Global Governance and the Future of International Institutions

T20 Recommendations Report

Work in Progress¹

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About this Report

This Recommendations Report contains Policy Briefs addressing the policy priorities of the G20. These policy priorities were reflected in the research agenda of the T20, the official think tank network advising the G20, which has produced research-based Policy Briefs containing recommendations for decision-makers.

This report provides a repository and categorization of the T20 Policy Briefs and additional relevant literature. It also provides information about the relevant G20 commitments. The report can be used by future T20 Task Forces to set up a research agenda, which builds upon the past efforts of the T20 network.

Clicking on the paper titles will open the paper.

¹ This is a living document. Comments, suggestions and additions are very welcome. Please send them to juliane.stein-zalai@ifw-kiel.de

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1. Introduction

• Guiding question: The Future of Multilateralism: How to make international cooperation work?

to be completed

2. Suggested Issues for Research

The following topics have been suggested by members of the Council for Global Problem-Solving (CGP):

Centre for Economic and Financial Research (CEFIR)

- WTO: analysis of operational principles which might require an adjustment in order to deal with diversity of positions on main global issues.
- WTO: an analysis of Doha round to reveal the main reasons for the failure and provide suggestions to address them

Economic Policy Research Foundation of Turkey (TEPAV)

- Multilateral institutions reforming multilateral rules to make them more sustainable and effective
- The coherence mandate of Bretton Woods system should be given a new impetus.
- Reconsider the role of UNCTAD, how can it address inequality issues and thereby remove impediments to functioning global governance?
- Centrality of WTO The need to mention the centrality of WTO should be underlined at every opportunity.
- Global tax agenda improved rules for global tax governance

Elcano Royale Institute

- Complementary regional institutions
- The role of civil society and of sub-states entities in global governance
- The crisis of the legal approach. No new treaties?
- Role of the cities and sub-state actors for global governance (more on inductive governance)
- Local economies

Ethos Public Policy Lab

- Empowered multilateral institutions to prevent and fight corruption.
- Global guidelines for international cooperation in the fight against corruption.

G20 Research Group

- Why does the world need to create a World Environmental Organization as powerful as those UN bodies created in the 1940's and how can this best be done by and through the G20?
- How can one change the UN Charter to put environmental values in for the first time?

Global Solutions Initiative (GSI)

- How to make global governance complementary with national governance in addressing global problems
- The appropriate combination of top-down and bottom-up policy initiatives in multilateral climate negotiations
- Devising new political settings to strengthen inclusive participatory democracy

Hertie School of Governance

- renewed role of regional multilateralisms, and can EU-like governance regimes be replicated?
- UN reforms
- the UN and the G20

OECD, Policy Studies Branch

Ensuring that globalization promotes inclusiveness

3. Policy Briefs

A. Recoupling National and International Governance

(1) Improving National Governance

"The interaction between failing global cooperation and domestic political instability requires looking for ways to improve national governance as an integral part of pursuing the global agenda of the G20."

(source: T20 Policy Brief "Political Innovation for a Better Governance" by Marc Fleurbaey, 2018, available online at https://www.g20-insights.org/policy briefs/political-innovation-for-a-better-governance/)

Maintaining Social Cohesion through Democratic Liberalism

PB G20 Insights: G20 Japan

- <u>Funabashi, Yoichi (Asia Pacific Initiative)</u>
- Takino, Shunta (Asia Pacific Initiative)
- Altria, Lauren (Asia Pacific Initiative)
- Fischetteti, Andrea (Asia Pacific Initiative)

Abstract: This policy brief outlines and suggests solutions to deal with the dangers of political disillusionment, populism and ill-managed migration policies and uphold social cohesion across the G20. The emphasis is placed largely on Japan, and a cross-cutting theme throughout the brief is the importance of an inclusive and diverse policymaking process that includes not only the government, but also think tanks, academics and civil society. The brief also makes suggestions on how to navigate tensions that can arise between a foreign policy agenda of liberal internationalism and public sentiment that tends to be less liberal and open to populist mobilization.

Summary of Proposal:

Populism, Disengagement and Social Cohesion

- A. Increase channels for political participation by strengthening civil society
- B. Foster participatory political culture by civic and voter education
- C. Pluralistic and multiple-stakeholder policymaking
- D. Embracing a functioning opposition
- E. Supporting a diverse and inclusive media landscape

Migration, Social Cohesion and Populism

- F. Encourage idea-sharing in the policymaking community on migration
- G. Integrating immigrants and building a flexible yet diverse national identity
- H. Implement a pragmatic pro-immigration policy

Domestic-International Linkages

- I. Harmonize multilateral agreements with domestic policies
- J. Overcome historical issues that feed exclusivist nationalist discourse
- K. Proactively set standards and rules for data governance and technology

Political Innovation for a Better Governance

PB G20 Insights: G20 Argentina

• Marc Fleurbaey (International Panel for Social Progress (IPSP))

The interaction between failing global cooperation and domestic political instability requires looking for ways to improve national governance as an integral part of pursuing the global agenda of the G20. This brief proposes to improve the legitimacy and effectiveness of national governance and politics by seeking to better enfranchise citizens through: affirming the rule of law and fighting corruption; regulating the interaction between money and politics much more strictly than is currently done; recognizing the public role of the media and treating the media system as a public good; developing and deepening participatory mechanisms; pursuing economic, not just political, enfranchisement by improving governance in economic organizations; reforming electoral systems that are unstable and polarizing with new voting rules that favor consensus building.

Effective National Policies in the Globalized Era

PB G20 Insights: G20 Argentina

- Fernando Filgueira (Centro de Informaciones y Estudios del Uruguay (CIESU))
- Ulf Sverdrup (Norwegian Institute of International Affairs (NUPI))
- Orsetta Causa (OECD)
- Marc Fleurbaey (International Panel for Social Progress (IPSP))
- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))

Abstract: National governments, even in the current phase of "hyper-globalization", have important freedom of initiative in social and economic policy. The great variety of economic and social policies around the world, even among the most open economies, proves that the welfare state has not lost its original function of compensating citizens from the risk of income variability in open economies. The claim that globalization requires rolling back the welfare state is therefore unfounded. National politics should therefore be seen by all relevant actors (policy-makers, citizens, civil society) as crucial for determining the path of their country and deserving of their investment and energy.

Summary of Policy Proposal:

Observations:

- 1. Diversity of economic and social policies among open economies
- 2. A decline in certain taxes and redistributive policies

- 3. Globalization and redistribution, a complex interdependence
- 4. Enhancing the effectiveness of national policies in a globalized economy: states have numerous possibilities to either influence or prevent policies in global decision-making bodies, and they have ample possibilities to accommodate the well-being of their citizens when transposing and implementing such international norms into their national systems.

Conclusions:

- 1. **Welfare policies in emerging economies:** pensions should not be the driving force of the welfare state, **spending on child and family benefits** is much more effective, both as an investment in human capital and as a more effective redistributive tool
- 2. The importance of domestic politics: national politics should exploit the room for national discretion and variation available and retrieve its importance in the eyes of citizens and civil society; preferences for redistribution vary substantially across countries and might endure in the future; rely on bottom-up mechanisms rather than on top-down sanctions when there is a tension between state sovereignty and some more universal principles or norms (e.g. fundamental norms relating to membership in a club) and it comes to punishing norm violations

Improving governability, legitimacy, accountability

PB G20 Insights: G20 Argentina

• Jürgen R. Grote (DOC Research Institute)

Abstract: It is widely assumed that the increasing disfunctions of democratic regimes could be fixed internally, i.e. within the realm of government. Today we know that this is an illusion. Democratic governance can only be maintained and advanced within the wider realm of coming to grips with adjacent and often competing modes of societal order, i.e. the market and the community/society. The author first lists different challenges to democratic governance before addressing the question of how these challenges could be met with respect to each of the three dimensions in a way such that governability, legitimacy and accountability (GLA) reassume the character of a virtuous circle.

