READING THE RHETORIC:

G20, ITS POLITICS AND WHAT THE 2023 PRESIDENCY MEANS FOR INDIA?

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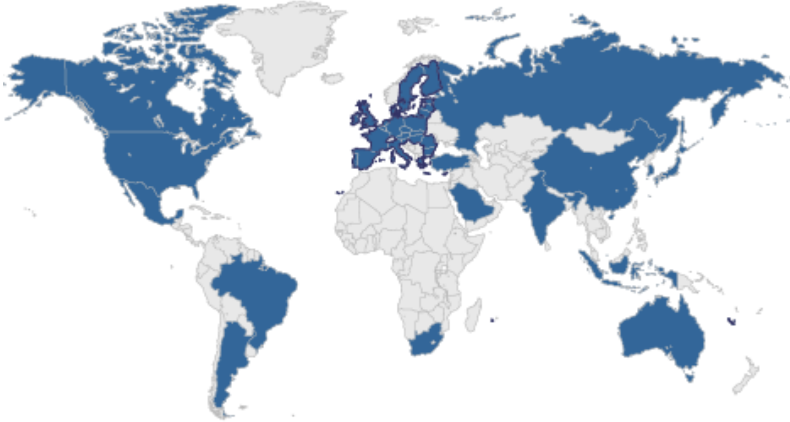
What is G20? Who takes part in it?

Founded in 1999, in the wake of the Asian Financial Crisis, the Group of Twenty (G20) was announced by the finance ministers of the Group of Seven (G7) as the forum for international cooperation on financial and economic questions and was supposed to act as a platform to unite finance ministers and central bankers from twenty of the world's largest established and emerging economies. However, the G20 meetings at the level of heads of state and government owe their existence to the 2008 financial crisis as a mechanism of crisis coordination for saving capitalism at the highest political level. Since then, the G20 leaders have met regularly, and the G20 has become the central forum for international economic cooperation.

The G20 is comprised of nations with the most advanced and emerging economies in the world: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States and the European Union. The G20 economies produce around 80 per cent of global economic output in terms of gross domestic product (GDP) adjusted for purchasing power parity and collectively account for three-quarters of global trade. China, the United States, Germany and Japan are the four largest exporting countries in the world. Of the 20 countries with the largest volume of exports worldwide, 15 are members of the G20. Two-thirds of the world population lives in G20 member countries.[1]

[1] Ministry of Statistics and Programme Implementation. (2018). *India Statistical Year Book*. New Delhi: MoSPI, Government of India.



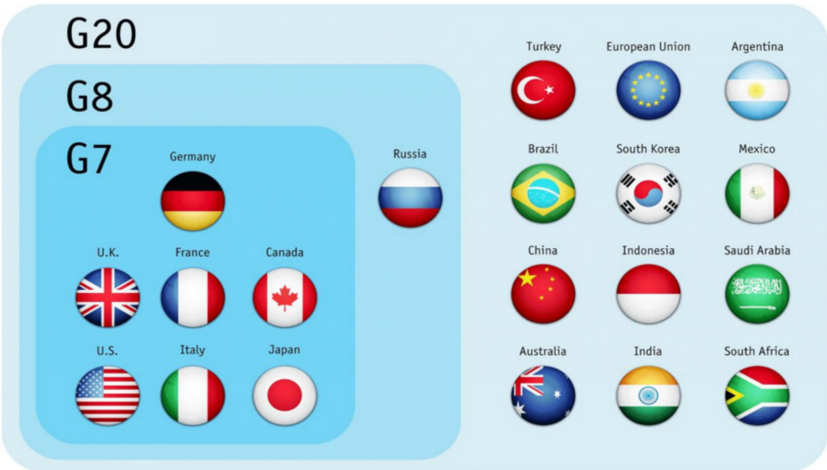
Source: BBC

At the invitation of each Presidency, many international organisations also regularly attend the G20 meetings. Some of them include the International Monetary Fund (IMF), the Financial Stability Board (FSB), the World Bank (WB), the World Trade Organization (WTO), the Organisation for Economic Cooperation and Development (OECD), the International Labour Organization (ILO), the World Health Organization (WHO), and the United Nations (UN). Each Presidency also invites certain nations to participate in the forum.

The terrain of expansion

When one reads in between the lines, the membership of the G20 or rather the expansion from G7 to G20 points towards a self-styled collegium that includes the developing countries only to gain legitimacy of the developed world's decisions. While retaining the imperialist core, the decision to have some countries over the others only draws in space for more questions. The inclusion of Russia and China was inevitable, especially now that the biggest dynamic player in global capitalism is China.

