Occupy G20?

Civil Society

Civil Society and G20 Engagement
Rocío Stevens of Oxfam Mexico states that, ultimately, the G20 needs to establish mechanisms to ensure civil society influence over decision-making.

Galvanizing Civil Society’s Fight in Argentina
Maria José Romero of the Latin American Network on Debt, Development, and Rights describes how two civil society organizations succeeded in launching a platform on the G20 agenda.

Indonesia and G20
Don K. Marut, Executive Director, International NGO Forum on Indonesian Development describes the opportunities and challenges for Indonesia’s participation in the G20.

India and G20
Harsh Jaitli, Chief Executive Officer, Voluntary Action Network India, puts India’s role as a member of the G20 and the BRICS in historical perspective.

Must Read & Knowledge Box

Business and Labor Leaders Present Recommendations to G20”, Page 6


The Fourth BRICS Summit (March 2012), Page 13
Introduction

Occupy G20? Can the G8 or G20 Deal with Diversity and Dissent?

By Nancy Alexander, Director, Economic Governance Program, Heinrich Boell Foundation-North America

The G8 and G20 Summits – on May 18-19 and June 18-19, respectively – are both being held in remote locations. When the original venue of the G8 Summit was Chicago (just prior to the May 20 NATO Summit in Chicago), major “Occupy” protests were being organized. Then, President Obama decided to move the G8 Summit to Camp David, his presidential retreat in the mountains of the U.S. state of Maryland. Camp David is relatively inaccessible, as is Los Cabos, Mexico, where President Calderon is convening the G20. Los Cabos is located on a peninsula in Mexico’s smallest state, Baja California Sur, which is parallel to the mainland. It is several miles from the state’s capital, La Paz, where some civil society events and protests will be held in the run-up to the G20 Summit (see box, p. 2).1

Ultimately, protest is the result of elitism and exclusion

Ultimately, protest is the result of elitism and exclusion. The Arab Spring and its aftermath represent only some manifestations of growing public discontent with governments that are politically unaccountable and/or captured by corporate and financial interests. Civil society asks: how many grave crises related to finance, food, fuel, or the earth’s climate will be necessary for decision-makers to not only provide us with a “seat at the table,” but also respond to our demands?

In her article, “Civil Society G20 Engagement: Reflections from the Mexican Experience,” Rocío Stevens of Oxfam Mexico states that, ultimately, the G20 needs to establish mechanisms to ensure civil society influence over decision-making. Reportedly, the G20 appointed one Sherpa to every Business-20 task force to ensure that business voices were heard (see box, p. 6).

The Mexican government is engaged in an ambitious outreach program in the run-up to the summit, especially compared with the U.S. government which seems to lack any outreach at all – at least to civil society. Although G20 outreach is insufficient to influence the course of decisions, it is a beginning.

The G20 website is informative, including official and civil society calendars of events as well as reports of meetings with various constituencies – Business-20 (B20), Labor-20 (L20), Youth-20 (Y20), Think Tanks 20 (TT20) and civil society.

On February 23, 2012, the G8/G20 Civil Society Working Group met in Mexico City and presented its recommendations to Mexican Minister of Foreign Affairs Patricia Espinoza, the Sherpa Lourdes Aranda, and their team. The Working Group articulated the principles upon which dialogue between G20 governments and civil society should be based, stressing that the G20 cannot achieve its goals without the leadership and energy of civil society, particularly those most marginalized.

In addition to making recommendations on the substantive foci of the G20 (e.g., the economic and financial system; food security and food price volatility; and green growth), the Working Group called for coherence between G20 policy decisions and other commitments and treaties, including those related to human rights and environment. It emphasized that the G20 should not emasculate multilateral forums, including the UN, by entering into agreements (e.g., bilateral and free trade agreements) that often conflict with other commitments.

In her article, “Galvanizing Civil Society’s Fight in Argentina: The Launch of a Common Platform on the G20,” María José Romero of the Latin American Network on Debt, Development, and Rights (LATINDADD) in Peru, describes how two civil society organizations succeeded in launching a platform on the G20 agenda, putting forward policy proposals to the Argentine government, and contributing to a Latin American common position on the G20, among other things. Both the Argentine and Mexican platforms view the G20 as largely a “prisoner of the neoliberal logic of free trade and the dominance of deregulated global finance” (Mexican coalition statement here).
**Preliminary Civil Society Program**

<table>
<thead>
<tr>
<th>June</th>
<th>12-13 Women's International Meeting, Mexico City</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13 Labor Forum on Energy and G20, Mexico City</td>
</tr>
<tr>
<td>14-15</td>
<td>International Forum “Alternatives to G20”, Mexico City</td>
</tr>
<tr>
<td>(tbc)</td>
<td>Peoples’ March on G20 in Mexico City</td>
</tr>
<tr>
<td>(tbc)</td>
<td>Peoples’ March on G20 in La Paz, Baja California Sur, Mexico</td>
</tr>
<tr>
<td>17-19</td>
<td>Peoples’ Alter-Forum on G20, city of La Paz, Baja California Sur, Mexico</td>
</tr>
</tbody>
</table>

In an April 12 speech, even Christine Lagarde, the Managing Director of the IMF, conceded that with regard to financial regulatory reform: “The mission has not been accomplished – the mission is still to be accomplished.”

Regulation is an uphill battle, given the growing power and influence of business. Social movements feel not only their own exclusion from decision-making, but also the “regulatory capture” of their governments and inter-governmental bodies, such as the G20. Two boxes describe the role of elite groups (e.g., World Economic Forum, McKinsey and Company) in influencing the positions of world leaders on “green growth” and “food security”: “The G20 and Rio+20: In Pursuit of ‘Green Growth’ and ‘Green Economy’” (p. 10) and “Business and Labor Leaders Present Recommendations to G20” (p. 7). On the issue of “food security,” which is on the agenda for both the G20 and the G8 Summits, governments are expected to announce commitments to an expansion of public-private partnerships (PPPs) in agricultural initiatives designed by 17 corporations with McKinsey & Company as project advisor.

