

# **G20 in the context of Argentina**

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## **Abstract**

Argentina is a member of the G20. The presidency has offered Argentina to put forward its policy driven initiatives and work towards creating a better socio-economic base through international collaboration. This paper examines Argentina's relations with other G20 countries and describes trends, trends and insights into the commitments of these meetings. The analysis underscores the importance of international cooperation on compliance rates. The emphasis on the SDGs and the 2030 Agenda was a key portion of the goals, including economic reforms and better taxation policies etc. However, some commitments to energy transition and other compliance issues require implementation and performance management reforms, which indicates the need for sustained efforts and political adjustments.

## **Country Fact Sheet:**

### **Overview:**

Argentina is a South American country known for its diverse landscapes, rich cultural heritage, and agricultural prowess. Its economy is characterized by its agricultural strength, but it also faces challenges related to debt, inflation, and political stability. Leveraging its abundant natural resources and addressing economic imbalances could pave the way for sustainable growth and

development in the future. As of the latest available data, here are some key economic development indicators that provide insight into the country's economic status.<sup>1</sup>

### **Economy:**

Gross Domestic Product (Current US\$)	\$632.77 billion USD
GDP Growth Rate	5.2%
GDP Per Capita (Current US\$)	Around \$8,600 USD (2022)
Unemployment Rate (2021)	6.5%
Labor Force Participation Rate (2021)	60.4%
Main Industries	Agriculture, manufacturing, services, mining, and tourism

### **Trade and Exports:**

Major Exports: Maize, oil cake and other solid residues of soya-bean Soybeans, Crude soya-bean oil, diesel-powered trucks with a GVW not exceeding, Spelt, common wheat and meslin.

Major Export Partners ([World Bank](#) )

Market	Trade (US\$ Mil)	Partner Share (%)
Brazil	11,767	15.10
China	6,156	7.90

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<sup>1</sup> *World Bank Open Data.* (2017). World Bank Open Data.

United States	4,995	6.41
India	4,293	5.51
Chile	4,205	5.40

Trade Balance (2021): Negative, with imports exceeding exports

**Inflation and Monetary Policy:**

Inflation Rate (2022): Approximately 69.7%

Currency: Argentine Peso (ARS)

Central Bank: Banco Central de la República Argentina

**Investment and Development:**

Foreign Direct Investment (2022): Approximately \$15.09 billion USD

Infrastructure: Ongoing efforts to improve transportation, energy, and communication systems

**Agriculture and Natural Resources:**

Agricultural Exports: A leading global producer of soybeans, corn, and beef

Land Use: Large agricultural sector, with vast fertile plains (pampas) supporting agriculture and livestock

**Challenges:**

Argentina faces various economic challenges, including:

Debt: High external debt levels affecting fiscal stability

Inflation: Persistent inflation impacting purchasing power and investment

Political Factors: Policy uncertainty and fluctuations affecting investor confidence

Income Inequality: Disparities in income distribution and social welfare

**Opportunities:**

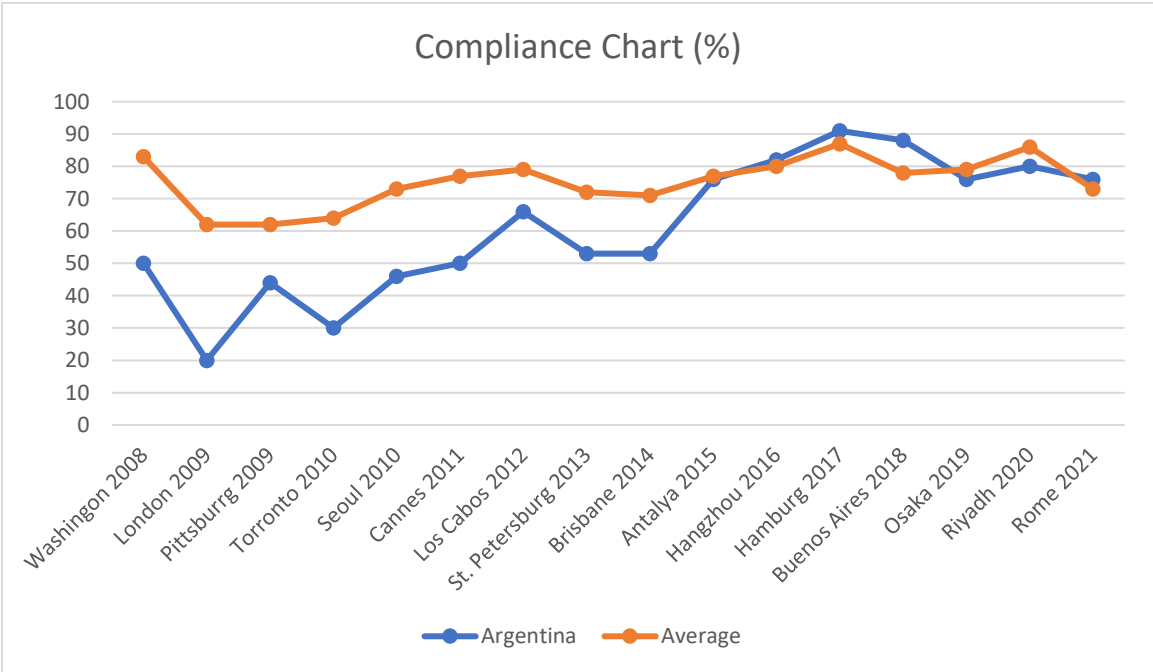
Natural Resources: Rich in minerals, agricultural resources, and energy potential