(2) The Interplay of National and International Governance

"It is high time for the G20 to come up with an optimal formula which allows high levels of international economic cooperation (for free trade and investment) and at the same time reduces a conflict between the global economic rules and national sovereignty."

(source: T20 Japan 2018, p. 21)

Maintaining Social Cohesion through Democratic Liberalism

Note: This Policy Brief is also listed under (1) Improving National Governance.

PB G20 Insights: G20 Japan

- Funabashi, Yoichi (Asia Pacific Initiative)
- Takino, Shunta (Asia Pacific Initiative)
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Abstract: This policy brief outlines and suggests solutions to deal with the dangers of political disillusionment, populism and ill-managed migration policies and uphold social cohesion across the G20. The emphasis is placed largely on Japan, and a cross-cutting theme throughout the brief is the importance of an inclusive and diverse policymaking process that includes not only the government, but also think tanks, academics and civil society. The brief also makes suggestions on how to navigate tensions that can arise between a foreign policy agenda of liberal internationalism and public sentiment that tends to be less liberal and open to populist mobilization.

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- Q. Encourage idea-sharing in the policymaking community on migration
- R. Integrating immigrants and building a flexible yet diverse national identity
- S. Implement a pragmatic pro-immigration policy

Domestic-International Linkages

T. Harmonize multilateral agreements with domestic policies

- U. Overcome historical issues that feed exclusivist nationalist discourse
- V. Proactively set standards and rules for data governance and technology

Toward Global Paradigm Change: Beyond the Crisis of the Liberal World Order

PB G20 Insights: G20 Japan

Snower, Dennis (Global Solutions Initiative)

Abstract: This vision brief may be summarized by the following points. First, the crisis of the liberal world order arises from a misalignment of our social, economic and political domains of activity, along with a resulting destabilization of our physical environment. The integration of the global economy has generated problems that extend beyond our current bounds of social and political cooperation. Second, extending our social cooperation — on which basis our political cooperation can be extended as well — requires the creation of the appropriate moral narratives. These narratives must guide business strategies, public policies and civic activities. Third, these narratives must be supplemented by multilevel governance structures that address challenges at the scale — micro, meso and macro — at which these challenges arise. Finally, past human experience in developing moral narratives, supported by multilevel governance structures, suggests guidelines for a future form of multilateralism that enables us to meet this challenge.

Multilateralism with Multiple Layers and Strengthening the Base of National Capacity

PB G20 Insights: G20 Japan

• Shiroyama, Hideaki (The University of Tokyo)

Abstract: The field of management of risks caused by globalization has been the fields where multilateral frameworks have been extensively used. But multilateralism also has its critics, while there are also challenges based on unilateralism. This paper clarifies what types of criticism and challenges are active concerning multilateralism so far on the issues of global health and climate change policies. The facts shown indicate a certain level of resilience of multilateralism in these particular fields. At the same time, measures for Strengthening multilateralism with multiple layers and the capacity of each country are necessary in order to further strengthen multilateralism.

Proposal:

- A. Strengthening multilateralism with multiple layers
 - 1. actively utilize frameworks involving powerful countries such as the G7/G8 or G20
 - actively utilize transnational networks connecting private sector organizations, experts, and local governments
- B. Strengthening the core capacity of each country

The G20 at a Crossroads: The Future of Global Governance

PB G20 Insights: G20 Argentina

Dennis J. Snower (Kiel Institute for the World Economy (IfW))

Abstract: The G20 is at a crossroads. It can retreat to a reaffirmation of nationalisms or commit to a new form of multilateralism, guided by the primacy of social prosperity and the principle of subsidiarity. The G20 has traditionally focused on economic policy issues – economic growth and financial stability. This is appropriate as along as social progress is closely tied to economic progress, for then the achievement of material prosperity will promote human flourishing. But when economic and social progress becomes decoupled – as we commonly observe through growing income disparities, growing disempowerment and disintegrating social affiliations – then an exclusive preoccupation with economic policy issues is unlikely to quell the widespread public discontent. On this account, it is appropriate for the G20 objectives to be broadened to include resilient, inclusive and sustainable prosperity. This wider conception of human needs calls for a new worldview to underlie G20 policymaking, one that generates social acceptance for multilateral cooperation in tackling multilateral problems, while allowing different countries to nourish different national, cultural and religious identities.

Summary of Proposal: as along as social progress is closely tied to economic progress, the G20 should focus on economic policy issues; when economic and social progress becomes decoupled, it is appropriate for the G20 objectives to be broadened to include resilient, inclusive and sustainable prosperity ► G20 should commit to a **new form of multilateralism**, guided by the **primacy of social prosperity and the principle of subsidiarity,** one that generates social acceptance for multilateral cooperation in tackling multilateral problems, while allowing different countries to nourish different national, cultural and religious identities

(3) Inclusive Approaches to Improve Public Support for Multilateral Cooperation

"People want a more direct voice in policymaking because, in part, they are frustrated with the key institutions of representative democracy, including political parties, as evidenced by electoral upheaval and shifts in party systems across the globe."

(source: T20 Policy Brief "Bringing the Public's Voice into Debates about the Future of Politics" by Richard Wike, 2019, available online at https://www.g20-insights.org/policy briefs/bringing-the-publics-voice-into-debates-about-the-future-of-politics/)

"In recent decades, global governance has faced other challenges such as a demand for greater participation, the complexities of the issues being addressed and the worldwide responsibility for decisions taken or to be taken."

(source: T20 Policy Brief "Innovating Global Governance: bottom-up, the inductive approach" by Aitor Pérez, Ángel Saz-Carranza and Andrés Ortega, 2018, available online at https://www.g20-insights.org/policy_briefs/innovating-global-governance-bottom-up-the-inductive-approach/)

Bringing the Public's Voice into Debates about the Future of Politics and Global Governance

PB G20 Insights: G20 Japan

• Wike, Richard (Pew Research Center)

Abstract: Unhappy with the way their political systems are functioning, angry at the elites who have failed to address a mounting set of challenges, and frustrated with elected representatives they feel ignored by, citizens in many nations around the world have challenged to political status quo, catapulting – for better or worse – new parties and leaders into power. The political tumult witnessed over the past few years has highlighted a significant gap between citizens and political elites. Policymakers and international institutions like the G20 will need to address this gap if they are going to develop credible solutions to global challenges. In order to do so, a greater understanding of what average citizens think about these challenges is needed. Social science researchers may be able to contribute to this understanding through studying public opinion about key issues on the global agenda. This paper will examine surveys by Pew Research Center and other organizations that highlight the discontent so prevalent in many nations, as well as ways surveys can help give average citizens a voice in important international debates.

