

## INDONESIA'S G20 ECONOMY IN 2022: MANAGEMENT STRATEGY AND CHALLENGES

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### Abstract

From an economic standpoint, gaining the G20 Presidency (mainly if the meeting is physically hosted) is expected to result in various immediate advantages, including raising domestic consumption to Rp1.7 trillion, increasing national GDP to Rp7.4 trillion, and engaging MSMEs and employment. Around 33,000 people work in a variety of areas. Indonesia can also balance industrialized and developing nations' interests and goals. This is a descriptive sort of qualitative study that tries to describe or characterize an issue. Descriptive research aims to correctly and methodically characterize a population, situation, or phenomena. This form of study may provide answers to the what, where, when, and how, but not to the why. Unlike experimental research, correlational research does not control or modify variables; rather, it observes and measures them. 2022, G20. To begin, let us consider the global health architecture. This topic is concerned with worldwide fundraising, resilience, and consistent global health standards. Second, economic and digital transformation will include a reimagining of global economic governance via digital technologies. The third area of focus is energy transition, in which the G20 will promote the development of a more global energy system. A smooth and equitable transition. The Sherpa track will include discussions on critical subjects such as anti-corruption, agriculture, the digital economy, jobs, health, the environment, sustainable energy, trade, and development investment. The conversation will center on economic problems affecting the financial sector, such as taxation, monetary policy, and fiscal policy.

**Keywords:** Economy, G20, GDP, Financial, Digital, MSMEs

### INTRODUCTION

The more linked the global economy becomes, the more effective a country's response to a pandemic and economic recovery will be if comparable accomplishments do not follow it in other nations (Sheraz, 2021). The G20 is an acronym for the Group of Twenty. The G20 is a platform for international cooperation comprised of 19 member nations plus a single economic zone, the European Union (Yao, 2021). The G20 countries account for more than 60% of the world's population, 75% of global commerce, and 80% of global GDP. South Africa, the United States of America, Saudi Arabia, Argentina, Australia, Brazil, India, Indonesia, the United Kingdom, Italy, Japan, Germany, Canada, Mexico, the Republic of Korea, Russia, France, China, and Turkey are all G20 members, as is the European Union (Bishop, 2021).

The G20's primary emphasis is on the global economy and its significant problems. These challenges include changes to the World Bank and IMF, climate change, a global energy, and demographic consequences of population problems(Habiba, 2021). The G20 was formed in 1999 due to the G7 group's inception. This international forum was established in the aftermath of multiple global economic crises. The finance ministers and central bank governors active at the time were solely concerned with resolving the crisis or with global fiscal and monetary policy challenges(Li, 2021). The G20's present objective, as it evolves, is to create robust, sustainable, balanced, and inclusive global growth.

The G20 has met at least once a year since 2008, with summits attended by presidents of the government of member nations, finance ministers, foreign ministers, and other senior officials(Alqahtani, 2021). On the other hand, the European Union is represented by the European Commission and the European Central Bank. Not only did state officials attend this event, other nations, international organizations, and non-governmental groups were also invited(Chen, 2021). Meanwhile, the IMF and the World Bank are organizations invited to the G20 on a regular and permanent basis.

In 2010, a discussion group was also created to address the development industry. Since then, the G20 has been divided into two tracks: finance and Sherpa. Sherpa is derived from the Nepalese word meaning guide, referring to how the G20 Sherpa's led the way to the Summit (Summit)(Cahyadi, 2021).



<b>G20</b>	<b>APEC</b>	<b>ASEAN</b>
Jerman	Peru	<b>Indonesia</b>
Prancis	Cile	Brunei
Brasil	Taiwan	Thailand
Argentina	Hong Kong	Singapura
Uni Eropa	Papua Nugini	Vietnam
Cina	Selandia Baru	Malaysia
Kanada	Cina	Filipina
AS	Kanada	Myanmar
Australia	AS	Laos
Meksiko	Australia	Kamboja
Jepang	Meksiko	
Rusia	Jepang	
Korea Selatan	Rusia	
<b>Indonesia</b>	Korea Selatan	
Inggris	<b>Indonesia</b>	
India	Brunei	
Turki	Thailand	
Afrika Selatan	Singapura	
Arab Saudi	Vietnam	
	Malaysia	
	Filipina	

**Figure 1: G20, APEC, and ASEAN members**

## RESEARCH METHODS

Qualitative research, particularly that which is phenomenological. Numerous modern researchers claim to use a phenomenological approach but seldom connect this technique to the phenomenological philosophy's premises (Prof Sugiyono, 2011). This must be emphasized to ensure that the phenomenological study meets a high degree of value and outcome (Moleong, 2007). To arrive at these conclusions, phenomenological research must consider the following characteristics: (1) referring to reality, (2) comprehending the meaning of events and their connection to individuals in particular settings, and (3) beginning with stillness (Sugiyono Sugiyono, 2010).

