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Zürn, Michael

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### Empfohlene Zitierung / Suggested Citation:

Zürn, M. (2019). Untapped potential: How the G20 can strengthen global governance. *South African Journal of International Affairs*, 26, 1-14. <https://doi.org/10.1080/10220461.2019.1694576>

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Benson, Robert; Zürn, Michael

**Article — Published Version**

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South African Journal of International Affairs

**Provided in Cooperation with:**  
WZB Berlin Social Science Center

Suggested Citation: Benson, Robert; Zürn, Michael (2019) : Untapped potential: How the G20 can strengthen global governance, South African Journal of International Affairs, ISSN 1938-0275, Taylor & Francis, London, Vol. 26, Iss. Latest Articles, pp. 1-14, <http://dx.doi.org/10.1080/10220461.2019.1694576>

This Version is available at:  
<http://hdl.handle.net/10419/209750>

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## Untapped potential: How the G20 can strengthen global governance

Robert Benson<sup>a,b</sup> and Michael Zürn<sup>b,a</sup>

<sup>a</sup>Freie Universität Berlin, Germany; <sup>b</sup>Berlin Social Science Center (WZB), Berlin, Germany

### ABSTRACT

The G20 has two distinctive features that make it a unique forum in global politics. First, it is one of the few existing global platforms where different international institutions and regional organisations can coordinate across a vast array of issue areas and emergent policy fields. Second, it is an institution that brings together heads of government which control roughly 80% of world GDP. Despite these features, the G20 lacks constitutive authority of its own, bound by a consensus principle which sharply delimits its scope of action. Notwithstanding its circumspect authority, no recent international body has garnered more attention from transnational civil society groups and advocacy networks than the G20. Most of this attention is critical and points to legitimacy problems. We argue that these legitimacy problems derive from a perception of untapped potential and undue privilege for great powers. Against this backdrop, we submit that a more active and institutionalised forum – with clear decision-making procedures for exercising authority – could help mitigate resistance and contribute to a more legitimate global governance system overall.

### KEYWORDS

G20; global governance;  
meta-governance;  
informality; reform

## Introduction

The idea for a regular summit convening the world's most powerful economies was put forward by French President Valéry Giscard d'Estaing and German Chancellor Helmut Schmidt. Through their initiative the first summit was held at the Chateau de Rambouillet near Paris in November 1975. In the gardens of Rambouillet the heads of government of France, West Germany, the United States, Japan, the United Kingdom and Italy discussed the oil shock, the financial crisis and the general economic malaise which had come to define the mid 1970s. At this first G6 summit, they adopted a 15-point communiqué, the Declaration of Rambouillet, and agreed to meet in future once a year under a rotating presidency. In 1976 Canada joined the forum to complete the G7, as did representatives from the European Community soon thereafter as a non-enumerated member.

**CONTACT** Michael Zürn  michael.zuern@wzb.eu

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More than two decades later a new G-format composed of the G20 finance ministers was convened to confront a new set of challenges: one immediate and one more enduring. The immediate challenge came in the form of the Asian financial crisis in 1997, which required a coordinated response by the world's largest economies. The second and more enduring challenge was a representation deficit which emerged at the latest in the mid-1990s with the rise of new economic powers. It was in the midst of these challenges that the G20 finance ministers held their inaugural meeting in 1999, consisting of a newly expanded G8 including the Russian Federation, along with key regional powers plus the European Union.

Owing in part to the success of this first round of G20 finance meetings, the idea for a G20 summit convening heads of government was first floated. The new summit initiative was led by Canadian Prime Minister Paul Martin, formerly Canada's finance minister. He campaigned actively for an expanded global forum which would bring together heads of government, especially as the disadvantages of the limited G8 format were becoming clearer. The chair of the 2005 G8 summit, British Prime Minister Tony Blair, responded by inviting five key developing countries to the Gleneagles, Scotland, meeting: Brazil, China, India, Mexico and South Africa. The 2007 Heiligendamm Summit in Germany regularised the relationship among the 'G8 + 5', establishing a schedule for regular ministerial meetings among the 13 countries.

