

## Sniping mars spirit of co-operation

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Hopes were high on Friday that the Group of 20 summit would usher in a new era of global economic co-operation, but dissonant voices were already being heard on the sidelines of the meeting.

The White House said the G20 leaders reached a “historic” agreement and Gordon Brown, the meeting’s co-chair, declared: “Old systems of economic co-operation are over – new systems, from today, have begun.”

The new G20 “framework for strong, sustainable and balanced growth” aims to work in a three-stage process. First, national leaders agree priorities for the world economy in annual G20 summits; second, countries submit reports to show how their domestic policies match those ambitions; and third, the International Monetary Fund assesses whether national plans mesh together to support global objectives.

The enforcement mechanism will be peer review with the threat of naming and shaming. As such it is not much different from the current surveillance process of the IMF with additional political engagement.

It also accords with the ideas of Mervyn King, Bank of England governor. In a 2006 speech he said [international bodies could not be football referees brandishing red cards](#), but should be like cricket umpires “warning the players not to attack each other verbally and making it clear publicly when they believe the players are not abiding with the spirit of the game”.

He hoped countries would learn the “spirit of cricket” so that “when a country knows that a policy such as an exchange rate regime requires modification, the player should walk”.

There was little sign of the spirit of cricket on Friday, and much more of the usual international games where leaders agree and then give a different message to their respective national audiences.

Mr Brown repeatedly dodged questions seeking a personal commitment that Britain would adhere to G20 recommendations in future.

The G20 could not get a reference to China’s currency into the communiqué, and the country again refused to take lectures on reducing its trade surplus. Yu Jianhua, director-general for international trade and economic affairs in the Chinese commerce ministry, told a news conference: “I’m not sure that one country’s leader calling on another to import more represents market economic practices.”

This sniping from the sidelines underscored the lack of an enforcement mechanism in the G20’s plans. Professor Eswar Prasad of Cornell University said: “Agreement on a stronger peer review process for national macroeconomic policies is a big step in the right direction.

“But the G20 leaders will need to develop an enforcement mechanism to make this credible. After all, a peer review process already exists and has been consistently ignored in the past by many of the G20 countries.”

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