

Human Centric Development: An Outlook for the Indian G20 Presidency

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Abstract

Over the last two decades, the G20 has emerged as an effective response mechanism to global crises. It has become a leading forum of the world's major economies that seeks to develop policies to address global challenges. In doing so, the G20 has evolved in both, terms of the underlying process as well as the variety of topics that are on the agenda and the number of stakeholders that are involved in the process. The scope of discussion under the G20 has expanded over the years to include both financial and non-financial issues.

The G20 provides a forum for both developed countries and emerging market economies to deliberate on issues and priorities for the global economies at large. It also often allows the space to build coalitions with other likeminded countries and takes up causes on behalf of economically weaker countries. India is designated to take on the presidency of the G20 in 2023, the first time since the forum was elevated to the leaders' level in 2008. India's presidency in 2023 will be a unique opportunity for India to shape global economic governance and contribute to the global agenda with its own priorities and ideas. There are several challenges, however, which India, like other emerging markets, confronts. Besides the task of formulating inclusive opportunities for the post COVID era, the country needs to resolve the rising border tensions with China. Further, there is a continued threat from the monetary policies of select advanced economies and coupled with oil price volatility, it creates financial vulnerabilities among emerging markets. In addition to the established themes of trade, financial regulation, climate change etc., India can lead on several issues that hold domestic importance.

This paper identifies and examines some of the emerging issues in selected areas such as trade and investment, development, employment and corruption, faced by the G20 members to suggest an outlook for the Indian Presidency. The paper is based on inputs collected during the ICRIER G20 conference and an examination of the existing information and documents related to the G20, available in the public domain.

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1. Introduction

The Group of Twenty (or G20 in common parlance) was formed in 1999 in the aftermath of the Asian financial crisis as a forum for dialogue between the finance ministers and the central bank governors of 19 countries and the European Union in order to respond to the crisis. Such meetings at the leader level go back to the 1970s. In the beginning, the discussions were limited to a small group of five industrialized economies—France, Germany, Japan, the United Kingdom (UK), and the United States (US) - and on topics that were of immediate relevance to them. Thus, the oil price shocks of 1973 and 1979 and the collapse of the Bretton Woods system of fixed exchange rates were the early items on the agenda. This group, called the Group of Five, or G-5 transpired into the G7 to include Canada and Italy in the mid-1980s. In 1998, Russia also joined, creating the G8. Macroeconomic policies reviewed in the G7 context included exchange rates, balance of payments, globalization, trade, and economic relations with developing countries. Over time, the focus of G7 and subsequently the G8 on macroeconomic policy coordination expanded to include a variety of other global and transnational issues, such as the environment, crime, drugs, AIDS, and terrorism (Nelson 2018)².

As growth momentum shifted towards Asia and emerging markets, it became necessary to design a more inclusive platform to reflect global shifts in economic and political power. G20 naturally includes a much larger set of countries that together constitute an overwhelming share of global GDP and global population compared to either the G7 or G8. With time, G20, has emerged as a premier leaders-led stage to address the challenges confronting the global economy, by promoting short-term as well as long-term solutions to support human prosperity and well-being. For emerging economies, such as India, G20 has served as a unique global institution championing a global economic architecture that seeks to achieve even-handed outcomes. The representation of both developed and emerging countries ensures that the G20 provides a just platform for the latter to manifest their economic, political and global leadership on par with the former.

Until 2008, the G20 was a forum where finance ministers and central bank governors met to ensure coordinated policy responses to financial challenges and discuss issues related to the reform of global governance that affected the world economy. After the 2008 financial crisis, the meetings were elevated to the summit level with heads of state meeting once annually (or twice in the first few years), with more frequent meetings at the level of finance ministers and central bank governors.

The G20 summits, convened under a system of rotational presidencies, provides a platform to discuss major world economic issues. The run-up to the summit involves a preparatory process with several ministerial and working group meetings and discussions channelled on two tracks – the Finance track and the Sherpa Track.

² Kathuria and Kukreja (2019)

- The Finance Track enables finance ministers and central bank governors of member states to come together and deliberate on issues of prominence to the financial sector.
- The Sherpas' Track focuses on non-financial issues, covering a range of social and political issues, including topics related to international trade and investment, employment, development, agriculture, corruption, climate change, and energy.

Over time, the Sherpa Track became a crucial workstream for G20 leaders to address concerns related to the international political economy. It became important for G20 leaders to focus on the real economy and to develop measures for comprehensive economic growth and development, beyond the exigencies of global financial markets. Every year, the G20 Presidency sets its priorities, which includes a list of issues under both the Finance and the Sherpa Track.

While continuity of issues is maintained in each subsequent summit, priorities under the Sherpa Track evolve, depending on the priorities of the host country. The G20 Sherpa Track has widened extensively over time and now various Working Groups, Ministerials, Taskforces, and Study Groups, among others collectively inform the agenda and progress of the G20 Sherpa Track (see Table 1).

Table 1: List of WG/ Ministerials/ Taskforces and other Forums under the G20 Sherpa Track

S. No	Particulars
<i>Working Groups</i>	
1	Anti-Corruption Working Group
2	Development Working Group
3	Employment Working Group
4	Energy Transitions Working Group/ Energy Sustainability Working Group
5	Energy Sustainability Working Group/ Climate Sustainability Working Group/ Climate Stewardship Working Group
6	Trade and Investment Working Group
7	Health Working Group
8	Tourism Working Group
<i>Taskforces</i>	
1	Digital Economy Task Force
<i>Ministerials</i>	
1	Agriculture Ministers
2	Foreign Affairs Ministers
3	Science, Technology and Innovation Ministers
<i>Joint Ministerial Meetings</i>	
1	Health and Finance Ministers
2	Digital and Trade Ministers
3	Education and Labour & Employment Ministers
<i>Forums</i>	
1	Steel excess capacity ministers/ Global Forum on Steel Excess Capacity

Source: Compiled by authors.

The G20 derives its credibility from its ability to engage key stakeholders beyond its membership through various engagement groups, such as the B20 (businesses and private sector), C20 (civil societies), T20 (think-tanks) and W20 (women-led groups and organizations), among others. In addition, there is constant involvement and support from international organisations such as the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), the World Bank (WB), the World Trade Organization (WTO) and the United Nations (UN), among others.

Till date, 15 G20 Summits have been concluded. These Summits have been hosted by different G20 member countries, including the US, the UK, Canada, South Korea, France, Australia, Turkey, China, Argentina and Saudi Arabia, among others (see Table 2 for a complete list). Thus, both developed countries and emerging market economies have taken the opportunity to host the G20 Summit and assume the Presidency on a rotational basis.

Table 2: List of G20 Summits

S. No.	Presidency	Host City/ Province	State/	Date of Summit
1	United States	Washington		14–15 November 2008
2	United Kingdom	London		2 April 2009
3	United States	Pittsburgh		24–25 September 2009
4	Canada	Toronto		26–27 June 2010
5	South Korea	Seoul		11–12 November 2010
6	France	Cannes		3–4 November 2011
7	Mexico	Los Cabos		18–19 June 2012
8	Russia	St. Petersburg		5–6 September 2013
9	Australia	Brisbane		15–16 November 2014
10	Turkey	Antalya		15–16 November 2015
11	China	Hangzhou		4–5 September 2016
12	Germany	Hamburg		7–8 July 2017
13	Argentina	Buenos Aires		30 November – 1 December 2018
14	Japan	Osaka		28–29 June 2019
15	Saudi Arabia	Riyadh		21–22 November 2020

Source: Compiled by authors.

In November 2020, the 15th G20 Summit was held (virtually) in Riyadh, Saudi Arabia. It also marked the start of the Italian Presidency. The 16th Summit is scheduled on 30-31 October 2021 in Rome, Italy. This will be followed by the Indonesian Presidency (2022) and the Indian Presidency (2023).

2. Emerging Priorities for Indian Presidency

As India prepares to take over the Presidency in the coming years³, various priorities have been identified and discussed at several forums. Initial discussions at different T20 and other platforms reflect that Indian Presidency is likely to focus on 'Human Centric Development'.⁴ Given the large size of the Indian population and the growing concerns of the global economies, the Indian Presidency may focus on some core issues affecting human beings, all across the world. Some of the pertinent areas identified in this regard include:

- a. Livelihood and Future of Work
- b. Sustainable Development
- c. Access to Resources through Open Trade
- d. Good Governance

These issues are already being discussed under the G20 as a part of different workstreams. For instance, the issue of sustainable development is being discussed at large under the Development Working Group (DWG), the discussions on the issue of livelihood and future of work are being discussed under the Employment Working Group (EWG), access to resources through open trade is being discussed under the Trade and Investment Working Group (TIWG) and good governance is being discussed under the Anti-Corruption Working Group (ACWG).

Given this background, this paper examines the indicative priorities for the upcoming G20 Presidency. In doing so, the paper discusses the Progress of the relevant working groups, which is responsible for the discussion on the identified issues. It then examines the current status and the international outlook of the particular issue. Going further, the paper discusses India's position on that particular topic. Based on these, the paper makes observations regarding the upcoming challenges, which could be prioritised under India's Presidency in 2023.

This paper is based on secondary research and information gathered and presented from G20 meetings and discussions.⁵

a. Livelihood and Future of Work

Providing decent jobs and employment opportunities have been a priority area for the G20 from the very beginning. While the first summit in Washington DC in 2008 focused almost exclusively on the financial system, at the London summit, G20 leaders acknowledged the role of employment in achieving a sustained recovery. Since then, jobs and skills became a focus of every G20 Leader's Declaration. G20 employment and labour ministers have met periodically to define strategies and exchange best practices to address persistently high unemployment rates and related G20 labour market challenges. A G20 Task Force on Employment was set up in Cannes in 2011 to support the G20 labour ministerial process, which was then transformed to a standing Employment Working Group in 2014, which began functioning since the 2015 G20 Summit in Turkey.

³ As per the latest information, India is scheduled to take on the G20 Presidency in 2023.

⁴ Views presented at ICRIER's 12th Annual International G20 Conference held on 4-8th October 2020.

⁵ With particular reference to ICRIER's 12th Annual International G20 Conference held on 4-8th October 2020.