Proposal: As a first step towards bringing the public's voice into important debates, public opinion research can make important contributions:

- 1. Understanding the public-elite divide illuminate the disconnect between various types of elites and ordinary citizens
- 2. Public opinion and the SDGs understand public opinion on major issues covered by the SDGs
- Public opinion and the G20 -

The Impact of Foresight on Policymaking. Towards More Transparency and Participation

PB G20 Insights: G20 Germany

- Julia Himmrich (London School of Economics (LSE))
- Monika Sus (Hertie School of Governance)

Abstract: Scenario methodology is one of the most resourceful foresight approaches. It facilitates contrarian thinking and undermines the groupthink that often occurs during policymaking processes in homogeneous environments. Political elites have shown that they are not immune to the effects – at times, even fatal consequences – of such streamlining. Since scenario processes are inherently heterogeneous, they increase overall transparency and provide opportunities to include previously excluded social groups and perspectives in the decision-making process. In sum, foresight studies widen the perspective to cover a range of unexpected yet plausible outcomes and thus they represent a valuable tool for policymakers in view of the growing global uncertainties.

Summary of Policy Proposal: promote democratic processes through inclusiveness, openness and public engagement by applying scenario methodology (one of the most resourceful foresight approaches, facilitates contrarian thinking and undermines the groupthink that often occurs during policymaking processes in homogeneous environments) in the G20 context.

Innovating Global Governance: bottom-up, the inductive approach

PB G20 Insights: G20 Argentina

- Aitor Pérez (Elcano Royal Institute)
- Ángel Saz-Carranza (ESADEgeo Center for Global Economy and Geopolitics)
- Andrés Ortega (Elcano Royal Institute)

Abstract: Recently, populists and nationalist groups and governments have called into question the momentum gained by institutionalised global cooperation. In this Policy Brief we argue that inductive global governance is a bottom-up mode of organising global collective action that has been successful in addressing certain global challenges and should be reinforced. Furthermore, it can also so be very useful to counter populist attacks on global governments through argument, resilience and efficiency.

We use the Paris agreement to illustrate inductive governance in several dimensions, and also refer to other global issues where bottom-up governance is working: the 2030 Agenda and Internet Governance. Inductive governance differs from traditional modes of international governance in several aspects. The latter can be considered strengths as regards the populist attack on international institutions, as they connect the global level of governance with civil society, public opinion and subnational governments, and they contribute to a more efficient and accountable use of public resources. These aspects are: participation and dialogue, efficiency, government control, accountability, resilience and private funding.

Consequently, we recommend the G20 to foster an increasing inductive or bottom-up global governance in the sense of improving the acceptance and social support for government coordination and IGO activities. This can be done by improving social awareness and networking around the issues of concern of the G20, seeking voluntary agreements between governments rather than international treaties,

raising support from non-governmental actors and subnational governments to reinforce such agreements and following up on implementation through multi-stakeholder coalitions.

Summary of Proposal: counter populist attacks on global government by reinforcing and complementing intergovernmental or supranational governance through 'inductive' or bottom-up governance (organising global collective action, so that the identification of the issues to be addressed at the global level, the content of the international agreements reached and the follow-up of their application at the national level rely on the initiative and active participation of non-governmental and subnational actors)

Recommendations for the G20:

- 1. Improve social awareness and networking around the issues of concern to the G20.
- 2. Go for voluntary agreements between governments
- 3. Raise support from non-governmental actors and subnational governments for non-binding agreements
- 4. Monitor the compliance by G20 members of their commitments in the G20 framework. Control the implementation of G20 decisions, also using the OECD, the T20, other engagement groups and other international organisations and academic and NGO networks.
- 5. Reinforce the implementation of arrangements through multi-stakeholder coalitions

Exploiting Behavioural Insights to foster Global Cooperation

PB G20 Insights: G20 Germany

- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))
- Andreas Friedl (Kiel Institute for the World Economy (IfW))
- Dennis J. Snower (Kiel Institute for the World Economy (IfW))
- Katharina Lima de Miranda (Kiel Institute for the World Economy (IfW))
- Patrick Ring (Kiel Institute for the World Economy (IfW))
- Simon Bartke (Kiel Institute for the World Economy (IfW))
- Steven Bosworth (Kiel Institute for the World Economy (IfW))

Abstract: We identify three challenges to global cooperation and propose three solutions. The first is the lack of integration of civil society into global governance. In the spirit of Ostrom's poly-centric governance, we propose stronger interaction between public international authorities, including the G20, and civil society. The second is the reliance of economic policy on a model of human behaviour based on self-interest and instrumental rationality. We propose on the contrary to ground policies on behavioural evidence, and to increase cooperation between academic institutions active in this field worldwide. The third is the recognition that the spread of divisive narratives, which emphasize demarcations across national or religious lines, hinders global cooperation. Alternative narratives should be produced within a transformative process involving responsible leaders, decision-makers, experts, and civil society.

B. The Future of the G20

"As the 'liberal consensus' cannot be taken for granted any longer, the G20 is facing today similar challenges to the ones affecting other multilateral phora, most notably politicization. The G20 has to take the decision on whether it prevents politicization —and sticks to devoting its efforts to highly consensual issues, even if this means shifting to new ones- or it embraces it —turning itself into an unmatched space for open and fair discussion even if this harms decision-making."

(source: T20 Policy Brief "The G20 in face of politicization: Avoiding or embracing contestation?" by Pol Morillas and Jordi Quero, available online at https://www.g20-insights.org/policy_briefs/the-g20-in-face-of-politicization-avoiding-or-embracing-contestation/)

The G20 in Face of Politicization: Avoiding or Embracing Contestation?

PB G20 Insights: G20 Japan

- Morillas, Pol (CIDOB, Barcelona Centre for International Affairs)
- Quetro, Jordi (CIDOB, Barcelona Centre for International Affairs)

Abstract: As the 'liberal consensus' cannot be taken for granted any longer, the G20 is facing today similar challenges to the ones affecting other multilateral phora, most notably politicization. The G20 has to take the decision on whether it prevents politicization —and sticks to devoting its efforts to highly consensual issues, even if this means shifting to new ones- or it embraces it —turning itself into an unmatched space for open and fair discussion even if this harms decision-making. This policy-brief provides concrete recommendations on how to move forward successfully in both of the alternative paths the G20 has ahead.

Proposal:

Option 1: Preventing the impact of politicization through the reevaluation of the topics dealt with at the G20

- 1. Introducing mechanisms to pre-test levels of consensus.
- 2. Dropping long-lasting topics of the G20's agenda
- 3. Granting the host country even a stronger say in the G20's agenda.
- 4. Taking advantage of opportunity niches for reaching global consensus
- 5. Avoiding getting trapped into attempts to foster consensus

Option 2: Embracing politicization

- 1. Incorporating a permanent line of action on how to improve the global governance architecture.
- 2. Establishing mechanisms to transfer in discussions from other international organizations.
- 3. Establishing mechanisms to transfer out decisions to international organizations.
- 4. Renouncing to a compulsory Communiqué after every Leaders' summit.
- 5. Establishing clear protocols on media access to discussions.

Improving Future Ocean Governance - Governance of Global Goods in an Age of Global Shifts

PB G20 Insights: G20 Japan

- Sverdrup, Ulf (Norwegian Institute of International Affairs (NUPI))
- Hoel, Alf Håkon (University of Tromsø)
- Shiroyama, Hideaki (University of Tokyo)
- Voyer, Michelle (Australian National Centre for Ocean Resources and Security, University of Woollongong)
- Wilson Rowe, Elana (NUPI)
- Lindgren, Wrenn Yennie (NUPI)

Abstract: Japan's G20 presidency in 2019 will take the lead in promoting environmentally sustainable economic growth and the UN Sustainable Development Goals (SDGs). As a gathering of coastal states, under Japan's presidency the G20 will specifically work to reduce marine plastic pollution and support marine biodiversity. This policy paper highlights how oceans are governed spaces and points to the key role of the oceans in realizing the SDGs. We argue that the G20 can and should play an important role in addressing major governance gaps in ensuring the sustainable management of oceans.

