



The Role of G-20 in Perspective of Global Sustainable Development and Economic Growth

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Abstract

The Group of Twenty, commonly known as the G-20, has emerged as a pivotal player in the global economic landscape, bringing together major advanced and emerging economies to address pressing international issues. It has emerged as a crucial forum for addressing global economic fostering international cooperation. The G-20, comprising major advanced and emerging economies, was established in response to the 2008 financial crisis with to provide a platform for high-level discussions and policy coordination. Over the years, the G-20 has evolved into a key player in shaping the global economic agenda, with a focus on promoting sustainable development and nurturing economic growth. It serves as a platform for dialogue between the world's major economies, facilitating the exchange of ideas, information and best practices. Through its meetings and summits, the G-20 addresses important issues such as poverty alleviation, infrastructure development and inclusive growth. The G-20 plays an important role in coordinating economic policies to mitigate global challenges such as climate change, financial instability and health crises. This chapter provides an overview of the role played by the G-20 in the context of global development and economic growth, along with the challenges it faces in fulfilling this role.

Key words: G-20, Global development, economic growth, challenges.

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INTRODUCTION

The G20 (Group of Twenty) is an international forum composed of 19 countries and the European Union. It has emerged as an important forum to address global economic challenges and promote international cooperation. The G20 represents the world's largest economies and was created to bring together the most influential economies and promote international financial stability and economic cooperation. At the G7 summit in Cologne in June 1999, finance ministers recommended the establishment of the G20 to strengthen the international financial architecture and it subsequently began functioning.

It had been functioning as a regular forum for finance ministers and central bank governors since December 1999.

Following the 2007 global economic and financial crisis, the G20 was given the status of a head of state or government and in 2009 was named the "major forum for international economic cooperation".

The G20 is a forum comprising nineteen countries with some of the world's largest economies, as well as the European Union (EU) and, as of 2023, the African Union (AU). The countries are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom (UK), and the United States. Spain is as a permanent guest. The G20 countries list: --



Source: <https://www.google.com/imag023>

OBJECTIVES

- To investigate and clarify the specific roles and responsibilities assigned to the G-20 in the context of global economic governances.
- To evaluate the effectiveness of the G-20 in addressing key global challenges, such as economic disparities, climate change, and geopolitical problems.
- To examine the decision-making mechanisms within the G20 to understand how consensus is reached among member nations and identify potential areas for improvement
- Investigate the economic impact of G20 policies and initiatives effects on member countries and the global economy.
- Analyze challenges faced by the G20, such as conflicting national interests and the evolving nature of global issues

RESEARCH METHODOLOGY

The study is based on secondary data collected from a thorough examination of various relevant websites, literature, several books, national and international publications and private or public journals available on several websites and libraries that focus features on the G20.

G-20 Mechanism

- The G20 Presidency organizes and leads the summit for a year. The G20 has two concurrent tracks: the Sherpa Track and the Finance Track.(Each Head of State has a representative called a “Sherpa”) Track is assigned to each Head of State. The leaders of the Finance Track are Central Bank Governors and Finance Ministers, whereas the Sherpa Track is headed by Sherpa.
- The Sherpas of member nations, who serve as the Leaders' personal messengers, oversee the G20 process from the Sherpa perspective. The heads of the member nations' central banks and ministries of finance oversee the Finance Track. There are topically focused working groups within the two tracks, with participation from invited/guest countries, international organizations, and officials from the member states' relevant ministries.
- The Ministry of Finance is primarily in charge of the Finance Track. Throughout the duration of each Presidency, these working groups meet frequently. Over the course of the year, the Sherpas supervise negotiations, coordinating the G20's substantive work and debating Summit agenda items.

- There are Engagement Groups that bring together think tanks, women, youth, labor, corporations, and researchers from the G20 nations as well as representatives of civil society.

Role on Global Development and Economic Growth of G20

The G20, is an international forum that is a significant part in shaping the global economic landscape and has a substantial impact on various aspects of international relations, economic policies, and development. As a key player in the global economic governance architecture, the G20 has several important roles and responsibilities, which can be summarized as follows:

Global Economic Stability and Promoting Economic Cooperation

The G-20 offers a platform for the major economies to coordinate their approaches to the economy. This cooperation is necessary to address global economic issues, prevent financial disasters, and promote currency market stability.

Facilitating Policy Coordination

G20 facilitate policy coordination among its member countries and also addresses common challenges promoting policy coherence in areas such as macroeconomic policy, financial regulation, and Structural reforms. This can make it difficult to reach a consensus on key issues and to promote a coordinated and coherent approach to addressing global challenges.

