



CENTRE FOR
STRATEGIC AND
INTERNATIONAL
STUDIES



AGENDA

THE 6th KAS-CSIS GERMANY-INDONESIA STRATEGIC DIALOGUE

“Aligning Aspirations and Expectations: the Future of G7-G20 Relations”

2022 has been a challenging year for both Germany and Indonesia. As respectively 2022’s President of the G7 and the G20, two of the most influential international groupings, global developments occurring this year have not only challenged their leadership in each forum but have also showcased the gaps between both groupings.

Historically speaking, the G20 is an expansion of the G7, when the group of seven recognized that the management of future global crises will also depend on their collaboration and policy coordination with countries outside the industrial seven. Naturally, with every “forum expansion” also comes a proliferation of interests and considerations. But during the early years following its conception, the G20, along with the G7, has relatively managed a common ground to work with, as they strive to tackle common global concerns. G7 traditionally works with a more fast-paced decision-making process, especially on economic and financial issues, while the G20 becomes the avenue to discuss matters that requires the quality of representativeness that a larger grouping can provide.

Following the conception of the G20, the burden to discuss the world’s top economic and financial issues shifted from the shoulders of the G7. Some of the more important products of the G7 shift more so towards global security issues. At some point, there were even periods where the G7 suffers in projecting global influence. Discords between its own members were at times apparent, and its lack of representativeness and heterogeneity, especially if noting from their projected share of the world’s GDP, continues to present a question of relevance. It was only around the times of the US- China trade war that the G7 manage to get back its global coherence and regain a top profile in being crucially involved and relevant to solve the then globe’s top economic issue. But by this time, the distance between the industrial West and the rest – the developing world – has been apparent.

Of course, G20, on the other hand, is also not one without problem. As a grouping of the world’s top wealthiest nations, the G20 suffers from critics against its effectivity to mitigate the COVID-19 pandemic and its impacts. The group was found short of acting as the accelerator of global pandemic recovery and in realizing its many stalled commitments, including to alleviate financial and economic burdens felt by developing nations. Its larger size in membership poses the challenge of coherence in getting quick and effective solutions to global crises.

Then came 2022. In a world still suffering from the impacts of the pandemic, the consequences of Russias’s attack on Ukraine have been felt not only directly in the form of a protracted war and humanitarian crisis but have also spread extensively around the world, especially in the form of food and energy shortages. Geographically closer to the war, countries like Germany and many other

members of the G7 were forced to quickly maneuver and set new priorities, from diversifying its energy resources, to having to reconsider their national security postures. That was exactly the challenge of Germany's 2022 presidency of the G7 which was overshadowed by the war and gave its agenda of fighting global poverty, strengthening international efforts to combat climate change and energy security as well as of further promoting a rule based multilateral order much more pressing significance.

The global developments around the war in Ukraine and its ramifications call into question the future of the two groupings - especially the more heterogeneous G20. Throughout 2022, the forum has seen first-hand how the polarization between major powers in world politics spilled over to international forums. This is not to mention the amount of new and sensitive topics now demanding to be discussed and jointly tackled in the forums.

Under this new context, the G7 has reidentified the purpose of a tight-knit like-minded grouping for a strong voice against a common concern. At the same time, the gap of aspirations between the G7 and the rest of the G20 members, especially towards managing an international political crisis involving its own members, have been gradually exposed. With Europe having to face such an unprecedented disaster that split sides and coalitions from one another, circumstances have also clearly put certain global issues that were campaigned in the G20, which require international collaboration from the world's great powers, temporarily on hold. For groupings like the G7 and G20, the stakes are higher than ever to prove they can be effective as crisis-mitigating platforms.

Day 1

Monday, 28 November 2022, 09.00-17.30 (Jakarta Time/GMT+7)

Opening Session

Welcoming Remarks 09.00 – 09.10

- Dr. Yose Rizal Damuri, Executive Director, CSIS Indonesia.
- Dr. Denis Suarsana, Director, Konrad-Adenauer-Stiftung for Indonesia and Timor-Leste.

Keynote Speech 09.10 – 09.40

Speaker(s) shall describe the role, relations, and collaboration between Indonesia and Germany, as hosts of G20 and G7 respectively, mainly to highlight the challenges and opportunities for Germany-Indonesia bilateral relation in strengthening cooperation and harmony between G20 and G7.

Keynote speaker:

- Dr. Yayan Ganda Hayat Mulyana, Head, Foreign Policy Strategy Agency, Ministry of Foreign Affairs of the Republic of Indonesia.

