G20UPDATE E-NEWSLETTER

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HEINRICH BÖLL STIFTUNG

Topics covered in this Update

Policies, Politics and Priorities

Global Governance actors gearing up for Seoul

A summary report by Sandro Gianella

The next G20 Summit in Seoul, South Korea, is only about a month away and global governance watch organizations from the public, private and civil society sector are making clear what they expect from the first meeting chaired by a non-G8 member country.

The attention the international media puts on the discussion about China's currency policy has once again put the G20 front and centre in global economic and financial policy making. French finance minister Christine Lagarde has also entered the debate with a recent speech at the Carnegie Endowment in Washington on the French G20 agenda regarding currency policies.

"Fighting poverty will be near the top of the agenda when the group meets in November and Africa must be at the table for this discussion"

Jinho Song (GCAP Korea)

However, rather then focusing on this particular debate, this version of the G20 Update will focus on the fact that South Korea has brought the issue of **international development** on the agenda, look at the consequences of a possible **agenda overload** for the G20 as a whole, as well as critically assess the **balance of representation from civil society and the business sector**. It is clear that facilitating growth in developing and emerging markets and the idea of global financial safety nets are issues that the Korean government feels particularly strong about. Lim Won-Hyuk, director of the Korea Development Institute, has stated: "In order to really make a dent in poverty, you have to have self-sustaining growth in developing countries. So instead of just emphasizing basic human needs like health and so on, Korea will try to emphasize issues like infrastructure, trade, and human resource development." In her article, Nancy Alexander from the Washington DC office of the Heinrich Boell Foundation comments on the recent developments and discussions within the G20 around development. She will provide first hand information from the so-called Civil G20 Dialogue taking place from October 14-15 in Seoul, which she was able to attend.

Interestingly, Korea has recently announced that it will invite five non-member states (Malawi, Vietnam, Spain, Singapore and Ethiopia) to the summit. In order to strengthen Africa's representation at the upcoming summit, Malawi was invited as the chair of the African Union and Ethiopia as the chair of the new partnership for Africa's Development. In addition, Vietnam is represented as the ASEAN chair and Singapore as representative for the Global Governance Group (3G). Jinho Song of GCAP Korea applauded this development, saying that "fighting poverty will be near the top of the agenda when the group meets in November and Africa must be at the table for this discussion."

As mentioned above, all interested members in the international community are preparing for the upcoming summit and the following paragraphs will outline several of the most important meetings and developments in a chronological order.

On September 4-5, the G20 Deputies Meeting was held in Gwangju, Korea to discuss the main agenda for the G20 Seoul Summit. (A Korea-FSB Financial Reform Conference on emerging markets took place just days before, many of the documents can be accessed online.) Since the Toronto Summit in June 2010, this was the first meeting of high-level officials from G20 member states, the IMF, OECD and the World Bank. No communiqué was released at the conclusion of the deputies meeting. Finance ministers and central bank chiefs are set to meet in Korea on October 22 and 23 to finalize the agenda for the upcoming summit.

Also in September, Korea invited African economic leaders and bankers to deepen partnerships and economic cooperation. Commentators have argued that this created the possibility of Seoul helping the continent to "Africanize" the Korea development model. The participants included 45 ministers from 35 African countries - the largest African delegation to ever visit South Korea. This effort exemplifies that as G20 host, Korea seems to understand that the success of the summit to a large extent depends on whether the views of non-G20 countries are reflected. **However, these attempts are still neither institutionalized nor formalized**. Moreover, the Korean government has reached out to the think tank community by co-organizing the G20 Seoul International Symposium under the theme "from crisis committee to global steering committee" with the Korean Development Institute and the Brookings Institution on September 28-29.

Probably most important to the topic of this edition of the newsletter, on October 13 the official G20 high-level development conference will take place in Seoul. In the words of the chairman of the presidential committee for the G20 Seoul Summit, Il SaKong, "the conference will serve not only to facilitate the exchange of views on key development issues, but also to generate international public interest in the

development work of the G20." It needs to be noted here that among 38 speakers addressing an audience about the plight of low-income countries (LICs), there was not one speaker from a LIC and only seven female speakers. The lack of voice and participation from LICs mirrors the problem with the G20, where only three participants from LICs will attend as observers which particularly for a discussion of development in their countries is completely inadequate.