Despite its initial promise, the so-called 'Heiligendamm Process' proved inadequate. Reflecting on the inappropriateness of the process, Paul Martin stated: 'The image of Hu Jintao, the president of China, and Manmohan Singh, the Prime Minister of India – leaders of the two most populous countries on earth, quite possibly destined to be the largest economies on earth within our lifetimes – waiting outside while we held our G8 meetings, coming in for lunch, and then being ushered from the room so that we could resume our discussions among ourselves, is one that stayed with me ... Either the world will reform its institutions, including the G8, to embrace these new economic giants, or they will go ahead and establish their own institutions'.<sup>1</sup>

Responding to the snub, Prime Minister Singh was altogether more piercing in his remarks: the so-called plus five had been 'invited to the anteroom of the rich man's club, but not let into the dining hall'.<sup>2</sup> The scene was reminiscent of a Victorian era parlour. It was by all accounts a humiliation. The Indian press lamented in one stinging editorial: 'That's not the stuff of which reformers are made'.<sup>3</sup> The message to emerging powers was clear; they were not yet on equal footing.

The Heiligendamm Process was thus only a transitional step in the direction of inclusion. It was not until the global financial crisis of 2007–2008 that real institutional change became possible. Indeed, none of the existing political and economic institutions – the International Monetary Fund, the G8, the United Nations or the grouping of finance ministers – were sufficiently able to coordinate policies during the crisis. Amid this uncertainty the G20 was born. The first G20 summit took place on November 14 and 15, 2008. In general, the first round of G20 summits can be counted as a success and were effective in mitigating the worst consequences of the financial crisis. Yet the larger takeaway is that more could have been done to place global governance on firmer ground.

This short history of the G20 already points to three important features. First, the various initiatives for institutionalising the different G-formats originated from middle powers.

Although the summits were meant to bring together a concert of economic powers, it was predominantly middle powers which seized the opportunity to develop the G-format, in part because they hoped to move up the ladder of state hierarchy by playing a more central role in global governance.<sup>4</sup> While US leadership did not oppose these initiatives, the G-format was not an institution established at the behest of the hegemon.

Second, it was the functional requirements for crisis management which spurred middle power initiatives. The oil shock was conducive for setting up the first fireplace meeting in Rambouillet, a wariness of Russian drift away from Western institutions led to the expansion of the G8 format in 1999, and the need to have China on board to respond to the 2007–2008 financial crises made the G20 format possible. Stated simply, as the distribution of economic power became increasingly diffuse, effective crises management depended on a more representative G-forum. Whereas in 1975 the G7 controlled roughly 70% of the world's GDP, the G20 today brings together heads of government which control roughly 80%.

The third feature is implicit, but important for our argument: the thematic orientation of the G-format is flexible. What started as an executive's club to navigate global macro-economic problems has increased its scope over time to include a remarkable array of issue areas including economic, financial, environmental, human rights and security concerns. The 2019 summit in Osaka, Japan, saw eight ministerial meetings take place over six months and brought together a litany of regional and international organisations from the Organisation for Economic Co-operation and Development (OECD) to the African Union. A message from Prime Minister Shinzo Abe read in part '[Japan] will exert strong leadership in discussions aimed towards resolving global issues such as climate change' and directly engaged with the impacts of digitalisation, ageing societies and rising income inequality.<sup>5</sup>

Even so, the G20 cannot make decisions without the consent of all participating states. The G20 is thus no more than a deliberative forum: it lacks formal authority of its own and remains remarkably circumspect despite its breadth of activities. Various scholars suggest that the G20's informality and non-binding quality sets it apart from other more cumbersome organisations, and that it should 'resist external pressure' to formalise.<sup>6</sup> In this view, informality and non-binding commitments are the key for success. Namely, it keeps avenues of communication open between heads of government and leading international organisations – especially in times of crisis – while also avoiding legitimacy concerns associated with other (more formal and authoritative) institutions.<sup>7</sup>

