

# The New G20 Politics of Global Economic Governance

Jonathan Luckhurst, Soka University

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Since last year, easy to think not much has changed. The key controversies at the G20's Osaka Summit were similar to those from its Buenos Aires Summit, especially on climate and trade.

Sometimes it is useful to step back from the small details of the G20 process, to try to 'see the forest for the trees,' by considering the broader significance of the G20 and global governance shifts since the global financial crisis (GFC).

Important new organizational, actor, and policy practices have developed in global governance since the GFC.

The G20 has become a 'hub' of decentralizing global governance authority, through its normative diffusion of new practices and processes, including policy and 'inclusivity' practices (for example, the G20 itself as an expansion beyond the G7/8; plus, importantly integrated its developing-state members in the Basel Committee for Banking Supervision and Financial Stability Board).

G20 politics is not completely controlled by governments; global governance networks that incorporate state, civil society, intergovernmental, and other types of actors influence policy debate. Moreover, there are exogenous and endogenous epistemic, normative, and political influences on, for example, the constitution of G20 and global development or financial governance.

There were interesting events at the G20 Osaka Summit, but also influence from the Civil 20, Think 20, Business 20 and other outreach engagement fora.

New processes and practices become socially-constituted, leading to other practices, but with the potential for variation (for example, the expanded G20 agenda led to further expansion; the influence of norms, including the shift from deregulation and market efficiency to concepts of inclusive and sustainable growth, were significant. This has been influenced by the Sustainable Development Goals and the W20 forum, while the Saudi G20 Presidency could be crucially important for future shifts).

There has been much discussion already at this conference, this morning, on the growing focus of inclusivity and sustainability issues. This actually constitutes a normative shift that is difficult to contest, due to legitimacy claims and authority shifts that increased the importance of non-state and especially developing-state actors.

The GFC returned us to the century-old debate on the appropriate balance between state and market, but also to the slightly more recent debate on national versus multilateral competencies.

There are echoes of debates from the mid-20th century, with greater emphasis on multilateralism and strategic governance, what I have called the ‘ad hoc embedded liberalism’ of the period since 2008. This indicates the normative significance of recent shifts in the practices of global economic governance.

Currently so-called populist politics has brought new challenges, but the effects of the new G20 politics since 2008 are likely to endure. This is because new G20 practices and processes of global economic governance have been established and are reinforced by decentralizing authority, as well as normative and epistemic shifts, and legitimizing discourses.

Four key points\* about the impact of the G20 that I recently noted are: -

- 1) it contributes substantially to decentralizing authority in global economic governance, away from G7/8, especially by integrating leading developing states;
- 2) it further decentralizes global governance authority by integrating more heterogeneous actor-networks, ones that include civil society and intergovernmental actors, as well as state representatives;
- 3) the collective global authority of the G20 sustains its ‘steering’ and ‘hub’ roles in several important policy areas;
- 4) the G20’s initial success as a crisis committee underpins its enduring authority and influence in global governance.

\* See my recent article for more on this: -

Luckhurst J. (2019). The G20 Hub of Decentralizing Global Governance Authority. *International Organisations Research Journal*, vol. 14, no 2, pp. 7–30.