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To cite this article: Andrew F Cooper (2019) The G20 is dead as a crisis or steering committee: Long live the G20 as hybrid focal point, South African Journal of International Affairs, 26:4, 505-520, DOI: [10.1080/10220461.2019.1699855](https://doi.org/10.1080/10220461.2019.1699855)

To link to this article: <https://doi.org/10.1080/10220461.2019.1699855>



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Published online: 13 Jan 2020.



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# The G20 is dead as a crisis or steering committee: Long live the G20 as hybrid focal point

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## ABSTRACT

The G20 as experienced via the 2008 global financial crisis is dead. That is to say, examining the G20 as a tightly controlling concert of powers is no longer relevant. Yet, this ending does not mean that the G20 is irrelevant. The G20's increased fragmentation has cut into its substantive performance. Tensions in national policy coordination have constrained institutional effectiveness, creating a high degree of fragility in terms of delivery. This line of argument highlighting the limits and constraints of the G20, however, overlooks the success of the G20 in embedding itself as a hybrid focal point for global politics. Teasing out this dynamic, this article profiles the changes with respect to the G20's shift from both a crisis and steering committee at the apex of power to a platform that exhibits some hub characteristics but facilitates networking at both the intergovernmental and state or societal transnational levels.

## KEYWORDS

G20; global governance; global financial crisis; crisis committee; plurilateral; focal point

## Introduction

Controversies concerning the role of the G20 as a leaders' forum have evolved over time. Amid the global financial crisis (GFC) the backlash against the G20 centred on questions of membership and accountability, underscored by the image of this type of summitry as a new type of exclusive concert.<sup>1</sup> Due to the selective nature of G20 membership, countries left out felt marginalised and even stigmatised.<sup>2</sup> As Tooze put it: 'The G-20 was a self-appointed group—and, unsurprisingly, the excluded resented it'.<sup>3</sup> Legitimacy-based concerns were also directed at the subordination of the United Nations (UN), and to some extent the international financial institutions (IFIs) to the dictates of an informal club. While these concerns have never faded completely away, they were overtaken by another set of concerns based on the scope of agenda, with serious questions about whether or not the G20 should become a steering group on a larger set of issues beyond the core financial agenda.<sup>4</sup> Different host countries tried to expand the ambit of the G20. But with a few exceptions, most notably the development agenda of the Republic of (South) Korea in 2010, they have not succeeded in doing so with any sustained impact. In the exaggerated view of Bremmer, this fracturing confirmed that far from

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becoming an effective crisis committee the G20 represented a G-Zero world with every country out for itself.<sup>5</sup>

Both of these major lines of criticism – that the G20 possessed at the outset a too dominant centralising role in global politics, or alternatively that over time it had become less focused and fragmented – still merit serious attention. At the same time though, these binary images with respect to the G20 overlook the complexity built into the evolution of this summit process as an embedded – and effectual – hybrid hub and network-oriented focal point. Indeed, understanding the G20 as a focal point or nexus forum is increasingly relevant – where nexus emphasises a focus on the connections of the forum to a variety of actors or agents in global governance. Linkages between nexus forums and type of networking in global governance must also be factored in, with the G20 acting both as a hub and connector to an array of networks, as illustrated via outreach links to non-member states and non-state actors.

Although many of the details of the shape of this design differ from summit to summit,<sup>6</sup> with far less substantive cohesion, the centrality of the G20 in terms of the procedural mechanisms of global governance has been reinforced. More than any other collective endeavour of global politics, national leaders, their advisors, along with a host of other actors, want to participate (and to be seen to participate) in the G20 summit process. Rather than being challenged by any of the ascendant geopolitical challenges, notably the phenomenon of the Trump administration in the United States (US), Brexit and the proposed withdrawal of the United Kingdom (UK) from the European Union (EU), and the shift to authoritarian leaders in more diverse sites, this pattern of operational centrality has been consolidated.

### **Beyond the crisis committee or steering committee framework**

This pattern of evolution reveals the inadequacy of analysing the G20 exclusively as that of a crisis committee with impressive – if contested as to degree – core concert power. This interpretative recalibration as well as the erosion of instrumental purpose should, however, not be conflated with a loss of core institutional status, never mind a condition of obsolescence.<sup>7</sup> The G20 has not remained a static entity since its creation in 2008.<sup>8</sup> Thus, it is imperative for analysis of the G20 to be attentive to the fundamental change in the global system as well as within the G20 itself to understand the nuances in the forum's trajectory. What gives emphasis to the sustained – and in some ways, enhanced – importance of the G20 is an appreciation of the significant turn in role by which it has moved from a concert-like entity to that of a plurilateral mechanism with some degree of steering ambition, to a further evolution where it has both some hub and network-oriented focal point characteristics.

