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THINK-20 HIGHLIGHTS G-20'S INFORMAL MULTILATERALISM

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Two years ago, when he held the rotating chair of the Association of Southeast Asian Nations, Vietnamese Prime Minister Nguyen Tan Dung urged Myanmar to hold democratic elections with the participation of all political parties. In light of Myanmar's recent political opening, the question arises whether the Vietnam Communist Party is willing to take similar steps toward democratic reform in Vietnam.

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By David Shorr

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It is a truism of today's networked world that a variety of nongovernmental stakeholders serve as important adjuncts to official diplomacy. In the G-20, for instance, this has given rise to parallel consultations with an L-20 of labor leaders, a Y-20 of youth leaders and a B-20 of business leaders.

Most recently, advisers currently helping Mexican President Felipe Calderón prepare to host the next G-20 summit in June sought additional counsel from experts from think tanks around the world, inviting us to the first-ever "Think-20" last week. Converging at the Secretaría de Relaciones Exteriores in Mexico City, participants from 15 countries discussed many of the topics on the G-20 docket, as well as the overall challenges of effectiveness and credibility facing the multilateral forum.

After nine years as a creature of finance ministers, the G-20 held its first summit of world leaders at the height of the financial crisis in November 2008. Its initial period as a summit forum was auspicious, with the leaders of the world's major economies working in concert to ward off a global great depression. After the sense of emergency faded, though, so did the sense of solidarity. In contrast to their impressive united front on behalf of economic recovery in 2008 and 2009, [dissension within the group at subsequent meetings](#) has left the recovery in an extremely brittle condition. The source of the split was the debate between those who advocated for policies promoting recovery and growth and those arguing for austerity and deficit reduction. The issue came to a head at the June 2010 G-20 summit in Toronto, where U.S. President Barack Obama warned his colleagues against a hasty exit from fiscal stimulus but was rebuffed by deficit-hawk counterparts.

Nearly two years later, the political and policy winds have shifted. Our Think-20 conference came on the heels of a meeting of G-20 finance ministers and central bankers at which non-European governments demanded that their Eurozone colleagues drop the illusion that budget cuts will restore growth. This was also a key theme for our Think-20 group, which included several professional economists. Clearly, if the G-20's principal mission is to foster global economic growth, then the possibility of financial contagion and economic downturn emanating from the Eurozone must be among its top concerns.

Beyond the substance of the debate over austerity, though, the torturous Eurozone crisis represents a jurisdictional issue of sorts. Strictly speaking it's the Eurozone countries' job to prevent the sovereign debt crisis from metastasizing. Yet the prospect of wider economic damage and the need for resources from outside Europe -- particularly from an International Monetary Fund that [increasingly depends on emerging economies](#) for capitalization -- to resolve the crisis give the G-20 countries considerable stakes. Indeed, four months ago, G-20 leaders scrapped the planned agenda for their Cannes summit to devote most of their time to a European issue that is not subject to their control. The message from their finance ministers to European leaders last week was, in effect, "Don't put us in that position again."

This is an apt reminder that the G-20 is not your father's multilateralism. A traditional intergovernmental body works from a codified mandate, within a fixed structure of councils or committees and by defined decision-making rules. In contrast, as a rolling set of discussions and directives

involving world leaders themselves, the G-20 is an unadorned arena for global politics and, at its best, a reservoir for collective political will.

At our Think-20 conference, we delved into some very interesting questions of precisely how this multilateral forum's informality should work. To the group's credit, there was no clamor to set up a staffed secretariat, which tends to be the usual proposal to solidify a relatively new multilateral forum. In this case, it is hard to imagine how a secretariat would offer the summit planning process greater capacity than the presidential offices of the G-20 governments, which currently bear the responsibility.

In principle, the chair of the next summit -- currently Mexico -- works in a "troika" with the previous and following host governments to lead the process of preparatory meetings and agenda-drafting. In practice, this system has not engendered the kind of teamwork that was intended. This led Think-20 participants to propose broadening out the leadership duties a bit further by enlarging the troika into a small steering group, with the United States and China as permanent members. Such a move would be an interesting parallel to the initial makeup of the United Nations Security Council, which was guided by the U.N. founders' insistence that it should reflect the global power realities of the time. The aim here would merely be to bind the world's two largest economic powers even more tightly into the G-20 summit process.

In many recent discussions of the G-20 among experts, one nuts-and-bolts proposal has generated a striking degree of consensus support: to make the duration of the summits themselves as long as possible. Among other things, this would ease time pressures that can make summits frenzied and less productive, while giving the leaders a better chance to get acquainted personally. Most importantly, longer summits would open up time to reach greater consensus and tackle more issues. With the extensive planning these summits involve, not to mention the time G-20 leaders spend just traveling to the site, devoting 48 hours to the meeting only seems fitting. Given that the schedule for the June 18-19 Los Cabos summit has not been announced, presumably this question has yet to be decided.

As to the future of the Think-20 consultation itself, it might come as no surprise that participants stressed the vital ongoing role they could play as advisers to the G-20 process. All kidding aside, though, the essential function of think tanks is to provide strategic perspective and innovative policy frameworks. Hitching those capabilities more closely to the G-20 may indeed prove helpful. □

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Photo: The G-20 Summit on Financial Markets and the World Economy, November 2008, Washington, D.C. (White House photo by Joyce N. Boghosian).