



Asia in the G20: From Missed to Emerging Opportunity?

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Executive Summary

When the G20 was upgraded to the leaders' level in November 2008, one of the many developments that drew attention was the expanded membership of Asian countries. Prior to this, global summitry was dominated by the G7 and its sole Asian representative was Japan. The new additions of Australia, China, Indonesia, India and South Korea within the G20 gave rise to another alphanumeric configuration – the Asian 6 (A6). Some observers even suggested that an expanded Asian membership might have a catalytic effect upon Asian regionalism by forcing the A6 into coordination and cooperation in responding to the G20's agenda and commitments.

However, divergent agendas emerged among the A6 as regards the future of the G20, mostly starkly represented by Japan, which has sought to secure the continuation of the G7 while others have sought to ensure its eclipse by the G20 and capitalise on their seats at the top table. At the same time, a high degree of convergence is also clear, as each country in the A6 has sought to carve out and claim the same identities and roles in the G20, whether as a responsible member of international society or a bridge between the developed and developing worlds. Whether it be divergence or convergence, the result has been <u>a missed opportunity</u> from the perspective of Asian regionalism and its presence in the G20.

Divergence and Convergence

The common proverb in East Asia – same bed, different dreams – captures both the divergence and convergence that exists across the A6's ambitions within the G20 club.

In the case of Japan, despite attempts to transplant its <u>traditional G7 role</u> informed by the norms of internationalism and Asianism to the G20, it has had an ambivalent relationship with this newer forum of global governance. The G7 has accorded Japan both status as a contemporary great power and a discrete role as the sole Asian representative. However, with an expanded Asian membership, the G20 dilutes the former and challenges the latter. From 2008 and the upgrading of the G20 to a summit of





leaders and not just finance ministers, Japanese administrations were unable to respond to these <u>challenges</u>. However, since 2012, the administration of Abe Shinzo has taken a coherent and consistent approach but at the expense of its historical commitment to internationalism, unless it can be leveraged into an emerging and more proactive <u>"Abe Doctrine"</u> that now informs its foreign policy direction.

South Korea secured the role of first Asian, non-G7 host of the G20 when world leaders gathered in Seoul in November 2010. As a result, the South Korean government instrumentalised the G20 as a mechanism to confer great power status, in similar fashion to the way Japan utilised the G7. It was thus a source of great pride alongside the 1988 Olympics and 2002 Soccer World Cup. At the same, the South Korean hosts sought to demonstrate their internationalist leadership credentials by creating a bridge between G20 and non-G20 members extending the outreach process. Finally, South Korea has also sought to reinforce its Asian leadership credentials, in particular by promoting a Seoul Development Consensus to challenge the Washington Consensus. Looking at these developments from a domestic perspective, President Lee Myung-bak's aggressive campaign to secure the role of G20 host was clearly successful and resulted in concrete outcomes with which to burnish his own legacy. In his 2011 New Year Speech,

thanks to the Seoul Summit, Lee was able to claim that "Korea has now emerged as a nation that helps to establish the international order, rather than always having to follow others".

China has steadily overcome its traditional hostility to G-summitry since the creation of the G20 leaders' summit and especially after it secured the presidency of the G20 for 2016. This represented a considerable diplomatic victory over Japan, who had also bid for the role, but also placed pressure on China to play a more highprofile role in terms of global leadership. The Hangzhou Summit pursued a tightly focussed agenda that prioritised economic and development issues, extended representation beyond the G20 and positioned China as a global and regional leader. Again, there was a strong domestic motivation as seen in the choice of Hangzhou in Zhejiang Province with its connections to Xi Jinping personally and its reputation as an economic hub that exemplifies China's economic rise.

Alongside Korea and China, Australia is the third A6 country to have hosted a G20 summit – the 2014 Brisbane Summit. Again, it has used the G20 to demonstrate its leadership position globally, regionally as well as its commitment to internationalism. Some have referred to the rise of the G20 as both "a major win for Australia and developing nations that have pushed hard for the broader body to





reflect the shift in power to the developing world". For former Prime Minister Kevin Rudd this was "the culmination of a nearly two-year campaign to convince larger nations to support the broader body, which includes China, India, Brazil, Indonesia and other developing nations". A similar upbeat tone was struck by former Prime Minister Julia Gillard when she addressed the G20 heads of mission: "it's not the Australian way to stand on the sidelines when we've got something to contribute.... We are internationalist by instinct. We believe in multilateral forums.... through Australian eyes we see the G20 as a serious strategic opportunity, not just for us but for the global economy". At the same time, Australian administrations have also sought to input the voices of the country's regional neighbours into the development of the G20 through regular outreach meetings.

In contrast, although India has made several claims to global and regional leadership, its participation in the G20 has been much less high-profile than its Asian neighbours. *The Economist*'s Simon Cox has suggested that India is <u>"mostly</u> <u>indifferent to the G20"</u> and quotes Vijay Kelkar, a former IMF Executive Director, as saying on India's qualified role, "[w]e shouldn't flatter ourselves too much about what India can do for the international system.... Pretending we can influence vastly the [international financial] architecture at this stage is beyond our current capacities." At the same time, it has neither hosted a G20 summit nor pursued a common Asian position.

Finally, Indonesia has suffered from an identity crisis as its newly acquired global leadership role within the G20 conflicts with its traditional role as regional leader within Southeast Asia. Former President <u>Susilo Bambang Yudhoyono</u> had to allay concerns "that since Indonesia has a new club, new home, namely [the] G20, it will no longer make ASEAN its main home.... it is not true that since Indonesia joins the G20, it will no longer consider ASEAN important. ASEAN is very important'".

