



The G20's Sustainable Development Consensus: How Decentralizing Authority is Shaping Policy Norms and Practices

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1. Introduction

- ▶ **G20's sustainable development consensus** consolidated by S. Korean 2010 Presidency's **Seoul Development Consensus**
- ▶ **Shifting global economic architecture**, due to *political, strategic, & cognitive* **authority effects of GFC**, enabled new organizational forms, actors, & policy norms/practices
 - ▶ G20 developing-state officials did not adhere as rigidly to 'market-efficiency' norms/ practices
- ▶ **Global governance network on sustainable development** influenced **G20 agenda expansion**, beyond GFC focus on financial regulation & global growth



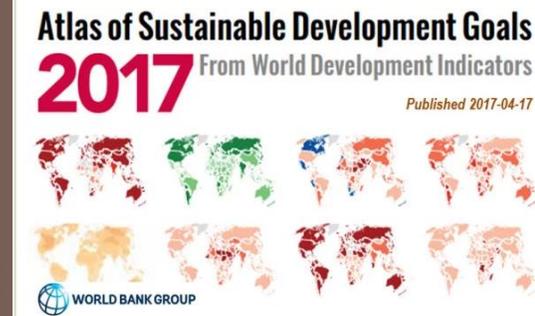
2. Key points from the literature

- ▶ **G20 Seoul Development Consensus** was deliberate distancing from old **Washington Consensus** on economic development (a new '**consensus**' to replace the old one)
- ▶ Some perceive a new form of '**global developmental liberalism**' (Cammack 2012)
- ▶ Many consider the **SDGs & the G20's Seoul approach** to be an improvement on **Washington/post-Washington Consensus**



3. Sustainable development hubs

- ▶ **G20** is a **global governance hub for sustainable development**, with **UN, World Bank**
- ▶ G20's "Seoul development principles" *(see next slide)*
- ▶ **G20 approach** closer to early- 21st century **World Bank policies** (e.g. **lack of prescriptivism, greater strategic governance role**) than UN's MDGs
- ▶ **G20 "principles" match UN's SDGs**, which it strongly endorses (common focus for G20 host presidencies, significance of "**endorsement effects**" [Eccleston et al. 2015])
- ▶ Influence of **South Korea, India, China, etc.** on **G20's** development consensus indicates **decentralizing authority in global governance**



4. Seoul Development Principles & SDGs

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▶ Seoul Development Principles

1. Improving economic growth
2. Development partnerships for local needs
3. Addressing issues of economic interdependence
4. Sustainable private sector-led investment for growth
5. Complementarity with development projects of other agencies
6. Focus on tangible results, e.g. removing blockages to growth



5. Pre-GFC organizational decentralizing rather than weakening

- ▶ **Post-Cold War** changes ('new regionalism' not 'hegemonic regionalism' [Acharya 2014], **APEC**, **ASEAN**, **EU**, **Mercosur**), lack of truly 'unipolar moment' in 1990s
- ▶ **CSOs & developing states** successfully campaigned to prevent amendment to the **IMF's Articles**, to enforce liberalization of **capital flows**; & the OECD's attempt to introduce a new Multilateral Agreement on Investment
- ▶ **Asian financial crisis**, 1997-98, undermined confidence in BW institutions, & brought disagreement between IMF & World Bank; **G20 Finance** forum created in 1999
- ▶ UN's **MDGs**, 2000, involved majority world leaders
- ▶ **IBSA** at 2003 Evian G8 Summit; **G8 'Outreach Five'** & **Heiligendamm process**, 2007



6. Development policies & decentralizing global governance authority since GFC

- ▶ Further **loss of confidence** in leading IFIs & **wealthy states'** leadership
- ▶ Crucial policy-normative shift during GFC, from '**deregulation**' & '**market efficiency**' to '**sustainable**' and '**inclusive**' growth & development
- ▶ **Cognitive authority** effects of **S. Korean success** in overcoming the 'middle-income trap'; authority effects of **Chinese growth** ('Beijing Consensus' hypothesis)
- ▶ Context of heightened **uncertainty in policymaking**



7. Decentralizing authority & G20 agenda

- ▶ **Decentralizing authority in global development cooperation** does not equate its decline or even fragmentation
 - ▶ e.g. “**Cooperative decentralization**” (Helleiner 2016): CMIM and the BRICS’ CRA include rules that tie borrowing arrangements to domestic IMF agreements being in place
- ▶ **Crisis of confidence** in western leadership during & since GFC, BUT integrating ‘the rest’ in **global development cooperation through G20** has helped improve policy outcomes & sense of **legitimacy**
- ▶ Normative significance of **principle of global governance inclusivity**, now difficult for **G20** to ignore core priorities of **developing member states**



8. Conclusion

- ▶ 1) **G20** has become a key **hub of global development governance**, alongside UN & World Bank
- ▶ 2) New **principles, norms, & practices** in **sustainable development** governance & cooperation support this claim;
- ▶ 3) **Developing states & non-state actors** have contributed to **G20 policy contestation & normative shifts**
 - ▶ **G20 rhetoric** often echoes this from Dani Rodrik (2012) –
“To bring the losers along, we will need to consider changing the rules of globalization.”



Thank You!!
Спасибо!!