Civil society will gather on October 14-15 for the so-called Civil G20 Dialogue, a gathering of representatives of 150 civil society groups, which will convey their policy advice to an unofficial group of G20 Sherpas. Nancy Alexander, from the Boell Foundation office in Washington, is one of them and her views are reflected in her article on pages 5-7. It is a joint initiative of the presidential committee for the G20 Summit of the Korean government and Global Call to Action against Poverty (GCAP) Korea, following the practice of the Civil G8 dialogue since 2005. It will indeed be the first Civil G20 dialogue between international civil society and Sherpas in the history of the G20. However, while this step is welcome, it is clear at the same time that this type of involvement for CSOs is **neither binding** for G20 countries, **nor institutionalized** in order to guarantee continuous access. Moreover, access is very limited through GCAP channels and can therefore not be considered sufficiently inclusive. Topics covered include pro-poor policies, financial reform, international financial institutions, anti-corruption, climate change, governance and development.

The private sector is being included in the consultations around the G20 Summit through the Seoul G20 Business Summit on November 10-11, which will bring together 120 of the world's leading business executives in order to establish an infrastructure, where the private sector is incorporated into the G20 framework. On the official website, the organizers argue that the Business Summit "aims to underscore and improve the G20's role as the premier forum for global economic cooperation and further bolster the credibility of the G20 Summit." This type of commitment by comparison, shows the **grave imbalance in representation between civil society and the business sector**.

"There is broad agreement that important decisions are made at the level of the G20, while many also point to the clear deficiencies in terms of legitimacy and accountability of the forum."

In conclusion it becomes apparent that actors from all three sectors want to shape both the governance process of the G20 as well as push their issues and items on the agenda. Hence, it does seem like there is broad agreement that important decisions are made at the level of the G20, while many also point to the clear deficiencies in terms of legitimacy and accountability of the forum. Nonetheless, in times of "messy multilateralism" these types of discussions seem almost unavoidable, due to the enormous number of players involved and their widely diverging interests and capacities.

Hence, for the Heinrich Boell Foundation it is crucial to monitor these developments closely in order to assess the balance of this new governance process between the three sectors and get involved in the setting, analyzing and criticizing of the agenda discussed at the level of the G20. Therefore, the Foundation is dedicated to increasing the voice and expertise of a broader spectrum of parliamentarians, NGOs and policy-oriented think tanks in countries where we are represented with an office **in order to balance the apparent shift towards public-private linkages within the G20 process and to make it more inclusive.**

Worth clicking - G20 related Links & Documents

Official G20:

G20 Seoul Summit

G20 High-Level Development Conference

Seoul G20 Business Summit

Civil Society:

The making of a Seoul Development Consensus (Oxfam)

G20 and Global Development (German Development Institute)

What is missing in the G20 agenda (IBON International)

The G20 & Development - a new era (interaction.org)

Information Sources:

G20 Information Centre (G20 Research Group, University of Toronto)

Summit Speak Blog (CIGI)

G20 Monitor (Bruegel)

G20 Voice

G20 MUST READS

Development Issue Paper
by the Presidential Committee for the G20 Summit

Link: http://www.boell.org/downloads/Development_Issue_Paper.pdf

This leaked position paper prepared by the Korean G20 Presidential Committee is indicative of both the way in which the host-nation intends to push development on the agenda, as well as their understanding of development policy. In addition, this paper served as part of the background of Nancy Alexander's analysis and critique of the G20's development policy on the next pages of this newsletter.

Surprisingly, the paper argues that by including development issues in the Seoul Summit agenda, the G20 will affirm it's legitimacy by providing inclusive and broader economic leadership. Moreover, it becomes clear that the group wants to embed the development discussion into the "Framework for Strong, Sustainable and Balanced Growth", which came out of the Pittsburgh Summit in 2009. As a result, the discussion of development is very much situated within a growth-oriented model focusing on low-income countries (LIC's). In their words, "development is more than simply an issue of narrowing the income gap between North and South; rather, it should be viewed as an integral part of the larger framework to ensure a more resilient and balanced global economy."