Such PPP initiatives, including in the climate finance arena, are facilitated by the new International Development Finance Club (IDFC) of regional and sub-regional development banks. They aim to mobilize increasing volumes of public resources to leverage private investment, including through mitigating political and commercial risks.

In his article, “India and G20,” Harsh Jaitli, Chief Executive Officer, Voluntary Action Network India (VANI), puts India’s role as a member of the G20 and the BRICS (Brazil, Russia, India, China, and South Africa) in historical perspective. He also outlines the challenges for civil society in a near-vacuum of media coverage of issues relating to the G20 and India’s new role as a donor and world leader. Finally, Jaitli sets forth the six-point “Agenda for Indian Voluntary Organizations,” which was adopted by civil society organizations last October to deal with these challenges.

One outcome of last month’s BRICS Summit in New Delhi was the commitment by leaders to explore a new “BRICS-led, South-South development bank.” This move is a signal of the frustration of the BRICS with the control over the World Bank’s leadership, governance, and financing arrangement, primarily by the U.S., Europe, and Japan (see Box “The Fourth BRICS Summit (March 2012) on ‘BRICS Partnership for Global Stability, Security and Prosperity’”, p. 13).

As a Financial Times editorial (April 7, 2012) recently stated, the Vatican and the World Bank face similar challenges: “Latin America contains almost half the world’s 1.3 billion Catholics, but the continent has never provided a pope and is under-represented in Rome... As for the bank, its clients are in the poor and middle-income world, yet rich countries dominate its boards and the US, by convention, chooses its president.”

**References**

1. Summit events are being held in San José del Cabo and Cabo San Lucas, well-known beach destinations in the south of the Baja California peninsula, which are connected by a 33-kilometer corridor, and known jointly as Los Cabos. To view a map, click here.

2. Additional information on the Think Tank-20 includes: briefing memos by individual participants (pdf) and the memo by the Heinrich Boell Foundation-North America.

**Think Tank-20 Presents Recommendations to the Mexican Government**

On February 27-29 the Think Tank-20 presented its recommendations to the Mexican Sherpa Lourdes Aranda and her team – stressing the need to deliver on past commitments to eliminate fossil fuel and agriculture subsidies and advance financial regulation (e.g., “too big to fail”); consider a sovereign debt restructuring process; embed “green growth” in the G20’s growth frameworks; ensure access to agricultural inputs by the most vulnerable, including women; and improve G20 performance through enhanced transparency and strengthened relations with the UN, among other things.

To see a video of the final session and more, click here.
Civil Society G20 Engagement
Reflections from the Mexican Experience

By Rocío Stevens, Oxfam Mexico Campaigns Coordinator

The 2012 Mexican G20 Summit comes at a time of deep global imbalances, instability and increasing inequality. Donor countries have reduced their aid allocations to developing countries and millions of people in developing as well as industrialized countries have been pushed into poverty due to increasing food prices and unemployment. In 2010, the G20 made a commitment to achieving inclusive and sustainable growth and, although some progress has been made, this is a distant goal. Acting alone, governments cannot reduce inequality, end poverty and increase opportunities. Resolving these urgent development issues will require a new alliance between active, organized citizens and effective, transparent and open governments. As President of the 2012 G20, Mexico has the opportunity to establish a precedent in working together with civil society.

History of Civil Society and G8/G20 Engagement

In addressing the G8 and G20 processes and summits, civil society has a long history of dialogue, advocacy, criticism and confrontation that includes success stories showing that organized citizens with clear aims can contribute to real change.

For example, at the 2005 G8 Summit held in Gleneagles, Scotland, public pressure generated by civil society organizations (CSOs) working together globally – some through direct dialogue with governments and some through activism – significantly boosted commitments and allocations of aid. This CSO success story was due to a series of factors, including the interest of the U.K., as host government, in exercising power and leadership. Nevertheless, the Gleneagles agreements changed some antiquated practices of the rich world in regards to aid.

Today the G8 has lost importance as the preeminent group for international political and economic discussion. As the 2008 international financial crisis was unleashed in the heart of the developed world, the G20 Summits became the main forum for addressing and guaranteeing global macroeconomic stability. After a decade of low-profile finance ministers’ meetings with undisclosed agreements, the G20 became the star of global forums as it began meeting at the level of Heads of State. In turn, civil society has increasingly called upon G20 leaders to establish space for dialogue. CSOs have also questioned the G20’s legitimacy for making decisions that affect millions of people, excluding the other 173 members of the United Nations system from their deliberations. From a civil society relevance of engagement with the G20 is very much alive and valid.

Acting alone, governments cannot reduce inequality, end poverty and increase opportunities

One argument in favor of civil society engagement is that the G20 is an innovation in global governance. While it is not representative, the G20 has strategic importance due to the size of the economies and populations it represents. In this sense, it is more representative than the G8 and also perhaps more important in terms of the current balance of power worldwide.

On the other hand, critics of G20 engagement emphasize the lack of legitimacy, openness and transparency with which the Group makes its decisions. The question seems to be: why should the world trust a club of rich countries to resolve the problems of the world’s poor? Moreover, critics warn, this group is destined to fail since its member countries are unable to transcend their own national interests.

A broad range of nuanced positions exists among CSOs in countries inside and outside of the G20. In Mexico, the majority of civil society finds itself learning what the G20 means for emerging and developing countries and for advocacy, campaigning and/or activism on key issues. Mexico is a country with deep inequities rooted in its social and political structures. At both the
national and regional levels, organizations, networks and social movements exist with a great deal of experience in pressing local and national governments to improve laws and policies. For instance, Mexican CSOs have made significant efforts to influence bilateral, regional or global trade and investment agreements (e.g., with the European Union as well as with the U.S. and Canada through NAFTA). However, despite their varied experience, very few of these CSOs have engaged with an agenda, such as the G20’s.