The core argument of the article is that although the G20 appears more fragile than before it has not lost its relevance because it constitutes a new type of governance mechanism. The article maintains that the G20's transition demonstrates the important contribution of the summit process to the architecture of global governance. At the conceptual level, this article is an attempt of relocation within the prevailing literature by seeking to move beyond the critique that the initial success of the G20 – even with its normative deficiencies – represented a 'fellowship of the lifeboat' tendency, and reducing the following period of G20 governance to one of institutional ineffectiveness and governance

failure.<sup>9</sup> This article by way of contrast moves to examine G20 governance from a more holistic perspective, with a concentration on the institutional development with respect to the G20. At the empirical level, the innovative quality of this shift points to a different form of operational animation, with a downplaying of functional arrangements such as the specialised working and expert groups and a return to some features of high politics with a twenty-first century mode of operation. If privileging the executive (and advisory) component of the summit process, as Slaughter argues: the G20 has more breadth than exclusively being 'a free-form meeting of world leaders'.<sup>10</sup> At odds with the original state-centric command and control image, the G20 has made substantive advances in networking through structured dialogues with select civil society organisations.<sup>11</sup>

To articulate this argument the article begins by pointing to the different stages of transformation that shifted the G20 away from its concert-like function served during the early stages of G20 crisis management (2008–2010) and toward its role as a plurilateral steering-oriented mechanism (2010–2013), and then with some snapshots of the G20 as a hybrid hub and network-oriented focal point (2014 to present).

These different stages highlight the evolution of dominant characteristics or role over time. The article highlights how, with the temporal evolution of the G20, the trajectory of the forum has changed considerably. From both a normative and operational perspective, the G20's turn in approach, shape-shifting from a concert-like role (with a highly exclusive or restrictive, state-centric form), to a plurilateral mode of governance (with inclusion still controlled though more expansive both on issue-area coverage and actor-type involvement), towards a hybrid hub and network focal point (its hub status consolidated, but with greater network orientation) has considerable attractions. This argument is advanced through the investigation of the G20 and the development of the global governance architecture over its extended timeline. The article then concludes with a discussion of how the G20's institutional change is being contoured by a dualistic dynamic containing both hub and network characteristics that allow the G20 to maintain its position as the core or pivotal platform of global governance.

## **The stages of G20 governance**

### ***The G20 as a concert-like mechanism at the Washington, London, Pittsburgh summit stage (2008–2009)***

At the first stage of G20 summitry the image of this governance institution as a concert-like mechanism is crystallised – with a high degree of centralised crisis response in the immediate wake of the GFC, where activities were marked by a high degree of intensity. There was a strong degree of privileging of core states, particularly the US and the UK (the hosts of the first two G20 summits), as well as concerted attention on the core agenda related to the financial crisis.

The concert-like character was accentuated by disciplinary principles and norms as well as the transmission and delegation of tasks or responsibilities to technical experts operating in working groups and other activities. With regard to the global economic governance architecture, Baker lists the defining features of such forums as related to their 'quest to

oversee and set the strategic priorities, agendas and normative parameters for the entire institutional complex of global financial governance'.<sup>12</sup>

At Washington and London, the focus was on promoting a collective approach to stimulus spending of the global economy, along with the renewed instruments of financial regulatory reform, the maintenance of global trade flows and the avoidance of protectionist measures. At Pittsburgh, the focus was on the establishment of the G20 Framework on Strong, Sustainable and Balanced Growth and the Mutual Assessment Process (MAP); on the institutionalisation of the G20 as 'premiere forum for global economic cooperation'.<sup>13</sup>

Through this stage the G20 worked to establish the framework that would outline the governance functions and parameters of the G20. It also sought to formalise relationships (and some delegation of responsibilities) with the traditional IFIs, as well as setting into operation new forums with different relationships via the MAP with the IMF, the Organisation of Economic Co-operation and Development (OECD) and the Financial Stability Board (FSB). This re-orientation and innovation worked to bolster the network of organisations that comprise the global economic governance architecture.

Yet, at the core of this stage of G20 summitry was a recalibration of the concert model.<sup>14</sup> In an early assessment Tedesco and Youngs warn of the G20 representing not a new forum reflecting the current distribution of international economic power, but rather, a new forum of old voices, meaning that 'the G20 will ultimately be less a facilitator of more effective multilateralism than a distortion of this principle in favor of what is little more than a re-jigged great power format'.<sup>15</sup> The most significant feature at the creation of the G20 was the paramount role of the US, initially through the high-profile diplomatic campaign by US President George W Bush in the context of the Washington Summit, and then through President Barack Obama consolidating this initiative at Pittsburgh.