The paper then outlines the following key pillars of economic growth: infrastructure, private investment and job creation, human resources development, trade, financial inclusion, growth with resilience, food security and governance. To conclude, it proposes the formation of the G20 development working group that has since been put into place and is co-chaired by South Korea and South Africa.

A development agenda for the G20
by FRIDE

By Rajiv Kumar

Link: http://www.fride.org/publication/801/a-development-agenda-for-the-g20

This policy brief is part of the project - the G20s role in the post-crisis world - jointly undertaken by the Club of Madrid, FRIDE and the Government of Korea. It argues that first, while it is important to include development issues in the G20 agenda, this could be done with greater impact once the future existence and efficacy of the group is ensured. The second argument Kumar makes, is that the G20 should focus on a selective number of development issues related to critical constraints to achieving rapid, equitable and sustainable growth in developing economies. If the G20 spreads itself too thinly, it risks becoming yet another layer in the hierarchy of agencies overseeing global efforts for promoting development.

In addition, Kumar makes a rather interesting argument, saying that suggestions for achieving greater legitimacy such as establishing objective criteria for membership strike at the very basis of the formation that is by definition and design an informal group. Hence, he believes that for groups like the G20, legitimacy is necessarily derived from their ability to deliver on their chosen mandate and objectives. It is the implementation of decisions and the ensurance of necessary follow-ups in a timely manner that will bring legitimacy to the G20.

In terms of the development agenda, therefore, taking on practically the entire range of development activities is far too ambitious and impractical as an agenda for a Summit-level forum.

Other policy-briefs from the same project can be found at: http://www.fride.org/project/21/the-g20's-role-in-the-post-crisis-world

Prospects for the G20 Seoul Summit
by G20 Research Group

By John Kirton

Link: http://www.g20.utoronto.ca/biblio/kirton-seoul-100920.html

John Kirton, from the Munk School of Global Affairs at the University of Toronto, takes stock of what he expects from the upcoming G20 Summit in Seoul. He draws on his wide-ranging experience and research on club governance with the G8 and G20 Research Group.

He argues, that the central challenges for Seoul lie in the G20's core financial realm. First, they are expected to accept the new rules on banking that were put forward by the Basel Committee. Secondly, and far more difficult, is to complete the promised shift of at least 5 per cent of the quota share of the International Monetary Fund (IMF) to the rapidly rising emerging economies from Asia, from the declining, established continental European ones. Kirton argues that this constitutional change is one worthy of leaders alone to make and that if they fail to do so in Seoul, it will be more difficult for China, India and Brazil to adjust on other agenda items to ensure a successful summit.

However, progress on issues such as the Doha Development Agenda, climate finance and the promised elimination of fossil fuel subsidies will be very difficult, as China insists that climate change should be dealt with within the United Nations. In terms of development, with impressive domestic environmental credentials, Korea could make valuable progress in making green growth the foundation for shared prosperity in the future. Finally, as a new member of the OECD's Development Assistance Committee, it could also do much to build on its initiative to help the world meet the G20-endorsed Millenium Development Goals.

The Development Agenda of the Seoul G20 Summit
Critiques and Recommendations

By Nancy Alexander

The June 2010 G20 Summit Declaration called for the formation of a Development Working Group (DWG) with a mandate to design measures to promote economic growth and resilience, a development agenda and multi-year action plans to be adopted at the Seoul Summit. The DWG – co-chaired by South Korea and South Africa – met in July and October 2010 to hammer out the elements of a "Development Partnership for Shared Growth" for consideration by Heads of State at the G20 Summit next month.

Because the proceedings of the DWG meetings are not publicly disclosed, little is known about the Framework. However, a June 2010 "Development Issues Paper" (see must read recommendation) by the South Korean government is a call to carry out an 8-point agenda, to which the French government – the host of the 2011 G20 Summit – has reportedly agreed. With some exceptions, **the Framework appears to be a throwback to the Washington Consensus** in its calls for unfettered market based growth and its obliviousness to global warming or gender and human rights considerations.

"Despite the lessons of recent crises, the role of the state in regulating the private sector in order to promote the provision of public goods was barely mentioned."

This article critiques the 8-point Korean agenda as expressed at the G20 High-Level Development Conference which was hosted by the Korean Government on October 13 in Seoul and attended by hundreds of high-level officials from G20 countries and representatives of universities and think tanks.

