

The article is related to  
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## The G20 meeting has come at a critical moment for the global political economy

At their first in-person meeting in two years, leaders of the G20 did not shy away from re-engaging with the biggest issues facing the global community today, including the COVID-19 pandemic, climate change, a major tax agreement, and steps to address concerns regarding global economic growth and stability.

On coordinated efforts to mitigate the pandemic, the focus was on vaccine production and distribution, with assurances of support to WHO's target of inoculating 40% or more of the global population against COVID-19 by 2021, and at least 70% by mid-2022. The implicit assumption in this commitment by G20 leaders is that initiatives to boost the supply of vaccines in developing countries will succeed, and cooperation will help the world overcome supply and financing constraints. On climate change, the Group leaders recommitted their nations to providing \$100 billion a year toward adaptation, mitigation, and green technologies, focusing on the needs of developing countries. However, in this sphere, a divergence of views still exists across developing and developed nations: ahead of this summit and the 2021 climate conference in Glasgow, India had rejected the call to announce a target of zero emissions. Prime Minister Narendra Modi appears to have scored a victory in this regard as the post-summit communiqué commits the G20 to limiting global warming to 1.5° C and identified sustainable and responsible consumption and production as "critical enablers".

The world community is on shakier footing regarding the fragile post-COVID economic recovery underway after paralysing lockdowns. Unsurprisingly, given the rising inflation, spiking energy prices, and alarming supply chain bottlenecks, G20 leaders were quick to affirm that national stimulus policies would not be removed prematurely.

Even so, it would remain a challenge to walk the tightrope between preserving financial stability and fiscal sustainability. Perhaps in a bid to avoid potentially debilitating wobbles in global finance, the G20 leadership agreed to slap multinationals with a minimum 15% tax to create "a more stable and fairer international tax system".

This would impact the tech titans of Silicon Valley, as this initiative would make it harder for such companies to benefit from locating themselves in relatively lower-tax jurisdictions. This OECD-led reform enjoys the support of 136 countries, which account for more than 90% of global GDP, and is likely to enter into force in 2023 or after.

Nations such as the U.S. are divided on whether to approve this proposal domestically, and unless there is unanimity amongst the discussants, the initiative risks facing implementation delays. The G20 meeting has come at a critical moment for the global political economy.

If it results in timely, effective, coordinated action across major nations, hope for recovery will remain afloat.

### Expected Question (Prelims Exams)

**Q. In which of the following countries was the G-20 meeting held?**

- (a) India
- (b) Britain
- (c) Italy
- (d) France

### Expected Question (Mains Exams)

**Q. How will the decisions taken in the meeting of G-20 countries prove beneficial for the current post-covid 19 world? Discuss.**

**(250 Words)**

**Note: - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC main examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.**