

# Global Governance...New Approaches?

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## Meeting Report

### **Global Governance... New Approaches?**

Hosted by the Secretary-General of the OECD

The Breaking Global Deadlocks project, begun in 2003, has examined international governance arrangements and summitry. The project has provided a forum to explore the value added of a re-engineered G8, to consider summitry configurations different from the G8 (13, 14, and 20). In Paris, experts from governments, think tanks, and academia considered the changing distribution of global power, and the subsequent impact on the most complex global policy challenges. We focused on how the financial crisis affected the distribution of power, the issues with implementing the G20 as the new global “steering committee”, and how to include the voices of those who may not be included in any G20. The core project team also sought feedback on the direction of future research. This report is intended to capture the key points of agreement and of contention at the meeting.

### Premises

- There is a need for a global policy formulation body to debate options, provide direction and political will; it must be linked into strengthened regional and functional organizations.
- A smaller number of countries must be the driving force for each issue and lead the way to review the international system, to ensure we have appropriate arrangements. Inertia has the last word. G20 Leaders meetings exist; in terms of membership, it is easier to build on what is there than invent something new. G13 might have been a better idea, but its time has passed.
- The London Summit was a living experiment, different from the Washington November G20 which had 50 people at the table. London had extensive preparatory work, fewer set pieces and more strong voices from leaders. The format was effective but not final.
- We need more than conferences of 192 states. The UN has a reasonable track record on terrorism, environment and health, but needs a more workable tighter structure to respond to problems like the current financial crisis and to

broker deals on deadlocks that transcend existing international organizations' terms of reference, such as climate change. There is a need to strengthen the executive authority of the UNSC.

- In addition to re-engineering existing organizations, there are substantial institutional gaps –for example, energy (with the IEA and OPEC facing off) and the looming water crisis.

### **Role/Purpose of G20**

- Is the G20 to be a substitute for deadlocked reform in the Security Council? Or is it to build on the positive elements of the G8 experience? Is it a case of bringing in the “problem” countries or should the G20 be a coalition of the like-minded? Is the G20 a place for improved representation of the full range of global interests (including the “bottom billion”) or a grouping of those who are best placed to do something about the problem at hand?

- *The G20 would not be the supreme legitimate forum for addressing global problems.* Instead, G20 leaders could add value by taking up certain serious global commons issues that are not being adequately addressed by existing mechanisms. While the G20 could not solve the financial crisis, they could set out and provide political momentum for the steps needed to resolve it.

- The purpose of the G20 would be to review the process of shifting global dynamics, to steer policy consensus and coordination, and to generate the political will to drive reform and solve global problems

- Most governments lack the capacity individually to bring about the necessary transformations to address deadlocked problems, such as significant emissions reductions. With respect to climate change, the G20 can agree to common interests; that is, they can set the agenda, raise the literacy of political elites, and mobilize political will to address complex issues.

### **Representation**

-Who is the G20 intended to represent? Is the grouping aiming to be representative of the majority, if not all, of the world's key voices as well as opinions from the “bottom billion”, or is it intended to mirror the G8's format of representing major powers only? As you go beyond the G8, is there an expectation that the other G20 countries will represent only themselves, not some other regional/global interest? Which other countries' interests would they be expected to represent, and why would we expect them to do so?

*Discussion on representation as related to...  
... emerging powers*

The involvement of China, Brazil and India was not to enhance representation of their regions or developing countries. They had to be at the table because of their economies, capacities, and consequent power. Brazil, India and China had in fact undertaken reforms to move closer to the liberal system (seen as evidence that they are not intent on replacing the system).

**...the “bottom billion”**

-If the “bottom billion” or at least their interests were represented at the G20, there would be a shift in the agenda and conversation to include HIV/AIDS, poverty, malaria, and access to water.

-The G20 must focus on burden sharing and transfer of financial resources.