The Conference gave only passing mention to issues such as climate change in discussions about growth, infrastructure (including in energy), agriculture and food security. Moreover, despite the lessons of recent crises, the role of the state in regulating the private sector in order to promote the provision of public goods was barely mentioned. There was an uncritical stance that infrastructure (particularly public-private partnerships) should be a dominant means for boosting growth levels in LICs and only one speaker from China discussed the preconditions for successful infrastructure investments.

The G20 appears to view development not as a democratic process led by sovereign governments, but as something done to and for low-income countries. The most substantial contribution that the G20 could make to development would be to curb the payments and flows that „leak" from the Global South to the North through debt service, tax evasion, capital flight, payments for intellectual property rights and, in the area of trade, transfer mispricing and false invoicing. If developing countries were able to reap revenues and retain financial resources that are rightfully theirs, they would not need to rely on the „beneficence" of donors and expensive inducements to woo private investors.

The following paragraphs will outline the main points of the G20 in terms of development (***in italics***), followed by a critical assessment of the agenda points and recommendations.

The G20's 8-Point Agenda

1 - Increase private investment flows *mainly from domestic sources, but also foreign direct investment (FDI) and help low-income countries negotiate with foreign investors and obtain access to finance.*

Assessment and recommendations:

‣ Investment regulations and restrictions

Low-income countries have weak domestic markets and limited ability to attract FDI. In fact, according to UNCTAD, low-income countries (LICs) currently attract only 0,25% of global FDI. To help attract FDI, will the G20 pressure LICs to create a better business environment for investment by reducing regulation and cutting corporate taxes? Even though South Korea is an economic powerhouse, it scores poorly on some measures of the World Bank's ranking of the performance of 87 countries on restrictions on foreign investment. The World Bank's rating of country performance gives the highest scores to countries without any restrictions.

However, regulations can help the state build inclusive markets and pursue broad policy objectives, whereas their absence can facilitate a "race to the bottom" as corporations locate in areas with the fewest labor or environmental protections.

‣ Taxes

Competition among governments for FDI leads to low or no taxation requirements or import duties on corporations and inadequate levels of royalties paid by extractive industries. Unless norms are established to ensure just levels of taxation and compensation to governments, they will lack the resources to support sustainable human development.

‣ Regulatory capture

Collusion and regulatory capture by private interests has been a dominant cause of the global financial crisis; the Gulf oil spill; and food safety problems, among others. Any serious rating of a country's investment environment should measure the presence of regulations to protect the public interest; application of the rule of law; and the extent of collusion between public and private spheres. According to the Global Competitiveness Report, the absence of collusion is a greater determinant of the business environment than factors such as anti-corruption laws and investment promotion efforts.

‣ Volatility

The volatility of official and private financial flows has led governments to accumulate large amounts of foreign exchange reserves to address imbalances. Reduction in volatility, including through the use of capital controls, is essential in order to liberate

reserves for sustainable development purposes.

2 - Promote private sector development and jobs *through deeper involvement of the World Bank and regional development banks; participation by sovereign wealth funds (SWFs); improved cost-effectiveness of public-private partnerships (PPPs); better infrastructure governance (e.g., tax policy designed to mobilize domestic finance; regulatory and property rights reforms). There are some suggestions that, in order to mobilize financing, the G20 may consider securitizing a portion of aid, representing an advanced commitment to major infrastructure investment.*

MDBs

Support for the multilateral development banks (MDBs) should be contingent upon the phase-out of support for fossil fuels and the rigorous implementation of safeguard policies to protect vulnerable groups and ecosystems. According to the Bank Information Center, World Bank Group support for fossil fuel projects hit a record $6.3 billion, an increase of 138% over the previous year.

Property rights

Reforms should respect communally-held lands and the rights of women to hold title to land. Large or speculative purchases of land should be subject to conditions, including the Free, Prior, Informed Consent of affected communities and the mitigation of any adverse impacts of the purchases on food security, land ownership and productivity.

Sovereign Wealth Funds

The World Bank's private sector arm, the International Finance Corporation (IFC) has an Asset Management Company which has launched a model for these funds to co-invest in IFC infrastructure and other transactions. Before scaling up engagement by SWFs in infrastructure operations (including those of financial intermediaries), analyses should determine that policies (economic, social, and environmental) governing these transactions are applied and supervised effectively.