IOs and engagement groups have also played a key role in pushing for specific issues in the area. Among the engagement groups, while B20 and L20 have been important, of late, the Y20 and W20 have become quite prominent. ILO particularly has been influential in getting the issue of Decent Work in discussion. After the global financial crisis, emphasis was laid on getting people back to job, so, the focus was on quantity. ILO was of the view that quantity is not enough. It should also be quality jobs, which was welcomed by countries. While OECD and some of its members use the word “Quality”, whereas old G20 members and especially the emerging countries see the word “Decent Work” more attuned to the challenges of sustainable development: SDG 8 is on Decent Work. IOs have majorly called for more ambitious and coordinated actions by the G20. They supported the issue of labour demand, employment quality, workers’ rights and social dialogue. Social protection is a key issue followed closely by the ILO but continues to be a difficult issue because of wide differences in social protection systems and approaches at the G20. Therefore, so far there has not been any commitment to something very concrete on social protection. But with COVID19, it is expected that the issue will be picked up. Women’s participation in the labour market is another area that ILO has been looking at. It has more or less been a priority depending on the presidency and something that ILO has been arguing about. There are some other issues which IOs have been focusing on, but they do not impact all members equally, such as transition from the informal to the formal economy, which for ILO is a key issue but there hasn’t been work in detail on this on how to achieve it. In last 3-4 years, Future of Work has gained traction and expected to continue, going forward. Also, global supply chains are an area of focus.

Progress of the Employment Working Group

A severe labour market crisis, particularly among the youth, emanating from the 2008 global recession, led to political turmoil in many G20 countries, paving the way for a strong consensus within the forum on collective actions. At the third G20 summit in Pittsburgh in September 2009, G20 leaders recognised the need to put quality jobs at the heart of the recovery process and agreed to support robust training efforts as part of their growth strategies and investment. The member states also committed to adopting key elements of the Global Jobs Pact by the International Labour Organisation (ILO).⁶ On the recommendation of the G20 leaders, the ILO, in partnership with other international organisations, employers and workers, developed a training strategy that was submitted to and welcomed by the leaders at the fourth G20 summit in June 2010 in Toronto.⁷ The G20 Training Strategy drew on international experiences and put forward the “essential building blocks of a robust training strategy”.⁸

⁶ G20 Leaders Statement: The Pittsburgh Summit, September 24-25, 2009

<http://www.g20.utoronto.ca/2009/2009communique0925.html> (accessed on 2 December 2020).

⁷ ILO “A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy”, November 2010 <https://www.oecd.org/g20/summits/toronto/G20-Skills-Strategy.pdf> (accessed on 2 December 2020).

⁸ ILO “A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy”, November 2010 <https://www.oecd.org/g20/summits/toronto/G20-Skills-Strategy.pdf> (accessed on 2 December 2020).

At the next summit in November 2010 in Seoul, building on the G20 Training Strategy and based on the conceptual framework laid down by it, leaders pledged to continue to support national strategies for skills development, within their overarching focus on development.⁹ The labour and employment ministers meeting took place amidst historically high global unemployment levels. G20 stressed on efforts to raise educational attainment levels and the quality of education, combined with increased focus on skill development and on-the-job training. In order to boost labour mobility, improvement in social protection systems was emphasised. The discussion was taken forward by France when they took over the presidency in 2011. One of their main priorities was to support employment by strengthening the social dimension of globalization. It was observed that the global recovery has weakened, and unemployment is high and therefore growth must be accompanied by jobs and so the leaders decided to create a G20 taskforce on employment, with a focus on youth.

In 2012, at the Los Cabos summit, Mexico prioritized economic stability and structural reforms for growth and employment. After the introduction of a G20 taskforce on employment by the French presidency, this was the first presidency to which the taskforce provided inputs, on a number of issues pertaining to youth employment. Besides youth employment, quality jobs, especially social protection was an area that held significant importance at the ministerial.

Quality jobs remained an issue of importance at the G20 thereafter and when Russia took over in 2013, it placed quality jobs as a priority item for the G20 to deliberate on. The ministers committed to adopt measures for labour market integration of youth, women, unemployed and disabled, with an overarching objective of creating more and better jobs. Recognizing the ongoing growth, labour, employment and social challenges, labour and employment ministers in 2014, during the Australian presidency, recommended the establishment of an employment working group. The focus on quality jobs and Decent Work continued during the Turkish presidency in 2015, under the broad theme of “Inclusiveness”. Youth employment was also a priority area and an increased willingness of businesses helped Turkey get consensus on a numerical target for reducing youth unemployment (15% by 2025), as specified in the G20 Policy Principles for Promoting Better Youth Employment Outcomes, widely came to be known as the Antalya Youth Goal. G20 Turkey 2015 also came out with the G20 Skills Strategy.

In 2016, China took over as the G20 Chair and stressed on Innovation as one of the main themes. A greater emphasis was laid on entrepreneurship and vocational training. It was the first presidency to bring Entrepreneurship on the table and led the G20 that year to publish the G20 Entrepreneurship Action Plan. Taking forward its agenda of vocational training and enhancing employability, the G20 published Policy Recommendations to Enhance Employability and G20 Initiative to Promote Quality Apprenticeship. Recognizing the importance of inclusive growth, China had also put equitable and sustainable security system on its agenda and led the G20 to bring out Policy recommendations for promoting more equitable and sustainable social protection systems. The German presidency, in 2017, placed a particular focus on quality of women’s employment and on the labour market integration of migrants and recognized refugees. Future of work was another priority area. Recognizing the

⁹ G20 “Seoul Development Consensus for Shared Growth”, G20 Seoul Summit, June 2010 <http://www.g20.utoronto.ca/2010/g20seoul-consensus.pdf> (accessed on 2 December 2020).

importance of adherence to fundamental labour, social and environmental standards, the German presidency, for the first time, introduced Sustainable global supply chains into the agenda and led the G20 to intensively address the topic. G20 came out with the G20 statement on the Global prevention Initiative 'Vision Zero Fund'. Significant number of inputs in the area were also provided by the IOs.

Argentina recognized the importance of technology on productivity growth, jobs and inequality and focussed on Future of Work as the key priority agenda for the 2018 summit. With technology and its impact at the fore, an increased emphasis was placed on education and job quality. Acknowledging the relevance of the issues, the G20 came up with Policy principles for promoting labour formalization and decent work in the Future of Work and in the platform economy; G20 Strategy to eradicate child labour, forced labour, human trafficking and modern slavery in the world of work and the G20 principles for the labour market integration of persons with disabilities.

Japan assumed the G20 presidency in 2019, and one of their priority areas was Ageing populations, which was acknowledged by the leaders who came up with the G20 policy priorities towards active ageing. T20 Japan even introduced a specific taskforce focussing particularly on Ageing. Japan's emphasis on aging was due to domestic factors, as it is relatively advanced in terms of aged population. Saudi Arabia in 2020 focussed on youth and prioritised preparing youth for transitions to work, social protection and application of behavioural insights policy for transitioning labour market.

Current State and Issues related to Employment

With remote work becoming the new norm, a global reappraisal of the care economy, forced digitalisation and increasing automation, the world of work is transforming. New occupations are emerging and replacing others¹⁰, and as they become more digitised and knowledge-based, the skills and competencies required are evolving as well. As a result, a set of emerging roles will gain significantly, even as another set of job profiles become increasingly redundant. Amidst the pandemic, as huge numbers of displaced workers with limited skills seek to regain their livelihoods and employers struggle to hire people with the right skills set, it is imperative for the G20 to devise strategies to strengthen the global skilling ecosystem. This will enable workers to regain incomes and achieve career goals by securing quality jobs while catering to the needs of the employer and the job. In the past, the G20 has actively engaged in bridging the gap in skilling, training and employability¹¹. It is expected that the G20, through collective actions and coordinated policies, will take the lead in seeking short- and long-term solutions to the global issue of the widening skills gap.

One of the most substantial impacts of the growing skills gap is on youth employability. Unemployment rate among the youth across all G20 countries (13.1 per cent in 2017) is on average 2.5 times the overall unemployment

¹⁰ Roy Maurer, "New Types of Jobs Emerge from Covid-19," *SHRM*, 18 June 2020, <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/new-types-jobs-emerge-from-covid-19.aspx> (accessed on 2 December 2020).

¹¹ Alessia Zucchetti, Cristóbal Cobo, Josephine Kass-Hanna and Angela C. Lyons, "Bridging the Gap between Digital Skills and Employability for Vulnerable Populations," G20 Insights Policy Brief, 14 June 2019, https://www.g20-insights.org/policy_briefs/bridging-the-gap-between-digital-skills-and-employability-for-vulnerable-populations/ (accessed on 2 December 2020).

rate¹². In developing countries, two-thirds of all young people are either unemployed or trapped in low-quality jobs¹³. Therefore, a significant challenge in all G20 countries is to enhance the responsiveness of education and training mechanisms to the changing skills requirements, and simultaneously improve access to skills development processes. Any skill development process is a shared responsibility, as it affects all stakeholders. A whole-of-government and multi-stakeholder approach is needed for effective policy implementation. The G20 has an opportunity to prove it is an influential global forum for collective action. World leaders need to cooperate and ramp up joint efforts in equipping the workforce with the skills necessary for future jobs.

Upcoming Priorities for the Providing Livelihood and Future of Work

As a young nation, with about 62 per cent of its population in the working-age group (15-59 years) and more than 50 per cent below 25 years¹⁴, India has great potential to drive growth on the back of its working-age population¹⁵. However, this large and young labour pool could prove to be a double-edged sword. Although India's demographic dividend is an opportunity for higher growth, it has not translated into productive employment for young workers¹⁶. A mere two per cent of India's total workforce is skilled, compared to 96 per cent in South Korea, 45 per cent in China, 55 per cent in the US, and 74 per cent in Germany.¹⁷

The lack of adequate skills and education levels, coupled with the shortage of jobs, will impede India's growth¹⁸. Moreover, India's higher education sector has failed to equip workers with the skills and competencies required in the global knowledge economy¹⁹. The unemployment rate among India's educated was estimated at 11.4 per cent by the 2017-18 Periodic Labour Force Survey²⁰. According to the 'All India Council for Technical Education' (AICTE), over 60 per cent of 800,000 engineers graduating from technical institutions across the country each year remain unemployed²¹. According to the 68th round of the National Sample Survey, 68 per cent of graduates and 53 per cent of

¹² International Labour Organization, "G20 Facts and Figures", 2018, https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/multilateral-system/g20/WCMS_565183/lang-en/index.htm#:~:text=The%20unemployment%20rate%20in%20G20,than%20the%20overall%20unemployment%20rate (accessed on 2 December 2020).

