



**Re-Define Press Release – G20 in Cannes
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Please find below **Re-Define's** Comments on the conclusion of the G20 meeting in Cannes. All comments are attributable to **Sony Kapoor**, Managing Director of Re-Define an Economic Think Tank.

"It is fair to say that the G-20 summit with its accompanying theatrics from Greece and Italy and the failure of the IMF and China to come to Europe's rescue has worsened the Euro crisis."

"The EU's failure to get tangible commitments from the IMF or indeed any of the emerging economies reinforces the fact that the ECB and only the ECB can act to resolve the Euro crisis."

General Comments

"The G-20, like the EU summit before it, has been a damp squib as far as tackling EU & global economic problems are concerned."

"By taking the Euro crisis to the G-20 and going cap in hand to China, the EU has accelerated its own inevitable decline."

"The only thing worse than asking China and the G-20 to help solve self-inflicted Euro area problems is asking and getting turned down."

"At a time when only an unprecedented show of political unity could save the EU, its citizens get to see political brinkmanship and pettiness played out in their full glory."

"The Euro crisis crowded out important issues relating to development and global economic governance."

"The casual talk of Euro exit will undoubtedly leave a crack in the structure of the monetary union as investors start differentiating actively between Euro exposures to different economies."

On the failure of the G-20 to come to Europe's rescue

"Politically and economically there was little that the G-20 could have done to support the Eurozone. The Euro area's problems are entirely self-inflicted and will need to be solved from within."

"Expecting the BRICS economies, with hundreds of millions of poor people, to bail out the Euro area which contains some of the richest economies in the world is naïve and foolhardy."

The dog that did not bark

"For all the G-20 theatrics the most important (non) event of the week was the failure of the ECB to promise ramped up its support for Italian sovereign bonds."

"Unless the spiking Italian yields are brought under control NOW, even a large scale ECB intervention may no longer be enough."

“Without much bigger ECB support, troubled Euro area countries simply do not have the economic and political space to enact the fiscal and structural reforms that are needed.”

Italy

“Just because Italy says it will cut its public debt next year does not mean that it will be able to.”

“The ‘monitoring’ of Italian reforms may ramp up much needed pressure on Berlusconi to follow through his commitments which have largely been unmet thus far.”

“There is nothing Italy can do anymore to stem the panic. Help has to come from outside though Berlusconi’s departure may make this easier.”

“It may be time to offer PM Berlusconi a graceful exit involving an amnesty and possible exile. He has inflicted incalculable damage on Italy and the European Project by staying on so long already.”

Innovative Financing

“The seriousness of proponents of the Financial Transaction Taxes will be judged by their willingness to move forward as a coalition of the willing rather than waiting for European or international agreement.”

“Linking taxation of financial transactions to funding development is a big step forward both in terms of fairness as well as the kind of political and social support such an initiative is now likely to enjoy.”

Tax Havens

“The G-20 has missed a big opportunity to get an effective international agreement that would help increase fiscal resources to developing and developed countries alike in this time of great fiscal stress.”

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