PPPs

The government (rather than

PPPs) should deliver basic services (health, education, water) or supervise management contracts in ways that ensure high quality and universal services. All PPP contracts should be publicly disclosed so that risks assumed by the government and taxpayers, including through contingent liabilities and explicit or implicit guarantees are broadly known and accepted.

Infrastructure plans

Such plans should be implemented in conjunction with an industrialization strategy as called for by the World Bank's Chief Economist Justin Lin.

3 - Achieve greater financial inclusion *through means such as: expanding access to finance for vulnerable groups; reducing barriers to flows of remittances; and increasing private investment in small and medium-sized enterprises. The G-20 SME Finance Challenge - a partnership between the G20, Ashoka Changemakers, and the Rockefeller Foundation, which would combine "the political and legislative power of the world's leaders and the creativity and ambition of the private sector." In response to the "call for proposals," hundreds of entrants entered the competition by the deadline of August 25, 2010 (e.g., Affinity Macrofinance). Up to 15 winners will be invited to the November 2010 G-20 Summit in Korea to be recognized for their innovative ideas. In addition, the G-20 has committed to mobilizing funding (about $1 million per recipient) to scale them up.*

Unless massively scaled up, this initiative is more appropriate for a philanthropic foundation than for the twenty most powerful economies in the world. If the G20 is to go beyond bandaids on the financial system, it should include an emphasis on ensuring that macroeconomic policies do not sacrifice inclusive growth for stabilization. Under excessively tight policies, often implemented as a result of IMF policy prescriptions, high interest rates and fiscal austerity (including wage ceilings) reduce access to finance, spending on environmental protection, and the hiring of teachers, doctors, and other critical service personnel.

4 - Promote trade *with an emphasis on "aid for trade" and duty-free quota-free (DFQF) market access for the least developed countries.*

In addition, the G20 should call for:

- Eliminating rules of origins that restrict input sourcing to increase market access for LICs.
- Addressing impediments to market access for developing countries that arise outside of the trade preference programs.
- Ensuring that trade agreements strengthen agriculture and food security, curb global warming, and support decent work for the poor.
- At the Civil G20 Dialogue in Korea, the Sherpas side-stepped the question of why the G20 is urging member countries to respect trade and investment law, but not non-trade law (human rights, multilateral environmental agreements, etc.) by saying that since the crisis is financial in nature, they are applying financial instruments to address it.

5 - Develop human resources *with an emphasis on higher education and enhancing employment-related skills.*

This initiative should support effective, gender-sensitive health and

education programs, including the Education for All challenge (namely, providing an education for 72 million children in low-income countries who are out of school), basic health care, and the Global Fund for HIV/AIDS, TB and Malaria.

6 - Enhance resilience *by erecting barriers to protect against adverse shocks, such as the food, fuel, and finance shocks witnessed in recent years. Risk mitigation instruments, such as weather-based crop insurance, are cited as one such "barrier."*

In general, risk mitigation efforts are less important than efforts to:

‣ Minimize or prevent shocks by, among other things, sharply diminishing speculative capital flows (including commodity speculation, which can raise the price of food);

‣ Effectively employing capital control to protect countries against boom, bust and buy-out cycles, as for instance, South Korea and Indonesia have done.

"Both the development framework and the framework for strong, balanced and sustainable growth largely ignore the potential for a green new deal, which could boost job creation through greening the economy."

7 - Enhance food security *by helping to close agricultural productivity gaps, including through technological advances; mitigating the effects of food price volatility; mobilizing private sector investment in agriculture; and clarifying the mandates of organizations working in this area, such as the new Global Agriculture and Food Security Program established by the World Bank and the L'Aquila Initiative.*

These initiatives should:

‣ Fully engage civil society, including women and small-scale producer groups, as full partners.

‣ Eliminate speculation in commodities, especially staple foods, which can raise food prices, as called for in number 6, above. The United Nations Special Rapporteur recommended in September 2010 that "dealing with food commodity derivatives is restricted as far as possible to qualified and knowledgeable investors who deal with such instruments on the basis of expectations regarding market fundamentals, rather than mainly or only by speculative motives."