¹³ Youth 20 Australia, "Y20 Submission for the G20 Labour and Employment Ministers Meeting", Australia, 2014, https://docs.education.gov.au/system/files/doc/other/y20_employment_ministers_submission-101114_0.pdf (accessed on 2 December 2020).

¹⁴ "A Report on Labour Market Information System", Agriculture Skill Council of India, <http://asci-india.com/pdf/Report-on-LMIS.pdf> (accessed on 2 December 2020).

¹⁵ Anumeha Singh, Bavna Batra, Chaitali Mukherjee, Shashank Tripathi and Blair Sheppard, "Demographic Dividend or Nightmare: A Three-Part Strategy for Addressing Massive Entrants to the Workforce", G20 Insights Policy Brief, 2018, https://www.g20-insights.org/policy_briefs/demographic-dividend-or-nightmare-a-three-part-strategy-for-addressing-massive-entrants-to-the-workforce/ (accessed on 2 December 2020).

¹⁶ Prateek Kukreja, "Skill Mismatch and Returns to Education in Manufacturing: A Case of India's Textile and Clothing Industry", ICRIER Working Paper No. 364, September 2018, https://icrier.org/pdf/Working_Paper_364.pdf (accessed on 2 December 2020).

¹⁷ Pravir Arora, "Faster, Stronger, Better: Integrating Skill-Training with EQ Development", *People Matters*, 29 January 2019, <https://www.peoplesmatters.in/article/skilling/importance-of-integrating-skill-training-20650> (accessed on 2 December 2020).

¹⁸ Dev and Venkatanarayana (2011); Kumar, Mitra and Murayama (2012); Mitra and Verick (2013)

¹⁹ Majumdar (2008); Sengupta (2017); Kukreja (2018); PLFS – 2017-18

²⁰ PLFS 2017-18

²¹ Sengupta (2017).

postgraduates from general education backgrounds were unemployed; so were 45 per cent of graduates or postgraduates and 51 per cent of graduate or postgraduate diploma holders from technical fields.²²

At the G20 forum, India has always been supportive of skills and employability of young people. During the Turkish summit in 2015, leaders agreed on a target of reducing people who are 'Not in Employment, Education or Training (NEET)' by 15 per cent by 2025. While India had some reservations about the target, it was keen on having policy principles on youth employment. However, this year in Saudi Arabia when discussion took place regarding monitoring of the Antalya target, which hadn't been done earlier due to reservations from India and some other countries, there was a very good consensus on the need to report every year on the target.

Despite a sizeable share of India's population (62 per cent) being in the working-age group, half do not contribute to any economic activity²³. On the sidelines of the 2015 G20 summit in Turkey, India and the UK partnered with the other G20 countries to tackle youth unemployment by sharing best practices and boosting skills and training opportunities. But India appears to be lagging far behind the youth employment target set by G20 countries in Turkey. In 2009, under the National Policy for Skill Development and Entrepreneurship, the Indian government aimed to skill 402 million workers by 2022 to meet the emerging requirements of Indian industry and become a global hub for trained workforce²⁴. Estimates show that India is far from achieving this goal. With the economic consequences of COVID-19 likely to be protracted, India must learn from the past experiences of other G20 countries on tackling the issues of skills shortages and youth unemployment. For instance, Germany successfully eased labour market entry through an extensive dual education system that combines subsidised classes at vocational institutions with on-the-job apprenticeship training²⁵. Given India's burgeoning skills crisis, it must make skills development and youth employability core priorities when it takes over the G20 presidency in 2023.

India has been one country that has really been pushing for the discussions on the migration at the Employment Working Group, which is a sensitive issue. The issue of migration has now been taken out of the employment working group and has been brought up to the Sherpa level, so labour migration could be discussed with broader migration issues. As the COVID-19 pandemic progresses globally, the G20 has started addressing part of the needs of the migrant groups most affected by the pandemic by i) extending work and residency permits; ii) implementing policies to address migrant worker shortages; iii) addressing

²² Sengupta (2017).

²³ PLFS – 2017-18

²⁴ Ministry of Skill Development and Entrepreneurship, Government of India, "National Policy for Skill Development and Entrepreneurship", 2015, <https://www.msde.gov.in/sites/default/files/2019-09/National%20Policy%20on%20Skill%20Development%20and%20Entrepreneurship%20Final.pdf> (accessed on 2 December 2020).

²⁵ Graeme Young, "Replicating Germany's dual education system would provide young people with a realistic, affordable and attractive path to productive employment", *Policy Options Politiques*, 1 May 2018, <https://policyoptions.irpp.org/magazines/may-2018/lessons-from-germany-on-youth-employment-policy/> (accessed on 2 December 2020).

vulnerability by ensuring access to COVID-19 treatment; and iv) facilitating return migration.²⁶

b. Sustainable Development

The coverage of development agenda in the G20 has evolved over the years. The focus of the initial summits was to respond to the financial crisis and carved a path to economic recovery and restoring growth. The first G20 Summit, which took place in Washington in the year 2008, was called upon by the (then) President of the United States to discuss issues in financial markets and global economy.²⁷ While the focus was on the ongoing financial crisis, the leaders at the Summit did discuss issues related to global health emergencies²⁸, expressed the desire to eradicate hunger and promote security interests. Moreover, in the Summit Declaration, the G20 leaders reaffirmed the importance of the MDGs, particularly from the perspective of developing countries and the role of development assistance commitments made by developed countries and emerging markets in achieving these. Additionally, the members did acknowledge the importance of overcoming other critical challenges including energy security and climate change, food security, the rule of law, and the fight against terrorism, poverty and disease. The subsequent summits in London, Pittsburgh and Toronto the G20 members reaffirmed their commitments to achieve the Millennium Development Goals (MDGs) including the country-specific commitments with respect to development assistance, aid-for-trade and debt relief, among others.²⁹ The Framework for Strong, Sustainable and Balanced Growth launched under the Pittsburgh Summit and carried forward under the Toronto Summit, renewed the focus on strengthening support for the most vulnerable sections and extended the discussion to other developmental issues such as finance for small and medium enterprises (SMEs) and the discussion on food security. Despite the reference, the issue of developmental goals was discussed under the first few summits from a developed country perspective, with a greater focus on responsibilities than experiences and actionable plants. This was evident from the repeated emphasis on the role of developmental assistance in achieving the MDGs.

Progress of the Development Working Group

A key point of inflection in the G20 process was marked with the South Korean Presidency in 2010, as South Korea was the first country outside the G8 to Chair the G20 Summit. G20 leaders in Korea in 2010 placed development issues firmly on the G20 agenda for the first time, with the establishment of the Development Working Group (DWG)³⁰. They adopted Multi-Year Action Plan (MYAP) on Development and Seoul Development Consensus for Shared Growth, calling for a partnership between rich and poor countries on nine pillars. Since then, the DWG meetings have been held

²⁶ Migration Data Portal (2020) "The G20 and Migration", 27 November 2020.

<https://migrationdataportal.org/themes/g20-and-migration>

²⁷ See the Statement by the Press Secretary of the White House made on 22 October 2008, accessible at <http://www.g20.utoronto.ca/2008/2008announcement.html> (accessed on 21 August 2020).

²⁸ Largely HIV/AIDS initiative, known as PEPFAR

²⁹ See G20 Global Plan for Recovery and Reform released in London, April 2009, accessible at <http://www.g20.utoronto.ca/2009/2009communiqu0402.html#recovery> (accessed on 2 December 2020).

³⁰ See the speech by South Korean President at the World Economic Forum in Davos, 2010 accessible at <http://www.g20.utoronto.ca/2010/lee-davos.pdf> (accessed on 2 December 2020).

every year and a wide range of issues such as sustainable development; food security and nutrition; financial inclusion and remittances; domestic resource mobilization; infrastructure; human resource development, among others, were discussed.

Building on the agenda set by Korea, in 2011, France aimed to set the foundations for strong and balanced growth, building resilience and exploring new ways of cooperation by working towards the Seoul Development Consensus. The agenda in France turned to specific sectors, as initiatives in infrastructure, food security, and green growth were launched. High Level Panel on Infrastructure submitted its recommendations to the G20. The Mexican presidency in 2012 placed sustainable development, green growth and climate change as priorities. The leaders introduced the idea of inclusive green growth (IGG), supported multilateralism through multilateral reform and agreed on supporting infrastructure investment.

Russian presidency placed specific focus on Development with “Development for All” as one of its priority areas. Russia decided to refine the G20’s approach to Development as mentioned in the St Petersburg Development Outlook. Some core priority areas for the G20 Development Agenda were identified to guide future work, by retaining the nine pillars of MYAP and adding inclusive green growth. Another major development was the endorsement of the post-2015 High level panel report. Building on the core areas highlighted by Russian presidency, Australia prioritized financial inclusion, domestic resource mobilization and infrastructure. Australian presidency endorsed a Global Infrastructure Initiative to be implemented with the support of Global Infrastructure Hub. Leaders also published the G20 Food Security and Nutrition Framework and hosted three major meetings on this issue: Meeting on Agricultural Market Information System (AMIS); Meeting on G20 OECD Framework for Analyzing Policies to Improve Agricultural Productivity Sustainably; Meeting of G20 Agricultural Chief Scientists (MACS).

Under its overarching priority of inclusiveness, Turkey in 2015 defined its presidency as representing the interests of low income, least developed, and SSA countries and introduced inclusive business into the G20 agenda as a priority. The leaders agreed on an Implementation plan for the G20 Food Security and Nutrition Framework agreed in Australia and published a G20 Action Plan on Food Security and Sustainable Food Systems.

