

G20 FORUM, INDONESIA PRESIDENCY; AN IMPACT FOR GLOBAL DEVELOPMENT

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Nowadays, the World is facing various problems concerning life, especially health issues related to the Pandemic. The covid-19 pandemic has exerted several serious negative impacts on life and the global economy: for instance, off-track achievement of sustainable development goals, disrupted global supply chains, price instability and inflation pressure, the potential gap in financing pandemic prevention, preparedness and response, etc. In such a severe condition, all the countries in the world are collaborating together to make a change for a better life. One significant move the global has initiated is the G20 forum. Having been a member of the forum for years, Indonesia holds the presidency in 2022. For this year, Indonesia brings the theme "***Recover Together, Recover Stronger***". Indonesia invites the whole world to unite together for a strong and sustainable recovery. This theme is expected to promote economic growth and environmental sustainability worldwide. This point becomes the main commitment of Indonesia's leadership in the G20.

As a dynamic world forum, the G20 forum is of vital importance to the public in the global development framework, especially in the era of the pandemic. However, there are so many people who don't know the meaning and the importance of the G20 forum. Therefore, it is important to make a simple and clear description which addresses the question of whether the forum is a burden or a benefit.

G20 Forum, understanding and history

Group of Twenty or G20 is an international cooperation forum in economics where members of this forum are big economies in the world consisting of 19 countries and one institution, UNI Europe, as well as representatives from the International Monetary Fund (IMF) and the World Bank (WB). G20 was formed due to the disappointment of the international community with G7 failure to solve the problem of the global economy. G20 has become the main economic forum, representing about 65% of the global population, 79% of global trade, and at least 85% of the global economy.

The G20 forum has members from all the continents, such as Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and UNI Europe. The G20 forum has no permanent Secretariat. According to its working process and system, the host of the G20 forum is called *the Presidency*, which is set by consensus on High-Level Consensus based on a system rotation area which changes every year. To ensure the whole G20 meeting carries on smoothly every year, the current presidency year has grouped with the previous and incoming presidencies (the group is called the Troika) so that the three can coordinate to continue the G20 prior agenda.

The G20 Summit held in Italy, which was the G20 Presidency in 2021, designated Indonesia as G20 Presidency in 2022. On October 31, 2021, the handover from the Italian presidency to President Joko Widodo took place. So from December 1, 2021, to G20 Summit in November 2022, Indonesia will organize events of the G20 Summit.

Strategies of Indonesia to cope with the negative impacts of the pandemic on economy

Indonesia's presidency of the G20 forum in 2022 politically proves the resilience of the Indonesian economy against the crisis. This article will inform the observation from the author about the fiscal policy and monetary policy during the pandemic as follows:

- In the fiscal sector, the government has implemented a policy of refocusing activities and reallocating the budget. The president of the Republic of Indonesia, Joko Widodo, issued Presidential Instruction No. 4/2020, which instructs all Ministers / Leaders / Governors / Regents / Mayors to accelerate the refocusing of activities, reallocation of budgets and procurement of goods and services for handling Covid-19.
- Exemption of customs and excises on imported goods related to the development of the domestic industry.
- The Ministry of Finance issued Minister of Finance Regulation No. 23/2020 which provides tax stimulus for employees and the private sector, namely employee income tax borne by the Government, exemption from import income tax, and reduction of article 25 Income Tax instalments.
- For the monetary policy, the monetary authority or Bank Indonesia maintains the rupiah exchange rate, controls inflation and provides monetary stimulus for the private sector.

Technical Strategies of Indonesia in the Meeting of G20 and Challenging Issues

The G20 forum is held at multilateral levels, and receives various opinions from all member countries in order to find an effective strategy to cope with this matter, hoping to result in a good communique. Therefore, several process stages need to be mentioned.

There are several steps in preparing the communique draft for the host country. First, the Indonesian team prepares a draft communique referring to the results of the previous communique which is revised according to the current issues or situation. Second, the revised draft communique will be circulated to the secretariat of each member country to get feedback. After collecting all the feedback, the Indonesia G20 secretariat compiles it to discuss and finalize it in Deputies Meeting, Ministerial Meeting, and finally, Leaders' Meeting or Summit.

In the meeting session, the Chair gives all the members a chance to intervene in a focus or specific area they want, based on the draft of the communique to reach an agreement together. Meanwhile, if there is still a paragraph or issue debatable at the meeting due to different opinions of each member and cannot be negotiated more, there will be no statement together or communique and it is changed by the statement of chairs for agreed paragraph and debatable paragraph.

According to the observation of the author, the Indonesia presidency is different and unique from others, and the biggest challenge of this forum is how Indonesia can work with negotiation and diplomacy to end the war between Russia and Ukraine to bring about peace and political stability. As we all know, Russia is a member of the G20 forum, so hopefully, the G20 forum in Indonesia can be the solution to this matter.

Issues remain to be more effectively tackled in the G20 Presidency

As a multilateral forum, G20 is conducted each year. To understand the real impact of this forum, it is important to know the progress of the implementation of commitment in G20 which is mostly more than one year (for instance if the commitment is in 2010, maybe it will be completed in 2014).

To construct more understanding of the benefit of this forum, the table below gives several specific examples of commitment to development in G20. Actually, there are so many agendas such as health, industry and others, but in this article, more focus will be shed on issues of development agenda.