This paper argues against the mainstream approval of informality and lack of authority. We submit that a chartered international forum which empowers the G20 to develop its meta-governance potential could help guarantee a more effective and legitimate body. It would thus ensure greater inclusivity and access for various state and non-state actors. Thus, we envisage decision-making procedures beyond consensus, coupled with transparency guidelines and a formalised consultation process for civil society. Doing so would not only enhance coordination efforts across a wide array of issue areas, but directly address concerns that global governance in general is opaque and aloof.

This paper proceeds in four sections. The first part analyses the legitimacy problems of global governance in general and specifically the G-summits. We identify two major deficits which decrease popular legitimacy. First, a lack of meta-governance hinders effective coordination and undercuts public debates on global governance issues. This

undermines transparency in decision-making processes and eventually, trust in global governance. Second, the legal grey-zone of informality unduly benefits great powers and corporate interests thus further hurting its legitimacy. In the second section, the paper goes on to suggest how the G20 could be reformed to ameliorate these negative dynamics. We focus on empowerment, formal and transparent decision-making and open access as three normative goals for institutional reform. The third section outlines potential problems with such a reform, including various sources of opposition to it. The paper concludes with an endorsement of institutionalisation, recommending its potential to help break global governance gridlock and boost system-wide validity.

## Legitimation problems of global governance<sup>8</sup>

From the early 1990s on a global governance system emerged. This global governance system is more than the sum of the institutions that produce regulations; it is about the interplay and the relationship between these institutions, and their embedding in a normative order. It selects inputs from actors inside and outside of the system and allocates responsibility to institutions on different political levels. It produces transnational and international regulations, and other governance activities such as agenda setting, monitoring, adjudication and enforcement. All of these outputs are justified with reference to global common goods and thus come with a minimal level of 'compliance pull' for both the involved states and their societies.<sup>9</sup> Although most of these outputs are regulatory, they also affect the (re-)distribution of costs and benefits between and within national societies.

The global governance system emerged as a consequence of the post-Second World War order. It includes the rise of international authority and the transition from welfare-state embedded liberalism to a more intrusive post-national liberalism. At the same time, today's global governance system is rooted in a normative and institutional structure that contains hierarchies and power inequalities, and thus endogenously produces contestation and distributional struggles. While the global governance system has normative aspirations, it also contains institutions that can hardly be described as fair or just, and it knows violence.

The global governance system is defined by three distinct yet interlinked layers: the first includes normative principles; namely, the understanding that there are some global goods which transcend the notion of national interest and therefore create a demand for institutions with some authority over its members. Second, the global governance system is made up of a dense set of specific political institutions such as the World Trade Organisation (WTO), the UN Security Council (UNSC) and the International Monetary Fund (IMF), all of which have developed and extended their authority over time. These international authorities are at the core of the global governance system, with many adjacent organisations and institutions populated around them. The third layer refers to the interactions between different spheres of authority and the institutions within them. Namely, that they are loosely coupled with each other. The tools used to manage conflicts between different spheres of authority (eg, between trade and health institutions) are rudimentary at best. It is the interaction between these different spheres of authority or more specifically, lack of meta-authority, which bears some responsibility for the present legitimacy crisis in global governance.

This lack of meta-governance aggravates legitimacy problems by privileging sector-specific and technocratic discourses over broader political debates, adding to the impression that global governance is at best opaque. At the same time, there is no clear separation of powers between different spheres of authority. This gives the most powerful states control over the application and implementation of international rules. Thus, institutional inequality between states acts to encourage the arbitrary application of international norms: undermining the regulative idea that like cases should be treated with parity.

Against this backdrop, the G20 does not live up to its potential for legitimately coordinating between different spheres of authority. The G20 needs to increase its competences, exercise authority beyond state consensus and widen its scope of participation. Doing so could help ameliorate some of the more significant legitimacy deficits faced by global governance as a whole.