In preparation for the summit, US officials held private consultations with French President Nicolas Sarkozy, along with his finance minister, Christine Lagarde, and with EU Commission President José Manuel Barroso and UK Prime Minister Gordon Brown. At odds with the common image of new administrations discarding the practices of their predecessors, newly elected US President Barack Obama retained Bush's earlier mode of operation. The Anglo-American condominium maintained control of the G20 through the first three summit meetings: the UK and Prime Minister Gordon Brown hosted the second summit in London in April 2009 before returning the host function to the US at Pittsburgh in September 2009. In Pittsburgh, the US not only designated the G20 'as the premier forum for our global economic governance', but also crafted the hosting schedule of G20 summits through 2011.

While the UK and France were important, though, there remained strong limits about how far even these countries could diverge from the main agenda. There were, for instance, transatlantic disagreements over bonuses and bank capitalisation and whether to introduce the Tobin tax. French President Nicolas Sarkozy had even signalled he was willing to walk out of the summit if the bonus issue was not settled along the lines he wanted. Rather than acting as a blocker, however, France displayed a willingness to be an active player in the creation of the new institution, dropping the notion of a G14, proposed earlier, and embracing the G20 (pushing for further inclusion via the participation of Spain and the Netherlands). Sarkozy also emphasised the sense of like-mindedness by his

appearance with President Obama and Prime Minister Brown on the morning of 25 September 2009. In this meeting the leaders showcased unity on the Iranian nuclear issue.

This initial G20 type of leadership concerned not only which countries possessed and retained structural power, but also what domestic institutions would get involved. Clearly, the G20 forum reinforced the then existing trend of 'executive multilateralism'.<sup>16</sup> In these 'informals', other democratically accountable institutions such as parliaments and other representative institutions were side-lined. Indeed, the early view highlighted the command and control ethos of the G20, not only in terms of membership but also with respect to its image as a leader-centric concert of powers. The logic of the G20 summits placed significant responsibility on the heads of government, though the 'Iceberg Theory of Global Governance' reflects the enormous work of ministers, working groups, advisors, officials from the Bretton Woods institutions and other institutions such as the OECD and the FSB.<sup>17</sup>

On the basis of like-mindedness, the G20 bent the traditional model of hub forums. If the US, along with its traditional partners in the G7, retained considerable control, they could not exert command over the major emerging powers in a dichotomous insider versus outsider format. What stands out in the G20 dynamics in terms of power transition is the privileged position of the BRICS (with big 'rising' powers) generally and China specifically. Indeed, the strong institutional embrace of China – without apparent conditionalities – gave rise to speculation about the formation of some form of a G2 within the G20,<sup>18</sup> a scenario that was reinforced by the onset in the Obama years of a significant degree of quiet 'shuttle' diplomacy between US diplomats and their Chinese counterparts.

This initial formative and centralising image of the G20 as a hub entity both reinforces and extends the image of concerts or hub forums from previous eras.<sup>19</sup> Notwithstanding the formal equality of membership established in the G20, this first stage exhibited a dominant exclusive or restrictive mode of operation with selective old and new great powers more equal than others.

What the non-top tier countries possessed at this stage was not power but voice opportunity. Some middle powers, above all Australia and South Korea, used this opening to enhance the standing of both the G20 and their own nations in the global system. Australian Prime Minister Kevin Rudd advised Bush, at the moment of institutional creation, that any initiative must go beyond the G7 or indeed a G8-plus. Rudd argued that: 'the better vehicle for a coordinated response to calm the markets and toughen financial regulation was the broader G20 grouping', including G7 members plus China and a range of other nations from South America and the Middle East, as well as Australia.<sup>20</sup> Australia's championing of the elevation of the G20 meshed in turn with the strong support for the forum by South Korea. South Korea and Australia both worked hard after the April 2009 London Summit to institutionalise the G20. A highlight of this joint action was an op-ed column by South Korea's Lee Myong-bak and Kevin Rudd, which appeared in the *Financial Times* urging the G20 leaders to agree on a framework for macroeconomic policy coordination in Pittsburgh.<sup>21</sup> The efforts of both countries paid off when G20 leaders decided to consolidate the summit process.

