The global economic recovery is on course but remains weak. Many analysts and policymakers have recently called for international cooperation in the setting of macroeconomic policies. A global growth target has been adopted by the G20 to aid such cooperation.

But advanced countries are unwilling to abandon fiscal policies which are driven by austerity, monetary policy is incapacitated, and demand in emerging markets economies is not growing rapidly enough. As a result, cooperation in the promotion of growth appears elusive. However microeconomic reforms have been added to the G20 policy mix. A new form of cooperative process is thereby emerging. The aim is to create a global environment of ‘concerted unilateral reform’. This is a valuable experiment in international economic cooperation, and a successful outcome will be of particular value to emerging-market economies. Australia is attempting to lead the G20 in this direction during 2014.

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