### ***The G20 fails to provide meta-governance***

The global governance system can be described as one of loosely coupled spheres of authority.<sup>10</sup> In each issue area a set of transnational and international institutions, some of them exercising authority, has developed. Within some of these spheres of authority, coordination between institutions takes place, even when it is often insufficient. Yet when it comes to the interaction and especially collision between different spheres of authority, take for example between trade policy and climate change, there is no single institution in place that can coordinate. Whereas the modern nation state has established instances of meta-authority (eg, governments, parliaments, supreme courts, and an established public sphere) that step in when there is conflict, the global governance system at best only knows informal meta-authorities such as hegemons. With the decline of US hegemony, the global governance system now lacks any real meta-authority.

The G20 is best suited to fill the gap in meta-authority. This not only means having the mandate to delegate between existing international organisations, but also to set the agenda for global governance more broadly. At present, however, the G20 does not sufficiently coordinate between different spheres of authority where governance objectives sometimes collide. The result is an institution which squanders its leadership potential.

The inability of the G20 to pass meaningful financial regulations in the wake of the sub-prime crisis serves as a point in case. In a much-anticipated series of meetings, the G20 agreed to harmonise international regulatory frameworks to safeguard global financial stability. Notwithstanding progress on fiscal and monetary policy, the Washington, London and Pittsburgh summits left major structural reforms untouched. A recent report from the Financial Stability Board (FSB) bluntly warned that 'loosening lending standards' and 'elevated asset values' were again posing a significant risk to continued financial stability.<sup>11</sup> Although the G20 intervened into the financial sphere, it did so tepidly, failing to provide effective meta-governance. The missed opportunity is indicative of a broader failure of global governance. That is, a failure to connect the dots. Despite an abundance of resources at their disposal and more than enough domestic political will to tackle banking regulation, there was no central authority to orchestrate the kind of response required.

At present the G-forum can merely delegate to different international organisations, but rarely does it engage in a direct mediation of solutions across institutions. The result is a legal and political morass. Even the business press has joined the chorus of concern. The *Financial Times* published an opinion piece after the London Summit entitled 'The Group of 20 Must be Stopped' and noted that when decisions are made behind closed doors, opportunities to advance competing ideas are sharply curtailed.<sup>12</sup> Secret handshakes and backroom deals are not only bad for global democracy, they also create bad policy. In this regard, the role of meta-governance could be palliative. By linking various centres of expertise together, better and more creative solutions are possible.

Taking up the role of meta-authority would make global governance not only more effective but would also create opportunities for public scrutiny and debates. The current model offers minimal opportunities for outside engagement. It is no small wonder that the G-forum faces accusations of elitism, foreclosing new ideas.<sup>13</sup> In the absence of open and honest public debates, resistance to global governance grows. Detached from the public mood, international institutions are rendered isolated and aloof. As lines of communication break down, spaces open for all manner of conspiracy theories. The ensuing confusion gives ammunition to populists from both the right and left who seek to withdraw from the international project. By curtailing access to information, policymakers run the risk of feeding the populist narrative. As a first step to combatting decline, global governance institutions should invest in public debates which are inclusive and transparent. Doing so, however, requires sites of meta-authority, where decisions about general political directions and orientations are made, which, in turn, make public debates possible.

### ***The G20 fails to overcome institutionalised inequality***

A weak separation of powers within the global governance system privileges powerful state actors and undermines the normative principle that alike cases are treated alike. Indeed, authoritative international institutions like the UNSC contain formal mechanisms for assuring great power interests. These international institutions not only reinforce inequality between states, but also hierarchy within the international system.<sup>14</sup>

Like the UNSC, the current G20 arrangement acts only to exacerbate power imbalances. Bilateral talks between powerful states are often decisive, leaving other participants as mere passive observers. Often, critical sections of the final communiqué are only disclosed moments before the closing session. In this sense, the summit format excludes issues which are not in the immediate interest of established powers. Undoubtedly, a more even-handed application of international norms would look different.