One of civil society’s main challenges is the lack of ties between grassroots, national, and international CSOs and networks

The challenges

One of civil society’s main challenges is the lack of ties between grassroots, national, and international CSOs and networks. For many CSOs, tackling poverty entails work on universal, quality public services, including education and healthcare; greater investment in rural areas; and the protection of human rights. Nevertheless, CSOs increasingly understand that, by influencing global political processes, it is also possible to create change.

The G20 has accelerated bridge-building processes, yet civil society actors are still geographically dispersed with a variety of interests, ways of organizing, and strategic approaches.

Even experienced advocacy organizations continue to face new challenges in the face of the G20 Summit to be held in Mexico in June. In the climate arena, Mexico hosted the 16th Conference of Parties (COP16) in 2010 – an experience which “sharpened the teeth” of CSOs and improved their capacity to see national problems from a global perspective and galvanize joint (national and international) agendas. However, the nature of the G20 poses limitations for civil society participation that oblige us to think of new tactics.

In this sense, we need to learn from veteran organizations in the United States and Europe, as well as other similar processes in developing countries like Korea. However, Mexico has a lot to contribute given previous advocacy with the government on issues of climate change, human rights, gun control, and national budgeting, among other issues. In other words, Mexican CSOs have a solid foundation of knowledge regarding the style of Mexican negotiators in domestic and foreign arenas and how to influence government actors with an “inside-outside” agenda – that is, through negotiation and protest.

Asymmetric outreach to non-State actors

Governments have different ways of reacting to the critical presence and action of organized citizens – from authoritarian stances in which civil society is neither seen nor heard, on one hand, to efforts to engage in dialogue, on the other. Some governments are ignorant – and perhaps fearful – of the need to open debate to formal participation by civil society. Even when the need for debate is acknowledged, discussion is required on the type and format of the debate that is allowed. For some time now, the G20 has carried out dialogue with non-State actors in different ways at different Summits.

The Business-20 (B20) has become a tradition, the Labor-20 (L20) was inaugurated in France, and this year the “doors of dialogue” were opened to think tanks through the “Think 20” and youth groups through the Y20 and Girls20. However, a formal space for dialogue with civil society – a C20 – is still lacking. For the G20, the usefulness or added value of such a venue does not appear to be clear; perhaps because the value of civil society contributions must be clarified.

In the document “Dialogue with civil society in the framework of the G20 Leaders Summit”, the Mexican Presidency expressed how it observes civil society’s role. To date, its approach offers at least three positive elements. First, civil society includes not only NGOs, networks and social movements, but also unions, academia, independent experts and international organizations, among others. Second, the document establishes “principles for dialogue”, which include openness, transparency, access to information, respect and equilibrium. Finally, the Mexican government proposes the creation of a multi-actor “liaison group” with national and international representatives, “to facilitate accompaniment, attention and dialogue between civil society and the G20 Mexican Presidency”.

A formal space for dialogue with civil society – a C20 – is still lacking

True dialogue is more than just information sharing

But there is bad news as well. It appears that the Mexican Presidency’s aim of engaging with civil society is merely to exchange information. The meaning of “dialogue” is undefined, together with the mechanisms “to take into consideration civil society’s constructive proposals to transmit them to the G20 members.” Perhaps the worst piece of news is the apparent lack of political will to create change in this arena. When the Mexican government speaks of “taking advantage of civil society’s experience to jointly achieve the Mexican Presidency’s objectives for the G20”, no room is provided for formulating or accepting joint objectives or new paradigms or for criticism, negotiation or innovation.

In practice, the Mexican Presidency has opened up spaces with civil
The first two meetings covered generalities regarding the Summit agenda, in terms of the Financial and Sherpa Tracks. The last two sought to address the permanent demand of Mexican civil society organizations to have issue-specific meetings, in order to discuss detailed policy concerns. Undoubtedly, these meetings have been useful for opening channels of communication, resolving doubts and building trust.

Nationally and globally, civil society is debating the utility of formalizing a space, such as the C20. Financier George Soros is also promoting a C20 in his discussions with world leaders. Creation of a C20 could lead to collaboration; however, it could also lead to more declarations without follow-up actions. It is important to determine whether the B20, L20 and the more recent TT20 have forced policy actions through their working documents, communiqués and declarations. For those of us who are not directly involved, it may not be clear how these spaces have made a difference. Nonetheless, the political message is clear: governments consider these actors to be strategic players with something valuable to say. Given its wealth of experience and knowledge, global civil society also has valuable input about the crises faced by humanity.

In response to a petition by global networks, the Mexican Presidency invited three civil society representatives – one from each of the countries that comprise the current G20 troika: France, Mexico and Russia – to the recent Sherpas meeting. This encounter allowed each of the three representatives to share a message with almost all of the G20 Sherpas. Once again, while this did not provide a space for exchanging opinions or beginning discussions, it was another step forward. It is said that repetition leads to familiarity and to habit. We hope that future, broader encounters can take place and will continue to call for them. Initial analysis of this encounter indicates that interest exists, but greater trust is needed to move from listening to collaboration.

The Liaison Group Proposal

The Mexican Presidency’s proposal of a “CSO liaison group” may be a step towards joint work. A Sherpas’ liaison group should also be created comprised of astute pioneers who consider civil society engagement not as a formality but as an opportunity to build new knowledge and alliances towards common goals. Above all, the ingredient that is missing for truly effective civil society engagement is transparency. While the Group of Twenty continues to safeguard its discussion papers, policy options and strategies in secrecy, any possibilities for exchange will continue to be asymmetrical and, hence, the Group’s results will continue to be, at best, incomplete.

Civil society wants the G20 to be characterized by accountability and the fulfillment of its commitments, particularly those which address the problems of the poorest and most disadvantaged populations. The challenges that the G20 has assumed demand the involvement of all sectors of society. A formal space for civil society engagement will not eliminate protests in the streets, mass demonstrations, campaigns and calls to action. A single meeting room cannot embrace and contain the myriad of civil society voices but it can pave the way to effective multi-stakeholder alliances in favor of rights-based development.

