

Multiple Multilateralisms in the post-crisis response: UN vs. G20

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One of the recent most important changes to the landscape of multilateralism has been the emergence of the Group of 20 gatherings at Heads of State level as an influential forum for coordination on economic and financial affairs. The first such Summit convened in November of 2008 by then- U.S. President George W. Bush was an attempt to provide a venue for multilateral emergency response to the crisis after it was clear the crisis had acquired global proportions. Because of the breadth and depth of the crisis, and the fact that it had started at the heart of the industrialized countries, a framework that relied on responses provided by those economies alone was no longer a tenable or credible proposition. So the Group of 7/8 confronted the imperative of working together with emerging powers in a framework that recognized the input that those rapidly growing and dynamic economies were expected to contribute. But having to create an altogether new forum was promising to open a Pandora's box as different stakeholders jockeyed for a place at the table. So the Group of 20 was a convenient resort. The G20 was a forum of Finance Ministers established in 1999 to "ensure broader participation in discussions on international financial affairs among countries whose size or strategic importance gives them a particularly crucial role in the global economy." With the same membership, it was refurbished in to the G20 Summit. Two Summits later, at a meeting in Pittsburgh in 2009, the members declared "We designated the G20 to be the premier forum for our international economic cooperation."

In its relatively short life, the role in global economic governance of the Heads of State-level G20 is proving to be as contentious a subject as that of its predecessor, the G7/8. Many of the questions raised are, in fact, the same questions that were raised with regards to the G7/8: To what extent does it really represent a form of global governance? What is its legitimacy? Does it have the right number of members and how can number be optimized? Is this a step forward or backwards in the quest for "global democracy"?

A point of particular relevance for those who study the United Nations is: does the growing importance of the G20 threaten the UN's relevance?

What perhaps is most interesting in answering this question is how the reality has defied the traditional analyses that used to consider the relationship between groupings such as the G7/8 or the G20 and the United Nations in terms of a trade-off between legitimacy and effectiveness. So, the traditional argument would go, a forum with a smaller number of countries may have less legitimacy and representativeness, but compensates for that with effectiveness and capacity to act quickly. On the opposite extreme, an enlarged body may, obviously, increase legitimacy and representativeness in the decisions reached, but it would take forever to agree on anything. Prototype of the latter, was the UN, prototype of the former would be groups such as the G20 or the G8.

As the Heads of State G20 leaves a trail of “real life” experience that was not available in 2008, the distance between these apparently two opposite extremes seems to shrink inexorably and reveal a complexity that was not captured in such abstract models.

On the one hand, the all-country involvement in the UN is largely a myth. This is even if one leaves out of the assessment the Security Council, whose limited membership is well-known, or the Economic and Social Council, that operates with less than one third of the members. Those familiar with full-membership UN conferences would know that there are hardly ever, on a single occasion, 192 member country representatives in a room negotiating such documents. In fact, the negotiators that gather together, especially at the most critical moments, tend not to exceed a dozen—representatives of major blocks plus a few countries not affiliated to any block. Nonetheless, the UN conference outcome is ultimately attributable to the whole membership.

On the other hand, the apparent expediency or effectiveness that the Group of 20’s limited membership would also bring has largely proved a myth. At the first two Summits member countries were dealing with the emergency response to the shock. All countries rapidly agreed to a large and unprecedented push to stimulate their economies and one can credit the fact that the crisis did not worsen to such extraordinary measures. But, with the initial emergency behind, Summits are increasingly becoming an exercise in the art of drafting smart formulas to paper over differences among members, without yielding substantial collective approaches towards reform. This has been a constant through debates, no matter whether the issue is when to exit from the stimuli programs, how to achieve reductions in global imbalances or what coordinated approaches are necessary towards financial regulation and taxation. This is certainly not the expected quick and action-oriented consensus on tangible economic policy changes that such an agile and dynamic configuration involving only the key players promised.

Having said that, it is important to recognize that a comparison between the G20 and the UN remains very much one between apples and oranges. Because of the qualitative differences, a pure attempt to consider them in an “either –or” framework for post-crisis reforms would miss the point. Firstly, there is the big difference in institutionality.

The Group of 20’s fluctuating priorities and working practices –which depend greatly on the country in charge for the Presidency each year— contrast starkly with the UN’s predictable and structured protocols for developing agendas, deliberating and reaching agreement. Secondly, the G20 is a forum for reaching informal political agreements of no legal value. Most collective decisions reached by the G20 cannot be implemented unless brought up on the agenda and with the procedures and voting rules of the respective existing formal institution with jurisdiction on the matter, whether the UN, the International Monetary Fund, etc.

Thus, it appears as though the relationship between the UN and the G20 can be appreciated not only in a model of competition, but also in one of synergy. However much the potential for either one exists, though, which one prevails in practice is up to the political will of the actors involved. What the actors cannot choose is that given the essential differences between UN and G20, not all paths have the same consequences. Only the synergy path is destined to lead to the best possible post-crisis reforms.