‣ Correct the bias against small-scale and labor intensive forms of agriculture and in favor of intensive, large-scale and input-intensive forms of farming; and

‣ Respond to climate change adaptation needs as well as the needs of women farmers (the majority of farmers in many countries).

8 - Improve the governance, accountability and transparency*. In this regard, the G20 may ramp up its efforts to curb tax avoidance and illegal capital flight which cost developing countries of an estimated $1 trillion per year in foregone resources.*

The G20 should:

‣ Improve its representativeness (particularly of low-income countries) and its accountability for promises made; elevate its engagement with civil society as it already has with businesses; and increase its transparency, including by revealing the representatives on working groups and the nature and content of their proceedings.

‣ Recognize the links between illicit outflows of capital from developing countries, absorption of those resources by tax havens and financial institutions in international financial centers, and the adverse impact those flows have on poverty alleviation and economic development.

‣ Require that the beneficial ownership of all companies, trusts, foundations and charities be a matter of public record.

‣ Recommend that the International Accounting Standards Board adopt a standard that all multinational corporations report their income and taxes paid on a country-by-country basis.

9 - Knowledge sharing

This information was provided by the Ethiopian Sherpa

Development in Context

The Development Framework will be implemented in the context of another Framework adopted at the Pittsburgh Summit - the Framework for Strong, Balanced and Sustainable Growth – in which each G20 country implements specific policies. This mutual assessment process (MAP) is monitored by the International Monetary Fund (IMF) with input from the World Bank, the OECD, the ILO and the WTO. The November Summit is scheduled to bring together individual country plans designed through the MAP into a comprehensive G20 strategy that is intended to facilitate multi-polar growth.

If implemented, the MAP could undermine development because of four major problems:

‣ its call for coordinated and draconian fiscal consolidation in the advanced economies (i.e., halving deficits by 2013) which will slow growth, exacerbate the global demand deficit, and fuel even higher unemployment levels.

‣ the risk that emerging economies will not significantly boost domestic demand, which would be necessary to offset the decline of demand in advanced economies.

‣ particularly for the advanced surplus economies, the MAP calls for lowering non-wage costs (e.g., health insurance, pensions); reducing the minimum cost of labor; lowering hiring costs; decentralizing wage bargaining; and, limiting the extent of administrative extension of collective agreements. This will cause explosive unrest and exploitation of workers and lower demand of workers for goods and services. Such demand is critical to rebalance the global economy.

Importantly, both the Development Framework and the Framework for Strong, Balanced and Sustainable Growth largely ignore the potential for a global green new deal, which could boost job creation through greening the economy. Without an ecological dimension, the frameworks represent business as usual, thereby threatening the survivability of the planet in an attempt to increase short-term growth.

The G20: Where to next?

An experiment in institutional innovation

By Inge Kaul

The present G-20 was born out of necessity and under pressure from the 2008 world financial crisis. Although the emerging new world powers, notably the BRICS states, had for some time expressed dissatisfaction with their marginal involvement in meetings like the G-8 summits, their concerns found a response only when it became more and more inevitable for the conventional major powers to reach the conclusion that many of today's global policy challenges, including international financial regulation, can no longer be resolved effectively by any one nation or group of nations acting alone. These challenges call for international cooperation.

So, the present **L**eaders' G-20 started as a forum for fostering a global response to the global financial crisis.

A lengthening agenda

Yet, when meeting in Seoul, South Korea, in November this year, the G-20 leaders will consider a lengthened agenda. In addition to financial stability issues, it will especially include a wide gamut of development concerns, ranging from reducing maternal mortality, fostering education, developing human resources for the private and public sectors, and assuring food security to issues like physical and institutional infrastructure building and the promotion of private investment in developing countries. Some even suggest a new development paradigm of inclusive growth might emerge from the Seoul summit.

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"A lengthening of the agenda at G20 Summits could have the effect of pressing assembled world leaders to consider a broad gamut of concerns briefly - but without sufficient focus to generate concrete follow-up action and lead real change"

The host country, Korea, has been a strong advocate for the inclusion of development into the G-20 agenda because the country's leaders are convinced that they have a lot of valuable development experience to share. Additionally, addressing the existing global development gap might enhance the Group's legitimacy in the eyes of the 170 some countries that are not members of the G-20.