Recognizing that there are increased geopolitical tensions, and that we do indeed already have comprehensive multi-level governance systems in place to handle many aspects of the growing 'blue economy' and avoiding the tragedy of the commons, the G20 should primarily stress the need for full and effective implementation of existing instruments and measures at the national, regional and global levels and increased consistency across levels of governance. This would effectively address many of the challenges and make use of the opportunities of the oceans.

However, the rapidly moving horizon of technological development and insufficient progress in mitigating global climate change represent new governance challenges that require renewed effort and innovative thinking for a sustainable future for the oceans.

This policy paper provides recommendations as to how G20 states can: consolidate their own capacity and assist non-G20 states in taking responsibility for strengthening marine science and implementation of existing regulatory frameworks; exercise innovative global and regional leadership to address emerging opportunities and associated governance challenges; and facilitate the meaningful involvement of the private sector and the public in ensuring a collective governance order around oceans.

Proposal:

"First and foremost, G20 states must recognize that our oceans are at risk, and the most significant risk to ocean health is climate change. (...) More specifically to the ocean-based challenges addressed in this document, G20 states should:

1. Take responsibility for the implementation of multi-level existing regulatory frameworks in their own ocean jurisdictions and seek ongoing improvements for effective and rigorous implementation and compliance for vessels under their flag.

- 2. Strengthen G20 national capacity and assist non-G20 countries in building the necessary capacity to implement regulatory frameworks and find ways of using ocean resources to achieve the SDGs. (...)
- Encourage accession to UNCLOS and its subsidiary agreements (e.g. the 1995 Fish Stocks Agreement) and encourage compatibility between different initiatives to ensure a meaningful coordination and collective order for ocean governance, across multilateral and multilevel settings, including existing and new regional structures/mechanisms within and beyond G20 states.
- 4. Exercise leadership in global governance and institutions with the aim of pursuing multiple SDGs, including by initiating novel and transparent mechanisms for meeting emerging ocean governance issues, with rapid progress through creative coalitions, such as the High Level Panel for a Sustainable Ocean Economy.
- 5. Recognize that multilateral cooperation and organizations and transparent, evidence-based policymaking strengthen the capacity of realizing national interest, such as in the efforts to reduce and ultimately stop the flow of plastics into the world's oceans, as also highlighted in the Science 20 (S20) Japan 2019 report by the National Academies of Sciences of the G20 countries.13
- 6. Establish an expert group to examine the opportunities and challenges linked to the new technologies for collecting, processing, analyzing and accessing data related to oceans. (...)
- 7. Encourage consistency with G20 and OECD Guidelines for Multinational Enterprises, which specify how companies should take into account the broader environmental and social consequences of business operations, including ocean issues.
- 8. Work with and support the UN Global Compact for the Oceans in identifying commercial and economic opportunities and in ensuring that investors and companies integrate ocean sustainability into their strategies, policies and commitments (...).
- 9. Empower citizens to support ocean health by making it possible to identify products that are consistent with principles of sustainable ocean governance, for instance encourage the further spreading of initiatives such as the Canadian Ocean Wise14 or the US Seafood Watch15, making it easier for consumers to make more sustainable seafood choices."

Regional Trade Blocks as Supporting Structures in Global Governance

PB G20 Insights: G20 Japan

- Lissovolik, Yaroslav (Valdai Discussion Club)
- Bespalov, Anton (Valdai Discussion Club)
- Bystritskiy, Andrei (Valdai Discussion Club)

Abstract: What is missing in the current system of global governance is a global coordination mechanism among the largest regional integration arrangements from both the Global North and the Global South. The G20 is probably the best forum to launch discussions on the creation of such a platform. The set of regional alliances within such a platform could include those regional integration blocs in which the respective G20 members are leading economic powers. The resulting grouping that may be designated

as R20 ("Regional 20") would bring together some of the largest regional trading blocs in the world economy.

Proposal: G20 as a coordination platform for regional trade blocs

Our key recommendations for initiating the R20 format are:

- Conduct an inaugural meeting of the representatives of the respective regional integration arrangements under the auspices of G20 with the participation of representatives of global institutions such as the WTO
- Compile a roadmap of cooperation among regional integration arrangements, including a separate connectivity track that would target coordination in conducting large-scale infrastructure projects
- Explore the possibility of R20 platforms that target the cooperation not only among the regional trading arrangements, but also the regional development banks and regional financing arrangements where G20 countries are members.

Global Governance in 2030. Prospective Scenarios on the Future of Politics

Note: The paper vividly describes the impact of the Future of Politics on Global Governance.

- Julia Pomares (CIPPEC)
- María Belén (CIPPEC)

Abstract: This paper analyzes current global trends in domestic politics and the prospective scenarios on the future of politics. To do so, the paper presents a brief description on three forces we know will forge the future: technological breakthroughs, demographic changes and shifts in global economic power. Later, it turns to the uncertainty of the future. We live in nation states, so we first attempt to devise how these forces will shape domestic politics. We then look at global governance and the way these trends will impact upon it. The final stop of this journey is an analysis of the implications of these scenarios for the role of the G20.

Summary of Policy Proposal:

Role for the G20:

- 1. **Artificial intelligence (AI) regulation**: The G20 forum can agree on a series of principles that enable the smoother, internationally broader and more socially acceptable introduction of Big Data and AI in the workspace.
- 2. **Investment and implementation actions** in multiple areas, such as providing cleaner energy, and building climate-resilient urban, energy and transport infrastructure. (e.g. There is a growing need to empower cities as leading actors to mitigate climate change, to develop new metropolitan governance mechanisms and to promote a new-ecologically-based urban agenda.)
- 3. Collaborate by seeking agreements on the definitions and on minimum standards of **data collection** [on migration].

4. Play a leading role in **promoting and enhancing the accountability for the implementation of the 2030 Agenda**. (For instance, by creating a common template for countries to report on the progress made towards implementing and achieving the SDGs which, in turn, can be fed into the Annual Progress Report.

The G20 turns ten: what's past is prologue

Bruegel Policy Contribution Issue n°20, November 2018

• Suman Bery (Bruegel)

Abstract: The first G20 leaders' summit was held in Washington DC in November 2008. This Policy Contribution assesses the performance of this informal but influential institution since then to understand what could lie ahead. We focus on the coordination of national economic policies as this has been at the core of the G20 leaders' agenda throughout the decade.

The G20 leaders created a supportive political environment for strong national and global actions soon after they first met. This prevented a global depression but was followed by an uneven recovery. The leaders early on called for enhanced coordination of macroeconomic policies. This was clearly an ambitious undertaking given the limited success of earlier coordination efforts within the more homogeneous G7. Even after ten years such coordination remains a work in progress. The G20's emerging and developing economy members, with the exception of China, have remained cautious in their engagement on macro policies. This caution could reflect emerging and developing economies' discomfort at the obligations that could arise if they come to be considered systemically important despite lower levels of income, wealth and institutional capacity. Habits of cooperation among the newcomers are also less developed than within the G7. Coordination between the G7 members is reinforced by the G7 continuing to hold its own leaders' meetings separate from the G20.