The informality of the G-forum also provides cover for the exercise of power in the name of specific interest groups. To emphasise the point, a 2016 report co-published by the Global Policy Forum and Heinrich-Böll-Stiftung recounts the incredulous relationships between policy makers, business insiders and powerbrokers. During the 2014 summit in Brisbane, Australia, the coal industry was given special access to 'repeatedly promote coal as a solution for energy poverty'. The resulting controversy prompted Australian Prime Minister Tony Abbott to claim 'coal is good for humanity', much to the consternation of local media.<sup>15</sup> Such a dynamic has led scholars to argue that the G20 has supplanted US hegemony as the most effective enforcer of pro-business policy<sup>16</sup> – a position reinforced by the Trump administration's mercurial attitude towards free trade.



Institutionalised inequality hampers the impartial exercise of authority and thus feeds the narrative of an 'insider's only club'.<sup>17</sup> This in/out narrative alienates civil society groups, who routinely complain that they are denied consideration.<sup>18</sup> More specifically, civil society groups argue that in the absence of public scrutiny, a revolving door of industry and business sets the agenda. Taken together, these power imbalances produce severe legitimisation problems for the global governance system. We can thus observe a rapid increase in politicisation from societal actors and contestation from rising state powers. Despite, or because of, its relative informality and lack of authority, the G-forum faces significant criticism from transnational social movements and from excluded states.<sup>19</sup> On the one hand, these criticisms target its lack of effectiveness and missed opportunity for coordinating global governance. On the other hand, G20 summits are pilloried for their double bias: in favour of great powers and transnational elites. Addressing the G20's lack of meta-governance and overcoming its entrenched inequalities is therefore crucial to regain its legitimacy.

### **A reform to increase legitimacy**

The G20 should be reformed to ameliorate these negative dynamics. A chartered international forum which empowers the G20 to develop its meta-governance potential would guarantee a more transparent and rules-based forum. Thus, we envisage clear decision-making procedures beyond consensus, the limiting of informality and a built-in consultation process for civil society.

Such an argument is not necessarily popular. A well-established literature on informal intergovernmental organisations (IIGOs) touts their effectiveness as having 'lower negotiating costs' and having less cumbersome 'commitments'.<sup>20</sup> Indeed, without legally binding rules IIGOs, like the G20, can engage in high stakes negotiations more flexibly.<sup>21</sup> Notwithstanding these benefits, the existing literature fails to seriously grapple with the deficits of informal institutions particularly when they lie at the crossroads of public and private power.<sup>22</sup>

Therefore, we argue for reforms that formalise authority and limit informality. Scholars have long pointed out the paradox of a steering committee with no helm or rudder.<sup>23</sup> Here, Payne adopts a telling metaphor: 'The deeper problem is that the G20, as presently set up, is at heart only a vessel, largely empty of political direction until and unless it is periodically re-fueled with new initiatives and priorities'.<sup>24</sup> Put differently, the G-forum fundamentally lacks a purpose. Aside from periodic crisis where it is forced to take action, it is left running idle. Worse yet, it is during these interim periods of stasis that global governance stagnates.

The broader point may be that we have entered a period of lasting crisis and can no longer afford simply to muddle through: issues range from climate change, to the ongoing instability of financial markets, severe security problems, and trade wars. Thus, investing in a coordinating body which can command the limbs of global governance is an urgent task.

### **Empowering meta-governance**

The G20 should exercise meta-governance for two reasons. The first is explicit, but nonetheless important to reiterate. Meta-governance is necessary for coordinating between existing institutions, thus making them more effective. Synchronising international

organisations, regional organisations, regulatory agencies and private public partnerships could dramatically increase the performance of global governance. For example, the task of combating and now increasingly preparing for climate change demands coordination across continents. The enormity of the challenge calls for a vast array of skillsets and expertise, endless hours of scientific endeavour and the need for social, political and legal capital. And yet when it comes to climate change, the global governance system is radically ill-prepared. Part of the reason is a lack of coordination between institutions already tasked with combatting it. More concerning, however, is the absence of coordination between tangentially related institutions (eg, the WTO or OECD), who may not have legally explicit climate mandates, but nonetheless have important roles to play in lowering emissions.