Recognizing the historical global consensus on the 2030 Agenda for Sustainable Development, China placed that as one of the key agenda items in 2016, leading the G20 to form consensus on a G20 Action Plan on the 2030 Agenda for Sustainable Development. Work was advanced on the issue of inclusive business as well as on industrialization in Africa and LDCs. Innovation was another priority area, culminating into the G20 Innovation Action Plan.

In 2017, Germany expanded the G20 agenda by introducing global health and partnership with African countries as priorities apart from Climate Change and 2030 agenda. Building on the G20’s Action Plan on the 2030 Agenda for Sustainable Development, German presidency published the Hamburg Update, emphasizing on central role of the high-level political forum on sustainable development and other key UN processes towards achieving the sustainable development goals (SDGs).

The G20 Chair Argentina in the year 2018 prioritised infrastructure, sustainable food future and fairness of global tax systems for the summit. Recognizing the importance of addressing infrastructure financing gaps, the leaders endorsed the Roadmap to Infrastructure as an Asset Class and the G20 Principles for the Infrastructure Project Preparation Phase.

In 2019, Japan took over and expanded the focus of infrastructure to bring in quality infrastructure into the agenda and in led the leaders to endorse the G20 Principles for Quality Infrastructure Investment, in accordance with the Roadmap to Infrastructure as an Asset Class. Further, Recognizing the importance of science, technology and innovation (STI) for SDGs, Japan endorsed the Guiding Principles for the Development of STI for SDGs Roadmaps.

Current Status and Issues related to Sustainable Development

According to International Monetary Fund's (IMF's) latest World Economic Outlook estimates, global growth is projected at -4.4 per cent for 2020, representing the deepest global recession in decades. The COVID-19 pandemic, which spread at an alarming speed has almost engulfed the entire world by infecting millions and causing thousands of deaths globally. Furthermore, it has brought economic activity to a near-standstill as countries around the world have been forced to impose tight restrictions on movement to cease the spread of virus. The impact of the pandemic on the global economic activity has been much worse than anticipated, and the recovery is expected to be gradual. As the virus continues to spread, the economic downturn seems inevitable and could in fact embody the largest economic shock the world has seen in decades. As per the recent World Bank estimates, while the advanced economies are projected to shrink by 7 per cent in 2020, emerging markets and developing economies are expected to contract by 2.5 per cent. China is expected to register the lowest growth in more than four decades, as its GDP is projected to grow at merely one per cent in 2020. India, on the other hand is projected to contract by a significant 3.2 per cent, which represents an even greater dip than the South Asia's average of 2.7 per cent.³¹

Over the last few years, countries across the globe have witnessed advances in various dimensions of material well-being. The gross domestic product (GDP) per capita in real terms, has more than doubled in low- and middle-income countries since 1990, life expectancy has increased from 63.2 years to 68.6 years in developing countries, and in some cases, the gap in gender parity in primary education has narrowed³². At the same time, however, economic progress has come with negative social and environmental outcomes. The global population is touching 7.2 billion, with around 75 million people getting added every year,³³ and a huge chunk of the world continue to live in poverty and deprivation.

³¹ World Bank (2020): Global Economic Prospects

³² UNDP, *Strategy for Inclusive and Sustainable Growth* 2017, New York, 2017

³³ Jeffrey Sachs Blogpost on "The Age of Sustainable Development", posted on International Growth Centre on February 10, 2015

G20 has been one of the first multilateral forums to give both emerging market economies and developed countries an equal footing. Over the years, the G20 has aligned its own development agenda with both global priorities, and the development needs and targets of G20 members. The G20 has an existing framework to coordinate on developmental issues through interactions of specialised ministers from its members. With the adoption of the SDGs, their roles and responsibilities were aligned with the global agenda. Thus, the G20 provided a common platform for countries to undertake collective actions and learn from each other in making individual progress towards fulfilling the SDGs.

While some progress has been made by the G20 members in achieving the goals, both individually and through their collective actions and commitments, no country is on-track to achieve the SDG targets. In order to gauge the performance of countries on the 17 SDGs agreed by the international community in 2015, The Sustainable Development Report 2019 provides an SDG index by estimating country-wise SDG scores. These scores signify a country's position between the worst (0) and the best (100) outcomes. No country seems to be on track to achieve the targets, as even the high performing G20 countries have an SDG score significantly below the maximum score of 100. France's overall index score (81.5) suggests that it is on average 81.5 per cent of the way to the best possible outcome across the 17 SDGs. As expected, low-income countries tend to have lower SDG index scores, partly owing to the fact that most of the SDGs focus to a large extent on ending poverty and on access to basic services and infrastructure. Notably, among all G20 countries, India is found to have the lowest SDG score of 61.1, suggesting that the country severely lacks adequate infrastructure and instruments to manage key environmental issues.³⁴

Globally, various measures and indicators to measure countries' progress against the 2030 SDGs have been put forward. The World Development Indicators of the World Bank include many of its official SDG indicators as well as other data that are relevant to SDGs. United Nations Global SDG Database provides access to all the data and information compiled by the countries through their respective national statistical offices to measure progress on the SDGs. Social Progress Imperative: a global non-profit based in Washington DC launched a Social Progress Index (SPI) in 2014 as a comprehensive measure of real quality of life independent of economic indicators. Further, each SPI has also been calibrated according to the SDGs by standardizing each indicator, scaled from 0 to 100, weighing to align with the SDGs, such that a score of 100 represents achievement of the 2030 SDG target. The SDG calibrated SPI evaluate the same concepts as the SDGs. According to these estimates, among all G20 countries, Germany is the closest to reaching the target, scoring 98.21 on the SDG-calibrated SPI, followed by Japan, with a slightly lower SPI score of 96.38. On the other hand, India seems to be falling short by a sizeable margin, with a score of 64.65³⁵.

India being home to around a sixth of the world's total population, plays a central role in the success of the 2030 Agenda. The above estimates clearly show that

³⁴ For more details see Goyal and Kukreja (2020).

³⁵ Social Progress Imperative (2018) "Progress against the Sustainable Development Goals"
<https://www.socialprogress.org/assets/downloads/resources/2018/Progress-Against-the-SDGs.pdf>

India lags much behind the other developed and developing G20 countries in terms of progress made against the 2030 SDGs.

The COVID-19 pandemic is posing a more serious threat to the progress made so far by G20 countries and threatens to reverse them. Since SDGs align well with the G20's agenda of "promoting strong sustainable and balanced growth", there is a great opportunity for the G20 to benchmark their domestic and collective growth strategies to the SDGs. In order to revive their respective economies, governments globally are ramping up their efforts to promote more sustainable and inclusive business practices. The SDGs can serve as a yardstick to guide the restructuring of the countries' respective strategies.

Upcoming Priorities for Ensuring Sustainable Development

India, home to around one-sixth of the world's total population, plays a crucial role in the success of the UN's 2030 Agenda. India was one among the 194 UN member countries who signed the "Transforming our World: 2030 Agenda for Sustainable Development", adopted by the UN in 2015. It played an important role and helped shape the outcome of 2030 Agenda on SDG5, that is gender equality. However, India lags significantly behind the other developed and developing G20 countries in terms of progress made in the fulfilment of the Agenda. India's overall score on the NITI Aayog's SDG index is 60 – the lowest among all G20 countries³⁶. It is increasingly evident that developing countries such as India will need to rely on their own resources to finance the SDGs.

In sheer size and scale, India's development challenges are immense. India accounts for nearly a third of the world's 1.2 billion poor and continues to struggle to provide access to basic public services – clean air, water, food, healthcare, and education for its population. Despite an economy that has registered an annual average growth rate of 6-8 per cent over the last few decades, India's social development indices are well below many low-income countries in sub-Saharan Africa and South Asia. While the G20 has aligned its priorities and initiatives with the SDGs, the responsibility for fulfilling these goals lie with the national governments. The government needs to find ways to work creatively in partnership with different stakeholders to harness their latent energy, capacity, talent, resources, and innovation.

India's development policies such as Make in India, Digital India, Skill India, Swachh Bharat Abhiyan etc. are well aligned with the SDGs laid out in the 2030 Agenda. India has also pledged to reduce emission intensity of its GDP by 20-25 per cent by 2020, under the Copenhagen Accord. India's other priority at the G20, which is in sync with the 2030 Sustainable Development Agenda is to enhance knowledge-sharing and improve food security without increasing water consumption to unsustainable levels. India's strategic partnership with countries like Germany through Indo-German Development Cooperation in sustainable urban development, skill development and job creation, renewable energies and energy efficiency as well as environment and natural resources management can be seen to promote inclusive development. India is committed to the G20's goal of achieving a strong, sustainable and balanced growth

³⁶ Goyal and Kukreja (2020) "The Sustainable Development Agenda: Evaluating the G20 as a Stage for National and Collective Goals", ORF Issue Brief No. 419, November 2020.

and as a developing nation, its own priorities are aligned to the G20 Action Plan on the 2030 Agenda. Therefore, it is important for India to put on table its own domestic priorities related to development as a part of its 2023 G20 agenda.

c. Access to Resources through Open Trade

During the first G20 Summit in Washington (2008), the G20 leaders discussed the importance of promoting free market principles and open trade and investments for overcoming the challenges posed by the global financial crisis and restoring growth.³⁷ The subsequent Summits in London (2009) and Pittsburgh (2009) also focused on the role of free trade, multilateral trading institutions and open investments in strengthening recovery process. Gradually, as the global economies began to stabilise, the issues evolved to include new priorities that were aligned with the priorities of the G20 host country and advancing global discourse. Given the importance of trade and investment issues for the global economies, to streamline the discussions, initially, ministerial meetings were held and later the discussions were channelised through the trade and investment working group.

In 2012, under the Mexican Presidency the first Trade Ministerial meeting took place in Puerto Vallarta, Mexico. It was decided that given the importance of trade and investment issues, trade ministers should meet regularly. Subsequently, under the Turkish Presidency the decision to establish Trade and Investment Working Group (TIWG) was taken and the working group was established under the Chinese Presidency.

