Southern Regional Model United Nations, Atlanta 2013
Beyond 2015: Reshaping the Millennium Development Goals for an Empowered Future Sustainability
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Email: g20_atlanta@srmun.org

Dear Delegates,

I would like to welcome you to the Southern Regional Model United Nations (SRMUN) Atlanta 2013 conference and the Group of 20 (G20). My name is Mark Edwards and I am honored to serve as your director for the G20. This is my second year with SRMUN and I look forward to meeting and working with all of you. In this committee I will be serving with Assistant Director Alyssa "Lucie" Bowman. Alyssa studies political science and history at Western Carolina University. She is passionate about the topics before the G20 and she looks forward to engaging in discussion of these topics that are pressing, relevant, and ever-present everywhere from major headlines to news' broadcasts and common conversation.

The G20 is a committee that consists of nineteen United Nations Member States and a representative for the European Union. Member States of the G20 constitute eighty percent of the global trade market and is designed to address and debate issues pertaining to international financial stability. This includes issues of international trade barriers, individual and regional currency issues, issues pertaining to conflicts among Member and non-Member States, and any other issue that could disrupt the global financial market.

The following topics have been chosen to be addressed at SRMUN Atlanta 2013 because of their importance in maintaining global financial balance:

I. Assessing the Progress of Major Commitments Implemented in the Pursuit of a Sustainable Global Economy; and
II. Competitive Devaluation of Domestic Currencies.

Each delegation is required to submit a position paper which covers both of the topics mentioned above. The papers should be no longer than two pages, singled spaced, as outlined on the SRMUN website. The purpose of the position paper is to discuss your countries position on the two topics and persuade your fellow delegates to follow the course of action laid out in your paper while in committee. These position papers are incredibly important to your success in committee and should provide insight into your country's positions on the topics listed above.

Delegates are encouraged to use the paper as a means of stating what your country hopes to achieve in committee, and outline the best course of action for all Member States. Having a clear position outlined in the paper will serve as the foundation for your success in committee, and should thus portray accurate positions relating to our country. More information about position papers can be found on the SRMUN website (www.srmun.org). **All position papers MUST be submitted by 11:59pm EST on Friday, November 1st, 2013 via the on-line submission system at http://www.srmun.org.**

I look forward to serving as your director for the Group of 20. Good luck to all of you in the preparation process and feel free to reach out to Fawn, Lucie, or myself if you have any questions.

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History of the Group of Twenty

The Group of Twenty Finance Ministers and Central Bank Governors, commonly known as the G20, is the result of the global need for stability and sustainability in the international economic system. It describes itself as the "premier forum for international cooperation on the most important global economic and financial agenda.[1] The G20 is mandated to "promote discussion and study and review policy issues amongst industrialized countries and emerging markets with a view to promoting international financial stability."[2] The G20 works to meet this mandate through coordination of policy for economic stability and sustainability, reducing and preventing financial crises by promoting international financial regulations, and bringing the architecture of international finances into the twenty first century.[3] The G20 was "created as a new mechanism for informal dialogue in the framework of the Bretton Woods institutional system."[4] The Bretton Woods institutions consist of the International Monetary Fund (IMF), the World Bank Group, the World Trade Organization (WTO), and other regional development banks. Created after the Second World War, the Bretton Woods institutions sought to "address critical issues in the international financial system" following the "shattered post-war economy."[56] The global economy fluctuated in the years following World War II, and by the late 1990s, the need for an organizational dialogue was clear for both sustainability and stability in global financial structure. The G20 was orchestrated to cooperate with these institutions, and to influence their policies in hopes of strengthening the global economy.

On September 25, 1999, the Group of Seven's central bank governors and finance ministers announced to the international community they planned to "broaden the dialogue on key economic and financial policy issues among systemically significant economies and promote co-operation to achieve stable and sustainable world economic growth that benefits all."[7] While this announcement has been marked as the starting point of the road to the G20, the concept of a forum for the international community to discuss the rapidly globalizing economy and issues that coincided with globalization was began to take shape a few years prior. Since 1996, the Group of Seven (G7) proved to be effective for discussion of economic issues, but it was not representative enough of the global community to effectively solve issues with development in the international economy. No organization had yet been integrated into the IMF or into the World Bank, institutions that play large roles in sustainable development and the international political economy.[8] In November of 1997, U.S President Bill Clinton called for the organization during an emergency meeting of international finance ministers to evaluate the problems faced by the global economy.[9] This meeting established the Group of Twenty Two (G22), also known as the Willard Group, which characterized itself as the "Financial Ministers and Central Bank Governors from a number of systemically significant economies."[10] The G22 realized reform of the international financial architecture was necessary, but the consensus of G7 was not enough to make these reforms a reality.[11] The main motivation behind this meeting was the financial crises of the late 1990s that had begun in Thailand and broadened to other emerging economies before spreading globally.[12] This

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[1] "What Is the G20," Group of Twenty, <http://www.g20.org/docs/about/about_G20.html>. (Accessed March 31, 2013)
[2] John Kirkton. "What Is The G20?" *G20 Research Group University of Toronto*, http://www.g20.utoronto.ca/g20whatisit.html (Accessed July 22, 2013).
[3] "What Is the G20." Group of Twenty, <http://www.g20.org/docs/about/about_G20.html>. (Accessed March 31, 2013).
[4] Ibid.
[5] "About the Bretton Woods Institutions." The Bretton Woods Committee, 2013, http://www.brettonwoods.org/page/about-the-bretton-woods-institutions (Accessed March 31, 2013).
[6] "What are the Bretton Woods Institutions?" The Bretton Woods Project, January 25, 2007, http://www.brettonwoodsproject.org/item.shtml?x=320747 (Accessed March 31, 2013).
[7] "A Group of Twenty: A History." Group of Twenty. University of Ontario. 2008, 6.
[8] "Backgrounder." Canadian Department of Finance. University of Ontario. March 2000. http://www.g20.utoronto.ca/g20backgrounder.htm (Accessed March 31, 2013).
[9] Ibid.
[10] Hajanl, Peter I. *The G8 System and the G20: Evolution, Role, and Documentation* (2007) (Hamptonshire: Ashgate Publishing Limited), 151.
[11] "A Group of Twenty: A History." *University of Ontario* (2008).
[12] Ibid.

crisis made it obvious that the global economy was becoming more and more integrated because cross border trading was on the rise, domestic capital markets were becoming liberalized, and capital accounts were being opened.[13] The G22 was intended to be a one-time ordeal, but at the urging of the G7 and President Bill Clinton, this group would meet over the next two years and evolve into the G20, exchanging Hong Kong, Singapore, Malaysia, and Thailand, the origins of the financial crisis of the late 1990s, and Poland from the G22 for the European Union, Turkey, and Saudi Arabia, much stronger economies to complete the G20.

The G20 is a deliberative rather than a decision-making body, encouraging the formation of consensus on international issues that will be agreed upon and implemented by all Member States. Policies discussed by the G20 focus on promoting international financial stability and "translating the benefits of globalization into higher incomes and better opportunities everywhere."[14] In regards to fiscal or economic policy, nothing is out of the G20's purview.[15] From its inception, the G20 endorsed international standards to increase transparency and strengthening financial systems.[16] The G20 seeks to shape the international agenda, discuss economic and financial issues in which consensus has not been reached, and to "lead by example" with fiscal policy.[17]

The G20 is comprised of nineteen Member States and representation from the European Union. Meetings often include several non-Member States and institutions that are invited to the G20 annual summits. Five non-Member States are permitted representation at each summit, with a permanent invitation open to Spain. The remaining four seats are divided with balanced geographical representation with two of these seats dedicated to African Member States as declared following the 2010 Summit held in Seoul. Member States that preside over regional organizations, such as the African Union or the Association of Southeast Asian Nations, get first consideration when choosing a representative seat.[18] The G20 boasts close relationships with formal international organizations, such as the IMF, the World Bank, the WTO, and the United Nations (UN). These organizations take on various assignments, such as providing expert advice on matters which they are well acquainted.[19] Subsequently, the G20 also plays a role in these organizations, playing an important role in both quota reform and representation at the IMF.[20]

The presidency of the G20 rotates annually. The Troika is a three member management team, which is "a group of previous, current, and future chairs." This three person team ensures transparency, fairness, and continuity in the G20's leadership. There is no permanent secretariat for the G20 as it is set up annually by whoever holds the presidency.[21] Summits are held in the country of the presidency. The Russian Federation currently holds the presidency, beginning in December 2012 and lasting through the next summit. A review of the growth of the global economy, sustainable development and investment, and transparency and fighting corruption are the goals that this presidency has set out to achieve.[22]

The inception of the G20 "represents the next stage in the evolution of informal consultation among industrialized countries and emerging markets."[23] It has come to play a large role in the global financial architecture and economic

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[13] "A Group of Twenty: A History." *University of Ontario* (2008).
[14] Kirton, John. "What Is The G20?" *G20 Research Group University of Toronto*, http://www.g20.utoronto.ca/g20whatisit.html (Accessed July 22, 2010).
[15] Ibid.
[16] Ibid.
[17] "A Group of Twenty: A History." *University of Ontario* (2008).
[18] "Invitees and International Organizations," Group of Twenty, http://www.g20.org/docs/about/international_guests.html (Accessed March 31, 2013).
[19] "A Group of Twenty: A History." *University of Ontario* (2008).
[20] Ibid.
[21] "What is the G20?". G20, http://www.g20.org/docs/about/about_G20.html (Accessed March 31, 2013).
[22] "Russia In G20: The Russian Presidency of the G20," Group of Twenty, http://en.g20russia.ru/docs/g20_russia/outline (Accessed March 31, 2013).
[23] "Backgrounder." *Canadian Department of Finance, University of Ontario,* March 2000. http://www.g20.utoronto.ca/g20backgrounder.htm (Accessed March 31, 2013).

stability. As time goes by summits have evolved. The early meetings of the G20 focused on globalization and improving the effectiveness of international monetary institutions and, since then, the agenda has evolved to meet the differing issues facing Member States. In 2001, the summit had a large focus on the financing of terrorism. Since then, sustainability and job creation have become increasingly important in discussions. In the most recent summit in Los Cabos, Mexico, the commitment to strengthen the IMF's credit capabilities and the necessary measures to maintain financial stability and integrity while improving functioning of markets in the EuroZone were the focus.[24]

Ninety percent of the global gross domestic product, eighty percent of the globe's trade, and two thirds of the earth's population are represented by the G20; however, critics of the G20 argue that it is not representative enough of the global community, with smaller states and less developed nations being under-represented. Even with the regionally rotating seats, this international dialogue is dominated by developed economic powers.

The current members of the Group of Twenty include:

ARGENTINA, AUSTRALIA, BRAZIL, CANADA, CHINA, the EUROPEAN UNION, FRANCE, GERMANY, INDIA, INDONESIA, ITALY, JAPAN, MEXICO, THE REPUBLIC OF KOREA, RUSSIA, SAUDI ARABIA, SOUTH AFRICA, TURKEY, UNITED KINGDOM, and the UNITED STATES.

[24] "The G20: its role and legacy," Group of Twenty, http://www.g20.org/docs/about/part_G20.html (Accessed March 31, 2013)

I: Assessing the Progress of Major Commitments Implemented in the Pursuit of a Sustainable Global Economy

Introduction

"Our work will be guided by a shared belief that market principles, open trade and investment regimes, and effectively regulated financial markets foster the dynamism, innovation, and entrepreneurship that are essential for economic growth, employment, and poverty reduction," declared the leaders of the Group of 20 (G20) in their official statement following the first Leaders' Summit.[25] In 2008, the G20 met in Washington D.C., faced with the daunting task of creating an action plan to stabilize the shaken global economy. A blanket agreement to stabilize the global economy by whatever means necessary, and to help the Bretton Woods Institutions continue to function at full capacity was reached in the first of many G20 Leaders' Summits, each of which has built upon the last. From its inception, the G20 has been a committee dedicated to financial reform to bring about global economic stability and sustainability through encouraging policies to better manage individual economies, as well as promoting investment in development projects in developed and underdeveloped nations alike.