Waning leadership?

No doubt, the recent summit meeting at the United Nations on the Millennium Development Goals (MDGs) showed all too clearly how far away the world still is from attaining the Goals by 2015. Development issues deserve decisive action and so do many other global concerns, notably climate change, energy policies, food and cyber security, and migration.

But, a lengthening of the agenda to be considered at G-20 summit meetings could have the effect of pressing assembled world leaders to consider a broad gamut of concerns briefly—but without sufficient focus to generate concrete follow-up action and *lead* real change.

With an expanded agenda, will leaders have enough time to check whether they have lived up to past commitments? For example, will the Seoul meeting leave room for assessing how far we have come in forging a global, concerted response to the 2008 financial crisis?

Moreover, filling the leaders' agenda with too many concerns may leave insufficient time for developing a common, shared vision of a better world in the future, say by 2050, and how we could get there.

Because of the many crises we have faced lately, such envisioning of how to realize and benefit from the many promises that the world's opportunities hold, has in recent years been receding further and further into the background of policy dialogues.

There is thus a risk that the G-20 will suffer from the same weakness that marks many other multilateral organizations and debates: that everyone's "pet topic" finds mention - often without translating into new, decisive policy action. The predecessor of the G-20, the G-8, suffered from such an agenda overload.

Towards G-20 Plus: Adding Issue G's

Let us assume that the G-20 leaders do in fact want to be world leaders and that the lengthening of the Group's agenda is not just a way of distracting our - the global public's - attention away from earlier commitments. That is, unrealized promises are not simply abandoned because the worst of the crisis that had put them on the agenda has passed and a new crisis is grabbing the political and media spotlight.

If that is the case and the G-20 is at the same time to maintain its leadership capacity, a way out of this agenda dilemma needs to be found. One possibility could be to complement the leaders' G-20 forum with several other G-type bodies each focused on a specific global challenge like mitigation and adaptation to climate change, fostering energy security, supporting failed and failing states and other development issues, enhancing global disaster preparedness and disease prevention, enabling conflict resolution and peace building, guaranteeing food security, and

ensuring international financial stability (which, of course, was the topic that the original G-20 addressed before its upgrading to the present leadership forum).

These issue Gs could meet at the ministerial level with varying compositions depending on the issue they consider. They could be tasked with finding breakthrough agreements on issues where international negotiations are stalled. They could also explore new, neglected issues, but their primary responsibility would be to find breakthrough policy options, wherever possible in close collaboration and consultation with all stakeholders, especially existing multilateral technical agencies and advisory bodies, as well as processes such as the climate change negotiations.

"These issue Gs could be tasked with finding breakthrough agreements and policy options on issues where international negotiations are stalled, wherever possible in close collaboration and consultation with all stakeholders."

Only when issues cannot be resolved without the special attention of G-20 leaders should they be brought to their attention - not to address nitty-gritty technical details but for decision-making on possible tipping points and the opening of policy doors to possible compromise solutions.

Put differently, it is important to avoid an over-centralization of policymaking and an overloading of the leaders' agenda, lest their capacity to exercise genuine leadership suffer. This could be achieved by creating the proposed second-generation G-20: a G-20 *Plus* composed of the leadership G-20 plus issue-specific Gs to give the former a strong, solid support base and free its time and attention for the big leadership issues.

Fitting the Issue G-20 Model into the Future Multilateral System

Although the existing multilateral agencies, like those of the UN system, have had their successes, and in many respects continue to play important roles, it is nevertheless becoming increasingly clear that the present multilateral system requires fundamental reform. What it seems to be missing is precisely what is to be added through the Issue G-20s: a more productive balance between representativeness and decisiveness of international decision-making - to resolve existing problems in an effective, efficient and equitable manner. The importance of such decision-making has grown with globalization, greater openness of national borders, deepening policy interdependence among countries, and the emergence of new world powers.

More policy challenges are now global, requiring cross-boarder cooperation; and more actors, both state and non-state, expect to have a meaningful say in matters of global concern. The G-20 is an experiment in institutional innovation, an effort to adjust to today's new and still evolving realities. Most innovations happen by fits and starts. Therefore, the present G-20 should be allowed to evolve toward the proposed G-20 *Plus*. Along the way, changes deemed desirable could be explored, notably alternative membership formulas to foster the Groups' representativeness and legitimacy, and perhaps, ways to institutionalize them.

