

**G-20 Summit and St. Petersburg Development Strategy**  
**(Economic growth and global economy)**

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## **G-20 Summit and St. Petersburg Development Strategy (Economic growth and global economy)**

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The leaders of the G20 met in the Russian city of St. Petersburg (the birthplace of President Putin) on Thursday and Friday, September 5 and 6, 2013, and reviewed developments during the five years since their first meeting of the heads of state and government of the Group. The meeting discussed several topics, the most important of which are economic growth and the global economy, the strategy of determining development priorities for the countries of the Group in the medium term, assistance to low-income countries, the Syrian crisis and the expected US aggression against Syria.<sup>1</sup>

Russia, the host country of the summit, assumes the rotating presidency of the G20 for 2013. At the beginning of the summit, Russian President Vladimir Putin told the participants: "Although the situation has improved thanks to the actions taken by the member states of the Group, it is still too early to feel satisfied as the main task of the Group is to restore sustainable and balanced growth to the world economy. "Unfortunately, this problem has not yet been solved, as there are risks and systemic situations that lead to a repeat of a severe crisis that still exists." Russian President Putin also stressed that: The Petersburg Development Plan was prepared in order to reflect the priorities of the Group of Twenty in helping low-income countries, ensuring food security, financial inclusion, infrastructure and human capital development, as well as mobilizing domestic resources.

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<sup>1</sup> - The Group of Twenty is a forum founded in 1999 against the backdrop of the financial crises of the 1990s, and includes both: China, India, Indonesia, Japan, South Korea, Saudi Arabia, South Africa, Argentina, Brazil, Britain, France, Italy, Germany, Russia, Turkey, USA, Canada, Mexico, Australia, European Union as well as the World Bank and the European Central Bank.

## 1. Finding solutions to very sensitive issues:

In his speech at the opening of the summit, Russian President Vladimir Putin announced that the twentieth summit confirmed its ability to find solutions to very sensitive issues, recalling the proposals made by Russia that would prevent the outbreak of new global economic and financial crises, including reducing the budget deficit, reducing the size of state debt in developed countries, eliminating the negatives in the field of financial regulation and solving the problem of lack of resources. Putin praised the steps taken by the European Union to form the European Stability Mechanism and weaken the relationship between state debt in some European countries and the stagnant banking system, saying that the global economy needs comprehensive structural reforms to ensure stable long-term growth.

## 2- St. Petersburg Development Strategy:

The G-20 Development Action Committee has detailed the St. Petersburg Development Strategy and its priorities are to strengthen the G-20's commitment to shared development and improve the Group's development approach. Russia has prioritized the following aspects in the development of this strategy as the pillars of the G-20 development strategy:

- Creating good job opportunities,
- Increasing investment,
- Achieve transparency and trust,
- Establish effective rules for economic growth.
- Avoid policies that may slow recovery or boost growth at the expense of other countries.

Russian Finance Minister Anton Silwanov told the press: "We need to conduct continuous monitoring, anticipate the possible consequences and adopt other preventive measures in a timely manner at the national and global levels... But let us once again

reiterate that the main goal is to provide the basic conditions for the recovery of the world economy through high-quality development ... Stimulating economic growth and job creation are therefore crucial for Russia's presidency of the G-20."

### 3 - Reducing the high level of unemployment:

One of the most important economic issues discussed during the G-20 meeting in St. Petersburg was the question of finding effective solutions to the problem of unemployment in the world. In this context, the head of the International Labour Organization, Guy Ryder, called on the countries of the world to take action to reduce the high level of unemployment and work to create suitable new job opportunities. "In the G20 countries alone there are about 93 million unemployed, a figure equivalent to the population of Germany, while the total number of unemployed in the whole world is about 200 million," Ryder said.

The G-20 countries face problems in the issue of employment, as this issue has created social problems in some countries of the world, and if they do not take firm action in this framework, it is unlikely that this situation will change, so solutions and actions must be taken to address this problem. While stressing the need to adopt a new policy in line with the local reality of each country with the aim of creating new jobs to ensure sustainable development, some countries have begun to implement this policy, including Russia, which this year developed a very ambitious plan to create about 25 million new jobs.

The joint declaration, issued shortly after the two-day summit in St. Petersburg, said that "promoting growth and job creation are our top priorities and we will be fully committed to taking decisive action to return to a job-rich, strong, sustainable and balanced growth path."

As the G-20 Joint Declaration noted, "As the leaders of the world's largest economies, we have a shared responsibility to promote an open and rules-based global economic system. We are committed to working together to address key global economic challenges."

The World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) stressed that there was a need to strengthen multilateral cooperation and asked the G-20 countries to show leadership in keeping their markets open. OECD Secretary-General Angel Gurría said: "The temptations to move towards protectionism are now more intense than ever as the crisis continues to undermine our economies." He stressed that the leaders of the Group of 20 should play a key role in revitalizing multilateral trade and the investment system, saying that "governments must now more than ever abide by their commitments to achieve open and transparent investments."<sup>2</sup>

With economic globalization, global economies are becoming increasingly interconnected, and a country's fiscal and monetary measures could affect the rest of the world. In such circumstances, policy coordination or even a fair global governance system, rather than short-term painkillers, is needed to help achieve sustained economic growth. Coordination among Member States was necessary to facilitate the reform of the international financial system and the establishment of a new formula for IMF quotas, noting that reform and restructuring could take place when each Member State absorbed national and common interests.

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<sup>2</sup> - Eighth report of the World Trade Organization, the Organization for Economic Cooperation and Development and the United Nations Conference on Trade and Development. It was released on Wednesday to the G-20 ahead of the St. Petersburg summit.

#### 4- The Syrian crisis dominates the G-20 summit in St. Petersburg:

At the beginning of the summit, Russian President Vladimir Putin proposed discussing the Syrian file during the dinner, saying that "some of the participants (at the summit) asked to discuss international policy issues that are not on our agenda, including the situation in Syria. "I suggest doing this during dinner. Now we will discuss the issues that we have already met to discuss, which are key for the G-20 countries."

The 20th summit meetings in St. Petersburg witnessed intensive consultations on Syria, amid assurances by UN diplomats that the participating leaders would do their utmost to speed up the Geneva 2 conference, which the international community has been trying for many months to convene to find a peaceful solution to the Syrian crisis, building on a previous conference held in Geneva on June 30, 2012, despite the ongoing US-led military preparations for aggression and a limited military strike on Syria.

Australia's ambassador to the United Nations, Gary Quinlan, whose country holds the rotating presidency of the U.N. Security Council for September this year, said that even if disagreement still exists between Russia and the West over Washington's planned military strike on Syria, Security Council members agree that "the convening of Geneva 2 remains necessary and urgent."

Global economic problems were supposed to be high on the agenda of the G20 summit, which is currently chaired by Russia, but the hot Syrian event also strongly imposed itself on the agenda, especially with major differences among the group's most prominent members over how to deal with the Syrian file.

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