To the extent that the G20 is a multilateral steering committee, it is best placed to improve coordination. This does not mean usurping the competencies of other bodies. Existing structures can and should remain in place. What the G-forum can offer is a way to connect the dots. Climate change is just one pressing example of where coordination is needed. The potential for a global pandemic or a large-scale cyber-attack would in their own right require an immediate and coordinated response. If these threats are real, it is essential that plans are put in place.

Investing in meta-governance could offer much needed political direction and help in harmonising overlapping authorities. Scholars of cosmopolitanism have long argued for a more constitutionalised system of global governance.<sup>25</sup> A G20 executive, complete with a permanent secretariat and influence over other global governance institutions like the OECD, IMF and World Bank, could set an agenda appropriate for the challenges ahead.<sup>26</sup> Such thinking is in line with policymakers who view the G20 as a focal point for coordinating across competencies, international institutions and regional organisations.

The second reason for establishing meta-authority is its expected knock-on effect on the public sphere. Namely, a more prominent role for the G20 could lead to large-scale societal debates. By providing a platform that is truly global in scope, the G20 could instigate public debates on transnational policy issues across a multiplicity of fields. As long as global governance institutions remain in their sectoral niches, their decision-making is bound to remain technocratic. If the G20 were to host debates on the relative importance of, for example, sustainable development vis-à-vis climate change, the nucleus of a world societal debate that transcends national boundaries could emerge.

Indeed, the magnitude of the problems we face in the years and decades ahead requires creativity and openness instead of closed doors. Effective meta-governance could help to dislodge organisations from their ideological torpor and put them in conversation with new ideas. Questioning assumptions matters, especially in global governance where distinct organisational cultures can lead to groupthink. Here, meta-governance has an important role to play in fostering creative disruption. It is our belief that empowering meta-governance through an institutionalised G20 could help foster a more creative and responsive approach to global governance.

### ***Overcoming institutionalised inequality via transparent procedures***

Tackling informality and establishing rule-based decision-making procedures is an important step towards overcoming institutionalised inequality and legitimating global governance.

This would bring two major benefits to the G20 and the global governance system more broadly. First and foremost, clear and public decision-making procedures create checks on the selective use of power. This ultimately ensures that alike cases are treated alike. In turn, appearances of impropriety (both real and imagined) would be minimised.

A set of clear decision-making procedures is vital for any international organisation, let alone a body which calls itself the 'premier forum' in global politics.<sup>27</sup> The G-format has been bitterly criticised on this count. For example, the French global justice syndicate *Attac* memorably condemned the G-format as a secretive rich man's club which acts to perpetuate power imbalances in the international system.<sup>28</sup> The image of world leaders sauntering around manicured estates and holding closed door meetings in genteel sitting rooms certainly does not inspire confidence. *Attac* does not object to the concept of global governance *per se*, but fears that backroom deals will only serve the interests of those who already benefit from access. A more institutionalised G20 with clear procedural guidelines reduces the legal/political grey-zone much derided by social movements and begins to address legitimacy concerns.

As the decisions taken at the level of global governance become more intrusive fair procedures must be taken seriously. Transcripts of meetings should be accessible, as should lists of invitees and other guests. Ultimately, overcoming institutionalised inequality will not only help regain public confidence in global governance, but also improve outcomes.

Overcoming institutionalised inequality likewise opens the black box of executive multilateralism. That is, it demystifies a global forum which for decades has been fodder for conspiracy theories. With the rise of extremist groups stoking anti-establishment resentment, corrective action should be taken to clean the air, or at least present an alternative narrative. This task has taken on a new sense of urgency in the age of social media, where mistruths and fake news have led to episodes of confusion.<sup>29</sup> One particular example is worth repeating. Shortly after the G20 summit in Shanghai/Hangzhou it was widely reported that central bankers colluded to let foreign currencies appreciate against the dollar.<sup>30</sup> For many it was the perfect plot – undermining a strong dollar would benefit speculators – except none of it was true.