Noteworthy was the exclusion of the countries in the Middle East (inclusion of Saudi Arabia over Iran), Africa (inclusion of South Africa even though Egypt and Nigeria are larger economies) and Latin America (inclusion of Mexico, Argentina and Brazil and not Venezuela). At that time, these were countries that the US was/is uncomfortable with. The co-optation of the emerging economies during the time was a shorthand route to the G7's control of the multilateral institutions and with wider legitimacy and support from the biggest players in the developing world.



Source: Boell.de

However, the support from the currently represented developing world would be of value only if these countries were to push for the common interests or agendas of the third world. Given that the vast majority of the third world remains out of the G20 club's discussions, the G7 that has taken up the mantle to manage global capitalism is doing it undemocratically while practicing tokenism in the name of representation.

How does the G20 function?

The G20 is not a permanent institution with a headquarters, offices, secretariat or staff. The agenda and activities are all decided by the rotating Presidencies, in consultation with the member countries. Given the rotating presidencies and to ensure continuity, the system of 'Troika' is in place. The troika consists of the current host country, its predecessor and its successor. In 2021, Italy was the host country, Saudi Arabia (2020) was the predecessor and Indonesia (2022) assumed the presidency in December 2021. The 2023 Presidency will be held by India.

The G20 meetings happen in three major streams -

- the finance track,
- the sherpa track, and
- the engagement groups

In the finance track, the primary focus is on global economic and financial issues such as monetary, fiscal and exchange rate policies, infrastructure investment, financial regulation, financial inclusion, international taxation among others. In this track, the governments (through finance ministers) and central bank governors from these nations meet year-round at the ministerial level. Outcomes from the ministerial-level meetings are brought together at the annual G20 Summit, where leaders prepare and implement their decisions based on the findings in a communiqué.

The sherpa track focuses on broader issues of importance, including flagship issues like political engagement, gender equality, trade, sustainable development, debt etc., to legacy and priority agendas like the pandemic, climate change, disaster resilience, migration etc. The countries attend these meetings with representation from their respective emissaries and ministries.

The G20 summit each year experiences wider participation from different civil society stakeholders or social actors through the creation of engagement groups that are created by G20 member nations. They ought not to represent the government and are supposed to work as autonomous, independent groups. There are 8 major engagement groups as tabulated below -

Engagement Groups	Founded	Recognized by the G20	Members
Business 20 (B20)	2008	2010	Business interest group
Labor 20 (L20)	2008	2011	Trade unions and other employee representatives
Civil 20 (C20)	2008	2013	Civil society organizations
Youth 20 (Y20)	2010	2010	Youth representatives
Think 20 (T20)	2012	2012	Think tanks
Women 20 (W20)	2015	2015	Women’s rights organizations
Science 20 (S20)	2017	2017	Science and research representatives
Urban 20 (U20)	2017	2018	Mayor and Governors of major G20 cities

What are the functional agenda points and what transpires on the sides?

The G20 host (Presidency) plays a major role in setting the agenda for the year, which wields vast direct and indirect influence on what course the policy space within each country takes. Functionally, with every Presidency, multiple departments/ministries within a nation start planning together. 'Global economic governance' is almost no one ministry's mandate but, in fact, involves departments at multiple levels. From the ministries of commerce, energy, agriculture to the banking and securities regulators like the Reserve Bank of India and Securities and Exchange Board of India, all have deep stakes in the global financial architecture and regulations. It also requires deep interdisciplinary coordination on issues like the international monetary system, global trading and financial system, cross-border use of energy and resources or global climate and sustainability commitments.[2]

The role of the G20 is mainly to place pressure on the international community of stakeholders, to facilitate dialogue, and to institutionalize balance for the upkeep of the current interdependent market economies and global capitalism in general. In the existing structure of global governance, G20 can be seen as an informal norm creator of sorts, where most of the policy recommendations emanate out of a club governance format. To be tackled later in the briefing note is how this club governance format becomes all so powerful and is a major site of contestation in the global financial architecture.

[2] IMF Staff (with inputs form the OECD). (2017). *G-20 Report on Strong, Sustainable, and Balanced Growth*. Washington D.C.: International Monetary Fund. Retrieved from https://www.imf.org/external/np/g20/pdf/2017/100617.pdf

The G20's creation was motivated mainly by a financial crisis, and not by a war, which by nature implies that countries who are integrated in such a set-up are aware of their inter-dependence in finding and implementing solutions. Such inter-dependence is not only present in international finance, rather wider collaboration has been the key to the functioning of G20. The summits since the past few years have gone beyond the financial, economic, trade and development issues. Considering the current global problems, the summit's ambit has continued to expand its thematic focus connecting it better with issues of the economy.