The Liaison Group Proposal

The Mexican Presidency’s proposal of a “CSO liaison group” may be a step towards joint work. A Sherpas’ liaison group should also be created comprised of astute pioneers who consider civil society engagement not as a formality but as an opportunity to build new knowledge and alliances towards common goals. Above all, the ingredient that is missing for truly effective civil society engagement is transparency. While the Group of Twenty continues to safeguard its discussion papers, policy options and strategies in secrecy, any possibilities for exchange will continue to be asymmetrical and, hence, the Group’s results will continue to be, at best, incomplete.

Civil society wants the G20 to be characterized by accountability and the fulfillment of its commitments, particularly those which address the problems of the poorest and most disadvantaged populations. The challenges that the G20 has assumed demand the involvement of all sectors of society. A formal space for civil society engagement will not eliminate protests in the streets, mass demonstrations, campaigns and calls to action. A single meeting room cannot embrace and contain the myriad of civil society voices but it can pave the way to effective multi-stakeholder alliances in favor of rights-based development.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Date</th>
<th>Main government negotiators present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress on the Financial Track and by Sherpas</td>
<td>February 10, 2012</td>
<td>Hugo Garduño, Secretariat of Finance &amp; Public Credit (SHCP) &amp; Lourdes Aranda, Secretariat of Foreign Affairs (SRE)</td>
</tr>
<tr>
<td>Progress on the G20 Agenda</td>
<td>March 7, 2012</td>
<td>Patricia Espinoza, Secretary of Foreign Affairs (SRE)</td>
</tr>
<tr>
<td>Progress by the G20 Development Working Group</td>
<td>March 30, 2012</td>
<td>Rogelio Granguillhome &amp; Kenneth Smith Ramos (SRE)</td>
</tr>
<tr>
<td>Green Growth on the G20 Agenda</td>
<td>April 3, 2012</td>
<td>Enrique Lendo, Secretariat of the Environment &amp; Natural Resources (SEMARNAT)</td>
</tr>
</tbody>
</table>
Business Leaders Present Recommendations of its seven task forces to G20 during the World Economic Forum Latin America

The World Economic Forum-Latin America, “Regional Transformation in a New Global Context,” will take place in Puerto Vallarta, Mexico, April 16-18, 2012. This WEF meeting was scheduled to overlap with the G20 Finance & Trade Ministers Meeting (April 18-20) also in Puerto Vallarta, which in turn, overlapped with the “spring meetings of the IMF and World Bank” – (April 20-22) in Washington, D.C.

The WEF agenda (pdf) includes broad-ranging topics from “Energy: New Realities, New Models,” “Beating Inequality,” “Strategic Infrastructure,” “Rio+20,” and “Investment in Food Production and Distribution.”

A main feature of this event was the presentation by the Business 20 (B20) of the recommendations of each of its seven task forces to Mexican President Calderon and other political as well as business leaders. The International Chamber of Commerce (ICC) and World Economic Forum (WEF) were mandated to coordinate the work of the seven issue-related task forces on: “Green Growth,” “Food Security,” “Trade and Investment,” “Employment,” “Transparency and Anti-Corruption,” “ICT and Innovation,” and “Financing for Growth and Development” as well as the task force on “Advocacy and Impact.”

McKinsey & Company are also heavily involved. For instance, the “Food Security” Task Force is promoting “Realizing a new vision for Agriculture,” which was produced by 17 corporations with McKinsey & Company as project advisor. The companies involved are: Archer Daniels Midland, BASF, Bunge, Cargill, The Coca-Cola Company, DuPont, General Mills, Kraft Foods, Metro, Monsanto Company, Nestlé, PepsiCo, SABMiller, Syngenta, Unilever, Wal-Mart Stores and Yara International. This model for agriculture is currently being piloted through public-private partnerships (PPPs) in 11 countries with plans for widespread replication.

Labor 20 Submissions to the G20

The ITUC/TUAC Trade Union Priorities for the Mexican Presidency of the G20 in 2012 takes a position on five issues:

1) Jobs as the basis of countering recession;
2) Restoring the financial regulation agenda and raising resources through fair taxation;
3) Development and the Social Protection Floor;
4) Green jobs as a basis for sustainable growth; and
5) Governance and the G20.

It emphasizes that the G20 is undermining consumer demand – the primary engine of recovery – by its misguided labor policies, saying:

“Trade union rights are under attack from a variety of quarters with pressure for more labour market “flexibility” persisting from the OECD, IMF, and the European Commission, so creating the conditions for even more of the income inequality which contributed to the crisis in the first place. This risks depriving G20 economies of the positive demand impact of higher wages and setting the basis for further social tension and confrontation.”

The Labor 20 (L20) and Business 20 (B20) are scheduled to meet prior to the Mexican G20 Summit.

They met for the first time prior to the French G20 Summit and released a joint statement on employment, social protection, fundamental principles and rights at work, and coherence of actions in the multilateral system.
Over time, civil society organizations (CSOs) in Argentina have monitored the role of their national government in global processes, such as the G20. Taking advantage of the momentum created by the launch of the Mexican Coalition against the G20, two organizations – the Citizen Assembly for Justice and Human Rights (FOCO) and Fundación SES – recently coordinated CSO positions and proposals in order to enhance coordination at the national and regional level. With the support and participation of the Heinrich Böll Foundation’s Office in the Southern Cone, they have launched a platform aimed at increasing the public debate about the G20 agenda, putting forward CSO policy proposals to their national government, contributing to a Latin American common position on the G20, and connecting regional CSOs with their Northern partners.

According to the Argentine platform, “the G20 remains largely a prisoner of the neoliberal logic of free trade and the dominance of deregulated global finance, encouraging the imposition of harmful structural adjustment, especially for developing countries and the weakest (Greece is the most pathetic example).” It also states that “the United Nations – which still needs radical reform – is the most democratic and representative space to debate, discuss and agree on macro policies and global problems. The G20 is, in contrast, a space originally promoted by the G8, rooted in neoliberalism and merely coordinating the current global crisis... instead of resolving it. It asserts that the G20 should not assume roles that were not granted by the international community.

