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What kind of G20 summit does the world need?

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The fourth Group of 20 (G20) summit concluded in Toronto on Sunday after leaders of major economies agreed on a set of targets for fiscal consolidation and measures to ensure strong, sustainable and balanced growth.

Compared to the previous three summits, differences of opinion among major economies seem to be more numerous during this summit.

At the G20 Toronto summit, the European Union and the United States had heated arguments on whether to reduce the fiscal deficit or continue economic stimulus. Other controversies such as the banking tax, quota reform of International Monetary Fund and enhancing financial oversight also appeared.

The summit reached a consensus in principle, which was to ensure a strong, sustainable and balanced growth. However, due to the varied pace of recovery from the global financial crisis, G20 countries face different challenges. These challenges caused great differences on some specific issues.

In fact, with the global economy's recovery, the G20's function is shifting from a crisis-management role one of global economic governance. But considering it only came onto the world scene two years ago, it is difficult to tell if G20 can accomplish the change.

Generally, people believe the G20 will replace the Group of Eight as a force in dealing with the financial crisis, which reflects a change in the world economic pattern. But it is less than two years after the first G20 summit in Nov. 15, 2008 and less than one year

after the G20 Pittsburg summit last September, so the internal mechanism and development of G20 is lagging behind.

While the G8 is clearly fading due to lack of representation, effectiveness and credibility, it's still uncertain that the G20 will prove effective enough to replace it as the world's most influential club of leading economies. G20 is facing a great challenge on how to consolidate internal unity and improve operational efficiency.

G20 witnessed the great achievements of the international community working together to address the financial crisis within less than two years. But people are concerned about what will happen once the international financial turmoil has passed.

What kind of G20 does the world need? The answer is simple. The role of the G20 should change from an effective mechanism to address financial crisis to a key platform to promote world economic cooperation. How far G20 will go in reforming international financial organizations, strengthening financial regulation and improving world economic management will determine the G20's future and fate as well as the prosperity and stability of world economy in the coming years.