The wide array of issues that a single convening has the appetite for is what makes these informal convening both special and subject to critique. The flexibility extends to the summits themselves, where bilateral meetings between heads of state and government often focus on issues outside the formal agenda. These tête-à-têtes, whether planned or impromptu, often grab headlines due to their diplomatic gravity. In many presidencies, bilateral meetings have created more headlines than the summit itself. G20 summits offer opportunities to develop such relationships and recast bilateral ties which often becomes a recipe for wider mistrust amongst other blocs, serving more fodder to foreign policy correspondents.

However, there is more to the agenda-setting than what appears to the bare eye. Very often the Presidents of the IMF and the World Bank are ex-officio invitees to the G20. Given that these entities are still controlled by the US, UK, EU under the dominant neoliberal knowledge function, the appearance of the representatives from the multilateral development institutions in such summits have a significant effect on the latter's functioning and policy decisions, deepening the impact on the fabric of the global financial architecture. In a situation where a lot of these institutions have not gone through any actual restructuring in their history of existence[3], the dichotomy of the developed and the developing is glaring.

Washington DC, London, Pittsburgh and the developments since

The 2008 G20 Washington summit was held amidst the economic crisis that erupted in 2007, most adversely affecting the developed world (i.e., US, UK, EU), was also a clarion call from these developed economies to recognize the inevitable. It was made clear that unregulated markets in a deeply interconnected world would only give rise to economic disasters of immense proportions. It was in 2008 that the first formal meeting of the G20 took place with the head of the state's convening to reach the Washington Declaration[4] -

- *"Reached a common understanding of the root causes of the global crisis;*
- *reviewed actions countries had taken and would take in the future to address the immediate crisis and strengthen growth;*
- *agreed on common principles for reforming their financial markets;*
- *launched an action plan to implement those principles and asked ministers to develop further specific recommendations that*
- *would be reviewed by leaders at a subsequent summit; and*
- *reaffirmed their commitment to free market principles"*

The affirmations listed above are emblematic of the temporality of this meeting and what was to be saved - capitalism! The follow-up Summit meetings were held in April 2009 in London and September 2009 in

[3] Chandrasekhar, C. (2009). G20 and the Global Power Balance [Blog]. Retrieved 23 October 2021, from https://www.networkideas.org/news-analysis/2009/10/ g20-and-the-global-power-balance/.

[4] Fact Sheet: Summit on Financial Markets and the World Economy". White House - https://georgewbush-whitehouse.archives.gov/news/releases/2008/11/20081115-4.html

Pittsburgh. It was the G20 Pittsburgh Summit that announced the group will become the new permanent council for international economic cooperation.[5]

The Washington, London and Pittsburgh meetings essentially led to IMF recapitalization and coordinated monetary and fiscal expansion. These meetings also set the stage for the purview of the G20 meetings, their engagement with the multilateral development institutions and alteration to the global financial architecture. All in all, these three summits set the stage for instrumentalizing the institutions that were part of the problem, trying to recycle institutions like the International Monetary Fund, Financial Stability Forum, Bank of International Settlements and Basel II.

For example, the Financial Stability Forum was revamped into the Financial Stability Board in April 2009 at the London Summit. The FSB was set up to address a gap in international financial coordination and governance which the other institutions (like IMF, WTO and World Bank) were not covering. Its mandate has been to respond to the increasingly globalized nature of financial transactions and operations, as capital moves freely around the world and as international banking becomes increasingly financialized and more removed from the real economy. It was thus seen as an equivalent organization of global economic governance, focused on supporting national financial regulators to regulate effectively to avoid systemic crises. Towards this aim and in practice, the FSB actively monitors, reports on and uses its 'name and shame' approach, to try and ensure that its members follow and implement its policy prescriptions fully. The countries in the Global South have every reason to be not happy with such an approach or entity. The perspective that the FSB holds is still influenced and dictated by the concerns of the industrialized Global

[5] Officials: G-20 to supplant G-8 as international economic council. (2009). Retrieved 23 October 2021, from http://edition.cnn.com/2009/US/09/24/us.g.twenty.summit/.

North and an economic and political ideology that gave rise to the baseline crisis of 1997 and 2008. Moreover, the power division within the organization is still predominantly inclined and aligned towards the rich countries of the West, albeit with some emerging countries also added in, still following a classic model of exclusive membership and global influence.

Another example of the same can be the IMF's role in bringing about the Asian financial crisis of 1997 by supporting the Asian countries to liberalize their financial sectors and giving space to the entry of speculative capital in a big way and eliminating all capital controls. Further pushing countries to exercise austerity and pro-cyclical measures at a time when greater government expenditure could have prevented the collapse of the private sector. Further to save the case, the IMF rescue fund was used for saving the foreign financial institutions instead of helping the crumbling economies. After years of its existence, traversing multiple crises and inflexion points in the global economy, the IMF still attaches strenuous conditions to loans to developing countries. Even in its Article IV reports, the Fund has constantly been involved in financial surveillance (that too of the inefficient kind) and has been furthering problematic policy prescriptions for the developing world.