**Working principles of the platform**

The platform highlights the “principles on which we should work” in order to put the “topics of greatest interest of our peoples” on the G20 agenda. These include:

a) Encouraging the adoption of a set of public policies leading to sustainable development and social equity.

b) Breaking the paradigm of “labor flexibility” and searching full employment, access to credit by farmers and families and links between domestic and regional markets.

c) Promoting financial regulation mechanisms, implementing a regional tax on international financial transactions, which will be regulated by regional organizations, such as the Union of South American Nations (UNASUR).

d) Ensuring that South America is, in the shortest time possible, a "tax havens-free zone."

e) Addressing both the food and climate crises with a new agricultural model aimed at ensuring food security and sovereignty, with due care for natural resources and ensuring the rights of small farmers. Rejecting food speculation in future markets.

**Work plan of the platform**

The Argentine platform also sets out a work plan which seeks to:

a) Build a comprehensive process of dialogue about the causes of the current global crisis and the search for effective and lasting solutions to it.

b) Organize open round-table seminars to suggest and discuss possible topics to be included in the agenda of the government, in the Community of Latin American and Caribbean States (CELAC), UNASUR and the G20.

c) Promote a productive interaction with civil society organizations from Brazil and Mexico as well as with colleagues from other Latin American countries that are not members of the G20 in order to build a Latin American agenda relating to the Group.

d) Require the provision of access to relevant information on the country’s participation in the G20 and ensure the mechanisms and resources needed to enforce the full participation of CSOs in this process.

e) Establish a direct and permanent dialogue with the national government in order to generate a substantive dialogue, both political and technical, to build common proposals for true transformation of global policies.

Currently, FOCO and Fundación SES are collecting signatures from national and regional organizations prior to delivering the platform document to the Finance and Foreign Affairs Ministers.
Indonesia and G20
Challenges and Opportunities for an Emerging Economy

By Don K. Marut, Executive Director, International NGO Forum on Indonesian Development (INFID)

In January 2012, the media released stories entitled “Indiana Jones from Lebak, Indonesia,” with photos of primary school children swinging on ropes to cross rivers on their way to and back from school. The stories and pictures clearly reflect the dire situation relating to rural infrastructure and social services in Indonesia.

Dire poverty in the midst of plenty: This is the paradox one sees in most emerging economies in the world, including Indonesia. While the global economy is volatile, Indonesia’s GDP is soaring, with strong economic growth (above 6% per annum since 2008), a higher credit rating, and a stable financial market. Economist Nouriel Roubini’s assessment of Indonesia’s economy helped strengthen investor confidence in the Government’s economic policies and programs. At the same time, the disparity between the rich and poor, between urban and rural, and between Java Island and the outer islands is widening to an appalling degree.

This domestic context is the backdrop for Indonesia’s participation in the G20 and its “framework for strong, sustainable, and balanced growth.”

When the G20 was created, Indonesia’s membership was debated, particularly since Indonesia was not only stricken by economic crises but also by conflicts among various elements of society. These phenomena raised the question of whether Indonesia could even survive as a united country. Paul Wolfowitz, the former President of the World Bank and former US Ambassador to Indonesia, has been surprised by Indonesia’s survival and amazed by its rapid economic and democratic development.

Until 2008, Indonesia’s membership in G20 was viewed cynically by most development practitioners and the media in the country. The public would prefer that their government focus on domestic development issues, such as poverty and social peace, rather than becoming distracted by global issues.

The appropriateness of Indonesia’s membership in the G20 is no longer debated. But, legitimate questions are raised about what Indonesia can achieve from G20, on the one hand, and what Indonesia can do for the global economic development and justice in the G20, on the other? Can Indonesia highlight the issue of severe poverty in poor countries in the G20?

Can Indonesia highlight the issue of severe poverty in poor countries in the G20?

The Government of Indonesia is increasingly optimistic and confident that these questions can be answered affirmatively. It feels capable of implementing its commitments to the G20 at the domestic level as well as promoting development issues in the context of the G20. But, most CSOs are pessimistic about Indonesia’s capacity to deliver on its commitments, particularly in the area of anti-corruption, which is still a serious obstacle to the country’s economic development.

National Development Plans and G20 Development Agenda

In development jargon, Indonesia’s medium-term development plan (2009-2014) can be summarized as: pro-growth, pro-job, pro-poor and pro-planet. In the G20, Indonesia is focused on these development goals; while supporting all other G20 policies that can help achieve national development goals.

The G20’s Multi-Year Development Action Plan (DAP) has influenced two consecutive planning processes in Indonesia. That is, during the 2011 and 2012 consultations between CSOs and government, DAP issues were integrated into the 2012 and 2013 national development plans, respectively. This shows the commitment of the Indonesian government to harmonize its international commitments with its national development plans and programs.

In preparation for the G20 Summit in Los Cabos, Indonesia will highlight three of the G20’s development priorities:

1. Infrastructure

For a decade, infrastructure has been a top priority of the Government of Indonesia. The government is providing excessive incentives to investors in infrastructure sectors which include: transport, information technology, irrigation, and energy supply.

There have been two infrastructure summits held in Jakarta to promote international investment in infrastructure Public Private Partnerships (PPPs). Indonesia has established a Public Trust Fund to facilitate PPPs in infrastructure. Infrastructure is also a priority of countries in the Association of Southeast Asian Nations (ASEAN). Hence, ASEAN is launching an ASEAN Infrastructure Fund in mid-2012 to boost the development and connectivity of ASEAN countries, which will accelerate the formation of the ASEAN Economic Community.