Thus, the picture is one of each A6 country craving the great power status accorded by the G20 and seeking to promote its role as a responsible member of the international community – some more convincingly than others. At the same time, some are trying to promote a regional leadership role, but are often more concerned with parochial and often conflicting national interests. Any collective action on the part of Asia remains fragmented despite the opportunity presented by increased membership.

2016 – Another Missed Opportunity





Last year was a rare opportunity for Asia to coordinate a joined-up, region-wide response to global summitry with Japan hosting the forty-second G7 summit in Ise-Shima in May and China hosting its first G20 summit in Hangzhou in September.

However, from early in the year, <u>speculation</u> suggested that Sino-Japanese rivalry could spill into and contaminate the agendas of both summits. This certainly appeared to be the developing mood surrounding the <u>Ise-Shima Summit</u> where the Japanese hosts had one eye on China and another on promoting Japan's national interest in terms of the choice of venue, outreach guests and agenda items that explicitly or implicitly criticized China.

Although the Chinese reaction to this G7 summit was predictably dismissive, a glimmer of hope did emerge by the time of the Hangzhou Summit, to the extent that both sides were able to demonstrate a willingness to compromise and discuss difficult issues at this landmark summit rather than shelve them. Nevertheless, although this was undoubtedly a positive development that dispelled initial pessimism surrounding the toxic nature of Sino-Japanese relations, in no way did it constitute an attempt to grasp the opportunity presented by the calendar of global summitry and shape a coherent Asian presence within the G20.

Ahead of Hamburg, some suggested that this G20 summit was neither able to meet expectations nor make any meaningful breakthrough, but this might instead offer opportunities for Asia to make their collective presence felt. It was suggested that <u>Asian countries</u> could fill the vacuum of leadership created by the uncertainties generated by the Trump administration and <u>a divided G7</u> and make the G20 a truly global forum for policy coordination that embeds the position of emerging powers.

It is true that a lot has changed in a short space of time to the liberal international order epitomised by the G7 as a result of the Trump administration as well as the confusing and opaque nature of the UK's departure from the EU. It is also possible that any resulting uncertainty might be the mother of opportunity for Asia. However, experience of previous G20 summits suggests the opposite. Take the example of the G20 Cannes Summit in 2011, where, once again, expectations were high that Asia would play a pivotal role at the summit. However, the ongoing Eurozone crisis and the Greek decision to call an unexpected referendum on the EU bailout package days before the summit dominated the leaders' discussions at Cannes to the exclusion of other issues. In short, uncertainty on one major issue suffocates other debates.

The G20 Hamburg Summit

The other point to keep in mind is that although disunity may now characterise





the G7, this is only a temporary Trumprelated blip and in no way reflects an underlying disunity within this group of like-minded leaders. A much more structural disunity lies at the heart of the broad and disparate forum that is the G20. In addition, there is no reason that the G7 and G20 have to interrelate to each other as part of a zero-sum game.

In any case, despite two predictable references to the previous year's Hangzhou Summit in the final Leaders' **Declaration** and support for the General Review of IMF Quotas, it was difficult to point to any distinct and significant Asian initiative that suggested the region might grasp any of the opportunities thought to exist at the Hamburg Summit. For example, the Hamburg G20 Leaders' Statement on Countering Terrorism was clearly redolent of the G7 Taormina Statement on the Fight Against Terrorism and Violent Extremism. In addition, although Angela Merkel placed climate change at the heart of the G20's agenda and clearly the role of the A6 will be of central importance to any serious initiative, little Asian input was in evidence in the declaration. Instead, it was the outlying position of the US on the Paris Climate Agreement that dominated discussion and received special treatment. What might it take to enhance Asia's position in the G20? One <u>recommendation</u> made ahead of last year's Hangzhou G20 Summit was that China should support the creation of a permanent secretariat in a neutral venue, such as Singapore, to ensure consistency in the quality of summit organisation and outcomes. This recommendation still stands, not only with the goal of enhancing the efficacy of the G20 but also Asia's position therein.

In addition, the Trilateral Cooperation Secretariat that was set up in 2011 must play a key role in fostering mutual trust and understanding among the key Asian partners of China, Japan and South Korea. This might then foster a greater sense of mutual trust within at least an A3 within the G20. Although this is a significant challenge, signs are positive as joint geological research to assess earthquake risks takes place for the first time between the three countries. Moreover, in a number of bilaterals on the periphery of the Hamburg Summit, Moon Jae-in and Xi met on the day before the summit began for what proved to be a positive first meeting to discuss North Korea, despite the shadow cast by the deployment of the THAAD anti-missile system in South Korea. Abe and Moon met for the first time on the first day of the summit, stressed the future-oriented nature of the relationship and agreed to resume reciprocal visits. Xi and Abe met on the morning of the last day of the summit in a friendly but frank

Conclusion





atmosphere, stressed the need for a stable relationship and economic cooperation, even striking a positive tone on Japan's role in China's One Belt, One Road Initiative, and planned future mutual visits. Xi and Abe also called for a trilateral meeting between Northeast Asia's key partners to take place by the end of 2017 thus seeking to combine these bilateral dialogues into a rejuvenated trilateral process.

Finally, North Korea as an issue can provide a lightning conductor for security cooperation among the key regional players both on a trilateral and wider basis. With impeccable timing, the North Korean leadership obliged by testing a ballistic missile days before the Hamburg Summit. This brought the US, South Korea and Japan together for a trilateral meeting the day before the summit began that resulted in a <u>Joint Statement</u> underscoring their trilateral security cooperation and referring to China's role in managing North Korea in suitably diplomatic language.

The <u>decision</u> made at Hamburg that Japan will host the 2019 G20 Summit will increase attention on Asia's position. Although we remain some way from a clear and coordinated position from an A6 or A3 within the G20, incremental steps can be discerned.

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