At the level of advocacy and voices from the civil society, what also became central to these summits is that they were happening at the level of the head of the states and increasingly exclusionary for the masses and if at all, with dedicated space for power-friendly civil society actors. The G20 club in these three meetings has set a precedent for decisions and processes that are more about recycling rather than the fundamental restructuring of the global economy for a democratic, decentralized and deglobalized world economic order. Most of these summits, whether Washington, Pittsburgh, London, Melbourne, Paris or even the most recent one in Rome, are stuck at closeddoor conversations and press releases after the summit flooding with political jargons on collective action. Subsequently, various G20 summits have experienced protests and demonstrations on issues ranging from climate change to wars, from the refugee crisis to debt, by various citizen movements. While almost all G20 meetings witness protests, in some cases these demonstrations have also turned violent. Some specific cases being London (2009) or Toronto (2010).

The Global Economy and its coordination by the G20 - economic justice, where are thou?

Given the heavyweights who compose the G20 club, it remains important to understand what implications such a grouping has on the global economic and financial architecture. At a definitional level, the global financial architecture is the "collective governance arrangements at the international level for safeguarding the effective functioning of the global monetary and financial systems". The global financial architecture, as envisioned by the G20, comprises elements like global consensus on financial and regulatory systems, principles and practices on banking supervision, use of markets for applying some of these agreed principles and providing prescriptions for standard operating procedures of multilateral development institutions such as the IMF, WB and other MDBs.

However, there are several issues with the G20 leading any coordination process. Firstly, the G20 is not a united coherent body and is plagued with internal and compositional divisions. It is seemingly more democratic than the G7 but still is reflective of a self-appointed elite body functioning in a top-down manner, making up 80% of global economic output. It only leads one to question as to what macroeconomic coordination is being sought when some of the major countries from the global south are absent.

Like many groups of its kind, the G20 has a temporal genesis. The club in its teens has diversified itself to discussing issues that go beyond the economic policy frame, giving it a facelift as an intergovernmental political forum. However, like any other political forum, it has managed to only claim a high-profile talking shop rather than any substance on crucial agendas. Even if any seriousness was to be assumed, it will be important to see how presidencies are able to draw attention to the issues of the most vulnerable. Issues like climate change, just energy transition, equitable trade, third world debt are all issues that attract attention but end up having no substantial gains at best or neoliberal policy prescriptions, at worst.

Given these characteristics and when seen from the lens of economic justice, the G20 is a major obstacle in the process of democratization of economic governance. In many ways, it is at the core of power asymmetries and political economies that currently dominate the global division of labor and organization of institutions that continue to amplify that division of labor and are symbols of the ossified neoliberal ideologies of the world. G20's formation was an attempt at derailing and undermining an attempt to establish a similar level of coordination under the United Nations setting precedence for a process that juxtaposes and sometimes even contraposes itself with the UN processes of economic governance.

G20 and the Indian economy

Framing guidelines for the regulation of the financial sector and benchmarking regulatory best practices has been one of the primary methods of achieving a coordinated response and international consensus under the aegis of G20. The efforts towards this end have been in place since 2009 when the Financial Stability Board was formed. Rechristened (and in some ways reformed) against the backdrop of the ongoing fallout of the 2008-09 financial crisis, the Financial Stability Board (FSB) is a successor to the Financial Stability Forum (FSF). FSF was set up a decade earlier by 12 powerful industrialized countries as a response to the 1997 Asian Financial Crisis. Owing to the limited buy-in, authority and impact on the global system, FSF failed its stated goals. Though still limited, the now fully functional FSB has a broader membership, a stronger mandate and a more concrete and developed organizational structure than its predecessor.

By definition, the FSB is mandated to promote international financial stability and it was established to:

- *"Assess vulnerabilities affecting the global financial system as well as to identify and review, on a timely and ongoing basis within a macroprudential perspective, the regulatory, supervisory and related actions needed to address these vulnerabilities and their outcomes.*
- *Promote coordination and information exchange among authorities responsible for financial stability.*
- *Monitor and advise on market developments and their implications for regulatory policy.*
- *Monitor and advise on best practices in meeting regulatory standards.*
- *Undertake joint strategic reviews of the international standard-setting bodies and coordinate their respective policy development work to ensure this work is timely, coordinated, focused on priorities and addresses gaps.*
- *Set guidelines for establishing and supporting supervisory colleges.*
- *Support contingency planning for cross-border crisis management, particularly with regard to systemically important firms.*

- *Collaborate with the International Monetary Fund (IMF) to conduct Early Warning Exercises.*
- *Promote member jurisdictions' implementation of agreed commitments, standards and policy recommendations, through monitoring of implementation, peer review and disclosure."* [6]

Set-up to fill the void that the IMF, the World Bank and the WTO couldn't, FSB's existence became part of the G20 financial sector reform initiatives aiming at fortifying prudential oversight, improving risk management, promoting transparency, and reinforcing international cooperation. The FSB is answerable to periodically report to both the Finance Ministers and Central Bank Governors and to the Heads of State and Governments at the annual G20 Forum.