Under the guidance of the current Russian presidency, the G20 in 2013 has been tasked with a focus on growth through quality jobs and investment, growth through trust and transparency, and growth through effective regulation.[26] Ensuring sustainable growth in each Member State is the top priority of the Russian presidency, and the accountability of each Member State in its growth and commitments are to be assessed in the coming year.[27] One of the key pillars of lasting progress that the current G20 presidency seeks to bring is quality jobs and investments. It is the belief of the Russian presidency that this advancement in jobs and investments will bring about development in areas such as food security and critical infrastructure. The growth will continue to promote development long after the United Nations' Millennium Development Goals (MDGs) have been met.[28]

The Russian presidency has also recognised that without sustainable energy through renewable resources and "green" growth, global sustainable development is almost unreachable. "A draft plan for a best practice database of green energy and energy efficiency policies" has been proposed, hoping to allow Member States to showcase clean energy practices that have been effective in their respective nations.[29] For basic economic growth to occur, infrastructure and the basic needs of people must be met. Sixth on the Russian presidency's list of priorities is "development for all," with food security and an increase in agriculture being the prime means of reaching this development.[30]

In 2009, at the Leaders' Summit in Pittsburgh, USA, the leaders of the G20 created a framework to set out to increase food, fuel, and finance as well as maintain trade openness and move toward more sustainable growth.[31] Growth in these sectors has been listed as a priority by the G20 from very early on. Yet the G20 has been called ineffective and has been chastised for "losing steam" for its actions, or lack thereof, on these priorities.[32]

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[25] "Declaration Summit on Financial Markets and the World Economy." G20, November 15, 2008, http://en.g20russia.ru/documents/ (Accessed March 31, 2013).
[26] "Russia In G20: The Russian Presidency of the G20," Group of Twenty, http://en.g20russia.ru/docs/g20_russia/outline (Accessed March 31, 2013).
[27] Ibid.
[28] Ibid.
[29] "Russia In G20: The Russian Presidency of the G20," Group of Twenty, http://en.g20russia.ru/docs/g20_russia/outline (Accessed March 31, 2013).
[30] Ibid.
[31] "The G20: its role and legacy," Group of Twenty, http://g20.org/docs/about/part_G20.html (Accessed March 31, 2013).
[32] Annika Breidthardt. "ECB's Asmussen: G20's credibility is at risk." *Reuters* (February 22 2013). http://www.reuters.com/article/2013/02/22/us-ecb-g-idUSBRE91L0LZ20130222 (Accessed March 31, 2013).

It is important not only to look towards the future in the pursuit of long-term global economic stability, but to first understand and learn from the past. It is the directive of this topic for delegates to review past commitments of the G20 made in pursuit of a stable global economy, specifically in terms of access to energy and food, job growth, and financial stability. Delegates should also take into account the G20's directive of a green approach to these priorities in order to ensure long-term sustainable growth. With the accountability of the G20 being called into question by members of the international community, the effectiveness of its policies on growth must be reviewed and altered in order to remain a relevant force in international economic governance.[33] The Committee should determine whether or not progress is being made, and whether or not this progress is sustainable for the long term, and if not, examine how it can be made long term.

The G20 has been accused of wasting a great deal of time in unproductive debates, with issues such as protection of marine environment and financial literacy taking precedence in the summits between 2009 and 2011, when the global economy was in the most fragile stages of recovery.[34] This leads to the criticism that the G20 takes no action. In 2011, the committee agreed to increase funding to the IMF, but could not come to an agreement as to how much until the following year.[35] The G20 has also been accused of favouring quantity over quality. Agreements and commitments come in large numbers, especially in pages, but with little substance. Further, critics say that the G20 often glosses over fine details in hopes of meeting a deadline, such as coming to an agreement on a framework raising capital for banks within a five month timetable in 2010.[36] Jorg Asmussen, a board member of the European Central Bank, said earlier this year that the G20 was useful during the global financial crisis, but does little for the global community now that economies have normalised. Asmussen stated that "the G20 should develop further into what it was meant to be from the outset: the premier forum for international cooperation."[37] He further stated that the G20 has "lost momentum in recent years" because the sense of urgency of action for the committee is not what it was in the years following the global financial crisis.[38]

In assessing commitments made regarding food, fuel, energy, and employment security, the G20 will take these criticisms head on, determining if the committee is, as some would argue, inactive and lacking credibility, and to what degree. The G20 must remain an active force in global economic leadership, which means maintaining credibility. An assessment of progress of commitments made in the past will allow the committee to decide in the future the appropriate, and perhaps corrective, measures to take in both making commitments and ensuring past, present, and future commitments made by the committee are met in full.

History

In 2008, world leaders were faced with the challenge of the rapidly deteriorating financial situation that stretched across the globe. At the first Leaders' Summit in 2008, the G20 began a course of finding means of recovering, and then stabilising, the global economy. The G20 committed to a 'whatever means necessary' method of recovery, stabilisation, and security.[39] The leaders of the G20 also noted the significance of the continued efficient operations of the Bretton Woods Institutions, and the role they would play in future sustainability, and committed to the assurance that those institutions would "have sufficient resources" to continue to operate effectively throughout the process of recovery and into stability.[40] It is with the notion that the Bretton Woods Institutions are vital to growth

[33] Mike Callagahn. "Relaunching the G20." *Lowy Institute for International Policy* (January 2013) http://www.lowyinstitute.org/files/callaghan_relaunching_the_g20_web_0.pdf (Accessed March 31, 2013).
[34] Ibid.
[35] Ibid.
[36] Ibid.
[37] Annika Breidthardt. "ECB's Asmussen: G20's credibility is at risk." *Reuters* (February 22 2013). http://www.reuters.com/article/2013/02/22/us-ecb-g-idUSBRE91L0LZ20130222 (Accessed March 31, 2013).
[38] Ibid.
[39] "The G20: its role and legacy," Group of Twenty, http://g20.org/docs/about/part_G20.html (Accessed March 31, 2013)
[40] Ibid.

and sustainability that the G20 announced its support of the agendas and development projects in place for the International Monetary Fund and the World Bank.[41]

The Bretton Woods Institutions long pre-date the G20, founded in 1944 in hopes of helping economies ravaged by the Second World War and bringing about economic cooperation on a global scale. The creators of the Bretton Woods Institutions aimed to "establish a post war economic order" that was based on consensus and cooperation when it came to decisions regarding international economic relations. These pillars, the creators believed, would be crucial in reversing and avoiding undermining effects caused by the global economic depression and previous international armed conflict, by establishing a multi-lateral framework.[42] The Bretton Woods Institutions are primarily made up of the International Monetary Fund (IMF), the World Trade Organization, and the World Bank.[43] The IMF was created to maintain a stable international monetary system, regulating exchange rates.[44] In recent years, the IMF has evolved into an organisation with a mandate that covers assisting those Member States whose governments struggled with repaying debts.[45] Members of the IMF pay a quota subscription (a sum of money) on becoming a member. This quota subscription will later be the measure used to determine the amount of money the Member State will be allowed should it be needed, as well as weights votes within the IMF. Loans given by the IMF are conditional, with the receiver of the loan agreeing to economic reform congruent with lowering deficits.[46] The World Bank was created for loans to Member States for projects regarding development or, in the case of the aftermath of World War II, reconstruction.[47] The World Bank is funded by the contribution of its members, with twenty per cent of its subscription (two percent in gold or US dollars, the remaining in the members' national currency). Operating costs and reserves are fed by interest rates on loans.[48] The World Trade Organization works simultaneously as a platform for trade agreement negotiations, to mediate between governments when there is a disagreement regarding trade, and helps to establish rules on trade.[49] As the Bretton Woods Institutions are inherent to recovery, development, and sustainability across the globe, the G20's commitments both to the Institutions and to global economic recovery and sustainable development are deeply intertwined. For the G20 to make good on commitments regarding infrastructure and resource security, it will need the help of the Bretton Woods Institutions. To ensure the functionality of the Bretton Woods Institutions, the Member States, and the G20 as a whole, will have to continue to engage their commitments and financial obligations to those institutions.

The commitments by the G20 also make a difference in the goals of other organisations. Secretary General of the United Nations, Ban Ki-Moon, noted in an address to the UN General Assembly in July 2012 that the G20 and the UN "can and must work in mutually supportive ways."[50] The Secretary General urged the G20, and individual Member States, to make good on commitments made to achieving the Millennium Development Goals, and to the developing world. He also called upon the committee to make food security a top priority on Summit agendas, and

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[41] Ibid.

[42] "What are the Bretton Woods Institutions?" The Bretton Woods Project, January 25, 2007, http://www.brettonwoodsproject.org/item.shtml?x=320747 (Accessed March 31, 2013).

[43] "About the Bretton Woods Institutions," The Bretton Woods Committee. http://www.brettonwoods.org/page/about-the-bretton-woods-institutions (Accessed March 31, 2013).

[44] "The IMF at a Glance," International Monetary Fund, http://www.imf.org/external/np/exr/facts/glance.htm (Accessed March 31, 2013).

[45] "What are the Bretton Woods Institutions?" The Bretton Woods Project, January 25, 2007, http://www.brettonwoodsproject.org/item.shtml?x=320747 (Accessed March 31, 2013).

[46] "How Does the IMF operate?" Bretton Woods Project, http://www.brettonwoodsproject.org/item.shtml?x=320867 (Accessed March 31, 2013).

[47] "What are the Bretton Woods Institutions?" The Bretton Woods Project, January 25, 2007, http://www.brettonwoodsproject.org/item.shtml?x=320747 (Accessed March 31, 2013).

[48] "How does the World Bank operate?" Bretton Woods Project, http://www.brettonwoodsproject.org/item.shtml?x=320865 (Accessed March 31, 2013).

[49] "Understanding the WTO, who we are," World Trade Organization, http://www.wto.org/english/thewto_e/whatis_e/who_we_are_e.htm (Accessed March 31, 2013).

