the economic impact of the pandemic, such as debt relief for vulnerable countries, financial support for healthcare systems, and the endorsement of economic stimulus packages.

**Information Sharing:** The G20 promoted the exchange of scientific and medical knowledge to aid in the fight against the virus.

The pandemic underscored the necessity of international cooperation in addressing health crises and demonstrated the G20's role as a crucial forum for such collaboration.

### **Importance of Open Trade and Equitable Vaccine Distribution**

Vaccines and trade are important for all countries. During the pandemic, most nations closed their borders to keep people safe. This slowed trade between them. It also made it harder for vaccines to reach everywhere. Countries making vaccines sold them first to their own people. They did not share vaccines equally with others at first. Many poorer nations had to wait longer for vaccines. This made their people more at risk from the virus. It could let virus strains keep spreading between countries too. G20 countries are some of the biggest economies (Ye et.al, 2022). They trade a lot and make many vaccines. They showed vaccines and trade must move freely in a crisis for the good of all humanity. When they began sharing vaccines more, it helped protect lives globally.

Equitable vaccine distribution is vital for defeating the pandemic everywhere. If any area remains unvaccinated, the virus can linger there and spread back worldwide. No one is safe till everyone is safe. The G20 realizes this and promotes cooperation on vaccine research, manufacturing and deliveries through COVAX. COVAX is a global program co-led by WHO. It aims to equitably provide vaccines worldwide. Richer G20 states fund it to help poorer ones access inoculations. Every month more vaccines are delivered via COVAX to over 100 countries. As members support such multilateral vaccine initiatives, equitable access becomes reality.

With new virus strains emerging, vaccines must continue upgrading. While protecting health, vaccine policies must also keep economic activities running. Open trade in medical goods like masks, tests and medicines helped fight COVID-19. It avoided shortages of essential supplies. In future crises too, maintaining open supply chains globally can save lives and livelihoods both (de Bengy Puyvallée and Storeng, 2022). For pandemic recovery and future worldwide resilience, G20 can set an example of open trade, cooperation and sharing of resources like vaccines. Only together can the virus be defeated everywhere and global economic health restored. With openness and multilateralism on vaccines and trade, the pandemic's impact on humanity can be minimized.

## **Strengthening International Security**

The G20's role in international security extends beyond economic and financial issues. The group has also addressed matters related to global stability and peace.

One of the prominent security concerns discussed at G20 summits has been counterterrorism. Member countries have emphasized the importance of coordinated efforts to combat terrorism, including addressing the financing of terrorism, sharing intelligence, and enhancing border security.

Non-proliferation of weapons of mass destruction has also been on the agenda. The G20 has called for strict adherence to international treaties and agreements designed to prevent the spread of nuclear, chemical, and biological weapons.

In addition, the G20 has discussed conflicts in various regions, notably the crisis in Syria. While the G20 does not have the authority to dictate specific policies in this regard, the group provides a forum for leaders to exchange perspectives and seek common ground on diplomatic efforts to resolve conflicts.

## **Gender Equality and Inclusive Development**

Gender equality and the promotion of inclusive development have been recurring themes at G20 summits. Recognizing the importance of gender equality for economic growth and social progress, the group has committed to addressing gender disparities in various dimensions.

Efforts to promote gender equality have included initiatives to reduce the gender pay gap, improve women's access to economic opportunities, and enhance women's participation in leadership roles.

The G20's focus on inclusive development extends beyond gender issues. Member countries have also addressed broader social and economic inequalities, aiming to ensure that economic growth benefits all segments of society. These discussions are closely linked to efforts to reduce poverty and enhance social protection.

## **Technology, Innovation, and the Digital Economy**

The digital age has presented the G20 with a new set of challenges and opportunities. The rapid advancement of technology, including artificial intelligence, block chain, and the internet of things, has reshaped the global economy and society.



The G20 has recognized the transformative potential of these technologies and their implications for economic growth and job creation. Member countries have discussed policies to foster innovation, support digital entrepreneurship, and ensure a regulatory environment that encourages technological development while safeguarding privacy and security.

