The clock is ticking on G20 preparations

Mike Callaghan

Australian Financial Review

23 September 2013

In 13 months the Prime Minister will welcome world leaders to Brisbane for the G20 summit. Surely this is not something the new government needs to worry about now when it has so many other pressing issues?

Far from it. Australia takes the chair of G20 in just over two months and will need to hit the ground running. The clock is ticking down when it comes to preparations and the government will have to run hard to catch-up. The new ministry has a Minister Assisting the Prime Minister for the Centenary of ANZAC, and that is in 2015. Why not a Minister Assisting the Prime Minister on the G20? He needs one.

The G20 summit will be the biggest international economic meeting ever held in Australia, with 25 leaders and seven heads of international organisations attending. It needs to be a success. Not only because of national pride, but because the world needs an effective forum for international cooperation. Yet many believe the best days of the G20 are behind it and it is on the slide. This should be a particular concern for Australia, for if the G20 fails to deliver it will be replaced by a smaller forum that will likely exclude Australia. We had better make sure the Brisbane summit is a success.

What should the new government do?

First, release a concept paper outlining Australia’s approach to chairing the forum immediately on assuming the G20 chair on December 1, 2013. The message should be that the process will be targeted, streamlined, pragmatic and most importantly, results-oriented. The G20 has become too clunky and bureaucratic, with leaders largely endorsing reports by international organisations or officials.

Second, the Prime Minister should contact as many G20 leaders as soon as possible. Good personal relations with fellow leaders will be vital if progress is to be made on some difficult international issues. Tony Abbott should use his attendance at the APEC summit in Bali early next month and the East Asian Summit Brunei Darussalam a few days later to speed-date as many G20 leaders as possible.
Targeted agenda needed

Third, keep leaders engaged. Leaders involvement in the run-up to summits is now limited. It is just another international meeting on their busy schedules and their briefing starts when they get on the plane to attend. This was not the case in the initial summits when the immediacy of the crisis focused minds on the importance of achieving outcomes. Australia needs a targeted agenda that engages leaders in making substantive progress on some difficult, but important issues. But the Prime Minister will need to continually keep leaders engaged though phone calls and visits. Why not suggest some video conferences with G20 leaders, perhaps based on time zones?

Fourth, outline the priorities for the leaders’ summit as soon as possible. This should be based on the idea of a “twin track” G20, with work continuing across the existing broad agenda, but leaders focusing on a few key priorities. But the Prime Minister has to “own” the agenda. They cannot be the priorities of officials. Mr Abbott has to be committed to making progress on some difficult issues, that will require some tense negotiations.

With that caveat, what should be the priorities for leaders? First, develop a “G20 coordinated growth strategy”. The G20 no longer has a consistent growth narrative, countries are not singing from the same song sheet. At the St Petersburg summit leaders requested finance ministers to come forward at Brisbane with growth strategies. Developing the “Brisbane 20 Growth strategy” should be a priority.

Second, breathe life into the multilateral trading system. Given the failure of Doha, the trend is towards mega-regional trading blocs that discriminate against emerging markets and developing countries. The Brisbane summit should begin the process of resurrecting the multilateral trading system in a post Doha world. Third, maintain momentum in combating tax evasion and avoidance. This was one of the main achievements of St Petersburg, but it involved the endorsement of high-level principles. The ball has been passed to Australia and it has to show progress on what is a complex and contentious issue. And Australia should prioritise the involvement of developing countries in this exercise for it is vital to their prospects. Fourth, get serious on climate change. The G20 cannot do the work of the UNFCCC, but if it is the premier forum of global economic cooperation it should provide some momentum for making progress at the next UNFCCC conference in 2015.

These are all difficult issues. That is why Australia needs to get cracking with its preparations for the Brisbane summit.

Mike Callaghan is director of the G20 Studies Centre at the Lowy Institute for International Policy and a former executive director at the Australian Treasury