Session 1

Aligning Aspirations between the G7 and the G20

Panel Session 09.45-11.45

The G7 and the G20 now find themselves in a relatively more equal setting. The relationship between the two groupings no longer represents any hierarchical order in the global policy decision and rulemaking. For instance, while G7 remains an important source of thought leadership and ideas, some these ideas can now also come from the G20 countries.

But the rising leverage of the G20 countries does not mean that the G7 and the G20 should stand “apart” from one another. On the one hand, G7’s trademark efficiency in producing global policy and agenda will find less substance without the support of the G20. On the other hand, discussing issues in the G20 without considering the support and resources of the G7 will be unproductive. Even more so because both the G7 and the G20 essentially have the common interests in maintaining global economic growth, resolving global issues and crises, and progressing with global agendas. In recent years, the increasing “equality” in leverage between the members of the G7 and the G20 have also given birth to differing aspirations, perceptions, and perspectives on global issues. In 2022, such difference in aspirations is even more profound, making meaningful global cooperation hard to come by.

Panelists are asked to open the Dialogue with a panel session that discusses three layers of foundational thoughts: 1) to identify and compare assessments on the different aspirations and perspectives, or even possible conflicting interests between the G7 countries and the G20 countries; 2) to identify alignments in perspectives, as well as common denominators and areas of cooperation, that could act as foundation to work forward; 3) to identify possible solutions that could act as bridge to any conflicting aspirations, interests, or potential disagreements between the G7 and G20. Speakers are given around 15 to 20 minutes for their presentation.

Speakers:

- HE Ina Lepel, Ambassador of Federal Republic of Germany to the Republic of Indonesia
- Dr. Muhammad Hadiano Wirajuda, Secretary for Policy Team, G20 Sherpa Secretariat, Coordinating Ministry for Economic Affairs, Republic of Indonesia
- Dr. Riatu Mariatul Qibthiyah, Director, Institute of Economy and Social Research (LPEM), Faculty of Economics and Business, Universitas Indonesia

Moderator:

- Dr. Lina Alexandra, Head, Department of International Relations, CSIS Indonesia

Session 2

Aligning Instruments: G7 and G20's Solutions to Global Agenda (Economic, Financial, Health, and Beyond)

Panel Session

13.00-15.00

G7 and G20 remains the premier form in safeguarding *global economic and financial stability*, as well as promoting growingly important global agenda like sustainable economic growth. These agendas were also complemented with priority pillars such as *global health, digital transformation, and sustainable energy transition*, as championed by Indonesia's G20, and Germany's G7 presidency's priorities, which covers *pandemic preparedness, global response to climate change, and challenges on energy security*. In 2022, adding to issues like debt burdens of poorer countries following the pandemic or funding the pandemic preparedness for the future, the G7 and the G20 has also been dealt a tough hand in the form of looming food crisis, soaring inflation, and tough monetary conditions from the hike in interest rates in major economies.¹

Discussions over the type of "instruments" proposed as solutions, however, have faced issues. Developing countries have the agenda in advocating equitable access to the technology and financing necessary to reach the goals of global agendas, thereby pushing for commitments towards instruments like funding schemes or in preventing the monopoly of global public goods. Major industrial countries have the agenda in jumpstarting transformative agenda, such as in response to climate change, through pushing initiatives that invoke the application of higher and cleaner standards of technology, including through instruments like Carbon Border Adjustment Mechanism. Noting the gaps in solutions championed by different countries, and the gaps between groups (e.g., G7 and G20, Paris Club and non-Paris club creditors, et cetera) amidst global political polarization, this panel seeks to compare notes on progresses, commitments, and harmonies made in the G7 and G20 Summits, the homework left to be done, and the models of success they should follow.² Speakers are given around 15 to 20 minutes for their presentation.

Speakers:

- Dr. Jerry Sambuaga, Deputy Minister, Ministry of Trade, Republic of Indonesia
- Dr. Puspa Delima Amri, Associate Professor of Economics, Sonoma State University, US
- Mr. Nicolas J.A. Buchoud, Fellow, Global Solutions Initiative (GSI), Berlin, and Advisor to the Dean of Asian Development Bank Institute, Japan – Think7 2023

Moderator:

- Mr. Rocky Intan, Researcher, Department of International Relations, CSIS Indonesia

¹ This is not to mention other homework, including to regulate and harmonize policies on newer areas of finance that could cause future disruption, like crypto and digital currencies.

² Middle ground initiatives that universally covers the interests of many, such as G7's decision to set up a Global Food Security Alliance as well as the Global Gateway Project for the EU, are notable success stories that could act as modality.

