

G-20 summit must alleviate fears

World watching as meet convenes to deal with financial crisis

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An emergency summit of the Group of 20 countries and regions, including some emerging economies as well as Japan, the U.S. and the European Union, will be held on Nov. 15 in Washington, D.C., to discuss measures to deal with the global financial crisis.

The meeting has great significance since it could help prevent the finan-

cial crisis now sweeping the world from deepening by making clear that the leaders of major countries share a concern about the worldwide liquidity crunch as well as the wild swings in the stock and currency markets and are ready to cooperate in improving the frightening situation.

Meanwhile, the election of Mr. Obama as the next U.S. president, who will lead the country in the next four years, has alleviated uncertainty over the course of the U.S. which had lingered for several months.

With the U.S. financial industry mired in a dire state, the dollar's credibility is threatened.

From a practical viewpoint, however, there is no alternative major currency to the existing one.

It is extremely important that with the next American president elected, the stage has been set for the U.S. and other countries to get down to contemplating a vision of revival.

Bad example

Japan also has a major role to play. Countries now facing the financial crisis largely regard Japan's economic management after the collapse in the early 1990 of the economic bubble as a bad example that they should not follow.

Still, Japan could help these countries to better respond to the financial woes by telling them about "don'ts"

that it learned through its bitter experience.

It would be unavoidable that the slowdown in economic growth in the U.S. and Europe would exert a negative impact on other parts of the world. Hopefully, the upcoming financial summit will trigger a shift in focus of global discussion from an imminent issue of how to bring surging flames in the financial sector under control to a long-term economic recovery.

It is desirable for the meeting to be able to announce projects which become new engines of the world economy, such as the development of eco-friendly energy technologies and that of products which will grow as income levels of developing countries increase for instance.