While emerging and developing economies are catching up with advanced economies in their contribution to real output and merchandise trade, the picture is very different where cross-border finance is concerned. Transactions on capital account are dominated by the advanced economies. Despite a shared concern for global financial stability, this asymmetry makes for different priorities in the reform of global finance. The G20's emerging and developing economy members seek to insulate their less open and more vulnerable financial systems from shocks arising from policy measures taken by the advanced economies, and to make global liquidity less dependent on the US dollar. The leaders' summit from 30 November to 1 December 2018 in Buenos Aires (concluding the Argentine G20 Presidency) and the summit to follow in Osaka in June 2019 (hosted by Japan) both provide opportunities for European G20 members to provide political leadership on this financial reform agenda, and on the important but hitherto neglected area of trade.

Should we give up on global governance?

Bruegel Policy Contribution Issue n°17, October 2018

• Jean Pisani-Ferry (Bruegel)

The high point of global governance was reached in the mid-1990s around the creation of the World Trade Organisation. It was hoped that globalisation would be buttressed by a system of global rules and a network of specialised global institutions. Two decades later these hopes have been dashed by a series of global governance setbacks, the rise of economic nationalism and the dramatic change of attitude of the United States administration. From trade to the environment, a retreat from multilateralism is observable. The 2008 elevation of the G20 to leaders' level was an exception to this trend. But the G20 is no more than a political steering body.

The reasons for this retreat partially arise from political developments in individual countries. But such factors hide a series specific roadblocks to global governance: the growing number and diversity of countries involved; the mounting rivalry between the US and China; doubts about globalisation and the distribution of the associated benefits; the obsolescence of global rules and institutions; imbalances within the global governance regime; and increased complexity.

What, then, should be the way forward? The demand for global governance has not diminished, but support for binding multilateral arrangements has. There is a need for alternative governance technologies that better accommodate the diversity of players, provide for more flexibility and rely less on compulsion. From competition to financial regulation, such arrangements have been developed in a series of fields already. They are often hailed as providing a solution to the governance conundrum. But their effectiveness should be assessed critically. Can they overcome the free-rider curse and enforcement problems? Usual game theory suggests not. Not all games are similar, however, and some collective action problems can be tackled without recourse to coercion.

Against this background, multilateralists hesitate over the choice of a strategy. One option would be to seek to preserve the existing order to the greatest extent possible. Its downside is that it does not address the underlying problems. An alternative option is to try to redesign international arrangements, putting the emphasis on flexibility and voluntary participation. Its downside is that it risks overlooking the intrinsic problems of international or global collective action. A potentially more promising approach would be to define the minimum conditions that the multilateral framework must fulfil to provide a strong-enough basis for flexible, variable-geometry and possibly informal arrangements.

In the end, we should neither cultivate the nostalgia of yesterday's order nor invest our hopes in ineffective international cooperation. The narrow path ahead is to establish a sufficient, critical multilateral base for flexible arrangements and to equip policymakers with a precise toolkit for determining, on a field-by-field basis, the minimum requirements for effective collective action.

Why Govern? Rethinking Demand and Progress in Global Governance

Book, Cambridge University Press, 2016

<u>Amitav Acharya</u> (American University Washington) (ed.)

The system of international cooperation built after World War II around the UN is facing unprecedented challenges. Globalization has magnified the impact of security threats, human rights abuses, mass atrocities, climate change, refugee, trade and financial flows, pandemics and cyberspace traffic. No single nation, however powerful, can solve them on its own. International cooperation is necessary, yet difficult to build and sustain. Rising powers such as China, India, and Brazil seek greater leadership in international institutions, whose authority and legitimacy are also challenged by a growing number of civil society networks, private entities, and other non-state actors. Against this backdrop, what is the future of global governance? In this book, a group of the leading scholars in the field provide a detailed analysis of the challenges and opportunities facing global cooperation. The book offers a comprehensive and authoritative guide for scholars and practitioners interested in multilateralism and global order.

C. Reforming International Institutions

"How to transform the actual global multilateral trade system to allow it to have a more equilibrated impact in the future development of all countries, is today one of the main challenges for global political governance, and not only for trade."

(source: T20 Policy Brief "A vision about regional contribution to a more effective global governance: the case of the multilateral international trade system" by Andrés Matias Schelp and Félix Peña, 2018, available online at https://www.q20-insights.org/policy_briefs/a-vision-about-regional-contribution-to-a-more-effective-global-governance-the-case-of-the-multilateral-international-trade-system/)

"Global multilateral institutions emanating from the post-1945 world order have proven ineffective in too many occasions since the end of the Cold War. (..) They suffer from different but shared malaises which harm their effectiveness: problems of fair representation of the plurality of actors involved and complexity of the global society they claim to embody; inability to reach large consensus and foster cooperation; decreasing levels of legitimacy as a consequence of their paralysis and unfair representation; or institutional and bureaucratic reluctance to go beyond current state-of-the-art in their actions and policies. At the core lies the difficulty to adapt their goals and methods to a fast-paced changing reality."

(source: T20 Policy Brief "The G20 in face of politicization: Avoiding or embracing contestation?" by Pol Morillas and Jordi Quero, available online at https://www.g20-insights.org/policy_briefs/the-g20-in-face-of-politicization-avoiding-or-embracing-contestation/)

<u>Rules-based Global Governance at Risk: Challenges of US Unilateralism and US-China Superpower Competition</u>

PB G20 Insights: G20 Japan

Kawai, Masahiro (Economic Research Institute for Northeast Asia)

Abstract: Rules-based global economic governance is at unprecedented risk due to the US's departure from multilateralism and global cooperation, its unilateral use of higher tariffs as threats to gain concessions from its trading partners, and its intensifying competition with China in pursuit of economic and technological supremacy. The US has unilaterally raised tariffs on imports of steel and aluminum and threatens to do the same on imports of automobiles for "national security" reasons. The US has also raised tariffs on imports from China in three steps for reasons of China's "unfair trade practices" such as the infringement of intellectual property rights (IPR). Through these measures the Trump Administration believes that it can correct the behavior of its trade partners, particularly China, the EU, Japan and Mexico, so as to reduce its bilateral trade deficits with them.

While criticizing China's "unfair trade practices," the US also perceives China as challenging the US's global dominance in the economic, technology and military arenas and is determined to deter China's ambition. The US-China bilateral talks that started in December 2018 may well result in some short-run resolution of conflict by China's promise to expand its imports from the US, strengthen IPR protection

and address some of its policies deemed as trade-distorting by the US. However, bilateral competition for high-tech supremacy will not be resolved in the short run and will likely be a lingering issue for a long time to come.

The policy brief suggests that to restore global economic governance based on rules and norms, (1) the US must return to multilateralism and global cooperation, (2) China must transform itself into a truly market-oriented economy and society, (3) the two countries must resolve and manage the bilateral conflict, and (4) the international community must substantially overhaul the World Trade Organization (WTO) so that it regains its central place as a global overseer of international trade and trade-related rules. It is essential to make the positive outcomes of the US-China bilateral talks (such as China's market-opening measures, IPR reform, and reduction of industrial subsidies) available to third countries by embedding them into the WTO's new disciplines.