Progress of the Trade and Investment Ministerial/Working Group Discussions

The first trade ministers Ministerial meeting in Mexico (2012) focused on issues such regional and global value chains and their relationship with trade and investment growth, development and jobs and economic growth; furthering multilateral trade negotiation, the status and progress of Doha Development Agenda and trade facilitation, among others. Apart from the G20 leaders, the meeting was attended by representatives from World Trade Organization (WTO) and the B20, among others. The B20 Mexico in its task force recommended that the G20 should establish an Investment Working Group and make trade and investment a permanent item in agenda.

The second meeting of trade and investment Ministers was held under the Australian Presidency in 2014. In line with the theme of the Australian Presidency, the meeting focused on linking role of trade with national growth strategies. Apart from the recurring issues such as supporting multilateral trading system, strengthening trade and investment environment, new issues such as trade facilitation agreement, streamlining infrastructure investment procedures, role of preferential trade agreements and trade in services were discussed following-up on Russian Presidency and B20 recommendation.

³⁷ See the Leader's Declaration, accessible at <http://www.g20.utoronto.ca/2008/2008declaration1115.html> (accessed on 3 November 2020).

The Turkish Presidency (2015) prioritised inclusiveness was one of the key priorities. Consequently, the role of small and medium enterprises (SMEs) was brought into the discussion. In this regard, issues such as streamlining the custom clearance processes were brought into the G20 trade and investment agenda. The B20 had a significant role to play in both SME inclusion and suggesting a role of digital economy. The decision to establish TIWG was taken during the Turkish Presidency for better coordinating efforts on trade and investment issues.

The TIWG was established under the Chinese Presidency (2016) and it envisioned a role for international organisations such as the WTO and B20 in its working. The Chinese Presidency also released the G20 Strategy for Global Trade Growth and G20 Guiding Principles for Global Investment Policymaking. The SME focused was strengthened under the Chinese Presidency and it was linked to global value chains and digital trade.

Due to the stand-off between the United States (US) and China, there was a halt in discussion certain issues related to trade and investment under the German Presidency (2017). This resulted in an increased focus on new, seemingly non-contentious issues such as digital trade and a renewed focus on SMEs. The TIWG meeting was held along with the Digital Economy Task Force. The G20 Priorities on Digital Trade were released under the German Presidency.

In 2018, under the Argentine Presidency, due to the domestic focus on agriculture exports, and the priority accorded to Sustainable Food Future under the Presidency, the issue of agro-value chain was added to the agenda of TIWG. In line with the discourse on future of work and fourth industrial revolution, the TIWG also discussed the role of New Industrial Revolution (NIR) and digital technologies. A background note was prepared by various engagement groups on trade and investment aspect of NIR for the Presidency. Under the Argentine Presidency, the TIWG prepared G20 Inventory of National Experiences, Programs, Policies and Practices on Trade and Investment Aspects of Agro-Food Global Value Chain and New Industrial Revolution

As in the case of the German Presidency, under the Japanese Presidency in 2019 also, the trade and digital economy ministers meeting happened together. Role of trade and investment in achieving sustainable development goals through micro-small-and-medium enterprises (MSME) participation and Society 5.0 were discussed. The trade ministers also held a dialogue on the challenges in the trading environment.

Recently, the Saudi Arabian Presidency (2020) focused on the impact of pandemic on global trade. In line with the larger theme of the Saudi Presidency, the discussions centred on ensuring that international trade and investment can effectively contribute to realizing the opportunities of the 21st century.

As discussed in the preceding paragraphs, the TIWG of the G20 has released uncertain important documents. These include the G20 Strategy for Global Trade Growth, G20 Guiding Principles for Global Investment Policymaking released under the Chinese Presidency in 2016 and G20 Priorities on Digital Trade were released under the German Presidency in 2017.

Thus, over the years, various issues have been discussed under the ministerial and the working group, including strengthening trade and investment, multilateral trading system, global value chain, trade in service, digital trade, agro-value chain, trade facilitation and regional trade agreements, among others. During the initial Summits, the focus was on opening trade and investment, progress of multilateral trade negotiations and removing protectionism, among others. However, due to the rising multipolarity in the world, in the recent years, new issues have emerged, while building consensus under certain systematically important concerns has become a challenge.

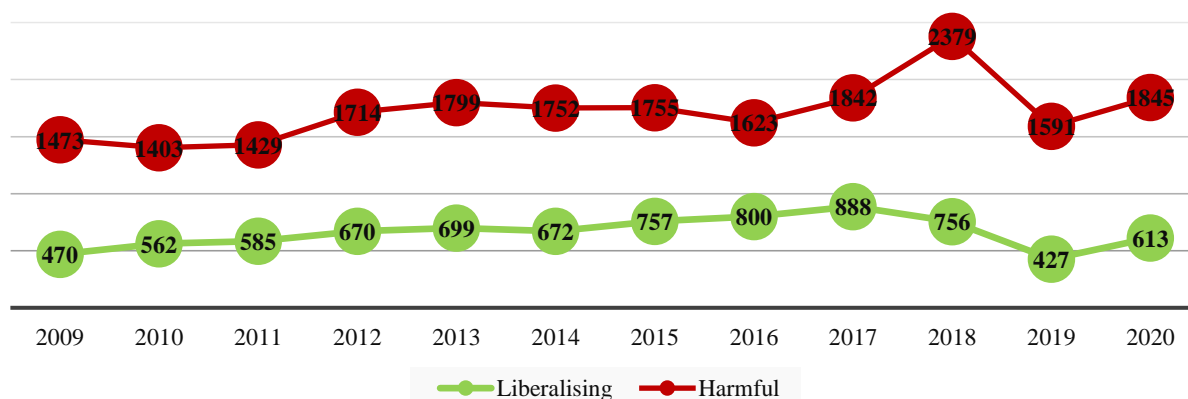
Current State and Issues related to Trade and Investments

The Covid-19 pandemic inflicted new issues in the realm of international trade and investments. One, there has been a decline in international trade. Two, the outlook of recovery, international trade policy and trade growth remains uncertain.

According to the WTO, world merchandise trade is likely to decline by 13-32 per cent in the year 2020 with nearly all the regions suffering a double-digit decline in trade volume.³⁸ Additionally, it is also highlighted that services trade will be directly affected by the pandemic. It is believed that while the volume of trade and investments is adversely affected by Covid-19 pandemic, cross-border trade and investments are also an important component of the recovery process. A discussion by the G20 experts³⁹ highlight certain issues pertaining to international trade and investments, which can be collectively addressed by the G20 members.

- **Rising Trade Protectionism:** According to the Global Trade Alert⁴⁰, over the last one decade, the number of harmful policy interventions in the form of subsidies, export-related measures, tariff measures and government procurement restrictions, have increased tremendously (see Figure 1).

Figure 1: Number of Policy Interventions since November 2008



Source: Compiled by authors from Global Trade Alert database.

³⁸ See https://www.wto.org/english/news_e/pres20_e/pr855_e.htm (accessed on 20 November 2020).

³⁹ This Section is based on the Presentations made by experts at the 12th Annual International G20 Conference, organized virtually by the Indian Council for Research on International Economic Relations (ICRIER) on 4-8th October 2020.

⁴⁰ See https://www.globaltradealert.org/global_dynamics (accessed on 20 November 2020).

Compared to this, there has not been much increase in the number of liberalizing measures. Rather, in the year 2019, the number of liberalizing policy interventions exhibited a sharp decline. These restrictions are imposed in the form of subsidies and export controls, some of which are WTO compliant.

In addition to the growing number of restrictions with respect to trade in goods, due to the Covid-19 situation, there has also been an increase in the barriers to services. As highlighted by the WTO, trade in services is directly affected by such restrictions. New and more restrictive mobility barriers have been introduced and this has affected trade in tourism and education services, among others. In fact, one of the views⁴¹ is that today trade barriers are more severe than those imposed during the global financial crisis. Covid-19 has also provoked protectionist thinking amongst most policymakers. In such uncertain times, one of the dangers as protection rises as countries may be tempted to go alone rather than seeking resilience through cooperation and that is a very real challenge for the international community. This is also resulting in trade frictions amongst systematically important nations in the G20.

- **Withering Multilateral Trading System:** There is an ongoing discourse related to the future of the multilateral trading system. This issue has also been highlighted by experts at several forums.⁴² While the G20 countries agree on the need for reforming the WTO, the multilateral accords are stalled. The WTO is facing a severe crisis in all three pillars – namely – rule making, market access and transparency monitoring. There are issues related to industrial subsidies, state-owned enterprises, use of security exception for protection of specific industries and infringement of intellectual property rights. The issue of special and differential treatment of developing countries is also becoming a key challenge affecting the WTO members. A number of these issues are bilateral in nature, largely between the US and China and they have affected the progress of discussion at different forums where these two countries are members, including the G20.

The WTO is also facing an existential crisis with respect to an important feature namely the dispute settlement mechanism. Due to the blockage of appointments of members of the appellate body it is no longer functional. The dispute settlement system is a two-tier system with a provision for appeal on the findings and recommendations of the panel. The appellate body has a pivotal role, and its recommendations and rulings are final and binding.

- **Vulnerabilities of Global Value Chains:** Global value chains have become a dominant feature of world trade, counting up to 80 per cent of global trade, encompassing developing, developed and emerging markets (OECD). Global value chains are changing overall and in some sectors the changes are more severe. This is largely due to the evolving role of emerging market economies, especially in Asia, where the global production is increasingly being

⁴¹ Views presented by the Speakers during Session 2 on New Issues in Global Trade and Investment - Practices and Reform Suggestions at ICRIER's 12th Annual International G20 Conference held on 4-8th October 2020.

⁴² Views presented by the Speakers during Session 2 on New Issues in Global Trade and Investment - Practices and Reform Suggestions at ICRIER's 12th Annual International G20 Conference held on 4-8th October 2020.

concentrated. New technologies, digitalization and rising trade in services also plays a key role in the changing nature of value chains. With the growing importance and dependence on global value chains, government intervention has also increased. Here again, export controls, especially on account of the US and China has led to disruptions in global value chains. This trend has been further accelerated by the Covid-19 crisis. There is a need to check for vulnerabilities in value chain.