The state-centrism of the G20 is reflected in the distance between the summit process and civil society. The Washington meeting was insulated from societal input. The emphasis was placed on operationalising a crisis committee intended to preserve the global system. The organisation was done quickly and with a culture of sparseness. The barriers to entry

for members of civil society such as non-governmental organisations (NGOs) remained high. Even big global civil society organisations such as Oxfam were reduced to issuing statements through the media on what they hoped to see from the meetings, while acknowledging that ‘many of the institutions we have, including the UN and IMF, aren’t quite fit to the task ... so we need to think of refurbishing our existing institutions so that we have a proper way to regulate and manage problems like this’.<sup>22</sup>

While the role of leaders in these concert-like mechanisms was paramount, attention only to this ‘top of the iceberg’ element misses how the process of summitry has been transformed.<sup>23</sup> A key element was the creation of a number of technically-oriented working groups (WG). At its first November 2008 summit, the G20 established four such working groups to encourage financial regulatory reform: WG1 Enhancing Sound Regulation and Strengthening Transparency; WG2 Reinforcing International Co-operation and Promoting Integrity in Financial Markets; WG3 Reforming the IMF; and, WG4 The World Bank and other Multilateral Development Banks. As the G20 moved toward the London Summit in April 2009, a fifth WG was added on employment.

In terms of global policy and transnational administration, the ambition of these working groups can be grasped by WG1’s agenda to provide ‘an integrated vision of financial regulations around the world’ in order to ‘guard against excess risk taking, to avoid regulatory gaps, and to prevent the type of escalating credit growth’ that fed the current crisis. At the core of WG 1’s 25 recommendations were efforts to ‘increase confidence and stability in the financial systems of individual nations and worldwide’.<sup>24</sup>

## Diffusion and differentiation of the G20 process

In contrast to the image of a concert-like mechanism being created immediately amid the 2008 crisis, later summits have become associated with a process of diffusion and decentralisation.<sup>25</sup> A widening of the agenda took place, in keeping with the preferences of host countries, including those of middle powers. As such there was a loosening of the hierarchical nature of the G20 process. Outreach increased at both state and non-state level to accommodate this change, akin to the ‘iceberg’ concept in terms of multilevel and pluralistic levels of activity.<sup>26</sup> As a result, the legitimacy – albeit not necessarily the efficiency – of the G20 increased.

The June 2010 Toronto Summit was held amid the start of the Eurozone crisis, with a fragmented consensus within the G20 on the imperative for sustained stimulus spending versus fiscal consolidation and austerity. In this context, the predominant norm arising out of the G20 meetings was a shift toward policy differentiation as a result of differing national circumstance. At the follow-up November 2010 in Seoul, divergences came out over competitive currency policies (the US second round of quantitative easing or QE2; and China’s yuan/RMB devaluation). The November 2011 Cannes Summit, taking place amid the heightening of the Eurozone crisis and the threatened collapse of the Greek economy, featured further fragmentation and conflict overshadowing priority issue-areas. The June 2012 Los Cabos Summit witnessed the fading of commitments on financial regulation made at the London Summit, amid the ongoing Eurozone crisis. The presence of delay tactics by core Eurozone countries waiting for concessions from other actors was particular noteworthy, as well as the contentious debate about if and how G20 countries should or could contribute to a European bailout.



There is an important distinction to be made in the analysis of the viability of the G20 process between functional necessity and fragmentation and even non-cooperation. Fragmentation of the G20 process does not preclude its ongoing functional necessity. The utility of functional fragmentation as an analytical concept for characterising G20 governance is a matter of compromise, a balance that is achieved between the functional necessity and eroded levels of cooperation as a result of the variety of the forum's constituents.

That being said, opinions on the success of the G20 as a mechanism of global governance vary, as the forum must be evaluated at the level of policy via commitments and compliance, but also at the level of institutionalisation and contribution to the wider global architecture of global governance (as institutional innovation and mechanism or conductor of governance). At the inter-governmental level, the G20 has displayed an inconsistent track record of policy cohesion and international cooperation with emergent fissures in the G20 process largely with regards to fiscal stimulus and restraint, currency valuation, trade and financial protectionism, the Eurozone, and financial regulation (harmonisation versus differentiation).

During the initial immediacy of the GFC in 2008 and 2009, the G20 was deemed to be a necessary institutional arrangement to stem the effects of the crisis.<sup>27</sup> Whereas the prevailing assumption was that the G20 would diversify its ambit as the immediacy of the crisis faded, the current trajectory of the forum suggests otherwise. Instead there has been the occurrence of a broader trend in the G20's existence as a leader level summit institution – shifting from a forum at the apex of the global economic governance architecture, toward an organisational form characterised by decentralisation to a networked focal point, with greater emphasis on nexus functions (a conduit among a wider range of actors and issue-areas in the governance architecture). In doing so, the G20 retained some hub characteristics, while being linked to various networks that 'radiate' in and beyond the hub.<sup>28</sup> Above all else, the G20 acts as a central point of attention or interest.

