

The Group of Twenty



भारत 2023 INDIA

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Letter from the Dias:

Delegates,

Welcome to MADMUN XIV! MADMUN is a great opportunity for delegates of all experience levels to challenge themselves and engage in meaningful discussion and develop important skills that will serve to be helpful in and past their high school years. By participating in this conference, we hope that not only you grow as a delegate, but manage to develop an understanding of the political landscape and viewpoints held by diverse countries with differing interests and ideas.

As a member of the Group of Twenty (G20), you will be able to explore a political format different from the United Nations, one where member states gather from around the world to take part in discussions that greatly affect the economic and political developments of the world. While this format does provide more liberty for member states to pledge action, and promises made at this forum are often kept, this is a non-binding environment, and you are simply a delegate operating with support from your head of state and government.

We urge delegates to spend ample time researching these topics, exploring the viewpoints of their respective nation, as well as the intricacies of the topics as a whole. This background guide will aim to give a basic understanding of the topics, and provide you research ideas to explore, but independent research and exploration will be required to have success in this committee.

Finally, we ask delegates to remember that at the end of the day, this is a simulation. Remember that points brought up by delegates do not necessarily reflect their personal viewpoints, but instead the views of their country. Please refrain from any activities that aim to make fun of, attack, or harm other delegates in any way, such action will be dealt with immediately in a negative way. If you have any questions along the way, please contact us! You can find our emails on the MADMUN website, do not hesitate to reach out to us. We will be more than happy to help. Good luck, and we will see you soon!

Introduction to the Group of Twenty

The Group of Twenty is the self-described, “premier forum for international economic cooperation.” The G20 takes an important lead in uniting major economic leaders and creating a place in which multilateral economic development and cooperation can take place. Originally created in 1999 in response to the Asian financial crisis, it became the major economic forum after the 2007 financial crisis.

Member states make up 85% of the global GDP, two thirds of the global population, and three quarters of global trade. While the Group of Seven is a much more exclusive and partisan forum of discussion, the Group of Twenty manages to create much more change worldwide and promotes a greater sense of unity in economic development across continents.

The Group of Twenty are set to explore two very different, yet very important, objectives once delegates arrive for the conference. These two topics are discussions over a possible expansion of the Group of Twenty to include members of the African Union, and a discussion about how to maintain economic stability while undergoing one of the biggest energy revolutions the world has seen. While these two topics may diverge quite drastically from one another, the decisions and action, (or lack thereof,) undertaken by this committee will undoubtedly alter the future of the forum and economic world for decades to come.

Topic A: Exploring and Detailing the Future of an Expansion of the Group of Twenty History of the G20

The Group of Twenty has, since its formation, aimed to become a place in which major economic powerhouses can meet and discuss issues relating to the economic state of the world. While the G20 currently accounts for 85% of global GDP, it lacks membership and representation of some of the quickest developing nations, many of which are found in an underrepresented Africa.

The G20 found initial success in response to the financial crisis of 1997-98 in Asia, and the worldwide 2007-09 financial crisis. Through the G20, major financial policies and plans have been drafted and implemented, successfully helping grow global trade and cooperation for the past two decades.

Current Situation

The IMF's Real GDP Growth Tracker has identified major future economic powerhouses such as Libya, Niger, the DRC, and Ethiopia, who all saw GDP growth of over 6% in the last year. To be the premier economic forum, the forum must be composed of the major economic players in the world. Many critics of the Group of Twenty cite the exclusivity of the forum as a major shortcoming, and the lack of representation for major future economic hubs may lead to a growing shift of ineffectiveness and irrelevance for the Group of Twenty forum as a whole. The African continent's only G20 representative is the nation of South Africa, hardly a spokesperson for the entire continent.

While the member organizations of the African Union (AU) and the Association of Southeast Asian States (ASEAN) are regular invitees to the G20 summits, they lack voting power and official recognition in G20 meetings.