Proposal:

- 1. the US must return to multilateralism and global cooperation
- 2. China must transform itself into a truly market-oriented economy and society
- 3. the two countries must resolve and manage the bilateral conflict
- 4. the international community must substantially overhaul the World Trade Organization (WTO) so that it regains its central place as a global overseer of international trade and trade-related rules

A vision about regional contribution to a more effective global governance: the case of the multilateral international trade system

PB G20 Insights: G20 Argentina

- Andrés Matias Schelp (Consejo Argentino para las Relaciones Internacionales (CARI))
- Félix Peña (Consejo Argentino para las Relaciones Internacionales (CARI))

Abstract: The main idea of our vision is that, at least in the case of international trade, global governance arquitecture and its impact in social cohesion at the national level, could be improved through a higher degree of sustainable win-win governance approaches at regional geographic spaces. That means that the design of the future international trade order (institutions and rules), especially if it is based in a network of connected regional and interregional trade agreements, could be acquiring greater practical importance for the efficacy of global governance and for the trust of civil societies concerning the idea of opening national economies.

Summary of Proposal: At least in the case of international trade, global governance architecture and its impact in social cohesion at the national level, could be improved through a **higher degree of sustainable win-win governance approaches at regional geographic spaces**.

- 1. A balance among global and regional trade rules.
- 2. Make the benefits of international trade reach more of the world's population
- 3. Facilitate global growth in micro, small, and medium-sized enterprises (MSME's).

Adapting Trade Policy to Social, Environmental, and Development Goals

PB G20 Insights: G20 Argentina

- Gregory Shaffer (International Panel for Social Progress (IPSP))
- Marc Fleurbaey (International Panel for Social Progress (IPSP))

Abstract: International trade law has been oblivious to social inclusion. One of the results has been a rise in neo-nationalism and the threat of trade wars. This proposal addresses how international trade law can be retooled in order to: help combat harmful tax competition, avoidance, and evasion; aid domestic social security and job retraining; support labor protection; discourage social dumping; and enable industrial policy experimentation for development. The proposal involves: pursuing tax cooperation and linking trade agreements to tax agreements; incorporating adjustment policies into trade agreements and adding monitoring mechanisms; enlarging trade negotiations over policy space; setting up procedural and transparency safeguards to prevent abuses and hidden protectionism.

D. Fighting Corruption

"State-owned enterprises (SOEs) are important because they produce public goods that affect both the economy and the quality of life of citizens, such as energy, water supply, transport and communications. (...) Corruption in SOEs has dramatically increased over the last decade and is a key problem in many companies."

(source: T20 Policy Brief "Promoting Transparency and Anticorruption in State- Owned Enterprises" by Ana Lilia Moreno et al., 2018, available online at https://www.g20-insights.org/policy_briefs/promoting-transparency-and-anticorruption-in-state-owned-enterprises-2/)

Promoting Transparency and Anticorruption in State-Owned Enterprises

PB G20 Insights: G20 Argentina

- Ana Lilia Moreno (México Evalúa)
- Andrea Castagnola (Centro de Implementacion de Politicas Publicas para la Equidad y el Crecimiento (CIPPEC))
- Gonzalo Diéguez (Centro de Implementacion de Politicas Publicas para la Equidad y el Crecimiento (CIPPEC))
- Katja Bechtel (Transparencia International Secretariado)
- Marcos Ramos (México Evalúa)
- María Emilia Berazategui (Poder Ciudadano)
- María Fernanda Ballesteros (México Evalúa)
- Paula Núñez (Centro de Implementacion de Politicas Publicas para la Equidad y el Crecimiento (CIPPEC))

State-owned enterprises (SOEs) are important because they produce public goods that affect both the economy and the quality of life of citizens, such as energy, water supply, transport and communications. SOEs, whether state agencies or privatized, face similar corruption risks to private sector companies but they have specific higher vulnerabilities coming from their closeness to governments and politics, the scale of assets they control, the considerable value of the public contracts they award and the challenges of the markets and sectors they operate in (Transparency International 2017). G20 leaders should endorse a policy framework for promoting good governance, transparency and disclosure in SOEs, this should be the main goal of states when countering corruption (Transparency International 2017 and OECD 2016a).

4. Commitments and Initiatives of the G20

a) Relevant Commitments² Made in Recent G20 Leaders' Communiqués³ ⁴

Osaka, Japan, June 2019: G20 Osaka Leaders' Declaration (G20 2019)

- "We will further lead efforts to foster development and address other global challenges to
 pave the way toward an inclusive and sustainable world, as envisioned in the 2030 Agenda for
 Sustainable Development." (<u>G20 2019</u>: paragraph 3)
- "<u>We reaffirm our commitment</u> to use all policy tools to achieve strong, sustainable, balanced and inclusive growth, and safeguard against downside risks, **by stepping up our dialogue** and actions to enhance confidence." (<u>G20 2019</u>: paragraph 5)
- "We strive to realize a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment, and to keep our markets open."
- "We reaffirm our support for the necessary reform of the World Trade Organization (WTO) to improve its functions. We will work constructively with other WTO members, including in the lead up to the 12th WTO Ministerial Conference. [...] We will work to ensure a level playing field to foster an enabling business environment." (G20 2019: paragraph 8)
- "In this respect, it is necessary that legal frameworks, both domestic and international, should be respected. Such data free flow with trust will harness the opportunities of the digital economy. We will cooperate to encourage the interoperability of different frameworks, and we affirm the role of data for development." (G20 2019: paragraph 11)
- "We reaffirm our commitment to further strengthening the global financial safety net with a strong, quota-based, and adequately resourced International Monetary Fund (IMF) at its center. We remain committed to concluding the 15th General Review of Quotas no later than the 2019 Annual Meetings, and call on the IMF to expedite its work on IMF resources and governance reform as a matter of the highest priority." (G20 2019: paragraph 14)
- "We will continue our cooperation for a globally fair, sustainable, and modern international tax system, and welcome international cooperation to advance pro-growth tax policies. [...] We will redouble our efforts for a consensus-based solution [addressing the tax challenges arising from digitalization, authors' note] with a final report by 2020." (G20 2019: paragraph 16)

² Following Kirton et al. (2016), we define commitments as "discrete, specific, politically binding publicly expressed, collectively agreed to statements of intent; a "promise" or "undertaking" by summit members that they will undertake future action to move toward, meet or adjust to meet an identified welfare target" (p. 4).

³ Please note that not only the Leaders' Communiqués but also other G20 documents issued at the summits such as Action Plans or Ministerial Declarations may contain commitments by the G20. Due to their central role and high profile, this account is confined to the commitments made in the Leaders' Communiqués.

⁴ For ease of reading, key words of the commitments are printed in bold type while words signalizing a commitment are underlined.

- "We remain committed to the **full, timely and consistent implementation of the agreed financial reforms.** We ask the FSB to continue to evaluate their effects. (G20 2019: paragraph 19)
- "We remain committed to play a leading role in the global efforts to prevent and fight against corruption, as well as promoting integrity, by implementing the G20 Anti-Corruption Action Plan 2019-2021 while strengthening synergies among related international instruments and mechanisms. [...] We endorse the High Level Principles for Effective Protection of Whistleblowers. We renew our commitment to pursuing high level international cooperation between G20 members in the fight against corruption and to lead by example through the effective implementation of the United Nations Convention against Corruption, including its review process. We will intensify our efforts to combat foreign bribery and to ensure that each G20 country has a national law in force for criminalizing foreign bribery as soon as possible. [...] We will continue practical cooperation to fight corruption and reaffirm our commitment to deny safe haven to persons sought for corruption and their proceeds of corruption consistent with our G20 and international commitments and our domestic legal systems and will work more closely on asset recovery cooperation." (G20 2019: paragraph 20)

Buenos Aires, Argentina, December 2018: Building consensus for fair and sustainable development (G20 2018)