Apart from these issues, there are several other challenges affecting international trade and investments. These issues need to be addressed by the G20 members, by shaping the priorities of the trade and investment working group.

Upcoming Priorities for Ensuring Access to Resources through Trade Openness

As discussed in the previous section, since the initial G20 Summits, the G20 members have prioritised free trade and strengthening multilateral trading systems. The G20 leaders have invariably shown commitment to anti-protectionism, liberalisation, strengthening multilateral trading system and promoting global value chains, among others. This is reflected in the Communiques and the Declarations received after each G20 Summit. It was only after the year 2016 that these issues became contentious and it became difficult for the G20, as a group, to build consensus. Going forward, it is recommended that the G20 members should remain committed to these issues and work collectively to address the challenges and concerns. Additionally, there is also a need for infusing greater predictability into the international trading system. This is possible by strengthening the international organisations such as the WTO.

One of the key focus areas for India during the first few G20 Summits was trade finance, to ensure that developing countries do not face a slowdown in trade and exports. Domestically, export credit was being offered. India has also opposed protectionism in all forms in both trade in goods and services. Labour mobility and skill portability have been key priority areas under trade in services. India has also been a proponent of multilateral trading system and a successful completion of the Doha Round. Rather, India has taken a position that while the issues discussed under the Bali Ministerial as well as the subsequent Ministerial are important, however, the WTO members must not lose the focus to successfully conclude the Doha Round. More importantly, India is a proponent of Trade Facilitation Agreement.

Restoring confidence in the multilateral trading system requires a cooperative approach. Moreover, with the growing trend towards bilateral and regional trade agreements, there is also a need for managing relationships between multilateral and regional regimes. Ministers of G20 had vowed to work constructively in the lead up to the 12th WTO ministerial conference. These issues relate to the three functions of the WTO, namely negotiations, monitoring and dispute settlement.

There are some other issues, specific to emerging markets, which can be prioritized under the Indian Presidency. These includes issues such as trade finance. Trade financing is required especially due to the dominant presence of small and medium enterprises in emerging markets such as India, but also because certain sectors are

vulnerable. During the initial Summits, India did discuss this issue, however, it has not been prioritized by any Presidency.

Additionally, the importance of global value chains cannot be undermined. GVCs have become a dominant feature of world trade, counting up to 80 per cent of global trade, encompassing developing, developed and emerging markets (OECD). Due to the pandemic, there has been a widespread disruption in GVCs and to reduce risk of exposure, one of the mechanisms is to diversify suppliers as well as the product basket (World Bank). There is a need for a medium-term strategy focusing on new sectors, services and markets for establishing GVCs.

When the first trade ministers meeting took place in Mexico, the discussion on GVC was introduced in the G20 for enhancing developing country participation and promoting inclusive value chains. Overtime, the issue was extended to include the role of SMEs/MSMEs and agro-value chains, among others. The issue has been a continuous focus at the G20, and the member countries have been engaging through their participation at the ministerial meetings.

Given the growing complexities in the global value chain and the current bottlenecks, there is also a need for the diversification of value chain. One of the most significant sources of disruption in economic activity brought about by the pandemic has been through its impact on the Global Value Chains (GVCs), which has intensified the effects of shocks on trade, production and financial markets. The production process today, is globally fragmented and therefore, disruptions in one part of the world can immediately affect or spread to the other parts through their participation in the GVCs, which account for about half of global trade. The pandemic has exposed the weaknesses in countries' domestic productive capacities and has highlighted the degree of global dependence. It has, to some extent, reinforced and aggravated the cynicism of nations who have been sceptic about free trade.

India participates in the GVC through both manufacturing and services sectors. However, in the past, India's integration in the GVC has been low. Recently, with a higher growth in the manufacturing sector, following the emphasis on 'make in India' there has been an increase in India's integration in the global value chain (Economic Survey, 2019-20). India's National Trade Facilitation Action Plan (NTFAP 2017-20) has also played a role in reducing the cost of import and export and facilitated this integration. In the current scenario, by diversification in the global value chain, India can integrate further as a manufacturing destination and supply-hub for various multinational corporations. In addition, trade in services, which is intertwined with manufacturing can also be integrated as a part of GVC.

In the current scenario, by diversification in the global value chain, emerging markets such as India can integrate further as a manufacturing destination and supply-hub for various multinational corporations. In addition, trade in services, which is intertwined with manufacturing can also be integrated as a part of global value chains.

d. Good Governance and Fighting against Corruption

Another important component of human centric development is good governance. There is a need for the G20 to not only debate, but also take collective action on this issue. Experts are of the view that countries are deliberately undermining the importance of certain global governance institutions, which are actually the mainstay of global economies and integration.⁴³ The discussion in the previous section on the WTO is one such example. In such a scenario, it is all the more important to focus on global governance issues and take action against corruption. For an effective human-centric development, checking corruption and furthering good governance initiatives is important.

Progress of the Anti-Corruption Working Group

Transparency International, for instance, defines corruption as ‘misuse of entrusted power for private gain’.⁴⁴ With the growing integration and economic interdependence among the world economies, corruption is being addressed as a global governance problem. The extent of concerns that require corrective action have grown beyond the boundaries of sovereign nations and are becoming international in their character. This requires collective action by countries involved and affected by the act of corruption.

Corruption issues were initially discussed under the Finance Track of the G20 to promote integrity in the financial markets.⁴⁵ In this context of the global financial crisis, to induce transparent practices, reference was made to address issues such as tax havens and non-cooperative jurisdictions. Finance Track discussions highlighted the need for international cooperation for addressing issues such as money laundering and countering terror financing. Infact during the first G20 Summit in Washington in 2008, the Finance Ministers stressed on improving tax revenue. In this regard, the role of global governance institutions such as the Organisation for Economic Co-operation and Development (OECD), the Financial Action Task Force (FATF) and the World Bank’s Stolen Asset Recovery (StAR) initiative was recognised.

The subsequent Summits in London (April 2009) and Pittsburgh (September 2009) also focused on these issues, specifically highlighting the need for tax transparency and exchange of information. With the intention to put bank secrecy to an end, the OECD’s Global Forum on Transparency and Exchange of Information for Tax Purposes was restructured to include developing country participation and for implementation of transparency initiatives, countering offshore tax invasion and exchange of information standards around the world through a peer-reviewed process.⁴⁶

⁴³ Views presented at ICRIER’s 12th Annual International G20 Conference held on 4-8th October 2020.

⁴⁴ <https://www.transparency.org/en/what-is-corruption> (accessed on 21 October 2020).

⁴⁵ See the Declaration of the Summit on Financial Markets and the World Economy, First G20 Summit held in Washington D.C. in November 2008, accessible at <http://www.g20.utoronto.ca/2008/2008declaration1115.html> (accessed on 27 September 2020).

⁴⁶ <http://www.oecd.org/tax/transparency/> (accessed on 27 September 2020).

The decision to establish the Anti-Corruption Working Group (ACWG) was undertaken during the Canadian Presidency (2010). Since then, once in every two years the ACWG released an Action Plan, highlighting the roadmap for the G20 members.

During the South Korean Presidency, the 2010 Anti-Corruption Action Plan was released, building upon and complementing existing mechanisms enshrined in the UN Convention against Corruption. The G20 members decided to lead by example and prepared a template for monitoring commitments. Reference was also made to ongoing programmes at international organizations such as the World Bank's StAR initiative and FATF of the G7, OECD's Anti-Bribery Convention and the UN Convention against Corruption (UNCAC). Under the Korean Presidency, India prioritised increasing banking transparency and exchange of information to combat tax evasion and other illicit flows.

The ACWG under the French Presidency released its First Monitoring Report on individual and collective progress made in the implementation of the Anti-Corruption Action Plan released under the South Korean Presidency.⁴⁷ Apart from reporting collective progress, the Monitoring Report compiled a cross-tick table of G20 members, and the commitments made under the First Anti-Corruption Action Plan, marking the country-wise achievements and failures. Based on the collective and individual progress made by countries, the ACWG made recommendations to the leaders to scope for further action. Thus, the ACWG focused on 'Action' taken by G20 members through domestic policy interventions.

The Revised Anti-Corruption Action Plan 2013-14 was released under the Mexican Presidency in the year 2012, wherein, apart from the previous concerns, protection of vulnerable sectors such as sports, extractive sectors, etc. was added to the ACWG agenda. Additionally, the role of international organisations (IOs), B20 and public-private-partnerships was acknowledged. The second monitoring report of the ACWG was released. The G20 also established a 2012 Denial of Entry Expert's Network, released the 2012 Common principles for Action: Denial of Safe Haven, created a 2012 Asset Tracing Profiles of Countries and a 2012 Step-by-Step Guide for Requesting Mutual Legal Assistance on Criminal Matters. The 2012 High-Level Principles on Asset Disclosure of Public Officials was released.

The Russian Presidency in 2013 prioritized growth through trust and transparency by fighting corruption. The St. Petersburg Strategic Framework for the G20 ACWG was released during the presidency. The OECD submitted an issue paper on Corruption and Economic Growth. The 2013 Guiding Principles on Enforcement of the Foreign Bribery Offence, 2013 Guiding Principles to Combat Solicitation were released, and the 2013 High Level Principles on Mutual Legal Assistance were developed along with United Nations Office on Drugs and Crime (UNODC) and OECD.

The 2014 Anti-Corruption Action Plan 2014-15 was released during the Brisbane Summit under the Australian Presidency (2014). One of the key priorities of the Australian Presidency was on global growth and the consequently, the priorities of the ACWG were also linked with it. The G20 also released a policy note fighting corruption,

⁴⁷ The Report is accessible at https://www.bmjv.de/SharedDocs/Downloads/EN/G20/First%20Monitoring%20Report%20the%20G20%20Anti-Corruption%20Working%20Group.pdf?__blob=publicationFile&v=1 (accessed on 3 October 2020).

highlighting the features of the Action Plan and envisaging a role for B20 and C20 and thus, the engagement of B20 and C20 increased. The G20 released the 2014 High Level Principles on Beneficial Ownership Transparency. The World Bank and the OECD released a sector-level report on the consequences of corruption on economic growth.

