

Topic: The Grumbling 20

G-20 Summit:

The G20, also known as the Group of Twenty, is a forum of **19 countries plus the European Union (EU)**. G20 leaders meet for **annual summits** to discuss international economic cooperation and key issues facing the global economy. The group was **established in 1999** in response to the Asian financial crisis and held its inaugural summit in 2008 to tackle the global recession. Members, of the G20, include the **UK, France, Germany, Italy, Turkey, Russia and the EU**. They are joined by the **US, Canada and Mexico, as well as Argentina, Brazil, Saudi Arabia and South Africa. China, India, Indonesia, Japan, and the Korea** are also part of the group. On occasion other countries have been invited to join summits, but none have been made permanent members. The group believes that larger numbers would made decision-making more difficult because leaders often disagree on matters and look after the interests of their own economies. This year G20 leaders will meet in **Hangzhou, China, from Sunday September 4 to Monday September 5**. The group meets annually for one or two days in the country of the president, which changes every year. **The UK last held the presidency in 2009** and hosted the **summit in London**.

G-20 Summit Takeaways:

Hangzhou city in China has just concluded hosting the 11th G20 Summit that saw world leaders once again congregate to address matters of global concern. For China, this summit came at a crucial time when it faces pressure on **The Hague's ruling** against its position on **the South China Sea**. But beyond the usual diplomatic posturing by countries, the 11th edition did offer some significant outcomes. After years of hard negotiations, both **USA and China have finally agreed to ratify the Paris Accord** that stipulates nations to reduce carbon emissions and aims to end fossil fuel subsidies. Both countries happen to be the **world's worst air polluters** and their coming to an agreement is a major step forward. Initially, it seemed that the final G20 Summit declaration would announce the same and assign a date to it, but some countries like India announced that they weren't prepared to ratify the Paris Accord just yet and would need more time. **China and India** have been on the same page at global climate talks but now that China has decided to commit itself, India has little choice but to follow through. India's announcement that it needed more time also found resonance with several other countries and that is why the final declaration avoided any mention of a deadline.

The Indian Perspective: The Summit in Hangzhou was important to India for voicing its concerns and also for highlighting its position with China, with whom its relations have been sputtering. In a tactical diplomatic move, **PM Modi made an official visit to Vietnam on his way to the Hangzhou**. China has been steadily increasing its presence and economic influence in South and Central Asia and in a move to counter China, **India announced a \$500 million package in defence support to Vietnam**, thus sending a strong message to China that Indian influence and involvement could also increase in what China considers its backyard of influence. So when PM Modi stepped down in Hangzhou, he was well set with his agenda to discuss with President Xi Jinping. Both leaders had last met during the Shanghai Cooperation Organization (SCO) summit where India was formally admitted as a member but since then, bilateral relations between the two nations went cold when China refused to endorse Masood Azhar's name, the Pakistan based chief of the terror group Jaish-e-Mohammad, being added to the UN list of Terrorists. This was followed by **China opposing India's entry into the Nuclear Suppliers Group (NSG)**. These moves went against the positive momentum that both leaders had established earlier and it remained to be seen how PM Modi would interface with President Xi Jinping.

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Introduction

The brief meeting in the sidelines between the two, however, resulted in China reiterating its commitment to maintain the “hard won” improvement in ties between the two nations, thus signaling its interest to bring bilateral relations back to the levels both leaders had committed themselves to. From an Indian perspective that is a positive outcome, since **Chinese investment and project execution in India** had slowed down considerably since the freeze in relations.

Right now, China needs India on its side as **it stands isolated in the South China Sea dispute**. India is a major nation influencing control over one of the busiest sea lanes in the world and to come out openly in support of the US stand and against the Chinese position, it would mark a major shift in strategic balance in the region. Furthermore, China **has \$46 billion riding in planned investment in Pakistan** where it plans to open trade connectivity from the Port of Gwadar in the restive region on Baluchistan, through POK and onto China. This route is part of China’s grand plan of ‘**One China, One Belt**’. It can’t afford to have a hostile India supporting a separatist movement in Baluchistan and stoking civil unrest in POK, if it wants to make this investment a reality. And yet, it needs to keep its old ally Pakistan in good humour. So Modi’s meeting with XI Jinping at the G20 Summit was important for both countries.

Indian influence on the economic agenda : Arvind Panagariya, Vice Chairman of Niti Aayog and **India’s chief interlocutor** at the G20 Summit, spoke of the general sentiment prevailing at the Summit which against protectionism and in **support of multilateralism**. The G20 members were in support of regional trade agreements to be in line with multilateral trade liberalization. The issue of excess capacity and resulting international dumping came up, with **steel as a case in point**. Without isolating China, countries were in favour of a multilateral approach to address the issue of excess capacity and preferred to set up a global body that would work under the Organization for Economic Cooperation and Development (OECD) with G20 members offering its full support to the proposed body. Panagariya stressed that **India had a major say in issues of global concern** and played an active role in the wording of the final communiqué that also addressed other **challenges like Brexit** and its impact on global economy, the problem of rising immigration in Europe and the problem of Anti-Microbial Resistance (AMR) that deals with rising resistance of bacteria and viruses to present medical formulations. **Tax evaders taking refuge through tax havens is another matter of global concern** and India took the lead to highlight the need to close such options and get member countries to close the doors on tax evaders.

India raises terror concerns: Unlike other G20 Summits, this one had **global terror** as one of its main agendas and the Indian Prime Minister made the best of it. Modi highlighted Pakistan’s role and support in financing and facilitating cross border terror and also alluded to China’s position on Masood Azhar, without naming either country. But the message was loud and clear to the global audience of influential leaders, who now have little tolerance to terror since many are now in the frontline and feeling the heat. India drove the message home and hard.

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