2. Food security

On the issue of food security, Indonesia focuses on increasing
domestic production, building food stocks, and food quality. In cooperation with the World Food Program, the Government is developing a map of food vulnerability in one province, which will be replicated in other provinces. Food security is also an issue for the governments in ASEAN which – together with three partner countries (China, Japan and Korea) – are establishing an ASEAN Rice Reserve Fund to ensure adequate production and food stocks and conduct research on rice varieties and climate resistant seeds.6

3. Financial inclusion

At present, poverty reduction programs increase access by the poor to financing and provide special credits for small- and medium-size enterprises (SMEs). However, these are mostly disparate, “one-shot” efforts that are rarely linked together, scaled up or replicated. Now, this is changing as plans are underway to link financial inclusion programs with the National Program for Community Empowerment and various conditional cash transfers programs, such as the Family of Hope Program.

Concerns proposed by CSOs

In several consultations and meetings between Indonesian CSOs and the Government regarding the G20, CSOs recommend that the Government adopt seven domestic priorities and two priorities for less developed countries (LDCs). The national domestic issues include: (1) food security; (2) financial inclusion; (3) rural infrastructure; (4) human resources development (i.e., technical education); (5) anti-corruption; (6) accountability, and (7) climate change. For LDCs, the two priorities are: (1) reducing debt burdens, and (2) providing international support for tackling poverty.

Food security relates directly to poverty, nutrition for pregnant women and children, sustainable livelihood for small farmers and small fisher families. It also involves securing the rights and access of small farmers to land as well as the rights and access for artisanal fisher folk to sea. Financial inclusion, rural infrastructure and human resources development are necessary to guarantee sustainable development and public welfare. Anti-corruption and transparency and accountability relate to good governance as foundations for guaranteeing sustainable development, justice and equality; while climate change has influenced all aspects of the life (especially of the poor) and will continue to do so.

CSOs are concerned that massive infrastructure investments will compromise the rights of the poor. For instance, in many cases, expansion of infrastructure, particularly transportation, undermines the rights of the people to land and natural resources. The primary cause of conflicts between local communities and government agencies is the fact that property and resource rights are not recognized. CSOs also propose the development of infrastructure for rural transport, access to energy supply for the poor, water supply, social infrastructure (e.g., housing, school, health services). These investments are prerequisites for poverty eradication and sustainable livelihoods for local communities.

CSOs also propose that the Government of Indonesia strengthen its solidarity with the LDCs by amplifying their voices and interests in G20 forums. CSOs want Indonesia to be a catalyst for such South-South Cooperation efforts to promote the interests of LDCs.

CSOs are concerned that massive infrastructure investments will compromise the rights of the poor

Policy Coherence

While national development goals are prioritized, Indonesia also pursues economic cooperation within ASEAN. All commitments at the international level, including in G20, will not override any commitment to ASEAN, which is Indonesia’s “neighborhood.” Hence Indonesia is trying to integrate all relevant regional and international commitments (e.g., UN, WTO, OECD, APEC and G20) into national development strategies.

The problem, however, is that the commitments made in G20 and other international forums by the President and Ministries are not being communicated effectively to the technical ministries which are responsible for the implementation of the commitments at country level.

The government of Indonesia rarely employs “coherence” and “coordination” in its programs, as the following examples demonstrate:

- There is a detailed national action plan for anti-corruption and an independent, powerful Anti-Corruption Commission, but there are still judiciary institutions that are violating the anti-corruption spirit.
- There is a detailed national action plan for climate change, but there is only weak enforcement of laws against illegal logging that contributes to forest destruction.
- Food shortages and malnutrition are severe, but the actions by the technical ministries to overcome these problems are lagging behind expectations. Rhetorically, these crises are recognized as national emergencies, but the technical ministries lack any sense of urgency.
Coordination and coherence between the central government and the regional governments (provinces and districts/municipalities) are also problematic. The decentralization process that has proven beneficial for regional development is impeded by the central government’s tight control over regional governments’ budgets. In fact, the regional governments (the provincial and district governments) are the responsible agents of development. Ultimately, they ensure that the commitments at international, regional, and national levels are realized.

These are among the challenges that tie Indonesia’s “legs” and hobble it in international arena, including in the G20. If there is slow progress in the implementation of the commitments at national level, then coherence and coordination at the country level may be the probable causes. Fortunately, the government is addressing these problems and working with other stakeholders, including with CSOs, in the process. Regional and national levels are realized.

References
1. Ryan Kisiel, “Think the school run is bad? Children face Indiana Jones-style river crossing EVERY day after floods cut off their community”, January 20, 2012

Knowledge Box
The G20 and Rio+20: In Pursuit of “Green Growth” and “Green Economy”

The Mexican G20 Summit and the United Nations Conference – “Rio+20” (also known as Earth Summit 2012) – occur back-to-back in June 2012, with the former on June 18-19 and the latter on June 20-22. The priorities of the G20 and Rio+20 are “green growth” and “green economy,” respectively. These are hotly contested terms. A recent issue of the Earth Negotiations Bulletin of the International Institute for Sustainable Development (IISD) provides a “window” into the heated controversies in negotiating the outcome document for Rio+20.

There is no “window” into the G20’s discussions of “green growth” because its documents are not publicly disclosed. We do know that the Green Growth Knowledge Platform – a collaboration among the World Bank, the UN Environment Program, the Global Green Growth Institute and the OECD – is influential. We also know that McKinsey and Company (and its important publication “Resource Revolution: Meeting the world’s energy, material, food and water needs” is shaping the outcomes of the Green Growth Task Force of the Business 20 (B20) and the Global Green Growth Forum (3GF), which was held last month under the leadership of Mexico, Korea, and Denmark.

One “hot button” issue relating to “green growth” and “green economy” is that of the actual and potential implications of these paths for trade and investment. For instance, in the Rio+20 context, Martin Khor, Executive Director of the South Centre, states that the draft outcome document “contains one country’s proposal to get the World Trade Organization to change its rules so that countries can use trade measures on a product on the basis of how it is produced. In other words, the pollution or emissions produced while making the product can become the basis for additional tariffs to be placed on the product. This is presently not allowed, or at the least is greatly discouraged, in WTO rules.”