Tourism: Diverse landscapes, cultural heritage, and attractions for international visitors

Agricultural Exports: Global demand for Argentina's agricultural products

**Argentina’s Performance in G20**

**G20 Commitments Compliance, 2008-2021:**



This above chart presents a comprehensive analysis of the compliance report for G20 summits held between 2008 and 2021 (G20 Research Group University of Toronto, Center for International Institutions Research Russian Presidential Academy of National Economy and Public Administration, 2022). The compliance percentages of Argentina and the average compliance percentages of other nations are examined to identify trends, patterns, and insights regarding the commitments made during these meetings.

### **Overall Compliance Trends:**

**Argentina's Performance:** The compliance percentages of Argentina shows notable fluctuations over the years, ranging from as low as 20% (London 2009) to as high as 91% (Hamburg 2017). This suggests that Argentina's commitment to implementation has been inconsistent across different G20 summits.

**Average Compliance of Other Nations:** The average compliance percentages of other nations tend to be relatively more stable compared to Argentina's. The average compliance percentage ranges from 62% (London 2009) to 87% (Hamburg 2017), indicating a generally higher adherence to commitments among other G20 countries.

### **Yearly Trends and Patterns:**

**Early Years (2008-2010):** Argentina's compliance percentages during the initial years were mixed, with significant variations. The London 2009 summit saw both Argentina and the average

compliance drop notably, suggesting broader challenges in fulfilling commitments during the global financial crisis.

**Stabilization (2011-2013):** Compliance percentages for Argentina and the average remained relatively consistent during this period. The St. Petersburg 2013 summit marked a notable increase in Argentina's compliance, possibly reflecting an improvement in policy implementation.

**Inconsistent Performance (2014-2016):** The compliance percentages continued to vary, suggesting that Argentina's commitment implementation was influenced by factors beyond economic conditions. Antalya 2015 witnessed a higher-than-average compliance for Argentina, potentially driven by specific policy priorities.

**Improvement and Peaking (2017-2018):** Argentina's compliance reached its peak at Hamburg 2017, surpassing the average compliance of other nations. This period indicated Argentina's potential to effectively implement commitments, possibly due to policy focus or international collaboration.

**Moderation (2019-2021):** Compliance percentages for both Argentina and the average demonstrated moderation in later years. While Argentina's compliance remained close to the average, Osaka 2019 and Riyadh 2020 highlighted the challenge of maintaining high compliance during global disruptions.

## **Factors Influencing Compliance:**

**Global Context:** Compliance percentages during the financial crisis years (2009) were lower, suggesting that economic and political conditions significantly impact commitment fulfillment.

**Policy Focus:** Peaks in compliance (Hamburg 2017) may be linked to focused policy efforts or prioritization of specific commitments. Also, in the Buenos Aires session of 2018 where Argentina to the residency of the G20 group Argentina showed a high level of compliance as compared to the average compliance by other countries.

**International Cooperation:** Higher compliance during certain years could be influenced by collaborative efforts among G20 nations to address common challenges.

The compliance report for G20 summits from 2008 to 2021 reveals dynamic trends in Argentina's commitment implementation and the average compliance of other nations. While Argentina's performance has experienced fluctuations, there have been instances of notable improvement. The analysis underscores the influence of global contexts, policy priorities, and international cooperation on compliance percentages. As Argentina and other nations continue to address global issues, understanding and addressing these trends can contribute to more effective commitment implementation in the future.

### **Priorities set in the G20 meeting during Argentina's presidency:**

**Sustainable Development and Climate Change:** The G20 expressed their commitment to leading the transformation towards sustainable development and supporting the 2030 Agenda. They emphasized the importance of comprehensive adaptation strategies, investment in resilient infrastructure, and alignment of international finance flows to address climate change.

*“[We recognize the importance of comprehensive adaptation strategies, including investment in infrastructure that is resilient to extreme weather events and disasters.] In this sense, we support actions and cooperation in developing countries, especially those that are particularly vulnerable,*

*including small island states such as those in the Caribbean.” (Buenos Aires Leaders’ Declaration, 2018)*

*“Signatories to the Paris Agreement, who have also joined the Hamburg Action Plan], commit to its full implementation, reflecting common but differentiated responsibilities and respective capabilities, in light of different national circumstances.” (G20 Buenos Aires Action Plan, 2018)*

**Global Economic Growth:** The G20 welcomed the strong global economic growth but acknowledged that it has been less synchronized between countries. They also recognized key risks, including financial vulnerabilities and geopolitical concerns, and reaffirmed their commitment to using all policy tools to achieve strong, sustainable, balanced, and inclusive growth.