Cyber security has been a central concern, as the increasing digitization of society and economies has made countries vulnerable to cyber threats. The G20 has emphasized the importance of international norms and cooperation in addressing cyber security challenges.

### **The G20 and Developing Nations**

While the G20 primarily consists of major advanced and emerging economies, it has acknowledged the importance of engaging with developing countries. The G20's work includes efforts to bridge the economic gap between developed and developing nations.

The group has supported initiatives to improve infrastructure development in developing countries, enhance financial inclusion, and reduce the debt burden of vulnerable economies. These efforts aim to facilitate economic growth and poverty reduction.

### **The Role of Civil Society and NGOs in G20 Engagement**

The G20's impact extends beyond the work of government leaders. Civil society organizations and non-governmental organizations (NGOs) play a vital role in engaging with the G20 process.

Civil society forums held in conjunction with G20 summits provide a platform for dialogue and collaboration between government leaders and representatives of civil society. These forums allow for the exchange of ideas and perspectives on a wide range of issues, enabling a more comprehensive and inclusive approach to policy development.

NGOs have also contributed to G20 discussions by providing expertise, research, and advocacy on various topics. Their involvement ensures that the G20 takes into account a broader range of voices and experiences.

### **A Decade of Shaping the Future**

The G20 has been instrumental in shaping the global agenda over the past decade. Since the global financial crisis of 2008, the G20 has become a critical

institution in international relations. It has helped steer the global economy away from the brink of collapse, fostered coordination among its member countries and addressed a range of pressing issues.

**Economic Recovery and Financial Stability:** Following the financial crisis, the G20 played a central role in stabilizing the global economy. Member countries implemented a range of policies to support growth, strengthen financial regulations, and prevent another financial meltdown.

**Trade and Protectionism:** In the wake of the global recession, the G20 took concerted steps to resist protectionist measures and promote free trade. This commitment to openness and cooperation helped prevent a slide into trade wars that could have further damaged the global economy.

**Climate Change and Sustainable Development:** The G20 has made substantial commitments to address climate change, including promoting green finance, renewable energy, and sustainable development. These efforts culminated in the 2015 Paris Agreement, which marked a historic global accord to combat climate change.

**Global Health and Pandemic Response:** The COVID-19 pandemic brought global health issues to the forefront, and the G20 played a crucial role in coordinating responses to the crisis. This included efforts to secure medical supplies, share scientific knowledge, and promote vaccine distribution.

**Development and Inclusive Growth:** The G20 has also recognized the importance of inclusive development and reducing inequalities within and between countries. Initiatives have been launched to address social issues and foster economic inclusion.

### **Mechanisms to Improve Accountability and Follow Through**

The G20 works on consensus, which can slow decision making. But following through on commitments is key. Nations must be accountable to uphold shared goals. Otherwise trust in such groups may weaken over time. One way accountability can rise is through transparent reporting. G20 members already evaluate each other's economic policies. A similar process could track pandemic pledges and climate targets. Regular progress updates show who is making strides and who needs more support. Data disclosure spurs real progress. It avoids empty commitments. And it preserves integrity within the group. Publicly sharing numbers gives citizens too insight. They can aid efforts through own actions if guided well.

Another idea is for the host nation each year to decide priority pacts needing renewed commitment. All members reaffirm support and detail new actions before year ends. Come next summit, leaders defend steps and listen to outside reviews. Any laggards receive tailored advice and aid to catch up. G20 can also engage multilateral forums like WHO and IMF more proactively. Global agencies assess national programs impartially. They aid weaker members directly with resources. Independent oversight also holds all accountable without political bias (Hilbrichand Schwab, 2018).

Accountability is a two-way street - developing nations must own reforms and spending too. But developed partners have a duty to follow through on funding and market access promised. Together through open dialogue, specific next steps get agreed annually for mutual delivery. Commitments mean little without systems tracking real impact on lives. The G20 can strengthen global cooperation through better accountability between all stakeholders at various levels. Transparency, peer monitoring and targeted assistance together raise the bar for collective actions addressing worldwide crises.