[50] Ban Ki-Moon. "Remarks to informal meeting of the General Assembly on G20 Summit," UN News Centre, July 31, 2012, http://www.un.org/apps/news/infocus/sgspeeches/statments_full.asp?statID=1609#.Ud_FQvmyCkg (Accessed March 31, 2013).

reaffirmed to the committee ideas brought forth by Rio+20 involving a transition to 'green' sustainability.[51] In July 2013, the Director General of the Food and Agriculture Organization (FAO) called upon the G20 to address issues regarding global food prices, such as regional emergency food stocks. The Director General also emphasised that food security is a global issue, one that both the Group of Eight and the G20's "responsibility to generate effective governance" was one that needed to be taken seriously to help those nations most greatly affected.[52]

Nearly a year after the first Leaders' Summit, the G20 met for the third time in Pittsburgh, U.S.A., in September 2009. The G20 began by reviewing each of its Member States' commitments to restore growth in their respective countries. A year after a groundwork towards recovery and stability had been established, the committee noted that while progress had been made in the "largest and most coordinated fiscal and monetary stimulus ever undertaken," the journey to recovery was far from over, with "unemployment remain[ing] unacceptably high" worldwide and millions of people still unable to ensure food or energy.[53]

Assessment of Fuel and Energy Policy

In a December 2012 resolution, the United Nations General Assembly (GA) named the next decade one of "sustainable energy for all."[54] Improving access to energy, in which the GA unanimously agreed, is crucial in sustainable development, and efficient and renewable sources of energy should become more important. The Pittsburgh Leaders' Summit brought about "a Framework for Strong, Sustainable, and Balanced Growth," seeking guidance and analysis from the IMF and the World Bank to help synchronise national and regional policies, as well as reducing poverty and encouraging development.[55] Within this framework was a list of "core values for sustainable economic activity," which included energy consumption that was sustainable far into the foreseeable future.[56]

Along with the commitments to create this framework in 2009 for Member States' cooperation for long-term growth and policies, Member States also committed to "move toward greener, more sustainable growth" in energy.[57] "Access to diverse, reliable, affordable, and clean energy is critical for sustainable growth," heralded the leaders following the summit in Pittsburgh.[58] The G20 committed to greater transparency in the energy market, and on oil production, thereby "strengthen[ing] the producer-consumer dialogue to improve our understanding of market fundamentals."[59] Member States also welcomed data collection on natural gas, aligning with their commitment to eventually phase out fossil fuels, such as coal.[60] The G20 highlighted the research on fossil fuels by the Organisation for Economic Cooperation and Development (OECD), noting that "many countries are reducing fossil fuel subsides while preventing adverse impact on the poorest."[61] The G20 recognized that the fossil fuel subsidies contributed to wasteful consumption, and committed to phasing out "over the medium term" those subsidies which were deemed inefficient.[62] This commitment was repeated in the 5th Leaders' Summit in 2010 in Seoul.[63] "As leaders of the

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[51] Ibid.
[52] Matthew Newsome interviews Jose Granziano Da Silva, "Q&A: Generating Global Governance to End Hunger," *Inter Press Service*, July 2013, http://www.ipsnews.net/2013/07/qa-generating-global-governance-to-end-hunger/ (Accessed June 1, 2013).
[53] Ibid.
[54] "United Nations General Assembly Declares 2014-2024 Decade of Sustainable Energy for All," The United Nations General Assembly, December 21, 2012, http://www.un.org/News/Press/docs/2012/ga11333.doc.htm, (Accessed June 1, 2013).
[55] "G20 Leaders Statement: The Pittsburgh Summit," University of Toronto G20 Research Group, November 2011, http://www.g20.utoronto.ca/2009/2009communique0925.html#energy (Accessed June 1, 2013).
[56] Ibid.
[57] "United Nations General Assembly Declares 2014-2024 Decade of Sustainable Energy for All," The United Nations General Assembly, December 21, 2012, http://www.un.org/News/Press/docs/2012/ga11333.doc.htm, (Accessed June 1, 2013).
[58] "G20 Leaders Statement: The Pittsburgh Summit," University of Toronto G20 Research Group, November 2011, http://www.g20.utoronto.ca/2009/2009communique0925.html#energy (Accessed June 1, 2013).
[59] Ibid.
[60] Ibid.
[61] Ibid.
[62] Ibid.

world's major economies," the Leaders' statement proclaimed, "we are working for a resilient, sustainable, and green recovery."[64] The G20 further committed to promoting and stimulating investments made in energy that is not only clean, but renewable, and to "provide financial and technical support for such projects in developing countries."[65]

In 2011, at the 6th Leaders' Summit in Cannes, France, the G20 considered a move toward green energy "responsible leadership to a sustainable future."[66] The committee noted that economic incentives would be a key in the transition to a green economy, such as phasing out fossil fuel subsidies. Problem areas, such as clean water and air and energy, biofuels, and recycling were argued to have solutions that were two-in-one. Not only would the innovative solutions to these problems bring about cleaner, more sustainable and affordable, energy, but it would also create jobs.[67] "Environment and growth are closely related," argued the French presidency of the G20.[68]

Shortly after assuming the role, the Mexican presidency announced that a focus on energy efficiency and green growth was one of the priorities it hoped to bring to the G20 in 2012.[69] Long term prosperity, it was concluded at the Leaders' Summit in Los Cabos, Mexico, was not possible without growth that was clean and sustainable. Again, the G20 committed to assist developing Member States both sustain and strengthen development, including using measures such as green growth, and they maintained their support and commitment to that established at the Rio+20 Conference, and added that inclusive green growth into their own agendas. The G20 reaffirmed its commitment to "promote low-carbon development strategies in order to optimize the potential for green growth and ensure sustainable development in our countries and beyond."[70]

Despite the G20's commitment to clean and sustainable energy over the past six years, 1.3 billion people worldwide are without any kind of electricity and 2.6 billion are still using archaic means of meeting their basic energy needs, such as cooking.[71] With energy being a crucial part of sustainable development, this as a whole is a red flag for the G20's commitment to creating energy security. Further, the G20 should take a lingering look as to what level are individual Member States committed to phasing out fossil fuels, especially by the means of economic incentives. As of 2011, coal was still the most rapidly growing source of energy, contributing to thirty percent of the world's energy consumption and at an all-time high, despite the agreements established in 2009. Between 2010 and 2011, global coal production jumped from 7,200 million tons to nearly 7,700 million tons, with the top eight producers unchanging, and all being Member States of the G20.[72] The economic incentives, such as phasing out subsidies for fossil fuels, also are not nearly as present as the committee had hoped for in the resolution calling for them. The United States, for example, maintains subsidies for coal that will cost it 2.6 million dollars in the next decade.[73] And while most of the coal produced in the United States provides energy in developing Asian countries, which does meet the initial commitment of seeking to provide energy, the subsidies and ever-increasing production rates, not just in the United States but within the committee, speak to the need to assess the G20's commitment to phasing out

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63 "The G20: its role and legacy," Group of Twenty, http://g20.org/docs/about/part_G20.html (Accessed March 31, 2013).
64 "G20 Leaders Statement: The Pittsburgh Summit," University of Toronto G20 Research Group, November 2011, http://www.g20.utoronto.ca/2009/2009communique0925.html#energy (Accessed June 1, 2013).
65 Ibid.
66 "Dossier." Group of Twenty. 2011.
67 Ibid.
68 Ibid.
69 "Priorities of the Mexican Presidency," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2012/2012-111213-priorities-en.html (Accessed June 1, 2013).
70 G20 Leaders Statement: Los Cabos, Mexico." University of Toronto G20 Research Group. http://www.g20.utoronto.ca/2012/2012-0619-loscabos.html (Accessed June 1, 2013).
71 "United Nations General Assembly Declares 2014-2024 Decade of Sustainable Energy for All," The United Nations General Assembly, December 21, 2012, http://www.un.org/News/Press/docs/2012/ga11333.doc.htm, (Accessed June 1, 2013).
72 "Coal Statistics," World Coal Association, August 2012, http://www.worldcoal.org/resources/coal-statistics/ (Accessed June 1, 2013)
73 "Federal Receipts," The White House, http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/receipts.pdf (Accessed June 1, 2013).

fossil fuels in exchange for renewable and more secure sources of energy, for the developed and the developing world alike.

A Review of Policy on Food and Food Security

During the Pittsburgh meetings, the G20 committed to "strengthening support for the most vulnerable."[74] The committee reaffirmed its commitment to meeting the UN's eight Millennium Development Goals, and individual Member States' subsequent Official Development Assistance (ODA) pledges, which are government-to-government loans for economic development that includes things such as debt relief and Aid for Trade.[75][76] The committee recognized that far too many people worldwide were suffering from hunger and poverty and lacked access to resources needed for sustainability, such as energy and finance.[77]Further, the global economic downturn only aggravated this already poor situation. With this notion in mind, the committee promised to help the impoverished gain easier access to food and other necessary resources. The G20 called upon various organizations, such as the World Bank, the Food and Agriculture Organization (FAO), the World Food Programme (WFP), and the African Development Bank, to cooperate in their efforts to not only help improve access to those things, but also to ensure their security. The World Bank was further called upon to "develop a multilateral trust fund to scale-up agricultural assistance to low-income countries."[78]

While in Seoul in 2010, the G20 created the Multi-Year Action Plan on Development. Infrastructure, trade, job growth, and food security were amongst the highest priorities in this action plan. The first of these actions was coordinating, clarifying, and enhancing already existing policies on food and food security. Member States "emphasize[d] the need for increased investment and financial support for agricultural development" as well as "encourage[d] additional contributions by the private sector, the G20 and non-G20 actors."[79] The G20 reiterated its commitments on food security through strengthening existing agriculture research systems and investment in various sectors, as well as reviewing and monitoring the commitments already in place.[80] Though the G20 has vowed to assess these commitments, and established a framework in 2012 to gauge progress, the committee has yet to make use of this framework and assess these developments, and have only continued to reaffirm its support for those commitments, with very little tangible progress made on this dedication to increasing and enhancing policy on food and food security in ways that go beyond making more plans.

In 2011, the G20 Agriculture Ministers met in Paris, France, and established the Action Plan on Food Price and Volatility and Agriculture, which was submitted to the Leaders' Summit in Cannes later in the year. The Agricultural Ministers found the situation "still worrying, especially in developing countries"[81] This subcommittee sombrely noted that much of the projected population increase would come from those Member States in which food security was very low. The committee stated that steps must be taken to increase both access and availability to those which it had previously not been nearly so, citing national food security programmes as a proposed solution. Increased and sustainable agricultural production, better land and water management, better technologies, and increased investments from the private sector, as well as national policies on agriculture "have an important role to

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[74] Ella Kokotsis, eds. "The G20 Pittsburgh Summit Commitments." University of Toronto G20 Research Group. http://www.g20.utoronto.ca/analysis/commitments-09-pittsburgh.html#vulnerable
[75] Ibid.
[76] "Glossary of Statistical Terms: Official Development Assistance (ODA)." Organisation for Economic Co-operation and Development. *OECD.org*. 2003. http://stats.oecd.org/glossary/detail.asp?ID=6043
[77] Ella Kokotsis, et al, "The G20 Pittsburgh Summit Commitments." *University of Toronto G20 Research Group*. http://www.g20.utoronto.ca/analysis/commitments-09-pittsburgh.html#vulnerable (Accessed June 1, 2013).
[78] Ibid.
[79] "Multi-Year Action Plan on Development." Group of Twenty. 2010.
[80] "Multi-Year Action Plan on Development." Group of Twenty. 2010.
[81] "Action Plan on Food and Price Volatility and Agriculture," Group of Twenty Agriculture Ministers, 2011, http://agriculture.gouv.fr/IMG/pdf/2011-06-23_-_Action_Plan_-_VFinale.pdf (Accessed June1, 2013).

play with regard to these challenges."[82] The plan hoped to both promote small-scale family farming in lesser developed Member States, as well as attempting to reduce harvest losses, both before and after said harvest. The Agricultural Ministers agreed that international research centres would be crucial in sustainability, such as the International Research Initiative for Wheat Involvement which focuses on security on that specific crop, with rice being highlighted as a particularly important crop in throughout the Asian and African continents. The G20's Agriculture Ministers found that capacity building, and other like efforts, would assist farmers and governments in decreasing agricultural risks, therefore helping access to food and income by those families in which agriculture is the main source of income. "Reducing the effects of price volatility for the most vulnerable" is a crucial part of food security, one that will require policy and regulation in each nation. Further, the action plan created a 'toolbox' for agriculture and food security risk management.[83] While the committee agreed that steps needed to be taken towards increasing food security and access to food, this plan was blanketed by ambiguous wording which only said that steps needed to be taken. Missing from this plan of 'taking steps' was any tangible plan or direction in which the G20 intended to take those necessary steps.

