

G-20 summit sets modest goals for climate change and global finances

World's economies are encouraged to consume more of their own goods and rely less on American consumers

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PITTSBURGH -- Hobbled by domestic politics and the lingering recession, leaders of the world's leading economies gathering for Friday's [G-20](#) summit are aiming for modest steps forward -- not sweeping prescriptions for change -- on regulating the global financial system and fighting climate change.

Treasury Secretary [Timothy Geithner](#) said compromises are within reach on a new regulatory framework for executive compensation and higher capital reserve requirements for financial institutions. He offered no details, but indicated that coming agreements would include fairly rapid timetables for imposing the new rules.

In both executive compensation and capital requirements, the tougher regulations would be aimed at discouraging excessive risk-taking and reduce the chances of a future economic crisis as severe as the recession.

On the issue of climate change, which is even more fraught with domestic political considerations than regulatory changes, [President Barack Obama](#) is pushing for the G-20 nations to set a date to end government subsidies for fossil fuels such as coal and oil, which produce the bulk of the heat-trapping gases scientists blame for global warming.

As Obama and other world leaders begin deliberations, they face a global economy showing far more signs of having turned the corner toward recovery than many thought possible only a few months ago.

But with unemployment still high and the strength of recovery uncertain, the leaders face significant challenges for their next task: staying together to make sure that the recovery sticks and that such a financial crisis doesn't happen again.

Preliminary signs are that the heads of the Group of 20 major developed and emerging nations, which together account for 90 percent of the world's economic activity, will pledge to keep existing stimulus programs going.

What is less certain is how other countries will react to Obama's push for them to stimulate more consumer spending by their own people and reduce reliance on the American consumer.

Shaken by the worst recession in a generation, Americans have sharply increased personal savings and cut back on the high levels of consumer spending that have made the U.S. a market for the production of many other countries.

Now, Obama administration officials are saying, other countries must recognize the new reality of the U.S. market and consume more themselves.

Meanwhile, police fired canisters of pepper spray and smoke at marchers protesting the summit after the protesters responded to calls to disperse by rolling trash bins and throwing rocks.

The march turned chaotic just about the time that Obama and his wife, Michelle, arrived for a meeting with leaders of the world's major economies.