### **Proposals to update G20's Composition and Governance**

The G20 was formed in 1999 in response to Asia's financial crisis. Its members were selected based on conditions then. Some think the group needs reform to reflect today's world better.

- One idea is adding more participants. Countries like Indonesia, South Africa and even guest nations could join discussions relevant to them. This gives more regional voices without disrupting the core group's size.
- Another proposal involves updating member lists every 5–10 years. New economic powers rise and fall over time. The G20 composition could adjust to represent changing power balances properly through measurable standards.
- Governance changes may help too. Decision making by consensus can stall urgent multilateral action, as seen during early pandemic response. A rotating annual chair could give each nation a chance to direct priorities and efforts.
- Co-chairs from different continents co-leading for 2–3 years may balance global perspectives. Developing a shared strategic plan ensures continuity across chairs. Co-leadership could inspire more vigorous collective implementation of long-term goals (Kirton, 2016).
- Expanding participation in working groups and ministerial meetings from non-member states broadens input. But the core summit should keep its exclusivity to prioritize economy issues and remain an impactful strategic forum.

- More interaction between the G20 and other groups sharing their interests, like the African Union, helps coordinate efforts globally. It creates multiple levels of cooperation worldwide.
- Regular reviews and modest, evolutionary reforms may help the G20 stay agile and solve 21st century problems even better by inclusive yet effective decision-making. Its legitimacy and impact depend on keeping pace with a changing world.

### **Need for Coordinated Global Response to Future Crises**

The COVID-19 pandemic showed how new threats can spread unchecked. No country was fully prepared for such an unseen global crisis. Important lessons emerged for stronger cooperation next time. Deadly outbreaks and natural disasters ignore borders. Climate change may worsen some risks over time too. Future challenges may differ but harm humanity as one. A united, well-planned response across nations is essential. The G20 displayed both strengths and limitations recently. Members mobilized trillions towards economic recovery for all. Vaccine funding and shipping through COVAX also saved lives. But initial curbs on trade slowed aid. Poorer areas lacked support earlier too.

Through open discussion and scenario planning exercises now, standard operating procedures get set for international cooperation on new types of challenges. Pre-agreed joint decision-making means no time gets wasted on protocol when a crisis hits. Global institutions like WHO or UN get empowered to marshal aid urgently. As the world evolves, so must frameworks for global governance. The G20 provides a platform to develop stronger networks, financing tools and policy coordination helping humanity face common threats together equitably in the future.

### **The G20 in a Changing World: Looking Ahead**

As we enter a new decade, the G20 faces a world that continues to change rapidly. The challenges that lie ahead are numerous and complex, including:

**Economic Transformation:** The ongoing digital and technological revolution, as well as shifts in global supply chains, will continue to reshape the world economy. The G20 will need to adapt to these changes and promote innovation and inclusivity in the process.

**Climate Crisis:** The urgency of addressing climate change is greater than ever. The G20's role in driving the transition to a low-carbon economy will be pivotal in the coming years.

**Global Health:** The lessons learned from the COVID-19 pandemic will inform the G20's approach to global health and pandemic preparedness in the future.

**International Security:** The G20 will face ongoing challenges related to international security, from terrorism and regional conflicts to nuclear proliferation.

**Social Issues and Inequality:** Addressing social issues and reducing inequality within and between countries will remain high on the G20's agenda.

## Conclusion

In conclusion, the G20's role in shaping the future of a changing world is both crucial and complex. As a forum for global cooperation and policy coordination, it has made significant strides in addressing pressing global issues over the past decade. However, it also faces numerous challenges, including representation, policy coordination, and transparency. Looking ahead, the G20 must continue to adapt and evolve to effectively address the ever-changing landscape of the 21st century. Its ability to do so will have a profound impact on the future of our interconnected world.

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