The Los Cabos Leaders' Summit highlighted chronic malnutrition as a drain on a country's human resources and also a reflection of the lack food security in those countries, citing the Sahel and the Horn of Africa as areas where food security is an ever-present challenge. In 2012, the G20 committed to continue the initiatives it had undertaken in 2011, with research initiatives for key crops and risk management, and regional emergency food preserves. The committee further introduced a commitment to the removal of export restrictions and extra taxes on "food purchased for non-commercial humanitarian purposes by the World Food Programme." In concluding their statements regarding food security, the G20 called for a report in 2013 on progress made to better facilitating commodity markets, in which the prices and its volatility have implications for those countries involved and play a role in food security.[84]

As of 2012, over nine million people still suffer from a lack of food, most of these residing outside of the industrially developed world. The G20 noted, following the Summit at Los Cabos, that by 2050, global rates of production of agriculture will have to nearly double to feed the rapidly growing population.[85] Those Member States that will require the most increase in agricultural production are developing Member States, ones that already struggle to feed their populations. This makes the G20's commitments to investing in initiatives, such as AgResults, the Tropical Agriculture Platform, the Global Agriculture and Food Security Program, and other research-based initiatives, that promote production all the more crucial.[86] To meet the necessary production, investment in the necessary technologies will have to increase by nearly fifty per cent, with part of this going to encouraging the productivity of millions of women farmers across the globe.[87]

The G20's commitment to reaching the Millennium Development Goals, especially goal number one, eradicating global hunger, is pressing with the timetable for those goals ending in 2015. Even more pressing is the need for the committee to assess how effective its investments and commitments have been in increasing productivity, with a double in productivity needed in countries that are not meeting their needs as is being a harsh reality in the next two decades. If the policy already in place is not as effective as possible, it is imperative that the committee adjust those policies quickly

The G20 tied both energy and food together, arguing that price volatility in energy was just as dangerous as that in food. Together, the two aspects are crucial to survival and security is required for long term sustainability.

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[82] Ibid.
[83] Ibid.
[84] Ibid.
[85] "Enhancing Food Security & Addressing Commodity Price Volatility," Group of Twenty, http://www.g20civil.com/upload/iblock/3d4/06.pdf (Accessed June 1, 2013).
[86] Ibid.
[87] "Food Security," B20, http://www.b20.org/security.aspx (Accessed June 1, 2013).

Transparency in both markets is a commitment of the G20, one that it hopes will improve reliability and security.[88] This makes the assessment of policy regarding both aspects of security necessary, determining what in place currently works, what will require more investment to improve situations that will only become worse over time, and the reality of implementation amongst Member States. Progress in food and energy security, especially in the developing world, will require the cooperation of all Member States, and policy that does not show this should be reassessed, and the committee should determine whether or not these securities are both true priorities to its Members and a realistic expectation.

A Review on Policy on Job Growth and Economic Recovery

While food and energy security are imperative to basic growth, these goals would be more attainable if the global job market saw more of a consistent upswing. In the developed world (and throughout the European Union), unemployment rates are estimated at 8.6 per cent with that number only rising in projected figures for the next year. A third of those unemployed have been jobless for over a year, with youth making up over half of those unemployed.[89] The developing world has fared worse for employment. For example, unemployment rates in Sub-Saharan Africa are nearly two per cent higher than global averages, with three-fourths of the region in vulnerable employment. And, despite the G20's hopes of increasing agricultural production (which, ideally would create more jobs), the region has seen less and less progress in jobs in the agricultural sector.[90]

The 2nd Leaders' Summit in London, United Kingdom, in 2009 reaffirmed the G20's commitment to an 'any means necessary' recovery that would "restore confidence, growth, and jobs."[91] In London, the G20 claimed to begin an "unprecedented and concerted fiscal expansion, which will save or create millions of jobs which would otherwise have been destroyed, and that will, by the end of the year amount to $5 trillion, raise output by 4 per cent, and accelerate the transition to a green economy," as well as a commitment to "deliver the scale of sustained fiscal effort necessary to restore growth."[92] The committee noted that domestic lending and problems with international capital had to be fixed for any kind of growth to be substantial, and central banks had to follow policy of expansion for commodity prices to remain stable. The G20 created a $1.1 trillion programme to support global economic recovery efforts, with a further commitment to the IMF to maintain its functionality.[93]

While the G20 had made the pledge to strengthen economies and create jobs however possible, in such a crucial time for global recovery, the committee made no solid plan to create jobs in their Leaders' Declaration following the 2009 Summit. Mentions were made of fiscal expansion, and a desire to build a labour market that was equal for all genders, and fair for families, but in a time that the Member States of the G20 needed plans for definite action, ambiguity and an ultimate end goal were the only answers given to questions of recovery.[94] Even the creation of the programme to create jobs and support recovery had no definite plan for the allocation of those funds.

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[88] "Action Plan on Food and Price Volatility and Agriculture," Group of Twenty Agriculture Ministers, 2011, http://agriculture.gouv.fr/IMG/pdf/2011-06-23_-_Action_Plan_-_VFinale.pdf (Accessed June1, 2013).
[89] "Global Employment Trends 2013: Facts and figures for Developed Economies & European Union," International Labour Organization, January 2013, http://www.ilo.org/global/research/global-reports/global-employment-trends/2013/WCMS_202323/lang--en/index.htm (Accessed June 3, 2013).
[90] "Global Employment Trends 2013: Facts and Figures for Sub-Saharan African," International Labour Organization, January 2013, http://www.ilo.org/global/research/global-reports/global-employment-trends/2013/WCMS_202322/lang--en/index.htm (Accessed June 3, 2013).
[91] "The G20: its role and legacy," Group of Twenty, http://g20.org/docs/about/part_G20.html (Accessed March 31, 2013).
[92] "London Summit – Leaders' Statement," University of Toronto G20 Research Group, April 1-2, 2009, http://www.g20.utoronto.ca/summits/2009london.html (Accessed June 1, 2013).
[93] Ibid.
[94] Ibid.

In Pittsburgh in 2010, the G20 recognized that quality job growth was "at the heart of the recovery."[95] The G20 heralds that their efforts since 2008, as reported by the International Labour Organisation, had created or saved seven to eleven thousand jobs as a result of "the prompt, vigorous, and sustained response of our countries."[96] The G20 warned, though, that even after economies stabilize, unemployment is likely to continue to rise. The committee boasted making good on its promise to the IMF, promising over five hundred billion dollars in assistance to new IMF policies, such as Special Drawing Rights and a New Arrangement. An effective IMF would be crucial in growth and stability, the G20 agreed. While the continued support of the IMF spoke to the G20's commitment to sustainable development, the committee still, in 2010, spoke very little in terms of tangible plans to create job growth.[97]

The Toronto Summit put job growth at the top of its list of priorities for the 2010 Summit, noting that the efforts of the G20 had shown results, and quality jobs were the key to answering the world's economic crisis. In 2010, the World Bank and the IMF suggested that the G20 commit to a "more ambitious path of reforms" and upon assessing its own progress towards the goals outlined in the Framework for Strong, Sustainable and Balanced Growth, the G20 agreed that the progress made had not been enough.[98] The Summit in Toronto brought forth tangible steps for Member States of the G20 to find real growth in their job markets, such as continuing with plans regarding stimulus and fiscal consolidation, "strengthening social safety nets", investing in infrastructure and encouraging financial policy reforms.[99] The G20 made mention that it was the responsibility of individual Member States to tailor these means of growth to their own needs and implement them in order to move towards long-term recovery and growth.[100]

With the Seoul Summit came the realisation that some Member States were creating growth at much stronger levels than others, where recovery was much slower to take hold. The G20 insisted that despite disparaging levels of growth and recovery, coordination of policy was the best course of action.[101] The G20 reiterated that the progress being made was substantial, though risks were still present and there was still room for growth that would only happen with a vigilant approach to recovery.[102]

Seoul also brought an Action Plan to the G20, which was a "comprehensive, cooperative, and country-specific" approach to tackling the issues the global economy faced.[103] The Multi-Year Action Plan on Development noted that in order to promote job and wealth creation, investment, both domestic and abroad, was critical. The G20 encouraged its Member States to encourage and support developing economies and those organisations which focus on development and investment, such as the International Finance Corporation. This Plan called on other organisations, such as the World Bank, the International Labour Organisation, the United Nations Development Project, and the OECD to help review and create "key quantifiable economic and financial indicators" to determine the best possible investments in employment growth.[104] The committee also sought to create a "G20 Challenge on Innovation," which would hopefully bring forth innovative solutions focusing on topics such as youth

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95 "G20 Leaders Statement: The Pittsburgh Summit," University of Toronto G20 Research Group, November 2011, http://www.g20.utoronto.ca/2009/2009communique0925.html#energy (Accessed June 1, 2013).
96 Ibid.
97 Ibid.
98 "The G20 Toronto Summit Declaration," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2010/to-communique.html#framework (Accessed June 1, 2013).
99 Ibid.
100 Ibid.
101 "The G20 Seoul Summit Leaders' Declaration," University of Toronto G20 Research Group, November 11-12, 2009, http://www.g20.utoronto.ca/summits/2010seoul.html (Accessed June 1, 2013).
102 "The G20 Seoul Summit Leaders' Declaration," University of Toronto G20 Research Group, November 11-12, 2009, http://www.g20.utoronto.ca/summits/2010seoul.html (Accessed June 1, 2013).
103 Ibid.
104 "Annex II: Multi-Year Action Plan on Development," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2010/g20seoul-development.html#jobs (Accessed June 1, 2013).

unemployment.[105] While the Multi-Action Plan sought to create plans for growth, it merely created a plan for a plan. While it gave great detail on research, usually by outside sources, it gave little direction as to how the committee would respond to that research. The Leaders' Declaration also included the promises of commitments to implementing macroeconomic policy and structural reform to foster job creation.[106]

The Cannes Action Plan for Growth in Jobs, an initiative put forth under the French presidency in 2011, addressed the plateauing of progress towards growth. It also acknowledged that economic risks that had gone up which was inverse to how confident many Member States were in regards to sustaining growth that had already been made. Less progress than expected in job growth and debt risks were highlighted as calls for concern. In order to "sustain near-term recovery, promote growth and restore financial stability," the G20 committed to help maintain both stable financial markets and banking systems, while focusing on synchronised policy from Member States.[107] This Action Plan called upon individual Member States (and members of the Euro Area), by name, with tasking them with specific, tailor-made measures necessary for their recovery. This second clause of the Cannes Action Plan addressed an issue that many other plans had not; it commissioned goals suited to the needs of its Member States, leaving responsibility for meeting those goals solely on the shoulders' of that particular Member State, instead of a shortcoming of the entire committee.[108]

The Cannes Action Plan also laid out the G20's six point plan to foster growth in the foreseeable future. These points reiterated a lot of points made in previous Summits, such as fiscal consolidation, reform in financial systems, and promoting development. The third point in this plan was geared towards reforms in structure that would promote job creation in Member States. Again, in this six point plan, Member States committed to individual goals, all of which worked in cooperation with each other, but differed from the sweeping declaration of commitment for change. The G20 committed to implement these policies with all deliberate speed, and noted that the committee held "ourselves accountable for meeting our commitments."[109]

The following Summit also brought about an Action Plan dedicated to growth and jobs. In Los Cabos, Mexico, in 2012, the G20 reiterated points made in the Action Plan made in Cannes, while challenging Member States to set feasible goals for reducing debt. However, in the latter part of the Los Cabos Action Plan, the G20 set detailed, and Member State specific, goals towards reforming markets to promote a growth in job markets, such as reforming labour markets to increase rates of employment, reforms to encourage competitive markets in particular sectors, stabilising housing markets, and increasing social safety nets.[110]

These Member State-specific commitments made those individual Member States accountable for their own progress, or lack thereof. The Los Cabos Accountability Assessment Framework was created in 2012 to gauge progress on the commitments made, in hopes of better forming action plans and policy going forth. The Accountability Assessment Framework would determine progress based on assessments by a third party to be reviewed by the committee and reports made to finance leaders. The framework sought to make progress towards commitments quantifiably measured, with a "comply or explain approach," a solid process save for the recognition that progress is gradual.[111]

[105] Ibid.
[106] "The G20 Seoul Summit Leaders' Declaration," University of Toronto G20 Research Group, November 11-12, 2009, http://www.g20.utoronto.ca/summits/2010seoul.html (Accessed June 1, 2013).
[107] "Cannes Action Plan for Growth and Jobs," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2011/2011-cannes-action-111104-en.html (Accessed June 1, 2013).
[108] Ibid.
[109] Ibid.
[110] "The Los Cabos Growth and Jobs Action Plan," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2012/2012-0619-loscabos-actionplan.html (Accessed June 1, 2013).
[111] Ibid.