Coming to the national settings, since 2009 itself, India has taken the steps towards aligning itself to the FSB recommendations year after year. Some of these recommendations at the time (like regulating bankers' compensation as a measure of abundant caution, tightened regulation on shadow banks, reforming over-the-counter derivative trading etc.) were not entirely necessary to the Indian landscape and were rather made mostly in good faith. So much so for the global financial architecture, the big players among the G20 have been seen to be inactive on these recommendations, often failing to coordinate their tapering programs with the developing world, sometimes even to the detriment of countries like Argentina, Brazil, Turkey, and the Philippines. The Indian banking sector is very different from the rest of the G20 nations whereas the recommendations provided by the FSB have always been

[6] *About the FSB*. fsb.org. (2022). Retrieved 23 October 2021, from https://www.fsb.org/about/#mandate.

emblematic of 'one size fits all' solutionism. To give an example, there is no clear evidence as to whether banking distress can be avoided and if banks can be made more resilient with the adherence to the Basel Core Principle of higher capital requirement, though they remain important on grounds of adherence. While the banking sector in India has been significantly liberalized starting in 1991, before which the regulations took the form of asset allocation through cash requirements, requirement to hold government securities and lending to the priority sector, interest rate ceilings, entry barriers, etc. However, the sector still remains under the purview of prudent regulations.

The FSB has had a great influence over the Financial Resolution and Deposit Insurance (FRDI) Bill, which was tabled in the Lok Sabha in August 2017 only to be withdrawn in August 2018 for "further comprehensive examination and reconsideration". Its stated aims, as defined in the drafting committee's reports, were to "contribute to the stability and resilience of the financial system, protecting consumers up to a reasonable limit and protecting public funds to the extent possible." The FRDI bill was subject to ample scrutiny across the board in relation to the security of the depositor's savings. Many links have been levelled against FRDI Bill's provisions and the various requirements and policy recommendations of the FSB in its report titled, 'Key Attributes of Effective Resolution Regimes for Financial Institutions'[7] with the critics pointing out several instances and details in the FRDI bill being taken directly from FSB prescriptions, without any modification or adaptation or taking into account the peculiarities of the Indian scenario.[8] In its essence, the

[7] Financial Stability Board. (2022). *Key Attributes of Effective Resolution Regimes for Financial Institutions*. Retrieved from https://www.fsb.org/2014/10/key-attributes-of-effective-resolution-regimes-for-financial-institutions-2/

[8] A Battle Won, The War Looms at Large: Statement on the Withdrawal of Financial Resolution and Deposit Insurance Bill. (2022). [Blog]. Retrieved 3 January 2022, from https://www.cenfa.org/statements/statement-on-the-withdrawal-of-frdi-bill/.

aforementioned report was customized for a scenario where private entities dominate the banking sector and get involved in spiraling speculative activities and not for a scenario where public owned banks cater to a large section of small depositors, pensioners and working-class savings.[9] This bill was seen an assault on the RBI's regulatory powers making it easy for the proposed Resolution Council (RC) to sell, merge, and liquidate financial institutions including PSBs with a much contested bail-in provision to impoverish the depositors of their hard-earned savings to compensate for losses emerging from corporate defaults. This design seems very familiar to the vision that the IMF, WB and by extension the developed nations within G20 hold for the developing countries while as usual neglecting the precise needs of the financial landscape of the country in question.

Similar assaults have been a regular feature in India, if not via tabled bills than through neoliberal policy prescriptions. The recently repealed farm laws are a good example of the same. The three Farm Bills[10] were essentially reorienting the way agricultural markets are regulated in India and pushing in the neoliberal reforms with an explicit corporate bias. The World Bank in its 2008 report, "India – Taking agriculture to the market",[11] promoted the complete deregulation of the agricultural marketing system. The report called for the continuation of the reforms initiated during the 1990s when the country undertook a structural adjustment program (SAP) under the IMF and World

[9] Athialy, J. (2018). FRDI Bill is a problem, not a solution [Blog]. Retrieved 3 January 2022, from https://www.cenfa.org/npas/frdi-bill-is-a-problem-not-a-solution-2/.

[10] Ramakumar, R. (2021). Farm laws and 'taxation' of farmers. *The Hindu*. Retrieved 3 January 2022, from https://www.thehindu.com/opinion/lead/farm-laws-and-taxation-of-farmers/article33845343.ece.