Under the Turkish Presidency (2015), fighting corruption was seen as a collective responsibility emphasising on transparency and government-business relationships. Each G20 member submitted national implementation plans on High-Level Principles for Beneficial Ownership Transparency. The 2015 G20 Open Data Principles and 2015 G20 Principles for Promoting Integrity in Public Procurement for preventing corruption in the public sector and the 2015 High-Level Principles on Private Sector Integrity & Transparency were released. The G20 also released an update on the 2015 Country Profiles on Asset Recovery Principles. Under the Turkish Presidency, India prioritised combating corruption, promotion of transparency and integrity in the private sector and stressed on international coordination on preventing corruption and cooperation on freezing of unaccounted money hoarded abroad and its repatriation.

Chinese Presidency (2016) focused on the establishment of 3-in-1 cooperation on anti-corruption featuring principles, institutionalization and action. The 2016 Anti-Corruption Action Plan 2016-17 was released. The G20 also released 2016 High-Level Principles on Cooperation on Persons Sought for Corruption & Asset Recovery.

The G20 chair prioritized action against corruption and fighting money laundering. The ACWG submitted its interim report under the German Presidency (2017). The G20 released 2017 High-Level Principles on the Liability of Legal Persons for Corruption, 2017 High-Level Principles on Combatting Corruption related to Illegal Trade in Wildlife and Wildlife Products, 2017 High-Level Principles on Countering Corruption in Customs and 2017 High-Level Principles on Organizing against Corruption. Also updated the Asset Tracing Profiles of countries.

Under the Argentine Presidency (2018), the G20 focused on issues such as conflict of interest and corruption in state-owned enterprises. The G20 released the 2018 Anti-Corruption Action Plan 2019-21. It also released the 2018 High-Level Principles for Preventing and Managing Conflict of Interest in the Public Sector and the 2018 High-Level Principles for Preventing Corruption and Ensuring Integrity in State-Owned Enterprises. Also, certain emerging issues were added to the list of priorities such as corruption and gender, measurement of corruption and risk associated with new technologies.

The Japanese Presidency (2019) highlighted the role of international cooperation in combatting corruption. The 2019 High-Level Principles for the Effective Protection of Whistle-blowers were released under the Presidency and the 2019 G20 Compendium of Good Practices for Promoting Integrity and Transparency in Infrastructure Development. During the Japanese Presidency, India highlighted the need for anti-corruption measures at global levels, combating foreign bribery, enforcement of laws and facilitating return of fugitive economic offenders including illegally acquired.

During the Saudi Arabian Presidency in 2020, a Ministerial Meeting was held under the ACWG. Apart from the ongoing priorities, the ACWG laid out an initiative (Riyadh

Initiative) for enhancing international anti-corruption law enforcement cooperation. It launched Global Operational Network of Anti-Corruption Law Enforcement Authorities to complement existing initiatives of the OECD. Additionally, G20 High-Level Principles for the Development and Implementation of National Anti-Corruption Strategies, the G20 High-Level Principles for Promoting Public Sector Integrity through the Use of Information and Communications Technologies (ICT), and the G20 High-Level Principles for Promoting Integrity in Privatization and Public-Private Partnerships (PPPs) were released under the Saudi Presidency.

Overall, several issues have been discussed by the ACWG. These include – anti-bribery rules; preventing access of corrupt persons to global financial systems & combatting money laundering, terror financing; fostering international cooperation and learning from best-practices; cooperation in visa denial; extradition and asset recovery; protecting whistle blowers; preventing corruption in public and private sector; protecting vulnerable sector and anti-corruption authorities, among others.

Over the years, the issues under the Working Group have evolved to capture continuous and emerging challenges for the G20 members. India has been actively involved in the anti-corruption agenda of the G20 and has periodically submitted its implementation reports to the G20. More recently, India has also contributed to the anti-corruption agenda by making suggestion on significant issues for G20 members.

Current Issues and Status of Global Governance Mechanisms⁴⁸

The cost of corruption is enormous. According to an estimate, the global cost of corruption is at least USD2.6 trillion, or 5 per cent of the global gross domestic product (GDP), adding that, according to the World Bank, businesses and individuals pay more than USD1 trillion in bribes every year.⁴⁹ Thus, the total cost of corruption is approximately USD3.6 trillion.⁵⁰

While it appears that since the establishment of the ACWG, the G20 members have made significant progress in aligning their domestic policies to the international anti-corruption norms and principles, an independent assessment of Transparency International presents a slightly different view in terms of the performance of the G20 members.

Table 3 tabulates a comparative rank of G20 countries on two international governance indicators – the Corruption Perception Index of Transparency International and Control of Corruption rank of Worldwide Governance Index. Over the last decades, the performance of some of the G20 members has improved, while it has deteriorated for others on both the indices.

⁴⁸ See Goyal (2020).

⁴⁹ World Economic Forum and the World Bank, quoted at the United Nations Security Council Meeting, accessible at <https://www.un.org/press/en/2018/sc13493.doc.htm> (accessed on 22 September 2020).

⁵⁰ <https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n#:~:text=Corruption%20exerts%20an%20enormous%20economic%20cost%20on%20countries%20around%20the%20world.&text=The%20annual%20costs%20of%20international,%2DCorruption%20Day%2C%20December%209> (accessed on 22 September 2020).

Table 3: Comparative Ranks of G20 Members on Corruption Perception Index and Worldwide Governance Indicators in 2010 and 2019

Country	Transparency International's Corruption Perception Index		World Bank's Worldwide Governance Indicator (Control of Corruption)	
	2010	2019	2010	2019
Argentina	105	66	43.33	53.37
Australia	8	12	95.24	94.23
Brazil	69	106	60.00	42.31
Canada	6	12	96.19	93.27
China	78	80	33.33	43.27
France	25	23	89.52	88.94
Germany	15	9	93.33	95.19
India	87	80	38.57	47.60
Indonesia	110	85	24.76	37.98
Italy	67	53	61.90	62.02
Japan	17	20	91.43	89.90
Mexico	98	130	42.86	22.60
Russia	154	137	13.33	21.63
Saudi Arabia	50	53	59.05	62.98
South Africa	54	70	62.38	59.62
South Korea	39	39	70.95	76.92
Turkey	56	91	58.57	44.71
United Kingdom	20	12	92.38	93.75
United States	22	23	85.71	84.62

Source: Transparency International (TI) ranks extracted from the TI website accessible <https://www.transparency.org/en/>; Worldwide Governance Indicators extracted from <https://info.worldbank.org/governance/wgi/> (accessed on 26 November 2020).

Notes: 1. In case of Transparency International, lower number implies good ranking. In the case of World Governance Indicator, higher number implies good ranking. 2. Green shade implies an improve in rank over 2009 and red implies deterioration of rank.

This indicates that despite the G20 efforts on anti-corruption a majority of the G20 member countries experienced a decline in their rank on the Corruption Perception Index between 2010 and 2019. India was one of few emerging market economies that experienced a marginal improvement in its rank on both – the Corruption Perception Index and Worldwide Governance Index. Russia is one of the worst performers on both the indices and Canada is the best.

Looking specifically at foreign bribery, another report by Transparency International⁵¹ found that a majority of the G20 countries⁵² have limited, little or no enforcement of laws against foreign bribery. Among the G20 members, Turkey, Russia, Mexico and India were some of the worst performers on the foreign bribery index.

Thus, despite the existing mechanism and efforts, many G20 members, including India, continue to perform poorly on anti-corruption indices. Countries are specifically performing poorly on controlling international bribery, thereby making the role of international forums and efforts more important and relevant.

Upcoming Priorities for Ensuring Good Governance

Initially, global economic governance was dominated by the G7.⁵³ Emerging markets were at the margins while international institutions drew the broad guidelines and conventions. However, as the G20 was elevated to the leaders' level in 2008 and there were periodic Summits hosted by both developed and emerging market economies, the role and contribution of emerging markets including India increased.

India has been actively involved in the discussion channelled through the ACWG. This is also reflected in India's domestic reform agenda, its position on different issues and priorities. For instance, India ratified UNCAC, it introduced a bill in Parliament criminalizing foreign bribery in March 2011 and it introduced a bill to address misconduct and accountability in the judiciary and an ombudsman law in India. For effective implementation of the UNCAC and OECD conventions and as a member of the Asian Development Bank (ADB)/OECD Anti-Corruption Initiative for Asia and the Pacific, India hosted the 16th Steering Group meeting and 7th Regional Conference of the ADB/OECD Initiative co-organised with the OECD in September 2011. In the year 2012, India introduced a Public Procurement Bill, 2012 which empowers the Government of India to prescribe a Code of Integrity which proposes to include provisions for the disclosure of conflicts of interest. During the Australian Presidency, India acknowledged the work on the anti-corruption action plan, which was to be taken forward in the next year's Presidency of Turkey.

Since 2015 India's involvement in the discussions held under the ACWG has increased. In 2015, under the Turkish Presidency, India took the position on zero tolerance on corruption and black money and a new law to deal with undisclosed assets and income kept abroad. It also stressed on the importance of bilateral tax treaties and launched an effective drive against domestic unaccounted money under the Turkish Presidency. In the same year, India also suggested that all countries should implement the Common Reporting Standard based on Automatic Exchange of Tax Information, undertake greater international cooperation for return of illicit money to the country of origin, address the barriers of excessive banking secrecy, and complex legal and regulatory frameworks and deepen cooperation against terrorism financing, including through targeted financial sanctions and more effective counter-terrorism financing tools. India suggested that country specific reports of FATF should

⁵¹ Accessible at <https://www.transparency.org/en/news/foreign-bribery-rages-across-the-globe> (accessed on 14 October 2020).

⁵² Excluding EU. The Report takes in account 47 countries, including the OECD member countries and some other leading exporters namely China, Hong Kong, Singapore and India.

⁵³ G7 includes Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.

be shared and FATF should work out a mechanism to work with deficient countries and countries should work in close coordination on preventing corruption and cooperation on freezing of unaccounted money hoarded abroad and its repatriation.