- "We renew our commitment to work together to improve a rules-based international order that is capable of effectively responding to a rapidly changing world." (G20 2018: paragraph 5, emphases added)
- "We reaffirm our commitment to leading the transformation towards sustainable development and support the 2030 Agenda as the framework for advancing this goal and the G20 Action Plan." (G20 2018: paragraph 18, emphases added)
- "Strong and effective international financial institutions help underpin growth and sustainable development. We reaffirm our commitment to further strengthening the global financial safety net with a strong, quota-based, and adequately resourced IMF at its centre. We are committed to concluding the 15th General Review of Quotas including a new quota formula by the Spring Meetings and no later than the Annual Meetings of 2019." (G20 2018: paragraph 23)
- "An open and resilient financial system, grounded in agreed international standards, is crucial to support sustainable growth. We remain committed to the full, timely and consistent implementation and finalization of the agreed financial reform agenda, and the evaluation of its effects." (G20 2018: paragraph 25, emphases added)
- "We will continue our work for a globally fair, sustainable, and modern international tax system based, in particular on tax treaties and transfer pricing rules, and welcome international cooperation to advance pro-growth tax policies." (G20 2018: paragraph 26, emphases added)
- "International trade and investment are important engines of growth, productivity, innovation, job creation and development. We recognize the contribution that the multilateral trading

system has made to that end. The system is currently falling short of its objectives and there is room for improvement. We therefore support the necessary reform of the WTO to improve its functioning. We will review progress at our next Summit." (G20 2018: paragraph 27, emphases added)

Hamburg, Germany, July 2017 - G20 Leaders' Declaration: Shaping an interconnected world (G20 2017)

- "By bringing together developed and emerging market economies, the G20 is determined to shape globalisation to benefit all people." (G20 2017: p. 2, emphases added)
- "We are resolved to tackle common challenges to the global community, including terrorism, displacement, poverty, hunger and health threats, job creation, climate change, energy security, and inequality including gender inequality, as a basis for sustainable development and stability.
 We will continue to work together with others, including developing countries, to address these challenges, building on the rulesbased international order." (G20 2017: p. 2, emphases added)
- "We agree to exchange experiences on the mitigation of the adjustment costs of trade and investment liberalisation and technological change, and on appropriate domestic policies, as well as to enhance international cooperation towards inclusive and sustainable global growth." (G20 2017: p. 3, emphases added)
- "We underline the crucial role of the rules-based international trading system. We note the importance of bilateral, regional and plurilateral agreements being open, transparent, inclusive and WTO-consistent, and commit to working to ensure they complement the multilateral trade agreements. We welcome the entry into force of the WTO Trade Facilitation Agreement and call for its full implementation including technical assistance to developing countries. We commit to work together with all WTO members to make the eleventh WTO Ministerial Conference a success. To further improve the functioning of the WTO, we will cooperate to ensure the effective and timely enforcement of trade rules and commitments as well as improve its negotiating, monitoring and dispute settlement functions." (G20 2017: p. 4, emphases added)
- "We will constructively engage in WTO discussions relating to E-commerce and in other international fora with responsibilities related to various aspects of digital trade to foster digital economy development and trade." (<u>G20 2017</u>: p. 6, emphases added)
- "An open and resilient financial system, grounded in agreed international standards, is crucial to supporting sustainable growth. We remain committed to the finalisation and timely, full and consistent implementation of the agreed G20 financial sector reform agenda. We will work to finalise the Basel III framework without further significantly increasing overall capital requirements across the banking sector, while promoting a level playing field." (G20 2017: p. 7, emphases added)
- "We will enhance the international financial architecture and the global financial safety net with a strong, quota-based and adequately resourced IMF at its centre." (G20 2017: p. 7, emphases added)

"The adoption of the 2030 Agenda represented a milestone towards global sustainable development. We call on countries to work with stakeholders to strive towards its ambitious and integrated implementation and timely realisation in accordance with national circumstances. We commit to further align our actions with the 2030 Agenda for Sustainable Development and its integral part, the Addis Ababa Action Agenda on Financing for Development, domestically and internationally, including in support of developing countries and the provision of public goods." (620 2017: p. 10, emphases added)

b) General References to Global and National Governance in Recent G20 Leaders' Communiqués

Osaka, Japan, June 2019: G20 Osaka Leaders' Declaration (G20 2019)

- "We, the Leaders of the G20, met in Osaka, Japan on 28-29 June 2019 to make united efforts to address major global economic challenges." (G20 2019: paragraph 1)
- "We agree that action is necessary regarding the functioning of the dispute settlement system consistent with the rules as negotiated by WTO members. Furthermore, we recognize the complementary roles of bilateral and regional free trade agreements that are WTO-consistent." (G20 2019: paragraph 8)
- "We aim to promote international policy discussions to harness the full potential of data." (G20 2019: paragraph 10)
- "Cross-border flow of data, information, ideas and knowledge generates higher productivity, greater innovation, and improved sustainable development, while raising challenges related to privacy, data protection, intellectual property rights, and security. By continuing to address these challenges, we can further facilitate data free flow and strengthen consumer and business trust. In this respect, it is necessary that legal frameworks, both domestic and international, should be respected. [...]We also reaffirm the importance of interface between trade and digital economy, and note the ongoing discussion under the Joint Statement Initiative on electronic commerce, and reaffirm the importance of the Work Programme on electronic commerce at the WTO." (G20 2019: paragraph 11)
- "We, as G20 members, affirm the need to further work on these urgent challenges [security in the digital economy and protection of intellectual property, authors' note]." (G20 2019: paragraph 12)
- "We reaffirm the importance of the worldwide implementation of the G20/OECD Base Erosion and Profit Shifting (BEPS) package and enhanced tax certainty. We welcome the recent progress on addressing the tax challenges arising from digitalization and endorse the ambitious work program that consists of a two-pillar approach, developed by the Inclusive Framework on BEPS." (G20 2019: paragraph 16)

- "Technological innovations can deliver significant benefits to the financial system and the broader economy. While crypto-assets do not pose a threat to global financial stability at this point, we are closely monitoring developments and remain vigilant to existing and emerging risks. We welcome on-going work by the Financial Stability Board (FSB) and other standard setting bodies and ask them to advise on additional multilateral responses as needed. [...] We welcome the adoption of the Financial Action Task Force (FATF) Interpretive Note and Guidance. We also welcome the FSB's work on the possible implications of decentralized financial technologies and how regulators can engage other stakeholders." (G20 2019: paragraph 17)
- "An open and resilient financial system, grounded in agreed international standards, is crucial to support sustainable growth. [...] We ask the FSB to continue to evaluate their effects. [...] We welcome the work on market fragmentation, and will address its unintended, negative effects, including through regulatory and supervisory cooperation. [...] Mobilizing sustainable finance and strengthening financial inclusion are important for global growth. We welcome private sector participation and transparency in these areas." (620 2019: paragraph 19)
- "We take note of the efforts towards adherence to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. [...]We look forward to the scoping paper on international cooperation dealing with serious economic offenders and recovery of stolen assets in relation to corruption to be prepared by relevant international organizations. In addition, we also welcome the work on the linkages between corruption and gender being undertaken by relevant international organizations." (620 2019: paragraph 20)
- "Noting the important work of the International Panel on Climate Change (IPCC) and Intergovernmental Science-policy Platform on Biodiversity and Ecosystem Sources (IPBES), and in the light of recent extreme weather events and disasters, we recognize the urgent need for addressing complex and pressing global issues and challenges, including climate change, resource efficiency, air, land, fresh water and marine pollution, including marine plastic litter, biodiversity loss, sustainable consumption and production, urban environmental quality and other environmental issues, and for promoting and leading energy transitions, with the best available science, while promoting sustainable growth. A paradigm shift is needed where the virtuous cycle of environment and growth is accelerated through innovations, and with business communities playing an important role, in synergy with the public sector. To this end we stress the importance of accelerating the virtuous cycle and leading transformations to a resilient, inclusive, and sustainable future. We emphasize the importance of taking concrete and practical actions and collecting international best practices and wisdom from around the world, mobilizing public and private finance, technology and investment and improving business environments." (620 2019: paragraph 34)
- "We reiterate that measures to address marine litter, especially marine plastic litter and microplastics, need to be taken nationally and internationally by all countries in partnership with relevant stakeholders." (G20 2019: paragraph 39)