-Mechanisms must be found for the G20 to formalize engagement. Examples included formal consultation before each meeting, allocating 2-3 rotating seats for poorer countries, evolution of a constituency system within the existing G20, reshuffling membership to allow regional representation, or promoting conferences delivered outside of the G20. Other ideas for involvement include consultation at G20 sidelines and strengthened regional dialogue initiated by poorer countries feeding into G20 processes.

- The invitation of leaders of countries with a high concentration of the “bottom billion” population may legitimize corrupt leaders.

- The “bottom billion” lives in states – but leaders of poor states do not necessarily represent poor people; the involvement of non-state actors could ensure the presence of those who could “shake up the question”.

**... capacity**

- There is a tension between capabilities and representation, particularly for countries such as Pakistan, which were considered important to issues related to security but lacking in relative capacity to participate meaningfully.

- Even within highly developed nations, capacity to participate in the ever-increasing number of summits is being stretched to its limits.

**... regional relationships**

- For regional representation to even be considered as an element of the G20’s composition, regional institutions first needed to be strengthened.

- Existing bodies for regional groupings are very different in form, function and capacity, making representation problematic (OAS, NAFTA, EU, AU and ASEAN.).

- It is doubtful that sub-Saharan Africa would have its interests adequately represented by South Africa.

**Geometry & Membership**

- Criteria for membership vary from weight (great powers) to voice (representation) to values (like-minded) - creating a body that meets all of these criteria is impossible.

If the focus is on effectiveness, the group should have fewer members, but if the focus is legitimacy, more members are needed.

– Should we include those affected by the problem at issue, those that caused it, or those that can contribute to the resolution? There are many proxies for those countries that can contribute to resolution, including measures for economic weight, military capacity, leadership in technology and sciences, cultural outreach, ability to implement commitment domestically, a desire to lead and the ability to generate new ideas. Criteria must also consider those with the ability to undermine the resolution and act as spoilers. The Chinese concept of “comprehensive national power” calculates an index by assigning arbitrary weights to the different proxy measures. A recent calculation resulted in a mirror of the current G20 composition.

- Any discussion about G20 membership needs to consider the fundamental role for non-state actors in a state-centric system. The unanswered questions are: what mechanisms exist to decide which non-state actors should be involved, and in what ways?

-The world could no longer design a single institution for a single issue - geometry needs to be flexible and networked approaches are relevant. There was support for the idea of issue-based variable geometry, with different membership for climate change than for the economic crisis. But there would still be a need for a stable, core group. Proposals included: adopting a G8 + 5 model or reframing as “P5 + G5”, recognizing the core powers.

- Membership could be clearly defined for issues regarding finance; clarity was more elusive when discussing security. If terrorism was on the G20 agenda, would countries like Pakistan, Iraq and Afghanistan be included?

-Fluidity is essential for the relevance of the G20 composition – “good” or “failed” states today will not forever be “good” or “failed”.

-Proposed geometries neglect the issue of ecosystems - many key problems such as deforestation of the Amazon or Arctic glacier melt occur where people do not live. So any geometry that focuses solely on representation of people inherently ignores other major concerns.

- The argument about finding a way for G172 inclusion in the G20 process highlighted the uncertainty around legitimacy and membership. Democratic or not, likeminded or not, resolving deadlocked issues requires the involvement of the non-likeminded. Their involvement is necessary despite concerns cited about the ability to reach a meaningful consensus in a reasonable time frame, and the risk of marginalizing democratic and human rights principles.

## **G20’s relationship with other institutions**

-The UN was fundamental but ineffective because of its structural limitations. The legitimacy of the General Assembly and Security Council as the ultimate executive authority stems from universality (in the case of the General Assembly) and demonstrated effectiveness as a policy generator (examples were terrorism, environment and health). Potential inefficiencies of large membership are often addressed in the UN by having smaller working groups and committees focus on issue areas.

- The G20 was never intended to supplant discussions that need to occur at the UN; rather the G20 could be a useful mechanism to break deadlocks with multi sector dimensions, such as climate change. 192 countries should not be our starting point, but should be our finishing point.