While India, the current host of the 2023 G20 Summit has expressed its support for the inclusion of the African Union as a member organization similar to the EU, and this would undoubtedly be an extremely relevant expansion of the forum, there are questions to the effectiveness and extent such an inclusion would bring about. The African Union is not a cohesive group by any means, as it represents 55 nations of very different cultures, climates, and issues. The African Union itself has divided itself into 8 Regional Economic Communities, or RECs, representing closer knit and connected areas across the continent. Any discussion over the expansion of the Group of Twenty should consider the extent and effects of their plans upon the included members, and how their inclusion would affect the current framework of the Group of Twenty.

The final major consideration to any expansion to the Group of Twenty should be the activity of BRICS, or the informal alliance between Brazil, Russia, India, China, and South Africa. Considered a rival organization to the G7, it has recently undergone an expansion, extending membership to six new nations, Egypt, Iran, Saudi Arabia, the United Arab Emirates, Argentina, and Ethiopia. While this expansion should not be seen as hostile to the future of the Group of Twenty, it is important to realize that a continued expansion of the BRICS bloc could eventually lead to a challenging of the Group of Twenty. Understanding the complex dynamic of member states in the G20, and understanding what an expansion of the G20 could do to this existing dynamic, is yet another important factor to any decision to any action taken in regards to new members entered into the forum.

Questions to Consider

- Is an expansion of the G20 in your country's best interest? Would an introduction of new members increase, decrease or maintain the influence your country holds in the forum?
- Does an expansion of the G20 align with the goals and ideals of this forum?
- Should expansion members receive the same privileges and powers of existing members?
- Would the expansion of the G20 require a redesign of the forum format? How might this redesign occur?
- To what extent should new regions be added? Should a few members be added, a member organization, or some mix of the two?

Topic B: Ensuring Economic Stability in the Face of the Energy Revolution

Relevant History

Renewable energy production can be found in 200 BC, well before the use of fossil fuels, in the form of water wheels. Jumping forward, windmills, water wheels, and even rare solar cells were frequently used in Europe through the 15th to 18th centuries. 1888 marked the beginning of wind turbines and renewable energy used to create electricity, but these methods were supplemental to fossil fuels.

From 1965 until 1990, an estimated 6-7% of the global energy supply was provided by renewable sources, the leading source being hydroelectric power, still a leader today. Starting from 2003, global energy supply from renewable sources has increased year over year, nearly doubling from 7.34% up to 14.21%. An important distinction to make is between global energy supply and the global electricity mix. Global energy includes sources much harder to decarbonize and replace with cleaner energy sources, such as transportation and heating. Looking at the electricity mix, however, creates a view much easier to understand, as nearly all of the electricity mix can be replaced by renewable sources. Historically, around 20% of global electricity has been provided by renewable sources, primarily hydroelectric sources. In the same timespan of 2003 onwards, the global electricity mix supplied by renewable sources has grown 12.2%, nearing the 30 percent mark.

Current Situation

Concerns over the usage of fossil fuels and heavily carbon-based energy sources has been around for decades, but action has historically been slow, allowing for economic sectors related to existing and developing energy fields to slowly adapt and avoid drastic changes risking the stability of companies. In recent years, however, efforts have been accelerated in major markets. The most recent and clear example of this is that of China. China, as the most populous country in the world, and one of the largest consumers of energy, with one in four of all coal burned is used for Chinese electricity. This is supplemented, however, with one of the largest sustainable energy transformations in the world. In 2022, China spent \$546 Billion dollars into low-carbon spending, leading the world and showing clear commitment towards clean energy sources.

China is not the only nation making changes. South and Central America are now using renewable sources for 38 and 30 percent of their energy usage respectively. World average is up, and only the Middle East and Africa have not recently reached all-time highs. The trend is clear, and action must be taken. With major markets of energy making transitions towards cleaner and renewable sources, it falls

upon the Group of Twenty, composed of among the most developed and demanding markets, to take action to protect the worldwide energy sectors, and ensure that economic growth does not slow due to worldwide energy crises from the renewable energy transition.

Questions to Consider:

- What role does your country play in the worldwide energy sector? Do they primarily import or export energy?
- What types of energy are most commonly utilized in your nation? Is this changing?
- What is your country's public stance on renewable energies and climate change? Does this or could this affect their current and future energy mix?
- What challenges and issues could arise from the transition towards a more renewable-heavy energy environment?
- Should the global energy transition be accelerated or lengthened? What consequences would such a plan incur?

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