Establishing fair and transparent decision-making procedures is by no means a panacea for disinformation. However, it does represent a start. Ignoring the peripheral chatter of the extreme right and left is no longer a tenable option. To be sure, there are also instances of real impropriety which should be exposed. The Global Policy Forum, for example, has documented multiple instances of favourable access for business insiders at the G20; this included, as discussed earlier, a cosy relationship with the energy sector.<sup>31</sup> Nevertheless, information black-outs will inevitably lead some to believe the worst, presenting an even greater danger to the longevity of global institutions such as the G20.

A more institutionalised G20 with clear membership guidelines would help modernise the forum, while also working to redress grievances of inadequate representation and closed decision-making. Here we endorse Vestergaard and Wade's idea for a revised Bretton Woods System.<sup>32</sup> Their plan, first prepared as a policy brief for the Danish Institute of International Studies, envisages a reformed G20 which they call a 'Global Economic Council'. The council would be comprised of '25 country constituencies' and would follow a similar institutional design to that of the IMF and World Bank Governing Boards. To ensure maximum participation, the new council would be vested with a rotating chair complete with country alternates and procedures for domestic consultation.

The proposal is informed by ‘two major principles’. The first principle allocates chairs evenly among regions of the world including Africa, Asia, the Americas, Australasia, and Europe. The second principle would allocate chairs by ‘economic weight’ as determined by a region’s GDP. Such a proposal would go a long way to addressing regional imbalances. Not only would the distribution of seats reflect emerging economic realities, but it would also answer the enduring criticism of a Euro-American-Japanese-Chinese concert of power. Such an innovation could help break ‘global governance gridlock’ and spur action on a range of transnational policy concerns.<sup>33</sup>

At the same time, a modified G20 could provide civil society with a more meaningful lobbying platform, ensuring access to policymakers. Since 2013, the C20 engagement group has made important strides towards inclusion with a stated goal ‘[of generating] spaces to discuss and build, through transparent and inclusive processes, high-level policy papers’.<sup>34</sup> As of 2019, the C20 has 10 distinct working groups, including those on gender, global health, the environment and education. Additional outreach groups draw on the expertise of think tanks, labour unions and youth organisations. Although outreach initiatives have achieved representation for important causes, their role remains predominantly advisory.<sup>35</sup> Building on the G20 outreach model means formalising the outreach mechanisms.<sup>36</sup> We therefore call for an institutionalised consultation process, where civil society groups are integrated into a single secretariat and contribute at the level of official policy discussions. Such an arrangement could provide much needed direction for transnational policy while also ensuring that a plurality of global voices are heard. Ensuring that decisions are made in a transparent and equitable fashion is likely to increase the normative appeal of global governance, thereby reinforcing its relationship with the people and communities it is meant to serve.

## Potential problems

Even if addressing informality and further institutionalisation looks more logical than ever, the politics of implementing it could not be more complicated. Opposition by nationalist forces may be fierce, great powers may fear losing their privileged status, and business interests may struggle to keep their special access.

Reworking the G20 to reflect a plurality of regional and state interests will undoubtedly be met with opposition. There are two dominant critiques of institutional reform. The first critique revolves around *realpolitik*, namely the unfeasibility of achieving reforms given opposition from state coalitions – most notably from populist governments. Although critics are well-founded in their scepticism, we hold that it makes sense to separate the functionalist from the feasibility arguments.<sup>37</sup>

We begin with the functionality issue. There is no question that functionality is not a sufficient condition for success in itself. However, it is hard to imagine how global problems can be solved without global rules. While the full-scale rejection of global governance is one reaction to its deficits, reforms that address its legitimacy problems is another. It is our belief that as the former becomes untenable, the latter will increase in likelihood. Nevertheless, we readily acknowledge that the immediate prospect of our proposals being adopted is close to zero. As such, our contribution is an argument about improving the global governance system: it is not a prediction about what will happen.