[11] World Bank. (2008). *India - Taking Agriculture to the Market*. Washington D.C. Retrieved from https://openknowledge.worldbank.org/handle/10986/7919

Bank. Without doubt, IMF's 2018 Article IV report[12] considers the MSP to be a market distortion that skews farmers' production decisions, adds to inflation, and enlarges the fiscal burden. However, this understanding of fair prices as being market distorting has been ruling the roost in WTO negotiations too. India and many developing countries have been keeping a strong front on the issues of subsidies. The 12th WTO Ministerial would see all of these issues coming to the fore. The G20 Agricultural Ministerial that took place in September, 2021 sent out the following statements as part of the Communiqué summary[13] -

> *"We highlight the importance of open, transparent and predictable trade, consistent with World Trade Organization (WTO) rules, to enhance market predictability, increase business confidence, and allow agri-food trade to flow so as to contribute to food security and nutrition…….We will continue to guard against any unjustified restrictive measures that could lead to excessive food price volatility in international markets, which could threaten the continued recovery of all facets of the global food supply chain and more broadly food security and nutrition. We agree that emergency or recovery measures in the context of the COVID-19 pandemic must be targeted, proportionate, transparent, and temporary; that they do not create unnecessary barriers to trade or disruption to global food supply chains; and are consistent with WTO rules."*

This general understanding of the Communiqué stands as a prescription for country systems in India as to how they should organize and run their

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[12] International Monetary Fund. (2018). *Article IV Consultation— Press Release; Staff Report; and Statement by the Executive Director for India.* Washington, D.C. Retrieved from https://www.imf.org/en/Publications/CR/Issues/2018/08/06/India-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-Executive-46155

[13] G20 Information Centre. (2021). *2021 Communiqué: G20 Agriculture Ministers' Meeting.* Retrieved from http://www.g20.utoronto.ca/2021/210918-agriculture.html

agriculture sector and feed into global supply chains while completely disarming the country's food system of sovereignty and well-being.

The TRIPS waiver is on the table for discussion for the 12th WTO Ministerial. The ensuing negotiations will have a wide-ranging impact on driving out or choking the Global South in the pandemic induced mess. Not just India, but South Africa and Bangladesh, supported by many other developing countries have been supporting the TRIPS waiver. This is not just in relation to the COVID vaccine but this waiver will have wide-reaching implications on healthcare access in the most vulnerable parts of the globe.

These and many other instances of strong influences of a seemingly informal club makes one question if these parallel systems of economic governance are serving to the detriment of the countries in the global South, rather than giving them a coordinating space to make their voices count. While some are systematically too important to be left out of the membership, there are others that face the pressure of the sub-imperialist set-up, because the global south poster boys often get fizzled into neoliberal entanglement of the developed world.

2021: What happened during the Italian presidency?

From December 1st, 2020 until November 30th, 2021 Italy held the presidency of the G20. The G20 culminated with the Leaders' Summit happening in Rome on 30th and 31st October 2021. The presidency's agenda rested on three pillars: People, Planet, and Prosperity. Given the temporal context, the Italian Presidency and the European Commission also organized the Global Health Summit on 21st May 2021.

In light of the havoc ravaged by the pandemic, the 2021 summit was very important for it is assumed that the decisions taken in such high-level summits will make the rest of the world follow roost. Especially because in such circumstances the international community is required to show courage and ambition while tackling some of the great challenges of our times – from recovering from the pandemic to addressing climate change, from supporting innovation to overcoming poverty and inequality.

However, the Summit fell short in fulfilling its agenda of identifying and implementing shared coordinated and equitable responses. Case studies of climate change, vaccines access, regulating finance, inequality etc. are all emblematic of this failure.

The pandemic required a global response, the most typical action agenda for the G20 could have been vaccine and treatment access and robust and coordinated economic reboot to build back better. However, the proposals by the Presidency fell short of action because the terrain of the debate was inclined towards protecting intellectual property rather than being equitable access driven as it had most of the developed world's support. Only India and South Africa decided to take a stance against these kinds of protections in the time of deadly emergency. The intent to help get 70% of the world population vaccinated by mid-2022 still has no concrete plan of action. The supply and finance constraints remain for most of the third world given the massive failure of generic support for technology transfer, insufficient donations of doses, and voluntary licenses.

Even in the case of planetary emergency, the G20 has only contributed to imperialist sabotage of climate policy by successfully tokenizing the sub-imperialist layer. The 2015 Paris Climate Agreement mandated cutting greenhouse gases, a graceful and just transition, redressing social injustice, and financing planetary and social survival – none of these goals was concretely addressed in the COP-26, which itself largely remained a failed case with too many vague promises and platitudes. The same has been the case with financing adaptation in vulnerable countries, lacking targets and a strict time frame. All in all, the heavyweights from within the G20 have decided not to heavy lift.