Annual Progress Report of Development Agenda

Development Commitment	Year Completion	Action	Status
(2014). Determine new actions for 2015 in accordance with the G20 Food Security and Nutrition (FSN) Framework.	2015	Implementation Plan of the G20 Food Security and Nutrition Framework agreed with following top priority actions	Complete
(2014). Recommit to the Remittance Target: work to reduce the global average cost of transferring remittances to five per cent	2015	In 2015, each G20 member developed National Remittance Plans. Each plan outlined actions to progress the leaders' recommitment to help reduce remittance costs to five per cent, and to prioritise financial inclusion.	Complete
(2010). Create internationally comparable skills indicators: assist LICs to better match training to employers' needs and future labor market opportunities in developing countries	2014	A report on internationally comparable skills indicators was completed by December 2014 by the OECD, with inputs from the ILO, UNESCO and the World Bank.	Complete
(2010). Set up objective measures to track progress in the capacity improvement of LICs' tax administration systems.	2014	The International Monetary Fund (IMF) has led work to develop the Tax Administration Diagnostic Assessment Tool (TADAT).	Complete
(2010). Information needs and assessment: Identify infrastructure gaps, needs and funding requirements, with respect to regional and rural infrastructure, and opportunities to promote public-private and	2014	In 2014, a significant body of work on infrastructure gaps, needs and funding requirements has been undertaken by a number of international organisations (IOs) and reported formally to the G20	Complete

semi-public partnerships			
(2010). Progress towards duty-free and quota-free market access for least developed country products in line with Hong Kong commitment	2013	In December 2013, the DWG agreed that this commitment was complete and no further action was required from the G20 because a comparable commitment is being monitored through the World Trade Organization (WTO).	Complete
(2015). Reducing food loss and waste globally: Promoting reductions of food losses and waste in G20 and LDCs. Establish a G20 technical platform, building on existing platforms and relevant to both G20 members and Low Income and Developing Countries.	2019	The Technical Platform on the Measurement and Reduction of Food Loss and Waste (TPFLW), maintained by FAO and IFPRI, has built up its offer in terms of information on advancements and state-of-the-art methodologies on food loss and waste measurement over the last three years. It hosts appropriate and innovative survey instruments, datasets, training materials and statistical codes and acts as a convener of knowledge and knowledge dissemination hub.	complete

Source: Progress Report G20 Development Working Group (DWG)

From all information above, we can conclude that most issues which could be tackled every year in the forum for development agenda are about formulating policy, transferring knowledge and building a tool or instrument for helping all member countries.

Benefit of Indonesia as the Host of G20 Forum

Indonesia's role as the host of the G20 event is a big responsibility and requires large funding. From this condition, it is interesting to know what benefit will be acquired by the host of big

event like G20 Forum, Are the benefits received commensurate with the sacrifices made by the host country of the G20 event such as Indonesia, to answer this big question mark, there are several opinions from author about the benefits such as:

a. Tourism :

1. The implementation of the G20 Summit will enhance foreign exchange from sector tourism. Also, a number of meetings before the G20 Summit in Bali which were held in several cities of different countries will increase hotel occupancy and visit tours by participants and families from delegation countries.
2. The Tourism Sector appointed Bali as the main place for holding the 2022 G20 Summit, which will enhance the profit of the tourism sector. It would be a breakthrough to improve the tourism sector in Bali, which was sluggish during the pandemic.

b. Economy Business :

1. The implementation of the upcoming G20 Summit taking place in Indonesia (the main event located in Bali) in November 2022 will increase domestic consumption.
2. Meetings which took place before in several cities could absorb much labor to support the implementation of the Summit held in Bali.
3. The potency for the enhancement of country revenue from tax, duty and also levy.
4. The potency for raising business from the small, intermediate, and micro classes in the country to act as the top global *supplier* to provide goods or souvenirs.

Contribution of the G20 Forum for the global society

1. Handle the Global Financial Crisis 2008

One of the greatest G20 success stories is its support in resolving the global financial crisis 2008. G20 improved the system to manage global finance with initiate fiscal stimulus packages and coordinating monetary in a large scale.

2. Policy Tax

G20 has spurred the OECD to push exchange-related information taxes. In 2012, the G20-produced forerunners will be Base Erosion and Profit Shifting (BEPS). Through BEPS, 139 countries work together to combat tax avoidance.

3. Contribution to Handling the Pandemic

G20 initiatives in the handling of the pandemic, including suspension of payment debt outside low-income countries, injection handling of Covid-19 as much as > 5 trillion USD (Riyadh Declaration), reduction/elimination duty and tax import, reduction duty for vaccines, hand sanitizers, disinfectants, tools medical and drugs.

4. G20 plays a role in creating a communique or strong mutual commitment related to issues of international politics, trade agriculture and development.

Prior Issues to Discuss at the 2022 G20 Forum

With the G20 presidency in Indonesia, the G20 main goals are to adopt collective and practical action to lower ground rather than narrative outcomes within primary issues such as Global Health, Digital Economy Transformation, and Energy Transition.

Based on the explanation of this article, it could be concluded that the implementation of G20 Summit is important and beneficial. Naturally, as part of the world, it is important for us to support this forum. For instance, we can do some easy things as creating stability for a conducive politics situation in our own country and also trusting our leaders for producing the right formula to improve global development.

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