## RESULT AND DISCUSSION

Indonesia has the chance to promote the world's collaborative efforts to implement policies that would expedite the global economic recovery inclusively via the G20 meeting (Guo, 2021). The G20 is a catalyst for maintaining a neutral Indo-Pacific region, owing to the region's comparatively rapid economic expansion, and this is Asia's period (Larionova, 2021). From an economic standpoint, several direct benefits of assuming the G20 Presidency (particularly if the meeting is physically held) include increasing domestic consumption to Rp1.7 trillion, increasing national GDP to Rp7.4 trillion, and involving MSMEs and employment. Around 33 thousand people work in various sectors (Fry-McKibbin, 2022).

Economic benefits might be 1.5–2 times bigger than those of the 2018 IMF-WBG Annual Meetings in Bali, owing to the G20 conference next year is expected to include 150 meetings and side activities over 12 months. Indonesia can also balance industrialized and developing nations' interests and goals (Wang, 2021). Then, as the G20 chair this year, Indonesia can enhance critical economic sectors via G20 agreements on trade, investment, employment, agriculture, health, education, human resources, and the Sustainable Development Goals (Meng, 2021).



Figure 2: Framework Agenda G20 2022

The G20's primary agenda items for 2022. To begin, let us consider the global health architecture (Yiew, 2021). This sector focuses on global fundraising, resilience, and globally standardized health standards. Second, economic and digital change, including a reimagining of global economic governance via digital technologies (Cabernard, 2022). The third area is energy transition, in which the G20 will promote the development of a more sustainable global energy system and a just transition.

The G20 has two tracks: the finance or financial track and the sherpa track. The sherpa track will bring together delegates, working groups, and engagement groups from the B20, L20, U20, S20, and Y20, among others, to discuss critical issues such as anti-corruption, agriculture, the digital economy, employment, health, and the environment, as well as sustainable energy, trade, and development investment.

### **Six priority agendas on the finance track:**

1. Refers to the departure plan designed to aid in recuperation. Within this framework, the G20 will address attempts to safeguard nations currently in economic recovery (particularly developing countries) from the spillover effects of exit strategies taken by countries that have already recovered (generally developed countries).
2. Overcome the fear factor in order to ensure future progress. The G20 will examine measures to overcome the crisis's scarring impact by boosting productivity and long-term development, emphasizing jobs, households, the business sector, and the financial sector.
3. In the digital age, with regards to the payment system. This agenda encompasses both cross-border payment standards (CBP) and the guiding principles for CBDC development (General Principles for Developing CBDC).
4. It is a problem of fiscal sustainability. The G20 will debate climate risks, the hazards associated with the transition to a low-carbon economy, and the macroeconomic and financial stability implications.
5. Financial inclusion strategy emphasizes digital financial inclusion and small and medium-sized business financing. The conversation will center on the use of open banking to boost productivity and promote economic and financial inclusion for the marginalized population, namely women, youth, and small and medium-sized businesses, emphasizing cross-border issues.
6. International taxation discussion, with a particular emphasis on executing the joint OECD/G20 Framework on a tax planning approach known as Base Erosion and Profit Shifting (BEPS).

Establishing an agreement amongst the G20 nations on matters ranging from global health to international taxes will be arduous. Concerning health and economics, sustainability, and international taxes, these issues will be highly debated. Indonesia has the chance to discuss three major concerns during its 2022 G20 Indonesia Presidency, notably the health system, economic and digital transformation, and energy transition. However, it is not simple for member nations to react rapidly to these three challenges.

### Three challenges faced in the forum:

1. In the sense that the G20 is a multilateral platform, with each member representing its interests. As a result, it is vital to foster a sense of shared purpose and network interdependence. Indonesia wishes to carry out the 2010 Seoul Declaration's mission, which states that the G20 must include all stakeholders, including international organizations, community groups, trade unions, corporations, and academics.
2. A rise in the national debt load. The rise in tax revenue is unjust since the corporate world has just recently recovered. Consequently, capital power mobility becomes problematic when huge numbers are imposed on a program. Additionally, there is still a reduction in productivity due to changing work habits, limiting the circulation of cash. International norms, owing to the calculative nature of private sector investment. Although, to be honest, this needs some work. Later, we will collect several suggestions for defusing the issue.
3. Many users would utilize the primary forum as public exposure. There will be a variety of interests, spanning from local to worldwide, and all nations will capitalize on them.

### CONCLUSION

From an economic standpoint, several direct benefits of assuming the G20 Presidency (particularly if the meeting is physically held) include increasing domestic consumption to Rp1.7 trillion, increasing national GDP to Rp7.4 trillion, and involving MSMEs and employment. Around 33 thousand people work in various sectors. Economic advantages might be 1.5 to 2 times bigger than those of the 2018 IMF-WBG Annual Meetings in Bali, owing to the G20 conference next year, including 150 meetings and side activities over 12 months. The G20 will debate climate risks, the hazards associated with transitioning to a low-carbon economy, and the macroeconomic and financial stability implications. A financial inclusion strategy with a particular emphasis on digital financial inclusion and small and medium-sized business funding. The conversation will center on the use of open banking to boost productivity and promote economic and financial inclusion for the marginalized population, namely women, youth, small and medium-sized businesses, and cross-border issues. International taxation debates centred on implementing the OECD/G20 Framework on Base Erosion and Profit Shifting (BEPS) The process of establishing an agreement amongst the G20 nations on matters ranging from global health to international taxes will be arduous.

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