Whereas earlier calls have been made for the G20 to undergo transition to greater centralisation and formalisation in the forum's transition from crisis to steering committee, fragmentation of the G20 process, as this article highlights, comes to the fore as the key characteristic of the G20 process. Aside from framing the post-crisis role of the G20 as one of more or less centralisation, a greater analytical emphasis needs to be placed on understanding and explaining the G20's institutional development as a function of the external environment in terms of the global order within which it governs.<sup>29</sup>

When examining the process and outcomes of the G20 summits to date, an important feature of the process is that, in addition to their differentiation in substantive issue-areas, each summit is salient for the development of global governance both with respect to the G20's own institutional developments and vis-à-vis the wider global governance architecture. Though the G20 process became increasingly fragmented at the level of policy coherence, the success of the G20 must also be gauged by its level of functional development and the various intergovernmental and transnational governance mechanisms nested within the G20's wider organisational process beyond the top-layer of the leaders' summit.

### **Beyond the concert stage: The G20 as a plurilateral practice (2010–2013)**

In looking at plurilateralism as a stage of G20 governance as it moved past the concert stage, the concept warrants further reflection based on variations in the way it has



been employed in the literature. In a very narrow sense, one articulation of plurilateralism has come to refer to the organisation of state-based meetings outside of the multilateral process. A major limitation of this definition of plurilateralism however is a sole emphasis placed on expansion of issue-area but not of actor-type. In other words, only one side of the analytical ledger is advanced, while changes taking place on the other side of the ledger, the one focusing on expansion of actor-type and agency in world politics, do not keep pace with the model.

With a focus on the more structural attributes of plurilateralism, Cerny argues that changes in the structure of world order are changes of 'kind', with shifts taking place to the very ontological attributes of the system – away from centralising and hierarchical arrangements, toward diffuse, decentralised forms of organisation.<sup>30</sup> A result of this shift has been the emergence of what Cerny terms 'structural differentiation' in the global system. Structural differentiation depicts a shift from the interaction of like-units, to the interaction of differentiated units, or entity types within the global governance system. The result is patterns of interaction among non-like units (comprising differentiation among state actors, as well as interaction with non-state actors, ie NGOs, civil society, and increasingly autonomous international institutions and organisations). Structural differentiation, for Cerny, adds complexity along the dimensions of levels of analysis, where multiple levels are simultaneously at play in world politics as well as overlap in functional issue-areas (of global governance). Thus, structural differentiation introduces a system of multi-level and multi-actor complexity, exposing increases in functional conflict resulting from the complexity of this environment.

The major sign of this differentiation is the move of select middle powers from an explicit secondary position, exploiting voice opportunities, to actors that can play system-stabilising roles in the context of geopolitical change and great power tensions.<sup>31</sup> To be sure, throughout this stage functional conflict stood as a pervasive feature. Yet, as a product of increasing decentralisation and a diminution of hierarchy within the global governance system, South Korea could host the G20 in November 2010 and shape some of its agenda. The Seoul Summit revealed a move away from the core agenda in the aftermath of the GFC, with the shift toward the development dimension of the G20 and global economic governance, as illustrated by the Seoul Consensus on Development. The idea of the financial safety net attracted strong interest from emerging market economies that are vulnerable to sudden changes in international capital flows. Before the 2008 crisis, emerging markets in need did not want to turn to the IMF for help because an IMF bailout brought a stigma effect, destroying the credibility of borrowers. What they needed in the IMF was a pre-crisis prevention insurer, not just a post-crisis bailout fund. During the Seoul Summit, the G20 decided to strengthen the IMF's crisis prevention role by expanding the IMF's Flexible Credit Line and introducing a new Precautionary Credit Line.

The Seoul Summit process thickened the G20 process, with the co-existence of both formal and informal institutions, state and non-state agency. As the G20 has expanded its agenda, the UN has endorsed the credo that the two institutions are different and complementary, not competing and contradictory. In the run-up to the G20 Seoul Summit, the South Korean Government hosted the World Bank and IMF conferences alongside the meetings of finance ministers and central bank governors in South Korea, and invited most top government officials from Africa to hear their opinions about the G20 agenda and build up a consensus on the development issue. The South Korean

Government also organised a gathering of more than 100 chief executive officers from Fortune 250 companies during the Seoul Summit in a bid to reflect the private-sector views when political leaders were in discussion of global issues and concerns. Indeed, the business summit has become a regular event as witnessed in the span from the 2011 Cannes Summit, the 2012 Los Cabos Summit through to the recent 2019 Osaka Summit (although in the latter case the B20 was held in Tokyo).