While the global job market has seen vast improvement since 2008, and the years 2009 through 2011 saw consistent growth, the global unemployment rate jumped to 197 million people in 2012, with 5.9 per cent of the world's population finding themselves unemployed. This is a rate the International Labour Organization believes will only increase to 210 million unemployed, with many of these being youth, by 2020.[112] While the G20 continually reiterates that job growth is at the heart of global economic recovery, the committee has only recently begun to construct concrete policy to promote job growth. With employment rates expected to plummet over the next decade, the G20 will quickly be faced with taking on an issue it has struggled to find a solution to, even with some progresses made. Unemployment rates will be an issue across the G20, and non-Member States, and will take its toll on development and stability in those regions hit the heaviest.

Conclusion

The most crucial part of the Los Cabos Accountability Assessment Framework was that the commitments made by the committee going forward must be specific, solid, and substantive. The G20 also recognised "the need for a common approach to measure progress against previous commitments in all policy areas."[113]

In Toronto, the G20 declared that its greatest priority was to put the steps in place for "strong, sustainable and balanced growth."[114] For substantial growth to occur, and to continue to occur over the long-term, the G20 must take a long, hard look at the commitments made over the past five years and determine which of its commitments have been met, to what level have those commitments been met, and how could commitments the committee failed to meet could have been more properly handled. The commitments towards a sustainable global economy affect the international community outside of the scope of the G20, giving the committee a unique and crucial role in sustainable development. Successful development projects can hinge on the effectiveness of the Bretton Woods Institutions, who often are beneficiaries of commitments made by the G20. Not only do the Bretton Woods and the developing world benefit from the commitments made (and met) by the G20, but the commitments of the G20 are made for the good of its Member States. As a demand in agricultural production to feed a doubled population in regions already struggling to feed its current population, and unemployment rates expected to rise in the same timeframe, the G20 should approach these issues with all of the gusto found in 2008, when the Leaders came together to solve the near-crash of the global economy.

The G20 seeks to be a leader in international financial governance, and it is the prerogative of its Members to take on this role of leadership and to implement policy agreed upon by the committee. The Los Cabos Accountability Framework laid the foundation for assessing progress for individual Member States, and while the commitment of individual Member States is crucial in achieving the overall goal, the G20 as a whole should review its progress on those commitments. Continuing practices that are ineffective are a drain on both time and finances of the G20 and its Member States, as well as a hit to the accountability of the committee as a whole. For sustainable development to occur, the G20 will have to fully commit to its pledges on food, energy and fuel, and jobs, and the implementation on those policies amongst itself. The G20 has made a great deal of commitments since 2008, and the committee should also determine which of those commitments are still priorities in 2013, and which ones are feasible to implement in all Member States.

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[112] "Global unemployment rising again but with significant differences across regions," International Labour Organisation. January 22, 2013, http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_202320/lang--en/index.htm (Accessed June 3, 2013).
[113] "The Los Cabos Growth and Jobs Action Plan," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2012/2012-0619-loscabos-actionplan.html (Accessed June 1, 2013).
[114] "The G20 Toronto Summit Declaration," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/2010/to-communique.html#framework (Accessed June 1, 2013).

Committee Directive

It is the directive of the committee to review policy on food, fuel, and energy security and on job growth. The committee will need to look to the past of the G20 and review progress of the initiatives and commitments mentioned above. Instead of comparing one declaration to another, the committee will review those commitments based on the purpose behind the commitment, such as food security or job growth. As many commitments build upon themselves, or are reiterated from Summit to Summit, the committee should determine which of these commitments are being met. To what degree are those commitments being met? Further, how can the committee better meet those commitments? It is also important to view the purpose of these commitments to determine where gaps in policy lie, and where the gaps in implementation in Member States can be found. What are realistic commitments for Member States? Which policy areas are priorities of Member States, as opposed to the priorities the G20 has established? Delegates should note specific declarations and statements outlined in this guide, and review progress made on commitments. Delegates should also make note of the assessment frameworks already in place, and determine if those are enough in gauging the progress of the G20. If these frameworks are not enough, what are the gaps in effectiveness and how can they be fixed?

II. Competitive Devaluation of Domestic Currencies

Introduction

In many corners of the international community there exists a sense of concern over how currencies are balanced against each other. Equilibrium among the world's largest trade actors is important to maintain trade harmony. If governments purposely modify their local currencies to make them more competitive in the global marketplace, this can cause friction between competing Member States and along with serious direct and indirect economic knock-on effects. The G20 is particularly interested in this topic because of the nature of the membership of the G20 and the role all of the Member States play in the international trade market. The term "currency devaluation" is commonly known as a currency war. The practice of currency devaluation occurs when Member States attempt to devaluate their national currency in order to make their goods more competitive in foreign markets while purposefully doing the opposite on foreign goods in domestic markets.[115] Currency devaluation can also be seen as a way to change the prices of an individual Member States' exports, making them cheaper on the international market. If the currency is devalued, it becomes cheaper to buy on the international market and can make exports cheaper, thereby improving the trade and economic states of the exporting Member State.[116] This became an international concern most recently in 2010 when Brazilian Finance Minister Guido Mantega declared that the international community is in the midst of a currency war.[117] There was international speculation that the 2010 comments stemmed from purposeful devaluations during the Great Recession of 2009. Most recently, new claims of a global currency war have resurfaced with a 25% fall in the Japanese yen to the United States dollar, claims that the Chinese government is working its currency to rise against the dollar, and claims that the Israeli central bank was selling currency to bring down a rise against the United States dollar.[118]

One of the direct effects of currency devaluation is a rise in inflation. Simply, inflation is the increase in cost of living caused by an increase in the relative price of goods.[119] The increase in the price of general goods, or commodities, means that an individual is unable to purchase as much as they could before with the same income. If inflation occurs, governments are forced to raise interest rates, in order to maintain gain on investments and loans and slow the amount of cash entering the economy, which can damage independent currencies, and cause slow economic growth.[120] Another direct affect is the role of an individual Member State risking their economic standing by appearing weak in the international market.[121] When a government devalues its currency, it is essentially making its money more attractive to other Member States. For example if the exchange rate between two Member States is 1:2 and the second Member State devalues their currency, the exchange rate then becomes 1:4 making everything in 'Member State two' less expensive for 'Member State one'. This causes exports to become cheaper and more attractive to other Member States and imports too expensive for the domestic citizens of 'Member State two' to afford thus increasing production supply and demand for domestic products of 'Member State two'.[122] These cheaper imports could potentially be viewed as of lower quality and the economic standing of a Member State

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[115] James Parker, "Understanding the 'Currency War' Talk," *The Diplomat*, http://thediplomat.com/pacific-money/2013/02/23/understanding-the-currency-war-talk/ (accessed June 25, 2013).
[116] R.A., "Devaluation: What Happens After the Fall," *The Economist*, June 10, 2012, http://www.economist.com/blogs/freeexchange/2012/07/devaluation (accessed July 13, 2013).
[117] Tim Webb, "World Gripped by 'International Currency War'," *The Guardian*, http://www.guardian.co.uk/business/2010/sep/28/world-in-international-currency-war-warns-brazil (accessed June 25, 2013).
[118] David Wessel, "Defining Moments in So-Called Currency War," *Wall Street Journal*, http://online.wsj.com/article/SB10001424127887323336104578498850092225808.html (accessed June 25, 2013).
[119] "Definition of Inflation," Economics Help, http://www.economicshelp.org/macroeconomics/inflation/definition.html (Accessed July 31, 2013).
[120] "Currency Devaluation and Revaluation," *Federal Reserve Bank of New York*, http://www.newyorkfed.org/aboutthefed/fedpoint/fed38.html (accessed July 18, 2013).
[121] Ibid.
[122] "Currency Devaluation and Revaluation," *Federal Reserve Bank of New York*, http://www.newyorkfed.org/aboutthefed/fedpoint/fed38.html (accessed July 31, 2013).

could come into question diverting Foreign Direct Investment (FDI) away from the Member State further causing the Member State to become potentially further alienated from the global economic market.[123]

Relative to a Member State's standing, a third implication is the ripple effect: as one Member State devaluates their currencies, others may follow suit in order to match their trading partner's devaluation status to remain competitive.[124] This ripple effect is what creates the currency war as mentioned by Minister Mantega causing Member States to continually undercut each other leading to potential hyperinflation and global recessions brought on by slowed economic growth. The nature of the G20 and understanding the high level of international monetary power this committee possesses, these three implications of devaluation can contribute to a global financial and trade crisis that can affect all United Nations Member States.

The G20 holds a large portion of the world's economic power, which is why this topic is a pressing issue in this committee. Certain measures have been implemented, most notably by the International Monetary Fund (IMF). Article IV of the IMF Charter was revised in 1974 to set forth the right of a Member State to choose their own currency and called for governments to not manipulate exchange rates to become more competitive on the global market.[125] Currency devaluation is also seen as a direct link to a decreased standard of living.[126] The standard of living issue is important because devaluation affects each individual because purchasing power decreases and the individual is unable to contribute to the economy in a time of devalued currency. This brings to light a problem that affects global economies and all world citizens. This issue, albeit rare, is important because it can completely disrupt the global economic stability. The G-20 holds a high level of responsibility in terms of global stability because of the nature of the G-20 and the role each Member States plays in the international economy.