Session 3

Aligning Expectations: G20's Role and Challenge in Navigating the Impact of Geopolitical and Geoeconomic Developments

Panel Session

15.15-16.45

The War in Ukraine has polarized world politics, due to the rising hostility and mistrust spiraling beyond direct parties involved and spilling over to international forums. Differing expectations on the role of the G20 as platform to solve international geopolitical crisis, like as the war in Ukraine and its consequences, serve as a crucial barrier that hinders the grouping from having a significant role in such issue. For some member countries, particularly those in Europe, the G7 and G20 together are seen as primarily political platforms. For some others, the G20 is much more associated with being an economic forum, closely correlated with its origin and past success stories in responding to financial crisis and less known for their ability to address strategic or security issues. For the G20, this time the situation is even more difficult noting the fact that conflicting parties involved are part of its own members, rather than outside the grouping. Unsurprisingly, sweeping the issue under the rug and taking a business-as-usual approach can be long foreseen as being out of the question. Indonesia, as G20 President, has strived to bridge and play a moderating role in the lead up to the G20 Summit. But whether this current role of the G20 and its president is enough is a question up for debate.

Panelists are asked to review, from the perspective of Indonesia and Germany as hosts of G20 and G7 respectively, the state of Indonesia's cooperation with America and Europe, and vice versa the state of Germany's cooperation with Asia, through a study case of diverging expectation towards G20's role in mitigating geopolitical and geoeconomic international crisis. Panelists, especially, may address the rising concern of dividing expectation between Asia and the West on whether the G20 should firmly be understood as having more political role "beyond" mitigating just the financial and economic impacts of a political crisis.

This session invites officials and experts on international political economy, geopolitics, and geoeconomy, who can discuss the political issues between America-Europe and Asia inside and around international institutions, especially the G20. Speakers are given around 10 to 15 minutes for their presentation.

Speakers:

- Dr. Yose Rizal Damuri, Executive Director, CSIS Indonesia – Co-Chair T20 Indonesia
- Dr. Axel Berger, Deputy Director, German Institute of Development and Sustainability (IDOS)
- Dr. Sharfiah F. Muhibat, Deputy Executive Director for Research, CSIS Indonesia
- Mr. Henning Glaser, Director, German-Southeast Asian Center of Excellence for Public Policy and Good Governance (CPG), Faculty of Law, Thammasat University

Moderator:

- Mr. Andrew W. Mantong, Researcher, Department of International Relations, CSIS Indonesia

Day 2

Tuesday, 29 November 2022, 09.00-11.15 (Jakarta Time/GMT+7)

Session 4

Raison D'être: The Future of G7, G20, and the Rules-Based Multilateral Order

Panel Session

09.00-11.15

The G20 was born as expansion of the core-group, the industrialized countries of the G7. Following the 1997 Asian Financial Crisis and the 1998 Russian Financial Crisis, the inclusion of emerging economies reflects the group's desire to improve their responsiveness towards financial crises and other global economic governance issues. With the sharpening of global strategic competition between United States and China and the ongoing separation of relations between Russia and the West, tighter groupings like the G7 find themselves in a much more coherent and effective position, due to their common values and positions. The diversity of the G20, which initially forms as the grouping's modality, have this year becomes a burden. This was shown by how even gathering all the G20 members to show up and have a discussion becomes a tough task for the host. How can G20 members manage the communication between the group's members when geopolitical interests hamper the need to put concerted efforts towards global issues? How can economic cooperation survive amidst conflicts and polarization? Should countries push for political agenda and economic instruments for political interests in the G20?

Panelists are asked to compare notes on the future of the G20, the need for the grouping's reform to more efficiently address crisis, and the value of representativeness in the forum. Speakers are given around 10 to 15 minutes for their presentation.

Speakers:

- Prof. Djisman Simandjuntak, Chair, Board of Directors, CSIS Foundation – Co-Chair T20 Indonesia
- Ms. Isabel Weininger, Senior Policy Advisor Southeast Asia, Konrad-Adenauer-Stiftung, Germany
- Dr. Tetsushi Sonobe, Dean and Chief Executive Officer, Asian Development Bank Institute (ADBI), Japan – Think7 2023
- Ms. Manjeet Kripalani, Executive Director, Gateway House: Indian Council on Global Relations, India – Think20 2023

Moderator:

- Mr. Endy M. Bayuni, Senior Journalist, The Jakarta Post

Closing Session

Closing Remarks

11.15-11.30

- Dr. Shafiah F. Muhibat, Deputy Executive Director for Research, CSIS Indonesia
- Dr. Denis Suarsana, Director, Konrad-Adenauer-Stiftung for Indonesia and Timor-Leste