A question that might arise in this context is the link between the various Gs and other parts of the existing multilateral system. Considering that several actor groups, public and private, national and international are today often involved in addressing global challenges, one could argue that the G-20 *Plus* should exist as a new, additional institutional arrangement, separate from the many other entities that might have to act on a particular issue. Such leadership at arm's length could strengthen the Groups' ability to nudge other actors forward. For example, if a development G were to exist already, it could do what the current G-20 working group on development does - but at the ministerial level, and hence, perhaps with more clout and continuity.

Conclusion

Given the incremental nature of most innovations, the current search for new approaches to international cooperation should be allowed to evolve at an appropriate pace. There is no need to hasten into the institutionalization of what are so far only first, tentative reform steps that still have to prove themselves viable.

However, it is time to recognize that in today's world fair and effective international cooperation is often the best way to pursue one's own self-interest. States and non-state actors, notably firms, will continue to compete for market shares, investment funds, and other resources. Competition has its place. But where global public good-type challenges are concerned, that is, challenges that affect us all and are not resolvable by any one nation, we need encouragement to cooperate from leadership bodies like those of a G-20 *Plus* - or the web of global crises will become ever more dense and ruinous for all.

"What the present multilateral system seems to be missing is precisely what is to be added through the Issue-G20 Model: a more productive balance between representativeness and decisiveness of international decision-making."

So, returning to the forthcoming Seoul summit, the inclusion of development on the agenda could prove to be a major milestone in the emergence of a new system of multilateralism. It could draw attention to the risks of agenda crowding and thereby encourage the exploration of a Issue G-20 model of global policy leadership that would potentially benefit all, developed and developing nations alike.

The author is adjunct professor at the Hertie School of Governance in Berlin, Germany and advisor to various governmental, multilateral and non-profit organizations on issues of international cooperation, finance, public-private partnerships and global-issue diplomacy.
She was the first director of UNDP's Human Development Report Office from 1989 to 1994, and director of UNDP's Office of Development Studies from 1995 to 2005.

G20 Database & E-Mail Group
Stay informed

Database

If you would like to read more on the G20, recent changes in Global Governance and what it means for specific regions or issues, the G20 Database of the Heinrich Böll Foundation is the right place to go. It is subdivided into the following folders, so you can easily access the analysis and information that is of interest to you:

Folder Structure of the Database

1 - Background
2 - Summits
3 - Issues
  3.1 - Finance
  3.2 - Climate Change
  3.3 - Development
  3.4 - Energy
  3.5 - Trade
4 - Country Specific
5 - Power Dynamics
  5.1 - Within the G20
  5.2 - G20 to non-members
  5.3 - International Organizations
6 - Civil Society

In addition, every folder contains both a Word and PDF document with annotations of the documents included in the folder.

The database is designed in a way that every member can add documents himself, which are then instantly synchronized so that everyone can access it. This is a great way to share information and build up institutional capacity.

If you would like to know more about the Database or sign up for access please send an Email to Sandro Gianella at gianella@boell.de. To get started right away, here are the 3 easy steps to install the Database on your computer:

1. Install the Programm "Dropbox" from https://www.dropbox.com/install
2. Write to Sandro Gianella, who will send you an Email invite to share the G20 Database folder.
3. Accept the invite and you should be able to access the database through a Dropbox icon on your Desktop.

E-mail Group

In addition, the Heinrich Böll Foundation is part of an international network of NGOs and policy-analysts, which have set up a G20-related E-mail Group.

To subscribe, send email to: alternative-g20+subscribe@googlegroups.com

To unsubscribe, send email to: alternative-g20+unsubscribe@googlegroups.com

To customize your subscription, go to http://groups.google.com/group/alternative-g20 (but you need to create a Google account, if you do not have one)

Replies automatically go the whole group. To minimize email traffic, please do only reply to the whole group if necessary. There is no moderation.

The G20 Database is meant as a way for the Heinrich Böll Foundation and its partners to share and collect information surrounding the G20 and related issues.

Impressum

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