

PLANS, PROSPECTS AND POSSIBILITIES FOR BRISBANE AND BEYOND

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I will provide a non-official view as to what I think should be the plans, prospects and possibilities for the Brisbane G20 summit in November 2014.

It is the view from an independent think tank and reflects my personal comments.

The title of this session refers to plans and possibilities for the Brisbane, 'and beyond'.

With deference to my colleagues from Turkey, let me start by saying in very general terms what I hope happens under the Australian chair in 2014 that will influence what lies beyond the Brisbane summit.

In short, I hope that the Australian presidency builds on the progress achieved by Russia in 2013 and strengthens the G20 such that it is a far more effective forum for international economic cooperation.

And in doing so, it helps address the common criticism that multilateral diplomacy is, if not dead, not showing much signs of life and that the best days of the G20 are behind it.

I hope that Australia hands over to Turkey a G20 process that shows multilateralism is alive and well.

And the best way this can be done is if the Brisbane summit makes substantive progress on some pressing, major international economic issues.

In doing so, Australia should adopt a very business- like, focused and targeted approach to chairing the G20 and provides a precedent for other chairs to follow.

What is the motivation for making the G20 a successful forum? It is much more than the national pride of the chair, be it Russia, Australia or Turkey, to run a successful G20 year.

The G20 is a process, not a series of independent annual events, and the world needs an effective process that brings together the leaders of the advanced and emerging markets to deal with international economic issues.

The world needs such a process now as it did in the midst of the global financial crisis in 2008.

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G20 economies are no less integrated than they were in 2008.

The world needs an effective G20, for the choice facing countries is between a largely global approach to economic problem solving, or a fractured and incoherent approach to dealing with common challenges, which will ultimately see globalisation, and all the benefits it has brought, break down.

But the mere existence of economic interlinkages and the interdependent nature of the global economy will not inevitably lead to effective economic cooperation.

Although as we have seen, a common major crisis can focus the mind on the importance of international cooperation. But will it last when the immediacy of the crisis has passed?

The reality is that the economic fortunes of individual countries are primarily determined by their own domestic policy settings and there is no domestic constituency for international economic cooperation.

This does not undermine the fact that countries are integrated and one country's domestic policy settings can have major spillovers on others. Moreover there are economic issues that cannot be solved by one country acting alone.

International economic cooperation does not come naturally or easily. It takes effort.

Given the diversity of G20 members, the chair has to make a particular effort at identifying and emphasising shared objectives and priorities as well as the mutual gains from collective action. This should be a priority for Australia in 2014.

Another priority is not to lose the inherent strength of the G20 which is the engagement of leaders from the major advanced and emerging markets. Leaders can lead. They can help resolve intractable global problems. But they have to be directly engaged, not just signing off on the work of officials.

The fact that they are some difficult problems confronting the global economy means that some political roadblocks have to be overcome.

This will be hard. It will take effort, but if the G20 truly is to be the premier forum for international economic cooperation it has to address such problems.

Without detracting on the valuable work undertaken in the G20 across a large number of issues, I believe the agenda for the Brisbane leaders' summit has to be tightly focused on some of the most important issues, or intractable problems, confronting the global economy.

In doing so, Australia should build on some of the key initiatives taken by the Russian chair and the progress I hope we see at the St Petersburg's summit.

Russia has framed its focus as chair of the G20 in 2014 on creating jobs and growth.

Given that global growth remains patchy, vulnerable and many countries continue to face unacceptably high levels of unemployment, especially youth unemployment, a focus on growth and jobs is appropriate.

But there are no silver bullets. Russia has, quite rightly, emphasised the need for all countries to advance structural reforms to lift productivity and create new sources of growth. It has also highlighted the importance of investment, including infrastructure investment, as a driver of growth and the need to have a domestic environment conducive to such investment.

And Russia has also highlighted the importance of strengthening the open trading systems and resisting protectionism in all its forms.

These are complex matters and progress must be extended over many years.

But one area I hope is a focus of the Brisbane leaders meeting is the importance of maintaining the multilateral trading system and a multilateral approach to trade liberalisation.

International trade has been a driving force behind the growth in the global economy and the development of countries. The expansion of international trade has been facilitated by a multilateral system that has helped set and police the rules of the game.

But the multilateral trading system is in trouble. If ever there was an intractable global problem, it was the failure to complete the Doha Development Round of multilateral trade liberalisation.

And we now face the prospect of global trading rules must be set in discriminatory mega trading blocks.

We hope that some progress is made at the WTO ministerial meeting in December, but I believe a priority for the G20 in 2014 is to breathe life back into the multilateral trading system and the WTO in a post Doha world.

I believe this should be a major priority of the Brisbane summit.

I also believe it would be a triumph for the G20 if it could build some momentum on climate change in 2014, specifically on the issue of climate change financing, in advance of the next meeting of the UNFCCC in 2015.

On other issues, I hope Australia continues with Russia's efforts to improve G20 communication.

It is essential for G20 leaders explain clearly and directly to their publics the relevance of the issues being pursued by the G20 to their lives and livelihoods.

Another objective should be to enhance transparency within the G20 and to continue to strengthen accountability.

Towards advancing these objectives, Australia should work to ensure that the Framework for Strong Sustainable and Balanced growth clearly forms the core of the whole G20 process and is not seen as a separate component of the finance stream.

The Framework provides the basis for clarifying objectives and priorities in the G20, pulling the forum's work into a coherent story and improving its transparency and accountability.

Australia should also continue with Russia's efforts at strengthening the troika process and the very active outreach program, especially the work with non-G20 countries, international organisations and communities within G20 members, including business, organised labour and civil society.

And coming from a think tank, I hope we see a significant strengthening of the Think 20 process and the contribution it can make for achieving meaningful outcomes from the Brisbane summit.

Again, building on the example of the Russian presidency, if Australia is to help ensure that the Brisbane summit achieves some significant outcomes and makes a major contribution to strengthening the G20 and multilateral diplomacy, it will require an intensive and co-ordinated 12 month campaign.

But if it successfully manages such a campaign in 2014, it will hand over a stronger and more effective G20 to the Turkish chair for 2015. And that will be to the benefit of all.