

CRS Insights

The G-20 Summit: Brisbane, November 15-16, 2014

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Background on the G-20

The Group of Twenty (G-20) is a multilateral forum for advancing international cooperation and coordination among 20 major advanced and emerging-market economies. The G-20 includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States, as well as the European Union (EU). The G-20 leaders typically meet annually (at "summits"), this year to be held on November 15-16 in Brisbane, Australia. Meetings among lower-level officials, including finance ministers and central bank governors, are scheduled throughout the year.

Established in 1999, the G-20 rose to prominence during the global financial crisis of 2008-2009 and is now the premier forum for international economic cooperation. Some analysts say the G-20's effectiveness has diminished as the urgency of the global financial crisis has waned. Others argue that the G-20 remains critical for discussing important policy initiatives across major countries and encouraging greater cooperation. For more on the G-20, see CRS Report R40977, [*The G-20 and International Economic Cooperation: Background and Implications for Congress*](#), by Rebecca M. Nelson.

The 2014 Summit

G-20 Agenda: Focus on Growth

Australia holds the rotating presidency of the G-20 in 2014 and thus sets the G-20 agenda for the year. (For more on U.S.-Australia relations, see CRS Report RL33010, [*Australia: Background and U.S. Relations*](#), by Bruce Vaughn.) Australia has focused the [2014 agenda](#) on global economic growth. In February 2014, the G-20 finance ministers and central bank governors [pledged](#) to develop policies that would boost the G-20's collective GDP by more than two percentage points over the coming five years. The summit is expected to stress strategies to boost growth and to reach the goal, including:

- **Increasing investment in infrastructure:** Australia is emphasizing infrastructure, the first time it has been featured as a key part of the G-20 agenda. In September 2014, the finance ministers and central bank governors [agreed](#) to a "Global Infrastructure Initiative," which will seek to implement a multi-year infrastructure agenda. This agenda includes developing a database of infrastructure projects to help match potential investors with projects; strategies to improve investment climates; and a set of voluntary lending practices. More details about the initiative are expected to be announced at the summit.
- **Reducing barriers to trade:** The G-20 members are discussing removing obstacles to trade; resisting protectionism; strengthening the global trading system, including the World Trade Organization (WTO); and ensuring that bilateral and regional free trade agreements are contributing to further global trade liberalization. Members are also considering a G-20 commitment to implement the [WTO Trade Facilitation Agreement](#) concluded in Bali, Indonesia, in December 2013.
- **Promoting competition:** To help economies become more productive, G-20 members are discussing reforms to promote competition, such as cutting red tape. These reforms would encourage business efficiency and aim to benefit consumers.
- **Creating jobs and lifting participation in the workforce:** The International Labour Organization estimates that [62 million more workers](#) would be employed if the global economy continued to grow at the rate prior to the global financial crisis. G-20 members are discussing measures to generate jobs, including increasing female participation in the workforce, addressing structural unemployment, and improving labor market outcomes for young people and vulnerable groups. A new G-20 "[Taskforce on Employment](#)," chaired by Australia and Turkey, is coordinating member plans to boost employment.

The G-20 summit will also continue previous work on issues including financial regulatory reforms; reforming the international tax system; increasing the representation of emerging-markets at the International Monetary Fund (IMF); and building energy market resilience. [Climate change](#) will also likely be added to the agenda, despite initial opposition by Australian officials. Some [NGOs](#) are calling for a G-20 commitment of resources for the international response to the Ebola outbreak.

Russia's Participation

Russia's participation in the 2014 summit has been one of the most controversial issues in the lead-up to the summit. Several G-20 members, including the United States, the EU, Australia, Canada, and Japan, have imposed economic sanctions on Russian individuals and entities in response to Russia's annexation of the Crimean region of Ukraine and alleged efforts to destabilize eastern and southern Ukraine (see CRS Report IN10048, [U.S. Sanctions on Russia in Response to Events in Ukraine](#), coordinated by Dianne E. Rennack).

In March 2014, the United States and other countries [announced](#) that they were effectively banning Russia from the G-8, a small forum for advanced economies, and instead would convene as the G-7, which excludes Russia. Some analysts and policy makers also called for Russia to be excluded from the G-20 summit in November. Others argued that keeping Russia engaged

in a multilateral forum like the G-20 could provide useful opportunities for diplomatic discussions. Major emerging-market economies, including [Brazil, India, China, and South Africa](#) (which, together with Russia, make up the BRICS), also supported Russia's participation in the G-20. In the end, it is expected that Russian President Vladimir Putin will attend the G-20 summit. Australian Prime Minister Abbott has [pledged](#) to confront Putin at the summit. Still, [some analysts](#) argue that, regardless of the summit's outcome, Australia's G-20 legacy will be the precedent that members are not excluded from G-20 discussions.

Issues to Watch

- How does Russia's participation in the G-20 unfold? Do the discussions shift from the official summit agenda or impact the ability to achieve meaningful cooperative action?
- [What commitments are reached?](#) Are concrete policies outlined to meet the collective growth target?
- How are the proposed infrastructure projects to be funded? Are there concerns about increasing public spending? Is the proposed Chinese-led Asia Infrastructure Bank discussed?
- Will the G-20 achieve a breakthrough on implementation of the WTO Trade Facilitation Agreement?
- What, if any, commitments are reached on other major international issues, including reforms at the IMF, climate change, and Ebola?
- Which economic developments are leaders most concerned about? Weaker growth in Europe? Falling oil prices? The end of the Federal Reserve's quantitative easing?
- Does the summit reenergize the G-20, which some analysts believe is waning in importance and influence?