Limited Representation and Inclusivity

The G20 represents only a small proportion of the world's countries and population, which can limit its ability to address the concerns of non-member countries and to promote a more inclusive and representative global economic governance system

Political Tensions and Conflicts

The G20's attempts to advance economic cooperation and stability may be hampered by the political tensions and conflicts that characterize the global environment in which it functions. For instance, the G20 has expressed serious concerns about trade tensions between the US and China and has questioned the efficacy of its attempts to advance an international economic system based on rules.

Insufficient Reaction to Global Issues

The G20 is facing criticism for its lack of initiative on important issues like inequality and climate change. The legitimacy and usefulness of the G20 as a forum for global economic governance has been questioned by some, who argue that the group has failed to prioritize these concerns and take meaningful action to address them.

Limited Options for Public Inspection and Accountability

The G20 primarily does its business behind closed doors, with little opportunity for accountability. This may cast doubt on the legitimacy and openness of its decision-making procedures and limit the chances for stakeholders and civil society to interact with the G20 on important financial and economic matters.

Trade Policy and Foreign Investment

By discussing and influencing international trade laws, the G-20 advances fair and unrestricted trade practices. This includes efforts to promote an open and transparent international trade framework and reduce trade restrictions.

Poverty Alleviation and Inclusive Development

The G-20 tackles problems in international development, such as inclusive growth, infrastructure development, and poverty alleviation. The G-20 seeks to establish global conditions for sustainable development through its talks and actions.

Sustainable and Climate and Environmental Policies

The G-20 holds talks on environmental sustainability in recognition of the effects of climate change on the world. The G-20 influences global efforts to address climate change and promotes sustainable development practices, despite not being a forum specifically for the environment.

World Health

As demonstrated by its actions during the COVID-19 pandemic, the G-20 has been instrumental in coordinating responses to health emergencies. This covers talks about global health security, healthcare infrastructure, and vaccine distribution.

Conversation and Diplomacy

High-Level Conversation: The G-20 gives leaders a forum for high-level diplomatic conversations. This conversation promotes mutual respect, collaboration, and the settling of disputes between the main economies.

Arrangements with Foreign Organizations

To address global economic challenges and support developing nations, the G-20 works closely with international financial institutions like the World Bank and the International Monetary Fund (IMF).

Influence on Global Governance

The global economic agenda is shaped by the G-20's decisions and discussions. International economic governance is often shaped by its policies and recommendations.

Challenges for G20 Countries

The G20 has several obstacles to overcome in its mission to advance cooperation, stability, and global economic progress. The G20 excludes 173 countries and lacks adequate transparency and mechanisms for participation by and accountability to these countries and important groups, such as civil society and parliaments. Among the major issues that the G20 nations must deal with are:

- 1. Uneven Economic Growth:** Although efforts to stimulate global economic growth have made headway, the rewards of this expansion have not trickled down to everyone. Many nations continue to struggle economically, with high rates of inequality and poverty.
- 2. Growing Protectionism:** Trade disputes between major economies and the tendency towards protectionism are important challenges facing the G20. The free trade and open market ideals that the G20 aims to further are undercut by this tendency.
- 3. Climate Change:** The promotion of a low-carbon and sustainable global economy is a key responsibility of the G20, and climate change is one of the most urgent global concerns. Still, a lot of G20 nations continue to mostly rely on fossil fuels, and progress in this area has been inconsistent.

- 4. Geopolitical Tensions:** One of the forum's biggest challenges is dealing with geopolitical tensions amongst G20 members, such as those between the US and China. It may be difficult to reach an agreement on crucial matters and compromise when there are conflicts amongst people.
- 5. Respecting the governance of global institutions:** The G20 often gives mandates to dozens of international organizations (such as the IMF, the World Bank, the Financial Stability Board and UN agencies). Where these mandates develop from full membership of international organizations, they can strengthen participatory governance. Otherwise, they circumvent and undermine existing governance structures.
- 6. Technological Change:** The rapid pace of technological change is transforming the global economy, but it also poses challenges for the G20. Many G20 countries face the risk of being left behind in the development of new technologies.

Conclusion

The G-20's perspective on global sustainable development and economic growth is instrumental in shaping policies and initiatives with far-reaching impacts. As a forum that brings together major economies, the G-20 has the potential to drive positive change and contribute to a more sustainable and inclusive world. However, the effectiveness of the G-20 in fulfilling this role depends on the commitment of its member nations to collaborative action and the implementation of policies that prioritize long-term global well-being.

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