G20 summitry has featured, as well, an extension of ad hoc and multi-level governance processes with the creation of different portfolios at the sub-state and ministerial level, as well as expert working groups, taskforces, high-level panels, study and focus groups, and the Sherpa Track. The G20 also expanded representation (with the presence of a number of non-G20 countries representing regional organisations or as special invitees). In justifying the introduction of this extended approach, the South Korean preparatory committee explicitly stated that this decision had been made because 'we finally agreed that we needed to have a better geographical balance'.<sup>32</sup>

If the G20 showcased an originally closed or restricted format, over time it has moved increasingly towards open access mode. Sustained openness of the G20 however is dependent upon the extent to which the G20 continues to de-centre itself within the global governance system, illustrating increasing potential to consolidate its plurilateral structure into a de-centred network focal point. This is evidenced by the limited, yet increasing, open access of the G20 through innovations to the troika format (with a three-country management cluster, of past, present, and future presidencies or hosts), and the host-invitation format with respect to the outreach and consultation mechanisms.

In terms of relations between state and non-state actors, it is significant that the November 2010 Seoul G20 tilted back towards an expanded policy agenda, with expanded access for specific representatives of civil society. Approximately 150 representatives from civil society met via a Civil G20 in Incheon, Korea prior to the summit. Furthermore, the meeting constituted a procedural breakthrough due to the presence and active participation of so many sherpas and sous-sherpas, including those from India, Indonesia, Mexico and South Africa (but not China or Brazil).

### **Embedding the G20 within the global governance architecture: Operationalising the G20 as a hybrid hub and network focal point (2014 and beyond)**

Analyses of the G20 must move therefore toward an understanding of the shift in the G20 from a concert-like mechanism in stages toward a plurilateral and increasingly diffuse forum to a hybrid hub and network focal point.

Though the G20's role as a focal point needs elaboration, some writing on the early G20 leaders' process alluded to the notion of a focal point to describe the G20's function as a global governance mechanism. A 'constructed focal point' refers to a mechanism of governance around which state actors converge at the level of global governance and through which 'policy direction is coordinated among key actors at the hub of decision making'.<sup>33</sup> This early description links the G20 as focal point to its exclusive role as a hub or an apex forum. However, as substantive international policy coordination has been eroded over the course of the G20 process, analysis must shift from the G20's hub

role to a diversified function, where it retains some of its hub role but accents the network-oriented dimension with respect to global economic governance.

A focus on the G20 as a hybrid focal point necessitates a more acute understanding of the parameters of global governance. To aid in this evolving conceptualisation of the G20, the concept of global governance architectures is adapted. For Biermann et al, global governance architectures are the 'overarching system of public and private institutions that are valid or active in a given issue area of world politics'.<sup>34</sup>

The attractiveness of a perspective on architectures of global governance is that it allows for the analysis of

situations of both synergy and conflict between different regimes or other types of institutions across a given issue area. It also allows greater nuance in the study of synergy and conflict between the overarching norms and principles that govern these interactions.<sup>35</sup>

With respect to the G20 and its hybrid as a focal point, with both a hub and networked component, the interplay between synergy and conflict becomes central in examining both intra-G20 processes as well as G20 inter-institutional interaction and development of global governance. This is important considering that the G20's impact on global governance has been shaped as much through conflictive interactions as it has from consolidated and unitary action.

### **What constitutes the G20 as a hybrid hub and network-oriented focal point?**

The core strength of a focal point structure is that it allows the G20 to inform and actively engage its governance capacity while retaining its hub capacity, but with greater attention on networking. Less emphasis has been placed on technical capacity on a core agenda, and more on diversified activity. Involvement at the national level became more diffuse, but with no defection of core leaders or members. The focal point structure facilitated the building up of diverse outreach links via such mechanisms as the Think 20 or T20.

In comparative institutional terms, greater system complexity emerged with fuller engagement in terms of UN priorities. At the hub level a number of examples can be provided. At the September 2016 Chinese Hangzhou Summit, initiatives such as the 'G20 Blueprint on Innovative Growth' highlight the nexus function in which linkages are consolidated between organisations, with the G20 in a delegating role. Notably, the blueprint aimed to be enriched by a 'G20 taskforce supported by the Organisation for Economic Co-operation and Development and the FSB'.<sup>36</sup>

A core strength of a focal point structure is that it allows the G20 indirectly or directly to inform and actively engage its governance by cutting across several global governance architectures at the same time. A good example is the US–China joint ratification of the Paris Climate Change Agreement – immediately before the 2014 Brisbane Summit – and the endorsement of the Hangzhou G20 Action Plan on the 2030 Agenda for Sustainable Development.<sup>37</sup>

This role is very different from a concert role by which the G20 dictates. Indeed, the failure of the G20 to push back on the reduction of protectionist barriers, or ending fossil fuel subsidies, provide cases in point of the G20's limitations. These internal differences became more pronounced, to be sure, with the escalation of differences between

the US administration of Donald Trump and other members of the G20. Germany's 2017 Hamburg Summit recognised these differences by adding 'reciprocal and mutually advantageous trade and investment frameworks' to the endorsement of open markets.<sup>38</sup>

Still, what stands out about the issue leadership of recent hosts is the downplaying of country-specific leadership. Germany highlighted core issues with connections to the UN system. For one thing, Germany sought to align the Hamburg Summit with the already adopted Hangzhou Summit Plan and then focusing on the 2030 Agenda for Sustainable Development 2016.

