SCORECARD: How is G20 doing on summit pledges?

Reuters
September 28, 2009

Almost a year after the world's financial system narrowly averted collapse, leaders from the Group of 20 rich and developing nations gathered in Pittsburgh last week to discuss their next steps.

Here is a summary of progress so far on pledges the leaders have made in the past year on measures to avert a repeat of the financial crisis in the future.

MACROECONOMIC POLICY: The Pittsburgh summit wrapped up with two key achievements but only a general statement on policy that lacked specifics.

The G20 promoted itself as the new steering committee for the world economy, effectively supplanting the G7/G8 as a forum in recognition of the new economic world order that ranks China and India ahead of old-world powers like Italy and France.

Second, the G20 agreed the old economic model built upon excess U.S. consumption was unsustainable and export-led economies like China will have to adjust if the United States does what it says it is going to do, namely borrow and spend less, while saving, investing and exporting more. One way to drive policy in this direction would be through a depreciation of the U.S. dollar. However, the G20 got through two days of meetings with barely a mention of currencies.

Leaders, however, did pledge to "withdraw our extraordinary policy support in a cooperative and coordinated way," suggesting at least implicitly an effort to avoid disruptive currency movements. The leaders noted "the scale, timing, and sequencing of this process will vary" and they asked the International Monetary Fund and Financial Stability Board, the policy coordination arm of the G20, to work with finance ministers ahead of their G20 meeting in November to figure the process out.