

Concept Note

Since the unfolding of the global financial crisis, the G-20 has played a major role in coordinating macroeconomic policies to revive the world economy. There have been initiatives such as the commitment towards fiscal consolidation plans in advanced countries enshrined in the G-20 Toronto Declaration and reiterated in the Leaders' Declaration at the Seoul Summit, reform of international financial institutions and enhanced efforts at reduction of global economic imbalances. As the recovery of the world economy gains momentum, though at a pace which differs substantially across countries, the attention of the G-20 has shifted towards addressing the causes of the financial crisis. The reform agenda for future crisis prevention has now moved upfront on the G20. These sharp differences in economic performance across countries reinforce the urgency of strengthening national and global economic systems even as the global economy finds its way to a new, scaled-back, growth path.

It is in this context and in anticipation of the forthcoming G-20 summit to be held in November 2011 in Cannes, France that ICRIER, along with other leading think-tanks, will organize its third G-20 conference in New Delhi in September 2011. The previous two conferences in these series which had been held prior to the Toronto and Seoul G-20 summits respectively had deliberated on the economic crisis and the global response to it and their deliberations had served as inputs to the leaders participating in the summits. Since then the G-20 has increased its emphasis on longer-term issues such as that of development as reflected by the adoption of the Seoul Development Consensus on Shared Growth and the Multi-Year Action Plan on Development at the Seoul Summit. The focus of the present conference is on bringing clarity to these important new areas of reform while continuing the dialogue on the still-pending issues of stabilization and rebalancing thrown up by the economic crisis.

The conference will bring together academicians and policymakers from different G-20 countries who will discuss and debate the key reform proposals and it is hoped that the result of these deliberations would serve as useful policy inputs to the leaders participating in the Cannes Summit. Six principal topics have been identified for the conference. These are

- 1) Financial Sector Regulatory Reforms
- 2) Indicative Guidelines for Reducing Global Imbalances
- 3) The International Monetary System
- 4) Capital Flows Volatility and Financial Safety Nets
- 5) Development Agenda: The Way Forward
- 6) Commodity Markets and Food Security

These topics correspond mostly to the priorities set by the French Presidency for this year's G-20 summit to be held in November 2011 in Cannes, France, but also include two fresh inclusions. These are, "Indicative Guidelines for Reducing Global Imbalances" and "Capital Flows Volatility and Financial Safety Nets". Further, issues considered as separate focus areas by the French Presidency, viz. unemployment and corruption will also be covered in the session on the development agenda.

The global economy still faces deep risks in forging a stable international financial system. This conference, like the past two conferences in this series, would aim to provide policy insights on issues that have been, and continue to be, deliberated with passion and considerable divergence of views. It would also extract and provide policy suggestions for the ongoing challenges that the world faces in building a safer global financial system.