THE PRIORITIES OF THE FRENCH PRESIDENCY

What are the priorities for the French presidency of the G20 in 2011?
The G20 has provided collective and efficient responses to the worst financial crisis since the 1930s. In 2011, the G20 will seek to conclude the existing actions designed to tackle the root causes of the crisis, and will broaden its agenda to include new actions aimed at sustainably improving global stability and prosperity. Only the G20 has the power, authority and decision-making capacity to provide the crucial impetus to further today’s major economic projects. It will do so via the following actions:

1 - Reforming the International Monetary System (IMS)
The recent past has witnessed high exchange rate volatility, increased global imbalances and ever-increasing stockpiling of foreign exchange reserves by emerging countries seeking to protect themselves against sudden, large-scale capital flight.
France wants to reform the international monetary system to establish collective responses to these deficiencies, and to provide support for the sweeping changes that the global economy is experiencing, particularly given the rise of the major emerging countries. A more stable, more robust IMS also involves reducing imbalances and better coordination of economic policies within the context of the G20’s Framework for Strong, Sustainable and Balanced Growth.

2 - Strengthening financial regulation
As chair, in order to strengthen financial-sector oversight on a lasting basis, France will ensure that the rules decided upon by the G20 are put in place. It will also work to strengthen financial regulation in areas where it is still insufficient, for example with respect to regulation of the “shadow banking system” (i.e. the non-bank financial institutions whose practices are not regulated) and concerning financial market integrity and transparency.

3 - Combating commodity price volatility
At the September 2009 Pittsburgh Summit, the G20 examined the issue of excessive fluctuations in commodity prices for the first time, but few concrete measures have been taken to date.
France would like to find collective solutions in order to reduce excessive commodity price volatility, particularly of agricultural commodity prices, which undermines world growth and threatens food security for populations around the world. Specifically the G20 agricultural ministers will meet in June in order to propose solutions for strengthening food security and enhancing the agricultural supply.

4 - Supporting employment and strengthening the social dimension of globalization
The French presidency has four priority objectives in this area: promoting employment, particularly for young people and disadvantaged individuals; stronger social protection; respect for social and labour rights; and improved coordination of strategies among international organisations. The G20 labour and employment ministers will discuss this agenda at a meeting in late September.

5 - Fighting corruption
The G20’s efforts to fight corruption are part of a long-term overall strategy to clean up the business environment, to fight tax avoidance, and to strengthen the rule of law. The French presidency will ensure that the Anti-Corruption Action Plan adopted in Seoul will produce concrete results and real progress starting in 2011.

6 - Working on behalf of development
The G20, which accounts for two thirds of the world’s population, has a duty to provide concrete solutions to development problems. This has been part of the G20’s agenda since Seoul, with the adoption of the Multi-Year Action Plan on Development.
The French presidency will make specific efforts to support infrastructure development and to ensure food security in the most vulnerable countries. It will bring discussions on development financing to G20 level, via innovative financing and in particular a tax on financial transactions.