Buenos Aires, Argentina, December 2018: Building consensus for fair and sustainable development (G20 2018)

- "We have addressed our agenda promoting dialogue and the search for common ground. Building consensus requires the commitment of the society as a whole. Our discussions have been enriched by our engagement with stakeholder communities." (G20 2018: paragraph 3)
- "The adoption of the 2030 Agenda represented a milestone towards global sustainable development. We call on countries to work with stakeholders to strive towards its ambitious and integrated implementation and timely realisation in accordance with national circumstances." (G20 2017: p. 10)
- "We highlight the importance of collaboration among public and private stakeholders to strengthen risk management, facilitate adaptation to a changing environment, protect biodiversity and provide effective responses to reduce the impacts of extreme weather on agriculture. We will increase efforts to engage with the private sector, the scientific community and all other relevant stakeholders to enhance value addition, productivity, efficiency, sustainability and upgrading in Agro-Food Global Value Chains and encourage initiatives to reduce food loss and waste." (G20 2018: paragraph 11)
- "We will tackle malnutrition, with a special focus on childhood overweight and obesity, through national, community-based and collaborative multi-stakeholder approaches." (G20 2018: paragraph 15)
- "Large movements of refugees are a global concern with humanitarian, political, social and economic consequences. We emphasize the importance of shared actions to address the root causes of displacement and to respond to growing humanitarian needs." (G20 2018: paragraph 17)
- "We acknowledge the role of all energy sources and technologies in the energy mix and different possible national paths to achieve cleaner energy systems under the term 'transitions'." (G20 2018: paragraph 22)
- "We ask relevant international organizations to report back to us on those issues [corruption, economic crimes] during the next presidency. We call for the effective implementation by all G20 countries of the UN Convention Against Corruption, including the criminalization of the bribery of foreign public officials, and note the work towards possible adherence to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions." (G20 2018: paragraph 29)

Hamburg, Germany, July 2017 - G20 Leaders´ Declaration: Shaping an interconnected world (G20 2017)

"Mastering the challenges of our age and shaping an interconnected world is the common goal of the G20 as our premier forum for international economic cooperation. The G20 revealed its strength during the global economic and financial crisis some ten years ago when it played a

crucial role in stabilising economies and financial markets. What was true then continues to hold: We can achieve more together than by acting alone." (G20 2017: p. 2)

- "We support those countries that choose to develop pathways for migration, underline the importance of nationally determined integration and endorse the G20 Policy Practices for the Fair and Effective Labour Market Integration of Regular Migrants and Recognised Refugees. We emphasise the sovereign right of states to manage and control their borders and in this regard to establish policies in their own national interests and national security, as well as the importance that repatriation and reintegration of migrants who are not eligible to remain be safe and humane." (G20 2017: p. 14)
- c) Recent Relevant G20 Documents and Initiatives

^{*}to be added*

5. The T20 Task Forces on Global Governance Over Time

T20 Saudi Arabia 2020: Task Force: The Future of Multilateralism and Global Governance

Task Force Description

This task force will foment a discussion on the future of multilateralism at regional and global levels. It will examine ways to reform existing international organizations so they are better placed to tackle new global issues. The task force will also discuss the future of politics in the age of populism, economic downturns, and innovative strategies for global governance.

Task Force Priorities

- The future of multilateralism
- Reforming existing international organizations to take on new global problems
- The future of politics/democracy under rising populism, and the impact of economic downturns
- Regional engagement for more effective and efficient global governance
- Innovative and interactive strategies and programs for global governance

Lead Co-Chair

Abdulaziz Sager, Gulf Research Center

T20 Japan 2019: Task Force 6: Social Cohesion, Global Governance and the Future of Politics

Task Force Description

Task Force 6 deals with the unprecedented crisis in multilateralism at the global level, disruption of social cohesion at the domestic level, how nations could address these issues, and what the future of politics should look like. In recent years, there has been political backlash against globalization in many parts of the world. If populism with its "we-first," protectionist approach were to spread globally, we may experience significant disruption in global supply chains, deterioration of trade and investment, if not a collapse of the liberal trading system. Therefore, political leaders must address these issues at global fora such as the G20. TF6 previously pointed out that social prosperity has become decoupled from economic prosperity (see Snower 2018). For countries with weak social safety nets, the redistribution of income from winners to losers becomes essential. For countries with sufficient social safety nets, income redistribution may not be enough to improve social prosperity; innovative policies will be needed. TF6 aims to conduct robust analysis of populism from a socio-economic perspective. It also seeks to identify implications for global governance to help the G20 consider optimal formula and institutional arrangements that will allow high levels of international economic cooperation while

reducing conflicts. TF6 will produce concrete policy measures to address these issues and shed light on the relationship among social cohesion, global governance, and the future of politics.

Lead Co-Chairs

- Nobuo Inaba, Ricoh Institute of Sustainability and Business
- Dennis Snower, Global Solutions Initiative (GSI)

Co-Chairs

- Helmut Anheier, Hertie School of Governance
- Masahiro Kawai, University of Tokyo / Economic Research Institute for Northeast Asia (ERINA)
- Atsushi Nakajima, Research Institute of Economy, Trade and Industry
- Julia Pomares, CIPPEC Hideaki Shiroyama, University of Tokyo

[Source: https://t20japan.org/task-forces/social-cohesion-global-governance-and-the-future-of-politics/]

T20 Argentina 2018: Social Cohesion, Global Governance and the Future of Politics

Task Force Description

This Task Force has the ultimate aim of mitigating the risks of social and political crises and produce a more cohesive, fair and inclusive society.

[Source: https://t20argentina.org/task-forces/)

Co-Chairs

- Helmut Anheier, Hertie School of Governance
- Marc Fleurbaey, International Panel on Social Progress (IPSP)
- Félix Peña, Argentine Council for International Relations (CARI)
- Julia Pomares, Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC)
- Dennis Snower, Kiel Institute for the World Economy

T20 Germany 2017: Global Inequality and Social Cohesion

Task Force Description

Due to economic convergence by large economies such as China and India, indicators of global inequality have recently shown signs of moderate reduction. Nonetheless, global inequality remains high by any standard. This, together with rising trends in within-country inequality, can harm cohesion within societies and undermine global political agreements.

This taskforce investigates policies that can make economic growth more inclusive, both nationally and internationally, taking account of the multiple dimensions of inequality and well-being, and relating to

the SDGs framework. It also looks at the specific contribution to social cohesion that international civil society can make.

Co-Chairs

- Helmut Anheier, Hertie School of Governance
- Marc Fleurbaey, IPSP International Panel for Social Progress (and Princetown University)
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