According to reports, the Business 20 may appeal to the G20 to adopt a Sustainable Energy Trade Agreement (SETA) within existing WTO arrangements that would expand “green” goods and services by means such as eliminating tariffs, local content requirements and other non-tariff barriers as well as coordinating industrial and technical standards.

Good sources for exploring “green economy” issues are United Nations Conference on Trade and Development, “The Road to Rio+20” (Volume 1 and Volume 2, 2011). In volume 1 (page 39) the powerful Director General of Economic Affairs for Brazil, Carlos Marcio Cozendey describes how the liberalization of “green” goods and services can put developing countries at a disadvantage.

Martin Khor undertakes a similar critique in “Risks and Uses of the Green Economy Concept in the Context of Sustainable Development, Poverty and Equity” South Centre, July 11, 2011.

Such arguments must be addressed so that the roadblocks to fighting climate change can be removed in ways that uphold the principles of sustainable development.
India and G20

By Harsh Jaitli, Chief Executive Officer, Voluntary Action Network India (VANI)

India's engagement with the G20 cannot be understood in isolation and without reference to its evolution since independence.

When India became independent in 1947, the world was bipolar, partition had dealt a severe blow to the economy in the north, and the eastern part of the country was engulfed by widespread famine. The country was immersed in domestic challenges.

Even so, at the global level, India was part of the ‘Non-Aligned Movement’ which was formed in 1961 by over 120 member countries which were not allies of either the U.S. or the Soviet Union.

The basic premise of Indian foreign policy was to safeguard its national identity while bargaining effectively with big powers. From the U.S., India obtained aid, including tied aid, for food grains and support to technical institutions. From the USSR, it obtained technical and financial loans for large industrial projects.

In 1962, Chinese aggression was a rude shock for India. In addition, within South Asia, India's status has always been contested by its smaller neighbours including Pakistan, Sri Lanka and Bangladesh with whom it shares borders. Although the South Asian Association for Regional Cooperation (SAARC) provided a platform for trade and cultural exchange, it never became a coherent group, such as the European Union. These dynamics forced India to look for relationships beyond South Asia.

India and the Bretton Woods Institutions

India's relationship with the IMF and World Bank (the Bretton Woods Institutions) was conflictual. Initially, India's relationship was that of a 'petitioner' for financial support. Because of the conditionalities imposed by the institutions, the government as well as the political class and activists perceived the relationships as exploitative and one-sided. The structural adjustment programmes and the 1992 'Dunkel Draft' became the most hated terms among social activists in India. (The 1991 "Dunkel Draft," which became the foundation of the World Trade Organization, denied India the provisions it needed to become competitive, particularly in agriculture.) The IMF's mishandling of the 1997-1998 East Asian financial crisis added fuel to the fire of the common belief that India was in a subordinate relationship with global powers and institutions.

Sweeping changes since 1990s

Since the 1990s, when India adopted liberal policies to boost its economic growth, the country has had a complete makeover. In 2003, an invitation to the G8 (as an observer) was a signal of India's growing international power; but even then, the G8 Leaders issued their declaration before they even met with the leaders of emerging market economies. So, once again, India was more of a petitioner than a participant in the process.

Especially since the 2007 global financial crisis, India has begun to realize the extent of its economic clout. Its robust domestic policies protected the economy from major setbacks during the global crisis. Since 2008, when the G20 began meeting at the levels of "heads of state," the G20 has largely eclipsed the G8. Some consider this era as the beginning of the end of western dominance since the West is beleaguered and the "rest" are rising. However, since the G20 excludes 173 countries and, according to some, marginalizes the UN, the legitimacy of the G20 is challenged. Moreover, there are no statutes, no binding decisions, and no permanent secretariat to deliver accountability for the commitments of the members. With a rotating presidency, all decisions are based on the consensus.

The aspiration of the BRICS to play a more meaningful role in the global economic order is quite natural

The Birth of BRICS (and a BRICS Bank?) in the Global Governance Structure

The BRICS – Brazil, Russia, India, China and South Africa – have emerged on the world stage and, interestingly, they are seen as shadowing the G20 and strategizing prior to G20 Summits.

The BRICS represent almost half of the world population, but also one fifth of world's GDP, along with 18% of world's trade and 42% foreign exchange reserves. Despite their power, these countries have only 11% of the voting share in IMF whereas the US has 17% and the EU 36%. Despite the talk, there has been little governance reform by the IMF and World Bank; Europe and the U.S. still hold the top posts at the institutions.

The aspiration of the BRICS to play a more meaningful role in the global economic order is quite natural. Therefore, at the March 2012 BRICS Summit in New Delhi, these nations proposed establishing their own international bank.

Expectations of India's Leadership in the G20

The rise of India, Brazil and South Africa raised the expectations of the rest of the developing world that these countries would promote a more democratic and equitable economic system. The extent to which India has raised the profile of
South Asia in the G20 is debatable. And, the extent to which India, Brazil and South Africa have reformed the international financial institutions and the UN system to accommodate the aspirations of southern countries is also debatable.

In the last few years, India emerged as a new donor of development aid to other less developed countries. In this role, it has two distinct characteristics: first, it provides “tied aid” – or aid which requires recipients to purchase its goods and services – especially related to technology and infrastructure; and second, it refuses to join the “club” of donors at the Organization for Economic Cooperation and Development (OECD).

Domestically, the country has major social movements related to the issues of corruption, tax havens and food security. The Indian media has widely reported the huge amounts of money flowing into tax havens. The “Anna Movement” (2011 anti-corruption movement named after activist Anna Hazare) highlighted the widespread corruption in the system that exists alongside widespread hunger and poverty in the country. Particularly in these areas, India needs to show some tangible results of its engagement at global levels.

