



The Group of 20: What is it for and Where is it Heading?

HUGO DOBSON

The University of Sheffield

Executive Summary

When the G20 was upgraded to the leaders' level in November 2008, it was hailed by many as a successful mechanism for addressing the immediate global financial crisis. It soon declared itself to be the “*premier forum for international economic cooperation*” but has since been accused of losing this initial momentum. This policy brief explores the development of the G20 over the last decade, outlines Japan's role as an innovator in global summitry and argues that a valuable opportunity was missed at Osaka to reinvigorate the G20 as a leading forum of global governance.

From Crisis Management Committee via Global Steering Group to Global Photo Op

It is just over a decade ago that the first meeting of G20 leaders was called in Washington in November 2008 in response to the global financial crisis. Initially, it was cast in the role of a crisis management committee as it sought to stabilize the global financial system.

The general consensus was that it successfully managed to achieve this immediate goal. Although in existence since 1999 as a grouping of finance ministers and central bank governors, this upgrading of the G20 and inclusion of developed and developing countries were heralded as important milestones in the development of global governance mechanisms. For many, this development also represented the long overdue demise of a world order symbolised by the G7/8 of advanced economies and liberal democracies. In this context, and as the immediacy of the crisis abated, the G20 morphed from its initial role as a [crisis management committee to that of a global steering group](#) in place of the G7/8.

In many ways, this shift made much sense. At the time, the G8 countries (Canada, the EU, France, Germany, Italy, Japan, Russia, the UK and the US) accounted over half of global economic output but only 14% of population. In contrast, by adding a number of developed and non-developed

countries as members (Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea, Turkey), the G20 was clearly more representative, accounting in total for 85% of global economic output and 66% of population.

Two former leaders captured these developments neatly and bluntly. On the one hand, [Canadian Prime Minister Paul Martin](#), progenitor of the original G20 proposal, explained “[p]ut simply, the right countries were not sitting down at the same table at the same time”. On the other hand, [Brazilian President Lula da Silva](#) declared that “[w]e are talking about the G20 because the G8 doesn’t have any more reason to exist”. As a result, at the 2009 Pittsburgh Summit, the G20 declared itself to be the [“premier forum for international economic cooperation”](#).

However, the G20 soon began to encounter the same challenges faced by the G7 after it debuted as an innovative mechanism of global governance in 1975. In other words, as the initial impetus and specific focus of a crisis waned, the G20 lost direction, its agenda expanded too widely and quickly to deal with issues consistently and effectively. It also encountered challenges of its own as a result of the diversity of its membership and began to be characterised by divisions and discord. Ten years later, and in the

eyes of many observers, the G20 now appears at times to be little more than a [global photo opportunity](#). In the words of [Tony Payne](#) of the Sheffield Political Economy Research Institute, “one thing that hasn’t changed during the course of this turbulent decade is the way that the G20 itself works”. The time is ripe for some innovation in global summitry.

Japan as an Innovator in Global Summitry

Although it has not previously occupied the presidency of the G20, Japan has carved out a role for itself as an innovator in the architecture of global summitry in the G7, G8 and G20 over the decades.

For example, the Japanese government has attempted to innovate in terms of membership of these elite groups with a view to improving their legitimacy and effectiveness. To this end, it actively used its position as chair and host of the summit to sponsor the participation of other Asia-Pacific states, namely Australia and [Indonesia](#) in the Tokyo Summits of 1979 and 1993 respectively, although not always successfully.

When the Japanese government held the G8 summit in Okinawa in 2000, it innovated in two respects. On the one hand, despite some criticisms, it was the first host of a summit to construct

a specific facility for [civil society representatives](#) to use and engage with the summit process. On the other hand, it drove the G8's [policy of outreach](#) with a number of developing countries by inviting their representatives to Tokyo for pre-summit meetings with G8 leaders for the first time. These initiatives subsequently became a regular part of summit organization. The following Japan-hosted G8 summit in 2008 saw the first meeting of the [Major Economies Meeting](#) (MEM), an expanded group tasked with addressing climate change.

As regards the agenda of global summitry, on the one hand, the Japanese government has responded to a regional impulse to ensure issues of interest to the Asian region are included in summit discussions and not overlooked. For example, within the G7/8, Indo-Chinese refugees at the [1979 Tokyo Summit](#) and the [1980 Venice Summits](#); conflict in Cambodia at the [1988 Toronto](#) and [1989 Paris Summits](#); and North Korea's nuclear programme at summits from the [1999 Cologne Summit](#) onwards.

On the other hand, the Japanese government has also displayed a selfless commitment to support the existing mechanisms of global governance. This was most clearly demonstrated at the first summit of the G20 leaders in Washington in November 2008 when Japan injected

[US\\$100 billion](#) of loans to support the IMF's global rescue plan without making associated demands on a recalculation of IMF quotas to increase its influence. This served to stabilize global financial markets but also set the example and tone for other countries' contributions to the work of the IMF.

In sum, Japan has established a reputation for good global citizenship and innovation, especially when acting as host and president of a 'G' summit. In this context, it would not have been unreasonable to expect a grand gesture or bold initiative as part of the Osaka Summit that had a lasting impact on the G20.

The G20 Osaka Summit

Through the course of June ahead of the leaders' summit in Osaka, Japan did indeed demonstrate innovation in summit organisation by convening the first-ever [G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth](#) in Karuizawa, at which a framework for reducing marine plastic waste was agreed. However, the adopted measures were non-binding and voluntary with soft monitoring.

Nevertheless, Japan continued to innovate by organising the first-ever combined [G20 Trade and Digital Economy Ministerial Meeting](#) in

Tsukuba. Again, the outcomes of the meeting were negligible as a result of the US-China trade dispute and wrangling over the language used in the declaration. There is also an associated, longer term danger of diluting the focus of the summit's attention and resources by pursuing this kind of horizontal expansion of the G20's remit at the ministerial level, as was seen in the case of the G7/8. Although potentially useful in the longer term, these initiatives had limited immediate impact and represent the extent of innovation in the architecture of global summitry evident at Osaka.

In order to maintain its relevance, the G20 could collectively agree to a number of measures that bolster its presence and provide some necessary purpose and direction. For example, [Payne has argued](#) that the G20 would benefit from the creation of 'a modest yet permanent secretariat with an experienced former G20 head of state as secretary-general'. This secretariat need not be full-blown and demanding in terms of resources. Rather, it could be established on a fixed-term, trial basis and primarily charged with ensuring consistency and accountability across summit agendas, declarations and commitments. Some have argued that such a streamlined secretariat would ideally be located

somewhere like [Singapore](#). This would provide the G20 not only with an excellent diplomatic cadre to rely on but also extended its legitimacy by embracing a key member of the [Global Governance Group](#) that represents non-G20 countries.

In the absence of such measures, the G20 appears to unlikely to metamorphose beyond its role as a crisis committee. Admittedly, the importance of this role should not be lightly dismissed as the world trading system faces its [biggest crisis in living memory](#). However, with Saudi Arabia assuming the presidency of the G20 in 2020, Italy in 2021 and India in 2022, a series of [first-time hosts and dubious global citizens](#) will be in pole position in determining the G20's direction. As a result, little in the way of innovation in summit architecture can be expected from upcoming presidencies in the near future. Added to this, continued uncertainty around Brexit and an upcoming US presidential election suggest that atrophy and ceremonialization rather than innovation and leadership might be what characterize the G20's immediate future.

Hugo Dobson is a Professor of Japan's International Relations at the University of Sheffield