

G-20 for Dummies

What is the G-20?

The [G-20](#), or the Group of Twenty, is a forum which promotes discussion between industrialized and developing countries on issues of global economic stability. It was created in response to the global financial crisis of the 1990s and to the realization that developing countries were not fully included in international economic dialogue and governance. It is made up of finance ministers, central bank governors, and heads of state from nineteen of the world's largest economic powers, as well as the European Union. Altogether, the G-20 nations make up 90% of the world's gross national product, 80% of the world's trade, and two-thirds of the world's population. Representatives of [International Monetary Fund](#) [IMF] and the [World Bank](#) also participate in G-20 meetings. Together, they aim to support growth and development around the world by strengthening and promoting international financial relations, as well as providing open dialogue on international cooperation and financial institutions.

The G-20 has no permanent staff and rotates its chair each year, with the United Kingdom serving as the chair in 2009 and South Korea as the chair in 2010. They typically meet once a year in different locations, with the next summit scheduled for September 24-25, 2009 in Pittsburgh, PA. Originally scheduled to take place in New York, Obama decided on Pittsburgh as an example of economic revival and regeneration.

Member Nations

- Argentina
- Australia
- Brazil
- Canada
- China
- France
- Germany
- India
- Indonesia
- Italy
- Japan
- Mexico
- Russia
- Saudi Arabia
- South Africa
- South Korea
- Turkey
- United Kingdom
- United States

Why is the G-20 Important?

In this new era of interdependence, national economies are closely related to one another and financial changes in one country affect the global economy. In such conditions, it is imperative that the world's economic powers work together to strengthen and improve the institutions that govern the international financial system. In addition, nations must work to foster growth and development in the countries where it is most needed. Since its creation in 1999, the G-20 has made progress on a range of economic issues, such as agreement on policies for growth, reducing abuse of the financial system, dealing with financial crises, and combating terrorist financing. In previous summits, G-20 countries have committed to higher standards of transparency, reached a consensus on the global financial system and global economic development, and outlined the reform of international financial institutions such as the IMF and World Bank.

What is on the G-20 Agenda This Year?

The [upcoming summit in Pittsburgh](#) will be the final meeting in a series of three forums on financial markets and the world economy. It will evaluate the success and effects of measures that were taken in the [latest G-20 summit](#), held in London on April 2, 2009, and determine what more can be done. The main long-term goals, as outlined in the London summit, follow:

- To strengthen financial regulation to build trust.
- To stimulate growth and employment.
- To reform and improve the financial sector and systems in order to restore lending.
- To fund and reform international financial institutions such as the International Monetary Fund, the Financial Stability Forum, and the World Bank.
- To promote global trade and investment and reject protectionism.
- To establish an inclusive, green, and sustainable economy.

There are also a few other issues so far that have been set on the agenda of the Pittsburgh summit. For example, UK Prime Minister Gordon Brown will present ideas on further IMF reform that will allow the IMF to intervene sooner when countries are faced with economic crises. Also, President Obama has said that the sound and stable recovery from the global economic crisis will be a major goal of the Pittsburgh summit

Our Key Recommendations

- Citizens for Global Solutions urges the G-20 to fulfill its goals on climate change. During the London summit, G-20 countries agreed to “make the best possible use of investment funded by fiscal stimulus programs towards the goal of building a resilient, sustainable, and green recovery,” but little was done to advance this goal. The G-20 nations should remember these undertakings and make strong, concerted efforts to implement green policy.
- In addition, foreign aid has been drastically cut during past financial crises. As the G-20 countries discuss ways to mitigate the current economic downturn, they must not abandon their aid pledges. Reflecting on this, U.N. Secretary General, Ban Ki-moon said: "By some estimates, annual aid to Africa is at least \$20 billion below the promises made in... 2005. Surely, if the world can mobilize more than \$18 trillion to keep the financial sector afloat, it can find more than \$18 billion to keep commitments to Africa."

As the final meeting in a series focused on the issues facing the global economy, the upcoming G-20 summit in Pittsburgh will decide the conclusive action on the financial crisis, international banking system, and IMF reform. All countries and institutions involved must seriously assess the efforts they have taken, as well as maintain those responsibilities into the future. In order to make the most of this decisive summit, the G-20 must keep all of its goals in mind and look to the roots of the problems facing the global economy today. The problems facing the world's economy can only be addressed through the collective pursuit of a long-term solution.

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For more information, please contact Abigail Long, Programs Coordinator, at along@globalsolutions.org, or (202) 546-3950 x105; Don Kraus, dkraus@globalsolutions.org, or (202) 330-4103.