The opportunity to address issues around just recovery out of the pandemic induced recession and debt trap existed this time around. However, this too was a lost opportunity with no bold action in the frame. Mounting debt in developing countries has tremendous implications as countries tend to channel resources towards debt repayment rather than social welfare. The rich countries and multinational organizations continue to extract resources from the world's poor. While debt sustainability is discussed only in relation to better IMF monitoring of potential debt distress risks, however, there are no discussions about how to handle a situation where debt is unsustainable. In absence of debt restructuring at the global scale and with existing approaches of strong lender bias, the situation can easily spiral into a global catastrophe.

As the rhetoric goes, the most powerful world leaders met and consensually decided on inaction on some of the pressing issues.

On the Finance Track: Some key issues for the upcoming Presidencies

Debt crisis: In April 2020 the G20 established the Debt Service Suspension Initiative (DSSI) which gave some 43 countries breathing space by allowing them to postpone payments to public creditors, without changing the net present value of those countries' debts. In November 2020, a Common

Framework for Debt Treatments beyond the DSSI came in, which allows the 73 low-income countries that are eligible for the DSSI to request debt restructuring.

The infusion of liquidity has pretended to address part of the problem, insolvency is still an issue and would possibly start hitting the roof again at the moment when the period of suspension would be completed. Hence, the framework for debt solution is a failure by design because it continues to be a tribunal of creditors and does not recognize the systemic nature of the debt crisis and its roots in the global division of labor. Moreover, many middle-income countries need relief too but are not eligible and have already lost access to the capital markets and many developing countries are experiencing continuing net capital outflows[14], and the pandemic-aid money provided by international organizations is being used to repay private creditors[15]. Hence the debt issue requires a more systematic approach and a multilateral initiative towards debt cancellation and sovereign debt workout mechanism, essentially a conversation that is geared towards truly just, green and inclusive recovery.

IMF Special Drawing Rights: IMF's most recent issuance of $650 billion Special Drawing Rights in August 2021 to be distributed among countries in proportion to their IMF quotas is way less than required essentially leading to paltry amounts in the kitty of the third world. Out of 190 member countries of the IMF, the share of 55 rich countries will be $375 billion while 135 ~~relatively poorer countries will get~~ only $275 billion[16]. More importantly, all of

[14] Munevar, D. (2021). *A debt pandemic: Dynamics and implications of the debt crisis of 2020*. Brussels: Eurodad. Retrieved from https://www.eurodad.org/2020_debt_crisis

[15] Munevar, D. (2020). *Arrested Development: International Monetary Fund lending and austerity post Covid-19*. Brussels: Eurodad. Retrieved from https://www.eurodad.org/arrested_development

[16] Patnaik, P. (2021). IMF's Issue of Fresh SDRs [Blog]. Retrieved 3 January 2022, from https://peoplesdemocracy.in/2021/0926_pd/imf%E2%80%99s-issue-fresh-sdrs.

this money will go as payments to private financial institutions that have been creditors to the third world.

This issue is more of a bubble that is ready to burst, only to make it clear for the world as to how the present allocation only benefits the current power structures of the international financial institutions. If anything, these SDRs service the existing debts for many countries. Moreover, it is increasingly clear how the mechanism for the allocation of the unused SDRs will not be consistent with the nature of SDRs as reserve assets.

The whole issue of Special Drawing Rights is only one of the many systemic issues that in its current form plague the IMF. The IMF as an institution is important in many respects and hence the issue of its governance reform should be at the top of the agenda.

Global Tax Framework: It is commendable that the efforts for tax reform are being put in place and that the race to the bottom in corporate tax rates will prospectively end. However, the tax deal crafted by the OECD, then ratified by the G7 and further endorsed by the G20 is far from historic and displays a very low level of ambition and negligible fairness. For one, the issue concerns the global tax regime and needs to be taken up in a truly multilateral and democratic space under the aegis of the United Nations to inspire a new definition of a tax convention. Because currently, only 139 countries have agreed despite significant reservations because of the drafters' take-it-or-leave-it-approach. Moreover, the minimum tax rate of 15% is too low to provide any deterrence to the multinational corporations from profit-shifting.

The tussle between the home country and source country still remains and makes one question what is fair given the level of extraction happening in the developed world particularly concerning the MNCs' interest earnings, royalties, service payments, and capital gains. The demand from the developing world has been consistent in relation to meaningful reallocation of taxing rights to the source countries. It will be important to see how this plays out in the next few months because currently, the deal is far from fair.