*“We support the free flow of information, ideas and knowledge, while respecting applicable legal frameworks, and working to build consumer trust, privacy, data protection and intellectual property rights protection.” (Buenos Aires Leaders’ Declaration, 2018)*

*“We reaffirm our commitment to further strengthening the global financial safety net with a strong, quota-based, and adequately resourced IMF at its centre.” (G20 Buenos Aires Action Plan, 2018)*

**Transformative Technologies:** The G20 acknowledged the economic opportunities brought by transformative technologies and emphasized the need to harness these opportunities for inclusive growth and development.

*“[To maximize the benefits of digitalization and emerging technologies for innovative growth and productivity], we will promote measures to ... improve ... digital infrastructure.” (G20 Buenos Aires Action Plan, 2018)*



*“We will step up efforts to ensure that the potential benefits of technology in the financial sector can be realized while risks are mitigated.” (G20 Buenos Aires Action Plan, 2018)*

**Taxation and Trade:** The G20 highlighted the importance of addressing tax challenges arising from the digitalization of the economy and supporting a consensus-based solution. They also recognized the contribution of international trade and investment to growth and development and expressed support for necessary reforms of the World Trade Organization (WTO).

*“We will continue our work for a globally fair, sustainable, and modern international tax system based, in particular on tax treaties and transfer pricing rules, and welcome international cooperation to advance pro-growth tax policies.” (G20 Buenos Aires Action Plan, 2018)*

*“We endorse the Menu of Policy Options for the Future of Work which we will draw on, considering individual country circumstances, to harness technology to strengthen growth and productivity.” (G20 Buenos Aires Action Plan, 2018)*

### **Did the G20 presidency affect Argentina’s socio-economic conditions?**

According to the council on foreign relations, Argentina’s biggest challenges since its post war era has been related to economic mismanagement and political dysfunction (Roy, 2022). While a period of mere one year is not enough to solve such deeply entrenched issues, Argentina’s presidency helped the nation streamline the process and set priorities towards a better future. The country officials put the SDG 2030 agenda at the heart of the planning process, especially with respect to finding specific issues and working towards collective solutions to them. There were separate meeting from various working groups including the Sherpa Track and Finance Track, a brief account of their work is given below.

### **Energy Transitions Working Group (ETWG)**

This working group comprises representatives such as the energy minister and promoted energy efficient policy options such as Behavior Change Initiatives, included in Argentina's Energy Efficiency Leading Programme. They also encouraged investment and financing in renewable energy to reduce potential barriers and improve risk mitigation services. The most important however was the energy access issue, which Argentina meant to do through international financing. The "Energy Access and Affordability Voluntary Action Plan for Latin America and the Caribbean" put forward by Argentina's G20 Presidency highlights the need to tackle energy service cost and affordability issues, in addition to access challenges (G20 Buenos Aires Update, 2018).

This communique, however, did not lead to an expected outcome as the nation persists in giving coal, oil and gas subsidies despite their longstanding pledge. Moreover, these policy decisions bring about emissions which are caused because of an extensive focus on consumption, than production, which does not help the overall emissions since energy production keeps rising. (Chino, 2018) Focusing on environmentally sound policies is a must for Argentina because they have been suffering from the impacts of climate change severely, owing to a population which is highly vulnerable and lives in poverty, therefore, these commitments and targets must be taken into account while engaging with other countries within the G20.

### **Conclusion**

Argentina's relationship with the G20 countries showcased varying degrees of commitment and implementation, especially reflecting fluctuations in compliance rates. Although Argentina grappled, and continues to deal with socio-economic problems emerging from its turbulent post-war history, its participation during its presidency offered it opportunities to move towards a better

future and address these issues through collaborative action at an international level, and through targeted policy initiatives. The analysis underscored the influence of global circumstances, policy priorities, and international teamwork on compliance rates.

Argentina's G20 presidency focused on critical and crucial issues pertaining to the SDG 2030 Agenda, sustainable and fair work environment, and transformative economic policies, supporting proper use of taxation, trade, and development which benefits the people. Although the presidency didn't provide immediate solutions to Argentina's deeply entrenched economic and political issues, it served as a platform to establish priorities and work collectively toward resolutions, notably by championing the SDG 2030 agenda.

Nonetheless, certain commitments, with respect to energy transition, and other compliance issues needed reform in terms of implementation and performance management, indicating the need for sustained efforts and policy adjustments. Overall, Argentina's G20 presidency represented a step forward in the country's pursuit of socio-economic stability and international cooperation, laying the foundation for future progress.

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