

## [ OPINION ]

# The G20 as a Development Opportunity for the European Union

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## Introduction

In this paper EDC 2020 examines Europe's changing role in global development dialogue as framed by the G20. The trade and growth focus of the G20 will impact the EU's development agenda, as global trends for economic progress take a different path. As a new economic and political forum of key international actors, the G20 will need time to formulate its position on development cooperation. The strength of emerging economies across Asia, Latin America and the Middle East demonstrate that traditional economic strategies are not suitable for every country. G20 summits under the Korean presidency in 2010 and the French presidency in 2011 will shape the development goals of the G20 and their implications for the EU.

## From G8 to G20

As a small group of influential countries that control most of the world's international aid, the G8 has played an important role in engaging with the developing world. However, G8 development strategies have not been entirely successful. The 2010 UN summit on the Millennium Development Goals (MDGs) underlined the shortcomings of G8 nations and the EU in providing effective aid. Many in the developing world criticise the paternalism of aid conditionality and unfair trade practices. Given that the G8 was formed to fulfil specific international goals, the G20 can be seen as a natural evolution of the global political landscape, bringing together new actors for innovative action on the world economy. Emerging economies have their own development strategies that have brought them to the G20 and they are working to share successes

with developing countries through so-called 'South-South' cooperation. Nevertheless, G8 countries will continue to give development aid since they still have collective commitments vis-à-vis the developing world. The G8 states will continue to meet separately from the G20 to discuss the issue of international cooperation.

## The G20's comparative advantages

The G20 is the new global platform for discussing trade and economic growth from fresh perspectives, provided by recent success stories such as the BRIC countries (Brazil, Russia, India and China); nations which are also leading the world's progress on the MDGs. Non-G8 states emerged from poverty with innovative economic strategies and improved governance, serving as an example to the developing world. Two fundamental obstacles to international development are weak trade and slow economic growth. The G20 nations are global leaders in both fields. Since the non-G8 members of G20 are not the global leaders on international aid, their collective focus will not be on funding development. They will concentrate on the global economy through innovative financing and improving trade relations. New development cooperation must be based on mature political and economic relations on a horizontal level, taking into account the success stories of new G20 members. An equitable partnership framework will help developing countries take a stronger lead in their own progress and encourage fairer trade relationships, especially given the importance of their human and natural resource wealth. The international community formerly led by the G8 will be compelled to reshape its development partnership strategies.

The G20 has a unique advantage on the international development scene, as it is a governing body that comprises both traditionally strong nations and newly emerging world powers. This places the G20 at the axis between the so-called North and South countries, fostering a greater equilibrium. In terms of 'South-South' cooperation, non-traditional aid donors bring new ideas to the international development community. New relationships among southern countries have strengthened multilateral dialogue on development, as effective new partnerships are producing promising results in terms of trade and institutional learning. Rather than creating new and possibly redundant structures for aiding developing countries, the G20 can work to improve existing mechanisms with a greater focus on partnerships. It can also aim to ensure that local needs are truly being addressed in the planning process, rather than imposing an external agenda as has often been the case under G8 leadership.

### The EU's role within the G20

The EU's role as an international aid donor is not the central concern of the G20, since its comparative advantages over the G8 are the trade and economic growth contributions of the new non-G8 member countries. In this way, the G20 will have a unique opportunity to reshape international cooperation with the EU from a position of authority on economic growth. The G20 will likely encourage the EU to reconsider its relationships with the developing world in favour of more equitable terms of trade, as well as greater investments to foster economic growth in ways that development aid has not. The EU must participate in healthier democratic dialogue with development partners and new world leaders within the G20. The international community needs a better balance between the economic goals of development and their equally important social development outcomes related to the MDGs.

One of the identified shortcomings of the MDGs is the lack of synergy between complimentary goals, such as the vital links between education and health or access to food and agricultural infrastructure. Multilateral development initiatives have not properly addressed these key barriers to sustainable progress on human development. In 2011,

France will be the president of both the G20 and the G8. This is as a unique opportunity to bring together the EU's long-standing development aid agenda with the economic campaigns of the G20, moving global dialogue towards a two-fold plan for international development. As the Korean presidency of the G20 comes to a close and France takes over in 2011, the EU will have a greater opportunity to shape its place in the evolving development dialogues with the emerging economies.

### Reshaping the global agenda

The international community has learned from the first years of the G20 and evaluations of progress towards the MDGs. G20 countries and the EU in particular must work together to harmonise development agendas. This new generation of multilateral partnerships must actively include developing countries in the fight against poverty. It is not enough to give development aid without targeting structural politics and poor trade conditions in developing countries, nor is it appropriate to focus exclusively on the global economy and ignore extreme poverty or emergencies where international aid is crucial to a population's survival. A new 'success perspective' is needed for the G20 era of international relations, given that more developing countries are likely to emerge from poverty in the upcoming decade. The year 2011 brings the G8 and the G20 presidency to France, providing the EU with an unprecedented opportunity for dialogue with new economic leaders and their neighbours in the developing world. The EU has many lessons to learn from non-G8 members of the G20 that will have a positive impact on development agendas. Through the G20, the EU must carefully study successful development strategies of emerging economies in order to redefine their own role in international development cooperation.

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