Sustainable Finance: There would be a very strong element of sustainable finance on the agenda as it has been booming for quite a few years in all international economic discourses. There has been an approach of greenwashing that attempts to impose significant conditionalities on development financing while completely shifting the attention from the common but differentiated responsibility (CBDR) principle. In some ways, the discussion around sustainable finance remains a false discussion and requires a strong narrative to follow. Climate finance as an issue will gain a lot of traction as it would be the hotbed for a lot of investment geared towards adaptation and mitigation bringing in some legacy issues to the table.

What remains important is that these conversations are not captured by nationalist strands and should have enough space to go into the crux of the matter.

Trade: While fair commodity prices and terms of trade have been on the agenda for a long time. While there was no one to pick the pieces of the Doha Round of negotiations after the 2008 financial crisis. One would have thought that countries like India would have used their position in G20 to articulate their strong views on restarting the Doha negotiations and getting an early outcome to the problems that the developing countries face because of the unequal treaty that was negotiated at the Uruguay Round. In the trade arena, things are far from fair but the opposition of the TRIPS waiver by many G20 countries and the negative impacts of the current investor-state dispute settlement mechanisms would be issues to look out for. Moreover, legacy issues like technology transfer, intellectual property rights regime, fisheries and agricultural subsidies should be brought back to the table. India will have an opportunity to push for a fairer trade mechanism in both bilateral and institutional settings.

Interfaces: The finance track would be very important for the G20 summits and its interface with health and trade will be some important engagement areas. With the suggestion of the Global Health Board and the Global Health Fund, the observers need to be careful what other contra positioning is taking place and present a critique of these vis-a-vis a truly multilateral set-up.

2023 Indian presidency and the challenges to the Indian civil society

It is important to ask as to what India's role would be sitting on this high table - will it bring some important issues to the table for discussion or will it yet again help legitimize the decisions taken in the G7 processes. It will be important to also see how some of the crucial issues of the third world are framed and whether the summit itself ends up being that of vague promises and platitudes while not taking any independent positions and floating with the developed world. Even more important is the role of civil society to push for these issues to be seen and addressed.

First and foremost, it is important to articulate a very strong, outside of the room people's narrative that is vocal and visible. It is not easy to be engaged in this process as part of civil society organizations for more than one reason. First, why and how do progressive and radical movements participate in a process that they do not recognize as legitimate in the first place? In such cases, the organizing bodies should make clear that they do not consider G20 as a legitimate governance space and all the issues under discussion should be deliberated in truly multilateral settings in order to balance the current power asymmetries in global economic governance. This aspect of course leaves very little space for advocacy because the progressive civil society is in fact contesting and exposing the solutions forwarded by the G20.

Another challenge would be that of actual participation simply because there is not enough space for civil society organizations to advocate for solutions as the process is opaque and inaccessible with no real opportunity to engage with the G20 countries other than the discussions with the presidency. This has particularly been the case with the finance track.

Lastly, the challenge is that of coordination. G20 for several years, especially in the C20 process, has seen power-friendly organizations ready to jump into cheerleading roles. This often leads to inconsistency and diversions in civil society messages across the board. Situations of this kind require determination and clear political positioning, more so when there would be some divergences in national and international political positions. It is also important to bring out the question of southern leadership. It would be a mistake to assume that southern leadership in this context would necessarily be progressive because a lot of governments in the Global South have embraced neoliberalism, are part of the international financial capital, and can very well be positioned as part of the global authoritarian elites (given the inequality figures across the India, Brazil and South Africa).

While the existing mess, semi-paralysis and inaction in the official summit might hold the ground as the leaders show very little imagination and commitment, clearly, the idea would still be to put together broken pieces and further push timelines for action. This situation, however, is neither desirable nor sustainable for we are nearing a crisis of unimaginable scale on multiple fronts. The most important task at hand would be to scale up the level of contestation of the illegitimacy of the decision-making system based on the rule of the powerful and the rules of a few and find out a combination of strategies from within and outside the process to do so.

While civil society exists to challenge the status quo, it is also important to engage with the process, not necessarily within but definitely against the process. The level of contestation needs to increase against some of these institutions because when the forces of globalization hit the national space, it becomes increasingly difficult to resist the normative power that comes with them.

It is important for the Indian civil society that deliberations leading to the 2023 summit begin in an inclusive manner and are grounded in national material contexts and spearheaded by an internationalist perspective so that we are able to break away from our own sub-imperial positionalities. The attempt should be to build from the below and beyond borders.

Notes:

Centre for Financial Accountability (CFA) engages and supports efforts to advance transparency and accountability in financial institutions. We use research, campaigns and trainings to help movements, organisations, activists, students and youth to engage in this fight, and we partake in campaigns that can shift policies and change public discourse on banking and economy.

We monitor the investments of national and international financial institutions, engage on policies that impact the banking sector and economy of the country, demystify the world of finance through workshops and short-term courses and help citizens make banks and government more transparent and accountable, for they use public money.

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