

AIR Spotlight - Prime Minister's Visit to Italy and G-20 Summit

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation. In this article, the topic of discussion is PM Modi's visit to Italy and the G-20 Summit.

Participants:

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Context:

The G-20 Summit has taken place in Rome and Prime Minister Narendra Modi has attended the summit. The article will discuss the agendas, issues, and outcomes of the summit.

What is G-20?

- The G20 is the international forum that brings together the world's major economies. Its members account for more than 80% of world GDP, 75% of global trade, and 60% of the population of the planet.
- The G20 was born in 1999 as a consultation forum between finance ministers and central bank governors of the world's major economies. Following the 2008 economic crisis, it became a forum between Heads of State and Government, aimed at improving coordination on the main global issues.
- The forum has met every year since 1999 and includes, since 2008, a yearly Summit, with the participation of the respective Heads of State and Government.
- In addition to the Summit, ministerial meetings, Sherpa meetings (in charge of carrying out negotiations and building consensus among Leaders), working groups, and special events are organized throughout the year.

Know more about [G20](#) in the linked article.

G-20 Summit:

On 30th October and 31st October, Rome hosted the G20 Heads of State and Government Summit, with the participation of the G20 Heads of State and Government, of their counterparts from invited countries, and of the representatives of some of the main international and regional organizations.

The priorities of the Summit are discussed below:

People:

- The unprecedented health, economic and social crisis due to the Covid-19 pandemic is severely affecting people all over the world, threatening their lives, jobs, and social relationships. Future expectations are deteriorating, above all for younger generations.
- Faced with this scenario, the G20 must lead the change towards a better and brighter future for the entire global society.

- This means tackling the health and economic crisis in the short run but also looking beyond, and shaping a sustainable, just, inclusive and resilient recovery. To achieve this ambitious goal, the policy actions must be centred around people, both at the national and multilateral levels.

Planet:

- As humanity expands its reach across the planet, harnessing its resources and striving to improve the livelihoods of billions of people worldwide, the urgency of ensuring the sustainability of our presence here is rapidly increasing.
- Profound challenges need to be addressed, and the G20 has a great responsibility in leading the world towards concrete and lasting solutions.
- This entails a firm commitment to providing responses to key issues such as climate change, land degradation, biodiversity loss, and the achievement of the Sustainable Development Goals enshrined in Agenda 2030. These are issues that have been on the G20 agenda for a long time.
- The G20 will also pave the way towards the 26th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP26), a key milestone in the global fight against climate change, which is co-hosted by Italy and the United Kingdom.
- The COP 26 will discuss net-zero emissions and climate financing as the major issues.

Prosperity:

- The planet is facing the worst economic crisis of the last century. The 20 most important economies in the world are called to work together to reignite growth and foster renewed prosperity.
- The digital revolution represents a fundamental tool to achieve prosperity and better quality of life. For too long, however, digitalization has also been a driver of precariousness and inequality. The international community, spurred by the G20, needs to make digitalization an opportunity for all.
- This means reducing the digital divide, promoting infrastructural developments able to guarantee universal internet access, and achieving adequate and widespread digital literacy.
- It also means exploiting the full potential of the technological revolution to concretely improve the living conditions of citizens all over the world, in every aspect of their lives.

Important issues:

Leaders of the Group of 20 countries gathered for their first in-person summit since the pandemic took hold. They are set to confront a global recovery hampered by a series of stumbling blocks that are discussed below:

The pandemic recovery:

- The G-20 countries have supported vaccine-sharing through the UN-backed COVAX program, which has failed to alleviate dire shortages in poor countries.
- Donated doses are coming in at a fraction of what is needed, and developed countries are focused on booster shots for their own populations. In many poor countries, the vaccination rate is less than 5 percent.
- So, the leaders of the G-20 have a determination to coordinate their policies so that 70 percent of the world population is vaccinated by 2022.
- There need to be coordinated efforts for the global access of Covid-19 pandemic recovery-related tools.

Global taxes:

- Discussion on a global minimum corporate tax, aimed at preventing multinational companies from stashing profits in countries where they pay little or no taxes.
- All G-20 governments signed onto the deal negotiated among more than 130 countries and it now faces an ambitious timeline to get approved and enacted through 2023.

High energy prices:

- Discussion on high oil and gas prices because it includes delegations from major energy producers Saudi Arabia and Russia, major consumers in Europe and China, and the US, which is both.

Supply chains:

- Discussion on troubles with supply chains that have slowed growth in the developed world. Port and factory closures, shortages of shipping containers, and rising demand have contributed to backlogs at ports and delays for deliveries of everything from bicycles to computer chips used in smartphones and cars.
- Leaders would discuss the efforts to diversify the supply of key goods such as masks, other medical protective equipment, and semiconductors.

PM's approach:

- Prime Minister Narendra Modi is continuously focusing on a unified approach where all the major economies of the world work together with identifiable objectives, achievable goals, and a roadmap on how to restart.
- But, the objectives and purpose of these organizations such as G-20, COP26, etc. are to harmonize these national positions for the global good and in the interest of the planet.

Outcomes of the Summit:

G-20 leaders had a full agenda including climate change, the Covid pandemic, a landmark tax deal, and global economic worries. The outcomes of the summit are discussed below:

Climate change:

- Leaders committed to the key Paris Agreement goal of limiting global warming to 1.5 degrees Celsius above pre-industrial levels, pledged action against dirty coal plants but fell short on a target of zero emissions.
- They also pledged to reach a target of net-zero carbon emissions “by or around mid-century”, instead of setting a clear 2050 date, as campaigners and summit host Italy were hoping for.

Taxation:

- Leaders agreed on a global minimum tax rate of 15 percent as part of an effort to build “a more stable and fairer international tax system”.
- US internet giants such as Amazon, Google parent Alphabet, Facebook, and Apple – which have benefited from basing themselves in low-tax countries to minimize their tax bills – are particular targets of the new global regulation.

Vaccines:

- Leaders vowed to support the World Health Organization's (WHO) goal of vaccinating at least 40% of the world's population against Covid-19 by 2021, and 70% by the middle of next year, by boosting the supply of vaccines in developing countries and removing supply and financing constraints.
- They also promised to work together towards the recognition of Covid-19 vaccines deemed safe and efficacious by the WHO.

Global Economy:

- Amidst rising inflation, pushed by spiking energy prices, and supply chain bottlenecks are weighing on a world economy still reeling from Covid-related disruptions, G20 leaders ruled out a hasty removal of national stimulus measures.
- G20 leaders pledged to remain vigilant to the global challenges that impact our economies, such as disruptions in supply chains, (and) monitor and address these issues as our economies recover.

Development aid:

- Leaders set a new target of channeling \$100bn towards poorest nations, coming from the \$650bn pot made available by the International Monetary Fund (IMF) via a fresh issuance of its Special Drawing Rights (SDR).
- SDRs are not a currency, but can be used by developing countries either as a reserve currency that stabilizes the value of their domestic currency, or convert into stronger currencies to finance investments.
- For poorer countries, the interest is also to obtain hard currencies without having to pay substantial interest rates.

Conclusion:

The G-20 leaders have made noteworthy promises to do significant efforts for the global economy, people, and climate.