The role of the G20 as the focal point of global governance is underscored by the words of the final communiqué of the Hangzhou Summit, which declared that the G20 was now the centre of global governance across all financial and economic, social and sustainable development, and political-security demands. Geopolitical developments such as 'increased refugee flows as well as terrorism and conflicts' must also be incorporated into 'the global economic outlook'.<sup>39</sup>

The differences between the G20 as a focal point and a traditional concert-like mechanism are reinforced by the sharp contrast in the style of bilateral meetings. In traditional concerts one of the strengths in practical terms was the ability for leaders to have focused and enclosed time together to deal with sensitive issues of mutual interest. In the G20, these types of meetings are often done quickly and often in view of the media. Russian analysts for example contrasted the benefits of the traditional closed concert style with the open style privileged by the G20 on the Ukraine crisis. As one commentator argued as early as the 2014 Australian Summit, the increasingly open nature of the G20 was detrimental to gaining results, involving as it did

numerous stakeholders including the expert community, media and the public. A transparent meeting format as well as cameras all over the summit venue used at the G20 Summit prevent frank and open communication, rather than stimulate them. National public opinion leaders and domestic opposition members essentially sit behind every G20 participant, looking for opportunities to capitalise on what could be perceived as indications of weakness. Too much friendliness with the Russian President would probably be seen that way.<sup>40</sup>

That being said, it is the geopolitical dynamic around the G20 that dominates, and this distinguishes the concert-like stage from the hub character. In some cases, it is a dynamic that precluded Russia being isolated after the Crimea crisis. Whereas the concert-like stage highlighted group crisis efforts, the hub character emphasised keeping unlike entities together. Prior to the 2014 summit, Australian Prime Minister Tony Abbott proposed excluding Russia from the list of participants altogether. However, there was pushback on this notion, especially from the BRICS. The idea did not work; matters like these are decided by consensus, which in this case was lacking. With this in mind, President Putin began his visit to Australia with a meeting of the BRICS nations, allowing the leaders of Brazil, Russia, India, China and South Africa to demonstrate their shared view that the G20 must be run on consensus. After the meeting, Russian presidential aide Yuri Ushakov told journalists that the BRICS leaders were unanimous in their declaration that sanctions against Russia had no legal basis. 'They all said that the sanctions were unlawful, that they violate the UN Charter and prevent economic recovery' declared Ushakov, who stressed that the BRICS leaders had raised the issue of the sanctions at the meeting by themselves, 'without any prompting from our side'.<sup>41</sup>

In other cases, the G20 has served as a forum that allows China and India (after the crisis at Doklam) to act in a collective manner via the caucusing of the BRICS. Although the crisis was enough to prevent a bilateral meeting between Prime Minister Narendra Modi and President Xi Jinping on the sidelines of the G20 summit at the 2017 Hamburg Summit, both leaders promised full cooperation on a variety of issues.<sup>42</sup>

It is as well a forum that in a post-likeminded world allows US President Donald Trump greater comfort levels (and a range of bilaterals) than within the G7. This is not to say that Trump will avoid push back, as seen at the November 30–December 1 2018 Buenos Aires Summit, most notably on protectionism. But, it means that the focal point component of the G20 is convenient for him. For one thing, Trump avoids being lectured (with Trump tweeting back) as occurred at the G7 at Charlevoix, Quebec in Canada, in the case of both German Chancellor Angela Merkel and host Prime Minister Justin Trudeau. Trump can also leverage the diverse membership of the G20 into a wide variety of bilateral meetings, with a transactional rather than a normative orientation, as highlighted by the working dinner between US and Chinese delegations (and Trump and Xi) on trade issues on the side of the December 2018 Buenos Aires Summit.

On another level, the G20 is a forum in which all leaders – and especially leaders of host countries – can attempt to gain the global spotlight. For sure, these opportunities are not always seized in an effective manner, even by leaders from secondary countries with a huge incentive to perform well. At the 2014 Brisbane Summit, for example, Australian Prime Minister Abbott maintained a highly focused ‘back to basics’ agenda, which was perceived as a strategy designed to subordinate cutting carbon emissions to promoting economic growth. In his case the ability of Australia as host to manage the agenda was compromised by the US–China climate deal made just before the Brisbane Summit. The major powers made clear that they wanted climate change on the G20 agenda and he could not prevent them from doing so. As Tienhaara and Downie argue: ‘Ultimately, [it was] the G20 member states and non-state actors ... that reinforced efforts to achieve a historic agreement in Paris’.<sup>43</sup>

Turkish President Recep Tayyip Erdogan aimed at a more ambitious G20 agenda, pressing the forum to do more in relation to the war in Syria and the migrant crisis.<sup>44</sup> Yet, if the G20 under Turkish leadership was able to gain a procedural victory in winning a communiqué describing the ‘ongoing refugee crisis’ as a global concern, the substantive impact of such a statement was limited; there has been little impression of a return to the type of agency corresponding to a plurilateral steering committee, never mind a crisis committee.