History

In 1971, economist Richard Cooper wrote that devaluation of currencies has negative effects on domestic politics, calling for replacements of the government that makes devaluation an official policy.[127] Historically, the growth of international trade has directly influenced how currencies can be devaluated. Prior to the Great Depression of the 1930's the world operated almost solely on the gold standard. The gold standard was an economic system wherein individual currencies were pegged to gold, which fixed the currency to gold relationship.[128] The Gold Standard was formally adopted in 1819 in England and in the United States in 1834. It began to fall apart during World War I due to years of unexpected increases in inflation.[129] The final end to the Gold Standard came with the Great Depression of the 1930s. During the Great Depression, multiple Member States purposefully devaluated their currencies in an effort to create more money in local economies and relieve the effects of the Depression.[130] One particular Member State affected by this was Germany who had wartime reparation to pay back and the purposeful devaluation created a very high level of hyperinflation in Germany, which increased the severity of hardship for German citizens.[131] When hyperinflation occurs, as it did in Germany, prices of basic necessities skyrocket and modern currencies became essentially useless. By November 1923, one American dollar was worth 4,210,500,000,000 German

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[123] Ibid.
[124] "Currency Devaluation and Revaluation," *Federal Reserve Bank of New York*, http://www.newyorkfed.org/aboutthefed/fedpoint/fed38.html (accessed July 18, 2013).
[125] "Currency Devaluation and Revaluation," *Federal Reserve Bank of New York*, http://www.newyorkfed.org/aboutthefed/fedpoint/fed38.html (accessed July 18, 2013).
[126] Buttonwood, "What Devaluation Actually Means," *The Economist: Buttonwood's Notebook*, http://www.economist.com/blogs/buttonwood/2013/02/currencies (accessed June 25, 2013).
[127] Richard Cooper, *Currency Devaluation in Developing Countries* (Princeton: Princeton University Press), 3.
[128] Michael D. Brodo, "Gold Standard," *The Concise Encyclopedia of Economics*, http://www.econlib.org/library/Enc/GoldStandard.html (accessed July 18, 2013).
[129] Ibid.
[130] "Why do Governments Devalue their Currency Rates?" *Currency Solutions*, http://www.currencysolutions.co.uk/currency/why-do-governments-devalue-their-currency-rates (accessed June 26, 2013).
[131] Ibid.

Marks.[132] Hyperinflation occurs when inflation rates are rapidly accelerating as interest rates are unable to keep up with the prices of goods causing the value of money to rapidly decline and lose value, which can easily cause political and social turmoil. Unlike before the Depression, the world economy did not reset itself to a unified standard (i.e. gold) after the 1930s.[133] The end of the gold standard began in England in 1931 when banks nearly ran out of gold because people wanted to trade in their money for gold. When the Bank of England realized this, they simply abandoned the gold standard and other nations began to follow suit.[134] In 1933, the United States ended the gold standard when President Franklin Roosevelt ordered all gold coins be turned in for money (i.e. paper certificates) at a set price of $20.67/ounce.[135] The use of gold continued until 1971 by the United States government, but the public's use of gold ended in 1933. Some modern economists believe that ending the gold standard was key to ending the Great Depression.[136] After the Depression, governments took their currencies off of the gold standard, trade barriers grew in numbers, and there was no standard to hold national currencies to since gold had been a well-defined and popular standard.

Bretton Woods and International Trade

An important component in the evolution of devaluation as an economic strategy occurred with the creation of the Bretton Woods System. Delegates met in Bretton Woods, New Hampshire in 1944 and the conference was designed to create a system for international currency exchange.[137] This conference created the International Monetary Fund (IMF) and the World Bank.[138] The IMF has many responsibilities in the international community, most notably surveillance, technical assistance, and lending. In terms of surveillance, the IMF monitors every Member State along with regional and international economic activity in order to monitor individual exchange rates, monetary unions (i.e. the euro in the European Union), exchanges and practices in the international market, individual and international vulnerabilities in capital flows.[139] The IMF is also involved in a Member State's economic affairs if manipulation is suspected.[140] The second main responsibility of the IMF is technical assistance including assistance to developing Member States in exchange rate policy, monetary policy, the design and implementation of a tax system and central banks, and many other ideas. The IMF provides over 80% of its technical assistance to developing nations in Sub-Saharan Africa and Asia.[141]

One of the main focuses of the IMF that is of the greatest action to the developing world is lending. This stands as one of the most impactful actions towards the development of economically weak Member States because "a country in severe financial trouble, unable to pay its international bills, possess potential problems for the stability of the international financial system, which the IMF Was created to protect."[142] With this mandate in mind, the IMF was charged upon inception with providing loans to assist in alleviating these economic issues.[143] Per Article I of the Articles of Agreement, the IMF provides loans to, "give confidence to members by making the general resources of

[132] David Clay Large, *Berlin* (New York, NY: Basic Books), 2000.
[133] Dietmar Rothermund, *The Global Impact of the Great Depression: 1929-1939* (London: Routledge, 1996), 13.
[134] Jacob Goldstein and David Kestenbaum, "Why We Left the Gold Standard," *National Public Radio*, April 21, 2011, http://www.npr.org/blogs/money/2011/04/27/135604828/why-we-left-the-gold-standard (accessed July 19, 2013).
[135] "FDR Takes United States off Gold Standard," *This Day in History*, http://www.history.com/this-day-in-history/fdr-takes-united-states-off-gold-standard (accessed July 19, 2013).
[136] Goldstein & Kestenbaum.
[137] M.J. Stephey, "A Brief History of the Bretton Woods System," *Time.com*, http://www.time.com/time/business/article/0,8599,1852254,00.html (accessed June 26, 2013).
[138] Ibid.
[139] "About the IMF: Surveillance," *The International Monetary Fund*, http://www.imf.org/external/about/econsurv.htm (accessed July 19, 2013).
[140] Ibid.
[141] "About the IMF: Technical Assistance," *The International Monetary Fund,* http://www.imf.org/external/about/techasst.htm (accessed July 19, 2013).
[142] "About the IMF: Lending," *The International Monetary Fund,* http://www.imf.org/external/about/lending.htm (accessed July 19, 2013).
[143] Ibid.

the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity."[144] Another aspect under the lending idea of the IMF is debt-relief. Low-income countries are eligible to have their debts written off under two initiatives: the Heavily Indebted Poor Countries Initiative, which was introduced in 1996 where creditors forgive debts; and the Multilateral Debt Relief Initiative in 2005 where the African Development Bank and the International Development Association of the World Bank cancelled 100 percent of debt claims to provide Member States with way to reach the Millennium Development Goals (MDGs), specifically to reduce poverty.[145] The IMF serves as a crisis resolution service; however, it is important to note that IMF only provides loans; it does not finance developmental projects as this is the purpose of the World Bank.[146]

The World Bank was another organization that arose from Bretton Woods. The World Bank is made up of a collaboration of five institutions: The International Bank for Reconstruction and Development, which lends money to low-income governments; the International Development Association, which is in charge of providing interest-free loans and grants to poor countries; the International Finance Corporation, which focuses on funding the private sector to institute sustainable growth; the Multilateral Investment Guarantee Agency, which promotes foreign direct investment to developing countries; and the International Center for Settlement of Investment Disputes, which conducts arbitration of investment disputes.[147] The World Bank provides funds to conduct projects to promote economic stability in developing countries and currently has more than 1,800 projects being conducted worldwide.[148]

It was at Bretton Woods where international currency standard was tied to that of the United States dollar, which was measured to gold.[149] Despite the gold standard having ended eleven years prior, gold was still used as a way to measure the U.S. dollar and would continue until 1971 when President Richard Nixon fully abolished it.[150] Economist John Maynard Keynes called the new system "the exact opposite of the gold standard," because of the ties to a national currency.[151] Keynes lost his argument at the conference to have a universal currency not tied to politics or gold.[152] Keynes was concerned that the gold standard would not be as self-regulating system it was believed to be and set out to create a "clearing union" that he believed "would have had the benefits to trade of a fixed-exchange rate-system but without the gold standard's shortcomings."[153] The central point of Keynes' argument was the creation of an international clearing bank to "settle the balance of transactions that gave rise to trade surpluses or deficits. Residual balances would be settled by member central banks but would have an overdraft facility at the international clearing bank equal to the recent average of its country's exports and imports."[154] Keynes' theories were not implemented due to the super-power role the United States possessed when Bretton

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[144] Ibid.
[145] Ibid.
[146] Ibid.
[147] "World Bank: About Us," *The World Bank Group*, http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:23063010~menuPK:8336848~pagePK:50004410~piPK:36602~theSitePK:29708,00.html (accessed July 19, 2013).
[148] Ibid.
[149] M.J. Stephey, "A Brief History of the Bretton Woods System," *Time.com*, http://www.time.com/time/business/article/0,8599,1852254,00.html (accessed June 26, 2013).
[150] Ibid
[151] George Macesich, *Political Economy of Money: Emerging Fiat Monetary Regime* (Westport, CT: Praeger Publishers, 1999), 48.
[152] M.J. Stephey, "A Brief History of the Bretton Woods System," *Time.com*, http://www.time.com/time/business/article/0,8599,1852254,00.html (accessed June 26, 2013).
[153] "A Keynesian Prototype: Standard Solution," *The Economist*, September 23, 2010, http://www.economist.com/node/17093331 (accessed July 21, 2013).
[154] Ibid.

Woods occurred.[155] The American representatives still tied the U.S. dollar to gold to show that the dollar was a dependable measurement.[156]

Since the 1970's currency has been based on fiat: it has value not because it can be exchanged for a precious metal but because the governments of the world back it and because it can be used to conduct business with the state. Also since the Richard Nixon took the United States completely off the gold standard in 1971 currencies have been allowed to float in value. Whereas currency pegged to the gold standard could be easily manipulated in value (by changing how much your country would "value" a unit of currency in terms of an ounce of gold), now exchange rates are largely set in the international market through the meeting of buyers and sellers. At the margins, though, states still maintain the ability to affect the value of their currencies through techniques that will be discussed later. Currently, the measurement of the wealth of the Member States is most closely tied to the individual Member State GDP as it is directly tied to the US dollar, adjusted for individual or regional inflation or hyperinflation. This system assists in determining the level of trade power each individual Member States possesses. This system of floating currencies would be re-analyzed during the Global Recession.

Currency Devaluation Throughout History

Devaluation of Currencies: Black Wednesday

There have been a few instances of currency devaluation by individual Member States. The cases of the 1920s have already been mentioned, but the global market has played a role in whether or not currency devaluation can occur. The best example of this is post-Bretton Woods through 1971 when global economy was on the rise across the majority of the international market.[157] As a result of the positive international economic development, devaluation was not seen as a way to balance a Member State's trade deficiencies. One important instance of devaluation occurred on Black Wednesday in the United Kingdom in 1992 when Germany raised interest rates to lessen growing inflation due to Germany's massive debts.[158] Other European nations were forced to raise its prime rate to avoid devaluating their currencies in response to the rise by Germany.[159] It is important to note that at the time, most of Europe belonged to the European Monetary System (EMS), which was created to keep currencies stable after the collapse of Bretton Woods, despite the rise of popularity of the floating exchange rate from the United States.[160] As a result of the events in Germany, British Investor George Soros invested in the British market, swapping pounds for other European currencies, causing stress of the Bank of England. On September 12, 1992, the interest rates climbed from ten to fifteen percent in one day because of Soros and already present financial pressures (German devaluation) and the United Kingdom was forced to pull out of the EMS.[161]While Soros is not entirely responsible for the devaluation, it is an example of how one currency can devaluate rapidly causing financial turmoil because the British pound was severely devaluated by these events.

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[155] Ibid.

[156] M.J. Stephey, "A Brief History of the Bretton Woods System," *Time.com*, http://www.time.com/time/business/article/0,8599,1852254,00.html (accessed June 26, 2013).

[157] John Ravenhill, "the Study of Global Political Economy," in *Global Political Economy*, ed. John Ravenhill, 2nd edition (Oxford: Oxford University Press, 2008), 14-15.

[158] Nicolas Martin, "20 Years of 'Black Wednesday'" How George Soros Toppled the Bank of England," *Deutsche Welle*, September 15, 2012, http://www.dw.de/20-years-of-black-wednesday-how-george-soros-toppled-the-bank-of-england/a-16243427 (accessed July 21, 2013).

[159] Ibid.

[160] "European Monetary System," *Civitas*, April 10, 2012, http://www.civitas.org.uk/eufacts/FSECON/EC9.htm (accessed July 21, 2013).

[161] Martin & "Q&A: the ERM and Black Wednesday," *BBC News Online*, February 9, 2005, http://news.bbc.co.uk/2/hi/business/4249425.stm (accessed July 21, 2013).