- Perhaps the G20 finance ministers should merge with the new Financial Stability Board, which could then be the leading arrangement to provide direction to a transformed IMF.

## **Challenges**

### ***Leadership***

- The G20 Presidency is a great responsibility. There is a worry that not all countries can be as effective as the UK was this year.

### ***Implementation***

- There are unrealistic expectations for the agenda of a G20 group, given the prospects for actual delivery and implementation. Experience has indicated that summitry can be highly functional *at the summit* but dysfunctional when participating nations fail to implement their summit commitments. Many past G8 communiqué decisions were not implemented. G20 follow up and implementation will be an enormous challenge. There is a long way to go to implement the April 2<sup>nd</sup> G20 Communiqué. Individual heads of government may be in a weak domestic political position or detached from operational realities; national legislators may have different positions than their leaders. The more summits that are held and the more commitments that are made, the more progress will need to be demonstrated. The capacity to implement is often weak and this will catch up with leaders.

### ***Providing voice for the voiceless***

-The challenge facing the countries “excluded” from the G20 is to find an effective entry point into the G20 debates. A complication is the asymmetrical power that exists within “the G172” and the difficult choice individual poor countries have between siding with the “leader” of the G172 versus pursuing bilateral relations.

### ***The advantage of ambiguity***

- Clarifying everything about how a G20 would work brings potential disadvantages: a focus on structure could undermine focus on substance; the resulting institution could become rigid rather than nimble in response to problems; some governments might be backed into a corner; it will be difficult to wind down in case it proves a fundamental failure.

### **Needs/Gaps**

-A range of global issues, such as water and energy, deserve attention, but are not covered by effective and legitimate international institutions. These gaps must be part of a re-engineering of the international system.

-A gap exists between the institutions that collect and analyze data, and the regulatory decision making processes. For example, information that warned of the current financial crisis was available, but did not feed into the policy process.

- In addition to the implementation gap, there is an enforcement gap.

- There are two views on the health sector – the fact that there are eight international organizations that deal with global pandemics was characterized by some as “a gap”. The counter view was that we are well served by not having a monopoly, and that the eight organizations’ coordination was satisfactory.

- A network system is a more prudent and vigilant approach; it avoids charging one institution with one problem, provides options for solving problems and spreads responsibility for issues between numerous stakeholders (accountable to one another).

### **Critical Success Factors**

-The London Summit was perceived as a success. The leaders’ level of the G20 fits the moment and its crisis (the global recession). The London Summit was considered to be the right group and the right process *for this problem at this time*; it was born out of necessity and demonstrated the importance of inviting countries “in” as they are needed. The key to its success was preparatory work and strong voices from leaders - it took intensive political choreography to make it happen in London.

- The preparatory process and the role of Sherpas are key; each Sherpa must have a close relationship with and a direct channel to their leaders, and influence at the interagency level. Otherwise ministries of finance, trade and foreign affairs will not implement G20 commitments.

-Sherpas must have intellectual independence and be free to debate with their Leaders.

-The format of the G20 and the fact that it could enable interactive debate was seen as essential when compared to 192 people reading prepared statements at the UN.

-The notion of intellectual capital and policy innovation is increasingly important, emphasizing the need to include countries that are norm entrepreneurs.

-The timeliness of consultation both with non-members and within members' constituencies is critical. Input into the agenda setting and prioritization of issues is important, while being invited late in the process is counterproductive if not insulting.

### **Future of Breaking Global Deadlocks project**

- The emergence of the G20 suggests a change in the focus of research. More work is needed on options for filling the gaps in the international web of institutions and arrangements. It is clear that the G20, if it is to be effective, will need to surround its decision-making with broad and intensive consultation with other governments and establish complementarity with more institutionalized intergovernmental organizations. We need a better understanding about how global leadership can be established effectively in a way which includes participation by civil society, the "bottom billion", and transnational networks.
- A knowledge network that supports the G20 through "dispassionate analysis" is needed, especially if Doha and climate change deadlocks are on the agenda.