

## Mindset for action at the G20 summit will be determined by Chinese presidency

By Frank-Jürgen Richter Source: Global Times

Hangzhou is busy showcasing China to the rest of the world while the Group of 20 (G20) meeting is underway with twenty heads of state, special invitees, close advisors and the media in the city.

The G20, set up in 1999, following the relative failure of the Group of 7 to represent developing nations and forecast the Asian financial crash. The G20 holds annual meetings not only for government heads, but also their finance ministers and central bankers so they can focus on global economic issues, that are beyond the responsibility of any one organization. Now the group faces a new threat - global growth slowdown.

There is possibly a hidden agenda as well - the need to balance economic migration against demographics. A worsening dependency ratio is a worldwide obstacle to steady growth and mass migration exacerbated the problem. Statistics indicate that there is not enough immigration to compensate for aging nations. The UN suggests between now and 2050 that Germany would have to double its annual intake of immigrants and Russia would have to quadruple its annual inflow to prevent their populations from decreasing.

Acting as host brings several complexities for China. The government announced that this meeting must address global economic issues and consider how to develop the role of the G20. Chinese Foreign Minister Wang Yi said he hopes the group will develop away from crisis-response toward long-term governance. This concurs with Beijing's wish to discuss how their domestic responses to their economy will mesh with its aim to help develop international growth. The Belt and Road initiative is a good example of this aim to stimulate the Chinese economy as well as drive innovation and sustainable development internationally. It is trade that really supports the people of the world. Too little reduces their personal wealth and condemns them to a perilous downward spiral. Under the UN's Millennium Goals China has raised millions out of poverty. China implemented vast infrastructure changes and is instigating a huge new plan to create an integrated modern electricity supply system. The latter is needed to supply clean power while reducing pollution in cities, concurring with China's ratification of the 2015 **Paris Agreement** on Climate Change. Importantly, the new electricity supply system would make the Internet of things more secure, where, in theory, freezers communicate with suppliers to regenerate stocks independent of owners.

China, as host, can lead these discussions, but will need G20 members to further develop and implement the themes. The G20 members don't come to Hangzhou without tensions. The US is about to hold its presidential elections in November. President Barack Obama is at the Hangzhou meeting, but his successor might negate any agreements. The UK's recent decision to leave the EU has thrown that group into disarray, especially as the UK has not yet invoked Article 50. The new UK Prime Minister, Theresa May, knows that China has invested over 12 billion euro (\$13.4 billion) in direct investments into the UK between 2000 and 2014. Broadly put, all nations have money issues, hence the importance of this Hangzhou meeting as it focuses on economic futures.

But the mindset for action will be determined by the chairmanship of the Chinese President **Xi Jinping** and the willingness of his G20 colleagues to come to a consensus about global economic development.

*The author is founder and chairman of Horasis, a Swiss-based global visions community organization.*