Global Recession Beginning 2007

International economists have dubbed the most recent globally scaled economic setback as 'The Great Recession.' The Great Recession began in December 2007 and the world economy began to deteriorate through 2008 when negative Gross Domestic Product (GDP) growth rates and a sharp decline in private investment and personal consumption in the United States quickly spread affecting other Member States' economies creating a global issue.[162] GDP is a standard measurement utilized by all Member States that measures the, "Total market value of all final goods and services produced in a country in a given year, equal to total consumer investment and government spending plus the value of exports minus value of imports."[163] GDP is typically measured by the US dollar for all Member States and is traced by the World Bank.[164] In the United States, the Recession began to take effect on the state of the national economy with sharp decreases in the domestic housing markets and a rise in foreclosures in early 2008.[165] The warning signs of the global effect of economic woes came in two ways. First of all, runs on banks in the United Kingdom create hedge and funds withdraws in the United States. This was manifested when Lehman Brothers declared bankruptcy in the United States.[166] A run on a bank is defined as a period where a large amount of withdrawals are made that may signify a lack of trust in the banking system. Another sign was the prosperity, refinancing, and mortgages that took over in 2000s, particularly in the United States.[167] This was a form of 'illusionary wealth' that finally came to a head in December 2007 when the housing bubble that had been growing with refinancing on illusions popped and institutions were forced with withdraw funds.[168] The Great Recession officially ended in June 2009 according to United States economists who pointed to the fact that general business recovery had begun to rebound.[169] One of the effects of the Recession, especially as it pertains to the international trade market and the G20, was the buying up of Western businesses by Eastern companies. Developing nations have been buying foreign exchanges and using that new income to invest in Western businesses that need bail out money.[170] This new Great Recession brought up renewed fears of devaluation, which was reminiscent of the state of global economies during the Great Depression.

The statements by Guido Mantega in 2010 in response to the negative global effects of the 'Great Recession' brought to light a possible international problem over currency devaluation and his statement was the first among international policy makers.[171] The statement did have validity as China and other Member States were in fact modifying the power of their currencies to remain internationally competitive.[172] It was believed that China was selling their currency on the international markets and keeping their interest rates extremely low to make the price of their exports cheaper.[173] Economic analysts believe that selling currencies and purposefully keeping interests rates

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162 Nouriel Roubini, "A Global Breakdown of the Recession in 2009," *Forbes.com*, http://www.forbes.com/2009/01/14/global-recession-2009-oped-cx_nr_0115roubini.html (accessed June 26, 2013).
163 "GDP," *InvestorWords.com*, http://www.investorwords.com/2153/GDP.html (accessed July 134, 2013).
164 "GDP (current US$)," *World Bank*, http://data.worldbank.org/indicator/NY.GDP.MKTP.CD/countries (accessed July 19, 2013).
165 Ruth Mantell, "Home Prices off Record 18% in Past Year, Case-Shiller Reports," *Wall Street Journal: Market Watch*, December 30, 2008, http://www.marketwatch.com/story/home-prices-off-record-18-in-past-year-case-shiller-says (accessed June 26, 2013).
166 Larry Elliot, "The Myths that Sustain the Economic Crisis," *The Guardian*, http://www.guardian.co.uk/business/economics-blog/2012/aug/05/economic-crisis-myths-sustain (accessed June 26, 2013).
167 Peter Coy, "The Great Recession: An 'Affair' to Remember," *Bloomberg Business Week*, October 11, 2012, http://www.businessweek.com/articles/2012-10-11/the-great-recession-an-affair-to-remember (Accessed July 21, 2013).
168 Ibid.
169 Brian Wingfield, " The End of the Great Recession? Hardly," *Forbes*, September 20, 2010, http://www.forbes.com/sites/brianwingfield/2010/09/20/the-end-of-the-great-recession-hardly/ (accessed July 21, 2013).
170 Swaminathan S. Anklesaria Aiyar, "Strange Rise of Eastern Neo-Colonialism," *The Times of India*, January 20, 2008, http://timesofindia.indiatimes.com/home/opinion/sa-aiyar/swaminomics/Strange-rise-of-Eastern-neo-colonialism/articleshow/2714753.cms? (accessed July 22, 2013).
171 Webb.
172 Ibid.
173 Ibid.

low instead of responding to the international market creates currency "volatility and insecurity".[174] At the same time, Switzerland began selling their currency on the market to weaken their currency.[175] The main focus of the currency war focus has been on China because of pressure by European countries and the United States to appreciate the yen.[176] Although a valid statement by Mantega, issues arise in enforcement against intentional devaluation as some economics see currency devaluation as a myth and that claims of a currency war are invalid.[177] Despite arguments against currency wars, the fact cannot be ignored that domestic currencies are being sold and that devaluation is an emerging problem from the Global Recession.[178]

Role of G20 in Currency Devaluation

In February 2013, the G20 released a uniformed statement that G20 Member States would not "target our exchange rates for competitive purposes."[179] The response was seen as a direct response to Japan's sell-off of the yen.[180] Despite the pledge, there is still a high amount of skepticism that Member States want to keep a weaker currency in order to be more competitive on the international market. In addition, the yen had been falling leading up to this declaration and financial experts agree that it will continue to weaken into the future, which continues the fears of currency devaluation within the G20.[181] Further hesitation to forcefully react stemmed from a desire by many Member States for the separation between government declarations and the role of central banks. Despite a pledge to keep currency devaluation out of public policy, central banks can easily pump more money into the economy, which will affect the devaluation debate.[182] The United States Federal Chairman Ben Bernanke declared that the "United States was using domestic policy tools to advance domestic objectives."[183] Just the action of domestic methods to modify a currency has some experts seeing this as devaluation and the G20 way to approve a currency war, despite national statements that it is not.[184] Pumping more money into an economy does increase inflation and can make foreign currencies more appetizing for purchase by other Member States. Because of the domestic factors associated with this debate, the G20 declaration has been met with strong skepticism, which has some Member States questioning if devaluation can actually not be used in global politics.

In April 2013, the G20 approved a strong stimulus plan for the Japanese yen, something that Japan has been adamant that is not a move to purposefully devaluate its currency.[185] The purpose of this is to avoid the 100 dollar/yen exchange rate and keep the yen under the 100 mark (the 100 distinction is seen as a type of psychological

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[174] Ibid.
[175] Ibid.
[176] John Fraher & Gabi Thesing, "Soros says Currency War Concerns 'Not Far Off' Mark as G-7 Officials Meet," *Bloomberg*, October 8, 2010, http://www.bloomberg.com/news/2010-10-08/soros-says-currency-war-concerns-not-far-off-mark-as-g-7-officials-meet.html (accessed June 26, 2013).
[177] Rebecca Christine and Sophie Leung, "Geithner Says no Threat of China Trade War or Currency Wars," *Bloomberg*, October 1, 2010, http://www.bloomberg.com/news/2010-09-30/geithner-says-no-threat-of-trade-war-with-china-or-world-currency-conflict.html (accessed June 26, 2013).
[178] Ibid.
[179] Charles Clover, Robin Harding, and Alice Ross, "G20 Agrees to Avoid Currency Wars," *Financial Times*, February 17, 2013, http://www.ft.com/cms/s/0/789439ae-784f-11e2-8a97-00144feabdc0.html (accessed July 12, 2013).
[180] Ibid.
[181] Ibid.
[182] Jan Strupczewski, "G20 Currency War Promises Unlikely to End Devaluatrion Debate," *Financial Post*, February 18, 2013, http://business.financialpost.com/2013/02/18/g20-currency-war-promises-unlikely-to-end-devaluation-debate/ (accessed May 1, 2013).
[183] Ibid.
[184] Dean Popplewell, "G20 Encourages an Intellectual Currency War," *Forbes.com*, April 19, 2013, http://www.forbes.com/sites/deanpopplewell/2013/04/19/g20-encourages-an-intellectual-currency-war/ (Accessed July 14, 2013).
[185] "G20 Gives 'Currency War' Stamp of Approval," *RT.com*, April 19, 2013, http://rt.com/business/g20-economy-growth-boost-currency-war-stamp-of-approval-118/ (accessed July 12, 2013).

barrier to keep the yen under by the G20).[186] The official policy from Japan's Finance Minister Taro Aso is that Japan is pursuing "price stability and economic recovery," rather than engaging in purposeful devaluation As a result of all of these recent moves, there is some speculation about the G20 and their role in devaluation.

Hyperinflation Study: Zimbabwe

One of the prime examples of hyperinflation comes from Zimbabwe. While not a G20 Member State, the case of hyperinflation in Zimbabwe is important to understand how hyperinflation could reach into the millionth percentile in this African state. At the highest point of inflation in summer 2008, the Zimbabwean currency was inflated at 231,000,000 percent.[187]

The issue of Zimbabwe's hyperinflation came from the seizing of commercial farms in 2000 by the government. The reason for these farm seizures was because President Robert Mugabe wished to take farms from the white population and reassign them to black owners to seek revenge for the wounds of colonialism.[188] Since seizing the farms, the food production in Zimbabwe has decreased by over seventy percent.[189] Maize production has decreased fifty percent, tobacco, formally an export of Zimbabwe, has decreased forty-five percent, tobacco production has decreased fifty percent, and certain areas of production in beef, dairy, and wheat production have collapsed.[190] As a result of the sharp declines in productions across multiple areas, bank loans began to dry up and the national bank system began to collapse. As a result, unemployment is extremely high and was estimated to be at ninety-five percent in 2009.[191] The government of Zimbabwe blames the economic trouble on sanctions imposed by the United States and the European Union.[192] While it is true that sanctions have been placed in Zimbabwe, it is important to understand that prices and inflation was increasing since the government-led farm takeover in 2000 when production numbers began to drop rapidly. As inflation increased, the central bank chief of Zimbabwe, Gideon Gono continued to print money that became instantly worthless, therefore the inflation was not contained and in fact, worsened.[193] Gono considers printing money "sanctions busting" despite hard evidence that printing more money only adds to the inflation.[194] Zimbabwe was devaluating its currency by adding more money into the system. In 2009, inflation had become so rampant that the Zimbabwean currency was abandoned after a $100 trillion note was introduced.[195] Payment was allowed in foreign currency and some shops were only accepting American dollars as they held their value compared to that of the Zimbabwean note.[196] The hyperinflation in Zimbabwe was a direct response to the unlimited currency printing that the government openly advocated. This case study is important to consider because runaway currency printing can open problems of hyperinflation that are very difficult to correct, but very easy to lose control.

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[186] Dean Popplewell, "G20 Encourages an Intellectual Currency War," *Forbes.com*, April 19, 2013, http://www.forbes.com/sites/deanpopplewell/2013/04/19/g20-encourages-an-intellectual-currency-war/ (Accessed July 14, 2013).
[187] "In Dollars they Trust," *The Economist*, April 27, 2013, http://www.economist.com/news/finance-and-economics/21576665-grubby-greenbacks-dear-credit-full-shops-and-empty-factories-dollars-they (Accessed July 14, 2013).
[188] Gerard Hunt, "From Bread-Basket to Basket Case: Land Seizures from White Farmers have Cost Mugabe's Zimbabwe £7 Billion," *Mail Online*, August 3, 2011, http://www.dailymail.co.uk/news/article-2022014/Mugabes-land-seizures-white-farmers-cost-Zimbabwe-7bn.html (accessed July 25, 2013).
[189] Ibid.
[190] Ibid.
[191] "Historical Data Graphs per Year," index mundi, http://www.indexmundi.com/g/g.aspx?c=zi&v=74 (accessed July 24, 2013).
[192] "Zimbabwe: Illegal Sanctions to Blame for Economic Challenges – Mutasa," *All Africa*, September 21, 2007, http://allafrica.com/stories/200709210109.html (Accessed July 25, 2013).
[193] Robyn Dixon, "Zimbabwe's Money Man Plans to Keep on Printing," *Los Angeles Times*, January 1, 2009, http://articles.latimes.com/2009/jan/01/world/fg-zimbabwe-bank1 (Accessed July 25, 2013).
[194] Ibid.
[195] "Zimbabwe Abandons its Currency," *BBC News*, January 29, 2009, http://news.bbc.co.uk/2/hi/7859033.stm (Accessed July 25, 2013).
[196] Ibid.