Apart from the FATF, globally, the United Nations Security Council is engaged in countering and suppressing terror financing. After the 2001 terrorist attacks in the US, the issue of terror financing gained prominence in international discourse. The first G20 Summit communique in 2008 referred to terrorism as a critical challenge, thereby indicating that the G20 will at some point address this challenge. Under the G20 Summit in Toronto in 2010, the decision to establish the Anti-Corruption Working Group (ACWG) was taken and preventing access of corrupt persons to global financial systems & combating money laundering were made key priorities.

The FATF was invited to provide inputs and recommendations on the issue and since 2011, the FATF started engaging with the G20 through regular experts' meetings. In 2012, the FATF released a list of 40 recommendations on international standards on combating money laundering and financing of terrorism and proliferation. G20 members, including India have reported their implementation framework and progress to the G20 on these recommendations. In March 2019, the United Nations Security Council also adopted a resolution (2462), calling upon the UN Member States to combat and criminalise terror financing and adopt FATF standards. As regards money laundering, during the Australian Presidency, High Level Principles on Beneficial Ownership Transparency were released, which set out concrete measures G20 countries will take to prevent the misuse of and ensure transparency of legal persons and legal arrangements.

India inducted as a full member of FATF in 2010.⁵⁴ India has undertaken steps to align its framework with the FATF recommendations. There are existing laws including the Prevention of Money Laundering Act (2002), which have provisions on due diligence, role of reporting entities and risk assessment, among others. The Ministry of Corporate Affairs, Government of India has recently made amendments to the Companies Act 2013 via Companies (Significant Beneficial Owners) Amendment Rules 2019⁵⁵, which provides the disclosure requirements for significant beneficial owners in a company in line with the FATF recommendations. This provides a revised definition of beneficial owner, among other things.

In addition to this, extradition and asset recovery are key components for addressing international financial crimes. Internationally, the World Bank and the UNODC launched the StAR initiative in September 2007, to promote ratification and implementation of the UNCAC. Since 2009, the StAR initiative has been working with INTERPOL for asset recovery and information. Mutual legal assistance for extradition and asset recovery is also included in the FATF recommendations, released in 2012.

Under the G20, extradition and asset recovery were key issues mentioned during the Toronto Summit and were incorporated in the first anti-corruption action plan. Some sub-issues include recovery of proceeds of corruption stowed abroad, voluntary

⁵⁴ The next mutual evaluation of India's anti-money laundering regime and legal measures was due in 2020 but it has now been pushed to 2021.

⁵⁵ See https://www.mca.gov.in/Ministry/pdf/CompaniesOwnersAmendmentRules_08020219.pdf (accessed on 30 July 2020).

disclosures, international cooperation for asset recovery and tracing, mutual legal assistance, among others. In 2013, the G20 released High-Level Principles on mutual legal assistance in partnership with UNODC and OECD and in 2016, High-Level Principles on Cooperation on Persons Sought for Corruption & Asset Recovery.

Asset recovery has been a key priority for India. During the Argentine Presidency, India suggested a nine-point agenda for fugitives for building cooperation, implementation of UNCAC principles, arriving at a definition and establishing a common platform, among other things. India introduced the Fugitive Economic Offenders Act in July 2018⁵⁶, which empowers any special court the right to confiscate properties and assets of economic offenders. India has also signed agreements with countries on real-time exchange of information on black money, including an Inter-Government Agreement with the United States to implement the Foreign Account Tax Compliance Act.

Individually, some progress has been made by the G20 countries on this issue. For instance, China established Research Centre on International Cooperation regarding Persons Sought for Corruption & Asset Recovery. It is the first of its kind among G20 countries. The establishment of the research centre has created an exchange platform for G20 members to carry out cross-border anti-corruption cooperation and recover ill-gotten assets but is likely to strengthen mutual understanding.

3. Outlook for the Future Presidencies with Focus on India: Key Observations and Conclusion

Over the last two decades, the G20 has emerged as an effective response mechanism to global crises. It has become a leading forum of the world's major economies that seeks to develop policies to address global challenges. In doing so, the G20 has evolved in both, terms of the underlying process as well as the variety of topics that are on the agenda and the number of stakeholders that are involved in the process. The scope of discussion under the G20 has expanded over the years to include both financial and non-financial issues.

The discussions in the preceding paragraphs reveal that for emerging economies, such as India, the G20 has been an important platform framework to push for an inclusive global economic architecture that seeks to achieve equitable outcomes. At present, India is engaging with the global economy more strongly than ever and is increasingly voicing its opinion on several important global issues in multilateral forum, primarily in the areas of terrorism, corruption, taxation, climate change, digital technologies etc. It also often builds coalitions with other like-minded countries and takes up causes on behalf of weaker countries.

In this regard, the G20 provides a forum for both developed countries and emerging market economies to deliberate on issues and priorities for the global economies at large. However, there are several challenges, which India and other emerging markets confront. These include the task of formulating inclusive

⁵⁶ See <http://legislative.gov.in/sites/default/files/A2018-17.pdf> (accessed on 30 July 2020).

opportunities for the post COVID era, the country needs to resolve the rising border tensions with China. Further, there is a continued threat from the monetary policies of select advanced economies and coupled with oil price volatility, it creates financial vulnerabilities among emerging markets. In addition to the established themes of trade, financial regulation, climate change etc., India can lead on several issues that hold domestic importance.

A study of the Progress of different working groups and the issues reflect that the G20 Presidency is an opportunity for the host country to highlight some of its own priorities and table it as a part of the G20 agenda. India is preparing to assume the G20 presidency in 2023 and this provides an excellent opportunity for it to display its global, economic, political and intellectual leadership on a par with the advanced economies. Table 4 presents a snapshot of issues and sub-issues that could be potential areas of focus for India's presidency in 2023.

Table 4: A Snapshot of Potential Areas of Focus for India's Presidency 2023

Areas	Sub-Areas
Employment/ Livelihood	Youth Employment
Sustainable Development	2030 Agenda for Sustainable Development
Trade and Access to Resources	Diversification of Global Value Chains Removing Protectionism WTO Reform Agenda
Anti-Corruption/ Global Governance	Preventing Access of Corrupt Persons to Global Financial Systems and Combating Money Laundering Extradition and Asset Recovery

Source: Authors' analysis

The analysis in the preceding section reveals that given the large size of India's population, youth employment is a notable priority for the country. The large and young labour pool of the country is both an opportunity as well as a challenge if does not not translate into productive employment. Skill and employability have been India's priorities at the G20 also and thus, during the Indian Presidency, India can continue to focus on skills development and youth employability.

India also faces a severe developmental challenge, which needs to be addressed through individual efforts and international cooperation. India is one of the worst performers in terms of progress made against the 2030 SDGs. While India has aligned its own priorities with global goals, however, there is a need for financing the developmental process and harness capacity and capabilities, among other things.

Further, the COVID-19 pandemic has disrupted economic activity globally through its impact on the Global Value Chains (GVCs), which has intensified the effects of shocks on trade, production and financial markets. The production process today, as we know, is globally fragmented and therefore, disruptions in one part of the world can immediately affect or spread to the other parts through their participation in the GVCs, which account for about half of global trade. The pandemic has exposed the

weaknesses in countries' domestic productive capacities and has highlighted the degree of global dependence. It has, to some extent, reinforced and aggravated the cynicism of nations who have been sceptic about free trade.

There is also a need for restoring confidence in the multilateral trading system and removing protectionism. As a member of the G20, India has always positioned itself to support the multilateral trading system, specifically the WTO and has urged for a successful conclusion of multilateral negotiations. More recently, India has also been in favour of strengthening the WTO and undertaking WTO reforms. As a systematically important member of the G20, India can take the lead in moving forward the WTO's reform agenda as well as leading the discussion on other issues such as free trade in services, easier mobility of people and encouraging trade finance to support SMEs, among others.

Global governance also required strong and collective actions. Over the years, there has been a trans-nationalisation of corruption, encouraging concerted efforts to address the issue. There have been initiatives by the Organisation for Economic Development and Co-operation, the United Nations and the World Bank, among others to collaborate and cooperate in the fight against corruption. The G20 has joined the existing international initiatives against corruption. The ACWG released periodic Action Plans to make practical and valuable contributions to international efforts to combat corruption.⁵⁷ Since then various issues have been discussed under aegis of the ACWG, in collaboration with international organisations, business community and civil society, among others. The G20, due to its design and approach has set-up a unique mechanism for collective action against corruption.

Apart from these issues, there are several challenges, which India and other emerging markets confront. There is a continued threat from the monetary policies of select advanced economies and coupled with oil price volatility, it creates financial vulnerabilities among emerging markets. In the past some of these countries including India have been characterized as the 'fragile five'. There is no doubt of the need for domestic reform, but a strong case can be made for responsible policies from advanced nations, thus enabling financial vulnerabilities to be managed better and with equity. Among the non-financial issues, sources of worry confronting the global economy are the escalating trade tensions, youth unemployment, corruption, climate change, health, increased digitisation and the uncertainty around artificial intelligence (AI), among others. Employment in many G20 nations is shifting towards the kind of jobs that require high-level cognitive skills, whereas most of the routine jobs are increasingly being automated or offshored to varying degrees. History reveals that the world has an extraordinary ability of adapting to shocks, technological and economic.

Globalisation becomes a target in such times and global cooperation the victim. But global collective action is more important now than ever before. Given the global situation, countries need to work together to tackle challenges that extend beyond their own borders. During spurts of de-globalisation in the past, G20 has proved to be an effective forum for collective action. It has played a major role in coordinating

⁵⁷ For details see G20 Anti-Corruption Action Plan

G20 Agenda for Action on Combating Corruption, Promoting Market Integrity, and Supporting a Clean Business Environment released under the South Korean Presidency, accessible at <http://www.g20.utoronto.ca/2010/g20seoul-anticorruption.html> (accessed on 23 October 2020).

macroeconomic policies of major economies and has sought short-term as well as long-term solutions to promote human prosperity and well-being. G20, over the years, has been instrumental in averting financial crisis and international disturbances by deploying global cooperation as a functional tool. It has become a framework to address, through concerted global action, not only geo-economic issues but geopolitical issues as well.

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