And finally, the credentials of the G20 as a network-oriented forum have been embellished. Within a shift of the G20 to that of a nexus forum, emphasis shifts from hierarchy to the presence and type of horizontal connections between these institutions.

This is not to neglect the continued existence of asymmetry of power, with the strength of some participants over others. To provide the most telling illustration, the outlier position adopted by President Trump on a wide number of issues – ie, climate change where he stood out at the Buenos Aires G20 as the sole holdout on a statement affirming support for the Paris Climate Agreement, as well as trade – does not mean that the US has lost structural power or comparative leverage.

Beyond the state–international organisational relationship, several advances have been made over the Cannes and Los Cabos summits to include non-state entities. Both the

Cannes and Los Cabos summits showed promise of moving the G20 into some closer relationships with civil society groups, if overshadowed by the privileging of the Gates Foundation (Cannes) and the Business 20 (Los Cabos). President Sarkozy personally met civil society representatives prior to the Cannes Summit, and highlighted the need for innovation finance tools to generate additional revenue to meet developmental objectives. This dynamic was replicated in large part at Los Cabos. Civil society groups were consulted in an unprecedented fashion, with daily briefings by the Mexican sherpa office during the summit.<sup>45</sup>

In addition, the T20 has built up a prominent role since the Los Cabos Summit. If slow to make an impression, by the 2017 and 2018 summits the T20 had taken on a prominent role, with working groups and policy recommendations that were connected into the G20 process. Moreover, emerging from the German presidency in 2017, the T20 has taken on an institutional personality (both through a secretariat at the Hertie School and the Council for Global Problem-Solving, based at the Kiel Institute for the World Economy).<sup>46</sup> Argentina with respect to the 2018 Buenos Aires G20 Summit kept this focus on outreach more broadly, and indicated that groups such as the T20 (along with the Business 20, Civil 20, Labour 20, Women 20, and Youth 20 and others) 'contribute to the policy making process'.<sup>47</sup>

### **Conclusion: Positioning the G20 beyond the GFC and plurilateral order with a shift to a hybrid focal point**

Whereas the initial barometers of the G20 were relegated to that of crisis or steering committee, changes in the context of global governance over the post-GFC period have altered the trajectory of G20 governance, where a focal point is salient.

To a considerable extent, the most important contextual shift is the easing of the GFC. Although a slow and uneven process, this process changed the dynamics of cooperation. Amid the shocks reverberating from the GFC, there were considerable incentives for concerted action, with an emphasis on a crisis committee orientation. With the easing of the crisis, these incentives eroded considerably. A coordinated approach became far more difficult, as illustrated by the grinding down of the consensus about the need for fiscal stimulus and the meaning of 'strong, sustainable and balanced growth'.<sup>48</sup>

Faced with these internal differences, the G20 evolved continuously over time. A key characteristic underlying informality in global governance, and of which the G20 serves as a prime case in point, is seen in the changes in institutional form and process, where such nuances are functions of change in purpose of the forum across the span of institutional life.

An appreciation of the G20 as a hybrid focal point will aid in coming to terms with this changed environment, as it will establish tangible G20-entity connections at multiple levels and sites of governance. As such, the G20 should focus less on attempting to achieve across-the-board harmonisation than on providing a deliberative space keeping country actions within acceptable parameters. This does not prevent the G20's preservation of its apex function in terms of norm espousal. In fact, much of the normative discourse within the G20 rests along these lines: differentiation in accordance with national circumstance, and no-one-size-fits-all approach. Within this trajectory of staged transition,

the G20 as a hybrid focal point with both hub and network-oriented characteristics is critical; embedded within a system of states and non-state actors, it points to the reconstituting of the global public domain.<sup>49</sup>

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## Acknowledgement

This article was originally presented as The G20@10 Conference, Bonn, 23–24 October 2018, organised by the German Development Institute /Deutsches Institut für Entwicklungspolitik. The author would like to thank the anonymous reviewers for their valuable comments, as well as the editorial team of the South African Journal of International Affairs for their work and support.

## Disclosure statement

No potential conflict of interest was reported by the author.

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