Committee Directive

This topic is one that deals with a lot of individual Member States and their actions in the international economic picture. It is also one that might affect Member States of a specific region, so it is vital to not only understand your Member State's position on devaluation, but also the region your Member State resides in. Regional action is important to consider even if your neighboring states are not members of the G20. This is a topic that delegates must research historically as well. Devaluation is not a new thing and Member States must understand their history to this topic to understand how their currency compares to others in the global market.

Delegates should also closely research how each Member State approaches their own level of devaluation and consider some of these questions when researching this topic. Is devaluation used to protect the national currency? Have methods of devaluation been used previously and why? What has happened to citizens of the Member State when currency is devaluated? What effect can devaluation have on the private and public sectors? Is devaluation a policy that each Member State should be able to utilize when international or regional conditions call for it? Are there acceptable uses of devaluation? Delegates should consider all of these questions to fully understand all points of this topic, especially how it applies to your Member State. Each delegate should look beyond their own policy on currencies domestically and how it relates to the international system. In addition, is devaluation something that should be covered under international law or is it for individual Member States to decide? Is devaluation an action that each Member State should be allowed to utilize?

Technical Appendix Guide

I. Assessing the Progress of Major Commitments Implemented in the Pursuit of a Sustainable Global Economy

"About the Bretton Woods institutions," The Bretton Woods Committee, http://www.brettonwoods.org/page/about-the-bretton-woods-institutions (Accessed July 25, 2013).
The Bretton Woods Committee has provided a very brief overview on the Institutions on this page, as well as provides a video on the initial conference. More importantly, it outlines every organization that makes up the collective Bretton Woods Institutions, and provides links to those organizations' official websites. Not only may this help delegates grasp the importance of the role the G20 plays in sustainable development through partnering with the Bretton Woods Institutions, but it may also help delegates with ideas on how to make further commitments to those institutions.

"Annex B: The Los Cabos Accountability Assessment," *Group of Twenty Los Cabos Growth and Jobs Action Plan*, 2012, www.g20.org/load/780987844 (Accessed July 25, 2013).
This outline documents an accountability assessment put into place at the Leaders' Summit in Los Cabos to examine the committee's progress towards the Framework for Strong, Sustainable and Balanced Growth. This also makes mention of commitments that certain Member States have made and are on the path to meeting. Delegates may use this to determine progress towards commitments, or may build upon it if the committee determines it does not do enough in assessing commitments.

"Reports From International Organizations For G20," Group of Twenty, http://www.g20.org/reports/ (Accessed July 25, 2013).
The G20 has provided a database of reports from international organizations sent to the committee. Reports range from the World Bank on the current global job market to the OECD on educational programmes regarding finance. As the G20 works with many other organizations, and many commitments are made to those organizations, delegates may find this useful in gauging how their commitments effect those organizations.

"The Russian Presidency of the G20: Outline," Group of Twenty, December 28, 2012, http://en.g20russia.ru/docs/g20_russia/outline (Accessed July 25, 2013).
While this document outlines all of the topics the Russian presidency hopes to address in 2013, it gives insight into the direction in which the G20 hopes to head going forward in terms of "strong, sustainable, and balanced" growth. It provides the three pillars that the presidency has proposed will lead to a sustainable global economy. It also outlines how the goals of the Russian presidency can be achieved; painting delegates a large picture of what smaller, focused ideas can bring into economic growth. As a bonus, this outline also provides a glossary of abbreviations commonly found in G20 documents that are not always explained.

"Table: Policy Commitments by G20 Members," Group of Twenty, June 2012, www.g20.org/load/781159655 (Accessed July 25, 2013).
This document gives commitments made at the most recent Leaders' Summit. It goes into thorough detail of those commitments made by individual Member States, breaking those commitments by down by specific policy area. It then lists the timeframe of that commitment, the objective, and progress towards reaching that commitment. This gives delegates an explicit look at the commitments made by their own representative Member State, as well as the rest of the committees, to examine which commitments are being acted upon and are still a priority a year later.

"The G20 Mutual Assessment Process Fact Sheet," International Monetary Fund, March 2013, http://www.imf.org/external/np/exr/facts/pdf/g20map.pdf (Accessed July 25, 2013).
Here, the IMF has created "building blocks to the Framework" in the context of the Mutual Assessment Process. It explains year by year the key steps made, and describes steps towards sustainable growth being taken in the commitments made by the G20. This gives delegates a very simple look at what has already been done over the past four years in working towards the Framework for Strong, Sustainable and Balanced Growth.

"G20 Mutual Assessment Process – Alternative Policy Scenarios," International Monetary Fund, 2010, http://www.imf.org/external/np/g20/pdf/062710a.pdf (Accessed July 25, 2013).
In this report, the IMF has analysed the G20's frameworks towards sustainable growth by the conditions outlined in the Mutual Assessment Process set up by the G20. The IMF has examined the scenarios given to it for review by the G20, and has given two alternatives to proposed solutions. This report focuses on those gaps in policy and what works under current implementation and what does not. Delegates may use this to use as a guideline for what actions are recommended by an organisation the G20 has close ties with, or to use as examples of what currently needs work within the committee.

Lavigne, Robert and Subrata Sarker. "The G-20 Framework for Strong, Sustainable and Balanced Growth: Macroeconomic Coordination Since the Crisis," *Bank of Canada Review*, 2012, http://www.bankofcanada.ca/wp-content/uploads/2013/02/boc-review-winter-12-13-lavigne.pdf (Accessed July 25, 2013).
This article outlines the origin and key features of the Framework for Strong, Sustainable and Balanced Growth. It then provides analysis by two international economists in terms of progress towards growth, meeting commitments, and implementation. This article may provide gaps in policy implementation and progress by the G20 for delegates, helping them to determine which specific policy areas need adjustment in order to reach the objectives set forth by the framework.

"G20 Analysis," University of Toronto G20 Research Group, http://www.g20.utoronto.ca/analysis/index.html#commitments (Accessed July 25, 2013).
The University of Toronto has compiled several lists of documents from the G20, ranging from commitments and their implementation to data sets gathered at individual summits. This may be very helpful to delegates form a better understanding of the commitments made in the past, and how the committee has responded from year to year.

II. Competitive Devaluation of Domestic Currencies

Cox, Jeff. "Currency War? Why Countries are Rushing to Devaluate." *CNBC*. 2010. http://www.cnbc.com/id/39539787. (Accessed July 25, 2013).
This article was written in 2010, when the Global Recession had been recognized and was causing shockwaves throughout the international economic system. At the height of the Recession, governments were doing all things possible to make their currencies competitive again. One reason for currency wars is to keep up with the price changes in export-driven economies; however, the weak US dollar raised commodity prices worldwide. The Global Recession is an important historical case to consider because its affects are still being felt worldwide and concerns of devaluation still persist.

Davies, Anthony. "The Implication of Currency Devaluation." 1998. http://www.angelfire.com/biz/clinedavies/essay1.html. (Accessed July 25, 2013).
This essay overviews how currency devaluation can occur, whether it is by the hand of the government, the buying of stronger currencies by investors, or by a run on domestic dollars. Davies takes a look at the economic crisis in Russia as the case example. A number of issues were present during this crisis including inability to collect tax dollars, the exchange of US dollars for the Russian currency, and the loss of money through the weakening of Russian bonds. All are important things that can be considered in this debate.

Fear, Jeffrey. "The Long Shadow of German Hyperinflation." *Bloomberg*. 2011. http://www.bloomberg.com/news/2011-12-06/the-long-shadow-of-german-hyperinflation-echoes.html. (Accessed July 25, 2013).
Hyperinflation in Germany post-World War I is an important historical case study because it discusses the global reaction and how the local German government attempted to overcome the hyperinflation that plagued Germany. After World War I, German bonds became worthless, the German government was forced to pay war reparations, German citizens lost all of their money, and hyperinflation spiraled out of control. This is an example of how currency devaluation became so rampant that the local economy was destroyed. It is an important case study in this topic

Federal Reserve Bank of Dallas. *Hyperinflation in Zimbabwe*. 2011. http://www.dallasfed.org/assets/documents/institute/annual/2011/annual11b.pdf. (Accessed July 25, 2013).

The Federal Reserve Bank of Dallas published an Annual Report in 2011 that includes a detailed analysis of the hyperinflation in Zimbabwe. While Zimbabwe is not a G20 Member State, the issue of hyperinflation should be analyzed as a case study because of the turmoil it has had in the country and on the Zimbabwean citizens. Western economists blame the hyperinflation on the Bank of Zimbabwe and their willingness to continually print money, a charge they do not deny, while the Zimbabwean government blames the sanction imposed by the West for the hyperinflation.

Martenson, Chris. "The Risks that will Cause a Global Currency Devaluation." *Financial Sense*. 2011. http://www.financialsense.com/contributors/chris-martenson/2011/12/21/the-risks-that-will-cause-a-global-currency-devaluation. (Accessed July 25, 2013).
Martenson points to a number of factors, some of which were effects of the Global Recession, that show that currency devaluation is still a possible issue. Some of these signs include record high oil prices, weak international GDP growth, European economies troubles, and an 'explosion' in government debts. All of these issues point to global economic issues, especially as the economic recovers from the Global Recession. Specifically, GDP growth is still weak in 2011, which can spell trouble in future years as far as currencies that compare to the US dollar are concerned.

Palaez, Carlos, M. *Global Recession Risk: Dollar Devaluation and the World Economy*. (New York: Palgrave MacMillan, 2007).
The Global Recession that started in 2009 crippled the international economy and the effects are still being felt to-date. Palaez authored this book in 2007, long before the true effects of the Recession became apparent, but he explains the warning signs based on economic moves in the early 2000s. His research covers how devaluation of the dollar can affect the international system and he selects a number of case studies to prove his research.

Patterson, Rebecca. "Currency Devaluation – How to Get Away with It." 2013. http://www.cnbc.com/id/100725315. (Accessed July 25, 2013).
This article is about the devaluation of the Japanese yen. There is a fear of the yen weakening to 100 yen per US. Dollar in the international economic market. In May 2013, the yen reached this psychological milestone, triggering fears that the yen was being devaluated. As a result, investors have begun to sell the yen. As a result, it is raising confidence in business spending in Japan, while other currencies are concerned about losing their purchasing power. This case should be reviewed as it is a case of possible deliberate currency devaluation.

Stanley, James. "The Consequences of Currency Devaluation." 2013. http://www.dailyfx.com/forex/education/trading_tips/daily_trading_lesson/2013/02/21/consequencesofcurrencydevalue.html. (Accessed July 25, 2013).
Stanley goes in-depth on the rose of inflation as a direct consequence of currency devaluation. The article goes over the basic consumers fears of higher inflation, which Stanley argues makes consumers less willing to spend money and more likely to save, which can impact consumer spending in the economic picture. As a result of more saving, there is less money being spent in the economy. Stanley also goes into depth on the study of inflation in Zimbabwe, an important case study in government-led devaluation.