Indian Voluntary Sector and G20

Problems with the existing developmental framework are a sharp reminder that the space for civil society in international forums such as the G20 is a critical imperative. Recent developments make it evident that there must be space for the voluntary sector in international forums such as the G20. The voluntary sector in India has consistently emphasized the principles of equity, justice and inclusion within the developmental discourse. Indian civil society is categorical in stating that development cannot be understood in isolation from human rights and related issues. The development discourse is not merely an economic exercise, but one which has socio-political and cultural ingredients as well.

Indian civil society is generally understood as being detached from the global role of India as emerging economy. The media does not cover the role of the Indian Government in forums such as the G20 or BRICS Summits, but rather complains about its isolation from such events. For instance, the Indian media which accompanied the Indian Prime Minister to the G20 Summit in Cannes, France was not briefed before its departure and, even in Cannes, there was no interaction with it. Hence, there was no coverage of the G20 summit in the Indian media.

However, during the BRICS summit in New Delhi on March 28-29, 2012, the public noticed that the Chinese delegation engaged with global media because it took initiative. Unless journalists take initiative, the absence of information contributes to the media focus on domestic rather than international concerns. Journalists are more likely to take initiative if events are convened in India. However, reportedly, the BRICS Summit is the only Summit that India has hosted during the last 30 years. Clearly, the BRICS Summit raised the awareness of the general public.

Unfortunately, it is difficult to obtain public information about the G20 or India’s role in this and other international bodies. In fact, there are very few people who can mine or extract this information from the complex government systems.

What has happened since the early 1990s when there was a whole movement against the structural adjustment programme of IMF and World Bank and the “Dunkel Draft”? These movements were primarily led by leftist parties and their affiliated trade unions. Now, since both of these entities are rather weak, there is little support or resistance to current development trends. The Indian voluntary sector has always taken a lead on various global issues especially when they have an impact on the Indian poor, but unfortunately, there is apathy towards recent developments.

Most of Indian voluntary organizations are facing an existential crisis regarding their survival

No doubt, Indian voluntary organisations are still pre-occupied with not only managing the rampant economic disparity within the country, but also other regulatory challenges from the Indian government. The rising clout of India has resulted in major cuts to its development aid. Now, very few bilateral aid agencies are operating in India and, even many of these are facing major budget cuts. As a result, the Indian voluntary sector is now heavily dependent on government aid which provides little flexibility or space for innovation. So, most Indian voluntary organizations are facing an existential crisis regarding their survival. Some international CSOs are engaged in developing “status papers” on the agenda of G20, but there is much less engagement by local organizations, especially from the grassroots. These groups are not only preoccupied with their survival and their poverty-related missions, but perhaps also daunted by the technical nature of the agenda at the international level.

Agenda for Indian Voluntary Organisations

On October 14, 2011, VANI organised a consultation of Indian voluntary organizations to discuss their engagement with the Indian government, the G20, and the aid organisations.
There was a consensus that there must be a more transparent and accountable system of Indian engagement in global platforms but also there is a need to make India more responsible towards the aspirations of other developing countries. At the consultation, we developed the following action plan in order to motivate the voluntary sector in India (and the wider public) to address issues relating to the international arena, including the G20:

1. Produce knowledge/status paper linking Indian ground realities with the global agenda.
2. Disseminate such documents with the grass roots groups so that pressure from below could be generated to demand accountability from the Indian government.
3. Demand the Official Development Aid (ODA) policy of the Indian government so that there could be transparency of Indian aid to the other countries.
4. Work with Indian media for coverage of such issues so that public engagement could be ensured.
5. Work with legislatures to make these issues as topics of debate in Indian parliament.
6. Work with the Indian government to bring them to the dialogue table wherein more responsive and shared vision can be built around these issues.

---

**Knowledge Box**

The Fourth **BRICS Summit** (March 2012) on "BRICS Partnership for Global Stability, Security and Prosperity" in New Delhi, India

**CLIMATE CHANGE**
The Leaders committed to "dealing with climate change issues through sustainable and inclusive growth and not by capping development.” They expressed preference for "sustainable development" as "the main paradigm in environmental issues, as well as for economic and social strategies.” At the same time, they acknowledged the relevance and focus of the themes of the Rio+20 Conference, including “Green Economy.”

**TRADE AGREEMENTS**
The Leaders executed two agreements:

- the “Master Agreement on Extending Credit Facility in Local Currencies” under the BRICS Interbank Cooperation Mechanism and
- the “BRICS Multilateral Letter of Credit Confirmation Facility Agreement” among the Export-Import and Development Banks of the five countries.

They expressed the belief that “these Agreements will serve as useful enabling instruments for enhancing intra-BRICS trade in coming years.”

---
G20 Database & E-mail Group

Database

If you would like to read more on the G20, recent changes in Global Governance and what it means for specific regions or issues, the G20 Database of the Heinrich Böll Foundation is the right place to go.

It is subdivided into the following folders, so you can easily access the analysis and information that is of interest to you.

In addition, every folder contains both a Word and PDF document with annotations of the documents included in the folder. The database is designed in a way that every member can add documents himself, which are then instantly synchronized so that everyone can access it. This is a great way to share information and build up institutional capacity.

Currently, the box is not updated. Volunteers are very welcome!

If you would like to know more about the Database or sign up for access please send an email to g20-newsletter@boell.de. To get started right away, here are the 3 easy steps to install the Database on your computer:

1. Install the Programm "Dropbox" from https://www.dropbox.com/install
2. Write to g20-newsletter@boell.de, you will then receive an email invite to share the G20 Database folder.
3. Accept the invite and you should be able to access the database through a Dropbox icon on your Desktop.

E-mail Group

In addition, the Heinrich Böll Foundation is part of an international network of NGOs and policy-analysts, which have set up a G20-related E-mail Group.

To subscribe, send email to: alternative-g20+subscribe@googlegroups.com

To unsubscribe, send an email to: alternative-g20+unsubscribe@googlegroups.com

To customize your subscription, go to http://groups.google.com/group/alternative-g20 (but you need to create a Google account, if you do not have one)

Replies automatically go to the whole group. To minimize email traffic, please do only reply to the whole group if necessary.

There is no moderation.