This leads us to the question of feasibility. Surely attempts to constitutionalise the G20 would be met with great power opposition. It is no secret that current trends in international relations are at odds with the spirit of multilateralism. The populist backlash of recent years has produced a veritable array of nationalist actors best personified by the America First policy of the Trump administration. Around the world key participants in the global governance system – including emerging BRIC economies – have actively sought to disrupt the post-war liberal order. Combined with the recent crisis of EU governance and a stalled agenda at the WTO, it is fair to say that the global governance system has seen brighter days. Yet there is reason to believe that opposition to a permanent G-forum will be less pronounced than sceptics expect. The example of IMF reform serves as a useful point in case. In 2010 the IMF Board of Governors agreed to a reform package to address the growing discrepancy between emerging powers' economic contribution and their vote share at the institution.<sup>38</sup> The reforms aimed to partially close the gap and therefore preserve 'the effectiveness and legitimacy' of the lending body.<sup>39</sup> Yet for the reforms to take full effect they needed the backing of existing member states, including the United States, its largest shareholder.<sup>40</sup> Although opposition in Washington was acute, Congress nevertheless passed the reform package in December 2015 after a budget compromise occasioned a review of the matter.<sup>41</sup>

The anecdote is telling for two reasons. First, opposition to global governance arrangements in the United States is perennial, not least with the current Trump administration. Yet the fickle nature of American politics should not preclude the possibility of a tack in policy direction. A more sympathetic American administration could conceivably take up the cause of reform. Indeed, Ikenberry argues that the history of liberal internationalism has always been premised on the idea that reform is possible.<sup>42</sup> Therefore recognising and seizing on opportunities, however small, is an important first step.

The second critique argues that the G-forum was meant to be an elite steering committee, and to expand the forum would be to undermine its usefulness. The assumption is based on the need for discretion at high-level summits. The argument goes that transparency hinders the candid exchange of views and undermines trust between leaders. Indeed, to the extent that the G20 operates as a coordinating body, the ability to speak openly and candidly must be preserved. We see, however, no good reason why transparency rules (in the manner we propose) would limit free exchange. We do not suggest that private conversations between heads of government should be recorded. That, to our minds, would be invasive and counterproductive. We only argue that decision-taking should follow procedural rules that prevent institutionalised inequality. In the final calculus, the benefits of transparency as outlined in the previous section far outweigh the potential drawbacks.

## Conclusion

Despite the aforementioned problems, we argue that the benefits of institutionalisation outweigh the possible setbacks. A more active and engaged G20 holds the potential to enhance global governance by offering much-needed direction and coordination in uncertain times, while also mitigating blowback from social movements and states with less power in the international system. We recognise that the reforms suggested here are by no means exhaustive and acknowledge the political difficulty in seeking a treaty-

bound organisation. Even so, charting a continued course of informality would be a mistake.

A new sense of purpose is needed in global governance to combat the myriad challenges we face as an international community. A forum which occasionally puts out fires but has no long-term strategy or vision is ultimately a missed opportunity. Establishing a treaty-bound organisation which empowers meta-governance and delegates between competencies would have a positive ripple effect on global governance as a whole. Whether the next 20 years will be used to establish a more legitimate and effective global governance system could be decisive for the future of humankind.

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## Disclosure statement

No potential conflict of interest was reported by the authors.

## Note on contributors

*Prof Dr Michael Zürn* is director of the research unit 'Global Governance' at the Berlin Social Science Center (WZB) and Professor of International Relations at the Free University Berlin.

*Robert Benson* is a Doctoral Fellow at the Berlin Graduate School for Trans-Regional Studies at the Free University Berlin and a scholarship holder at the research unit 'Global Governance' of the Berlin Social Science Center (WZB).