



By: The Editorial Board

Trump's "reform" of the G20 – a return to basics or the end of global consensus?



From 1 December, the United States will take over the presidency of the Group of Twenty (G20) at a time when the platform is under serious pressure to redefine its purpose and structure.

Donald Trump's administration has already made it clear through Department of the Treasury and National Security Council announcements that it is planning a radical reform.

The aim is to return the G20 to its original mandate - macroeconomic stability and coordination of fiscal and monetary policy - and to remove all areas not directly related to finance and trade.

The **plan**, referred to internally as "back to basics", envisages the abolition of most of the G20 working groups that have dealt with issues such as climate change, energy, health, digital transformation, gender equality, and the management of global public goods over the past decade.

Instead, the proposed structure would involve a ministerial-only format in the areas of finance and central banking and a summit of heads of state and government once a year - with no additional political declarations on "non-economic" issues.

Such an announcement has already caused serious tensions among G20 members, particularly among European countries and the so-called "Global South", whose policies and development plans in recent years have **depended** precisely on the multi-issue approach promoted by the G20.

US Treasury Secretary Scott Bessent has already repeatedly expressed his dissatisfaction with the scope and content of the G20 agenda. His **absence** from the G20 finance meeting in Durban, South Africa, on 15 July is understood as a message that the United States will not support a further expansion of the thematic scope of this platform.

Sources close to the US National Security

Council explain that the intention behind this strategy is to diminish the importance of multilateral institutions, which the Trump administration believes are excessively disseminating the agenda under the influence of European bureaucracies and non-governmental organisations.

Global reactions to the US G20 plan

Germany and France immediately expressed concern over the US administration's announcement that the G20 would be reduced to a platform for purely economic issues under the US presidency.

According to German finance **ministry** sources, the G20 must remain a forum for "deepening global relationships in turbulent times" and must not be reduced to technical discussions.

French representatives also estimated that the American plan would seriously weaken the political importance of the G20 and warned that the loss of the development dimension could open up space for the fragmentation of global cooperation.

It was pointed out that it was the thematic working groups in the areas of energy, health, and climate policy that have made concrete initiatives possible in recent years, particularly with regard to the countries of the Global South.

Global challenges are no longer exclusively fiscal

South African President Cyril Ramaphosa, the leader of the country currently chairing the G20, pointed out that Africa cannot accept the marginalisation of important development issues.

He **said** the G20 must remain a framework of shared responsibility, as no country can respond to complex global challenges alone.

India, which chaired the G20 in 2023, supported the European views and pointed out that "global challenges are no longer exclusively fiscal". Japan, South Korea, and Indonesia called for a "structured dialogue" to avoid fragmentation.

China and Russia have not publicly commented on the US plans to restructure the G20, and analysts in the EU warn that reducing the political importance of this platform would boost the BRICS+, which could seize the initiative on the global stage without the active role of the G20.

From global coordination to fragmentation

The first and most direct consequence concerns the financing of the energy transition in developing countries. Initiatives such as the Just Energy Transition Partnership (JETP), which currently includes Indonesia, Vietnam, and Senegal, rely on coordination within the G20 to obtain grants and low-interest loans.

If these issues are removed from the agenda, there is a real risk that financial flows will dry up and the confidence of countries that have relied on the G20 mechanisms will be seriously damaged.

The second level of consequences relates to global tax reform. The OECD/G20 **framework** for taxing digital giants is already facing problems because the US Congress is blocking it.

If the Trump administration withdraws its support for this reform, negotiations could stall, and countries are likely to move to unilateral digital taxes — increasing the risk of trade disputes.

The third risk is in the area of preparing for future pandemics. The G20 Health Working Group served as a platform for rapid coordination between the World Health Organisation, the World Bank, and leading G20

countries during the COVID-19 crisis. Its abolition will weaken the possibility of a joint response in the event of a new pandemic.

If Donald Trump's administration implements the announced reforms without making major concessions to its partners within the G20, the most likely course of development would be the gradual fragmentation of the platform.

In this scenario, the G20 would be reduced to a technical forum focusing exclusively on fiscal and monetary stability, while issues such as climate policy, health security, and energy transition would be relegated to other international mechanisms - primarily the United Nations, the OECD, the BRICS, and regional development institutions.

Such a model of a weakened G20 could undermine its ability to coordinate a global response to interlinked crises in the long term

Such an outcome would significantly limit the mandate of the G20 and change its political structure. The G20 summit, which is **scheduled** to take place in Miami in July 2026 and will be the first under the American presidency, could reflect this change - primarily through a limited agenda and the possible absence of a final declaration in a political sense.

Although such an approach is not yet officially confirmed, its outlines are becoming clearer in the announcements from Washington.

Part of the American business community, particularly in the financial and energy sectors, is already in favour of reducing the thematic scope of the G20, citing greater predictability and efficiency as an advantage.

On the other hand, European members, as well as Japan and Canada, have expressed concern in diplomatic analyses that such a model of a weakened G20 could undermine its ability to coordinate a global response to interlinked crises in the long term.

Within the European Union, options are being explored on how to maintain the political dimension of the forum, including the possibility of bilateral and multilateral consultations in parallel to the official G20 format.

A less likely, but not impossible, scenario would be a compromise in which the United States would accept the retention of certain development and climate issues within the G20, but not at the ministerial level and without formal conclusions.

This model would allow institutional continuity to be maintained, but at the same time it would significantly reduce the ambitions of the G20 as a political forum.

There is also a third option being considered in certain diplomatic circles in Brussels, Berlin, and Paris—the formation of a new parallel political format within the larger G7+ **framework**.

This format would bring together countries interested in further coordination in areas such as climate change, digital regulation, and global health, with or without formal dependence on the G20.

G20's role in a fragmented world

Regardless of the outcome, it is clear that next year will be a crucial period in determining whether the G20 remains the focal point for addressing global challenges or whether it fades into the background of emerging forms of cooperation fragmented by interest zones and political blocs.



G20 reform is part of a broader concept of political deregulation of the international system - Donald Trump

Behind the American strategy is not only the technical argument of "overloading" the G20. It is an attempt to minimise multilateral platforms, which often force a consensus that is undesirable for part of the American establishment.

The Trump administration wants to maintain a bilateral approach – where the US dictates the rules and not participate in broader formats where it cannot control the final outcome.

In this respect, G20 reform is part of a broader concept of political deregulation of the international system that aims to create a "lean", functional but politically sterile framework for managing the global economy.

But the price of such a reform could be the loss of trust in the G20 as a forum for solving complex global issues. If this trust is lost, other platforms will take the lead – with different rules, priorities, and balances of power.