

There's G20, and there's B20

At Brisbane, a coalition of businesses will supplement governments' efforts to free barriers to trade and investment



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Later this month, leaders of the G20 group of nations will be meeting in Brisbane to take forward the dialogue on inter-governmental coordination for global growth and development. With business as a vital player in development, the deliberations must include inputs from industry to remain relevant, foster growth and stability, and create the necessary number of jobs.

The G20 formation was launched towards the close of the twentieth century as leaders from 20 major economies came together for closer partnerships. After 2008, the group was reshaped as the principal forum to discuss the global economic crisis and to collectively suggest remedial measures.

A new coalition

It was soon realised that without the participation of private enterprises in policy recommendations, the objective of G20 nations to

achieve strong, sustainable and balanced growth would remain incomplete. As a result, independent business associations from G20 countries formed a coalition named as Business 20 or B20. This coalition bridges governmental agenda with the interests of business communities of G20 nations. It is a representative group of approximately 6.5 million businesses across the world. India is one of the founding members of the B20 Coalition. The B20 represents today's job creators and it is important that the key priorities identified by it be tackled with strong intent by G20 leaders.

The B20 Coalition calls on the G20 governments to assist the private sector's efforts, not only through budgetary discipline and redirection of spending towards investment, but also by removing barriers to business activity and improving coordination in key areas such as digital security and tax policy. Recommendations made by B20 Coalition to the G20 dialogue are increasing in number and relevance

every year. In recent times, B20 has made recommendations in the areas of employment, human capital, social issues, trade, financial regulation, corruption, sustainable growth and innovation.

In the upcoming meeting, the G20 will be dealing with a global economy which is witnessing uneven growth, below the pace required to generate much needed jobs. While the US and the UK seem to be doing well, growth in the Euro Area still continues to be fragile. According to the International Monetary Fund, the global growth projec-

tion for 2014 is 3.3 per cent and reflects both the legacy of the weak first half of the year and a less optimistic outlook for several emerging markets.

Brisbane agenda

It is in this backdrop that the B20 Coalition's has highlighted four priorities, i.e. trade and investment, fiscal responsibility, energy and infrastructure and investment.

On trade and investment, G20 governments must reach a suitable compromise allowing implementation and ratification of the essentials of the Bali Trade Facilitation Agreement and to provide capacity-building assistance and financial support for developing countries. Additionally, the leaders should work to avoid protectionism and enhance openness on rules as well as on market access.

The energy front will require G20 leaders to commit to the measurement, monitoring, reporting, control and reduction of greenhouse gas emissions

under a new ambitious global agreement next year in Paris, for which strong political will be needed. Policymakers also need to increase the role of the private sector in energy.

For most G20 governments, fiscal responsibility is a critical area. Fiscal deficit should be controlled by the establishment of a time-bound deficit reduction plan.

In situations where it is necessary to raise public revenues, it should be done in a manner that does not dampen overall demand or undermine incentives to invest.

In addition, fiscal solutions must preserve the private sector's capacity to be a source of growth and development.

Regarding infrastructure and investments, there is a need to recapitalise multilateral development banks to fund infrastructure.

By providing a unique link between governments, relevant international institutions and business communities, the B20 Coalition has been instrumental in supporting the G20 process, particularly when it comes to the role that the business community can play. Industry hopes that its recommendations will be addressed by G20 leaders when they meet in Brisbane.

The writer is the director-general of CII



Packs a punch Along with business