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## **G-20 IN GLOBAL GOVERNANCE: NEW MULTILATERALISM AND GLOBAL GOVERNANCE**

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### ***Abstract***

*The emergence of the G-20 has been celebrated as a newborn global governance institution and new world order. However, it also has been criticised as a self-selected institutions that built a sort of executive multilateralism. It poses a dangerous impact such exclusive process is that it could possibly weaken the multilateralism and international law that will result in unjust and undemocratic international order. Nevertheless, this article will show an optimistic argument related to the G-20 process. The growing importance of the G-20 shows international system adaptation to create a new landscape of international order by bringing the emergence power such as China, Brazil and India "on board". In the messy multilateralism situation, the G-20 could take a leadership role to break the deadlock of existing international institutions process. Furthermore the G-20 potentially could play a complementary role with the UN and Bretton Woods institution to reform global governance.*

**Keywords:** *G-20, multilateralism, global governance.*

### **Introduction**

Recent global financial crisis has showed a critical stage of interconnected vulnerabilities brought by globalization. Formal and informal international coordination fora have proliferated in searching common sharing viewpoint and



common problem solving. One of the most momentous responses to the global financial crisis is the emergence of the G-20 as a major player in global economic governance.<sup>1</sup> The establishment and permanent institutionalisation of the leader's G-20 forum was celebrated as a newborn global governance institution. At the G-20 Leader Summit in Pittsburgh September 2009, the G-20 was declared as the most important institution to *reform the global architecture to meet the needs of the 21<sup>st</sup> century*.<sup>2</sup> The summit also underscored the vital function of the G-20 that designated to be 'the premier forum for our international economic cooperation'.<sup>3</sup> Commenting on the result of the second G-20 summit in London, UK Prime Minister Gordon Brown stated that 'a new world order' has emerged.<sup>4</sup> Accordingly, the Brookings Institute, one of leading think tank in the United States considers the G-20 summits as global governance breakthrough and a step forward a new global economic order, when the existing international institutions seems helpless in dealing with the crisis.<sup>5</sup> Furthermore, Barry Eichengreen argues that the G-20 has held power from the G-8 as the 'steering committee for the world economy'.<sup>6</sup>

The G-20 is informal multilateralism in nature that sharply different with treaty based organisations such as the United Nations and Bretton woods institutions. It has been criticising as lack of legitimacy and misrepresentative since this group is not based on international agreement or treaty and the membership is not based on open criteria and selection or rotation mechanism.<sup>7</sup> Nonetheless the group claims that the 20 members represent over 85 per cent of global economy, 80 per cent world trade (including EU intra trade) and 67 per cent of global population. It is also more representative than its former grouping, the G-7/8. Critics also questioning the G-20 process, accountability and ability to reach significant decision to encounter global governance challenges.<sup>8</sup>

1 Members of G20 include 19 states: Argentina, Australia, Brazil, Canada, RRC, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States, and the European Union.

2 The group started as a minister's meeting on financial stability that established in the aftermath of Asian financial crisis.

3 'Leaders' Statement: The Pittsburgh Summit', <<http://www.pittsburghsummit.gov/mediacenter/129639.htm>>, accessed 15 June 2010.

4 The detail statement available at <<http://www.youtube.com/watch?v=U23CwDvJeZQ>>

5 Colin I. Bradford, Jr. and Johannes F. Linn, 'Is the G-20 Summit a Step toward a New Global Economic Order?' *Policy Brief* no.170, the Brookings Institute, 2009.

6 Barry Eichengreen, 'The G20 and the crisis', <<http://www.voxeu.org/index.php?q=node/3160>>, accessed 15 June 2010.

7 For example, Andrew F. Cooper, 'G20 and Regional Dynamics', <<http://www.ibei.org/admin/uploads/activitats/285/Cooper-Regional-Dynamics-April1610.pdf>>, accessed 15 June 2010.

8 For example, see Barry Eichengreen, 'The G20 and the crisis', <<http://www.voxeu.org/index.php?q=node/3160>>, accessed 15 June 2010.



Nevertheless, the upsurge of the new institutionalism has created mishmash in global governance. There are multiple innovations in multilateralism such as regionalism, functional multilateralism and informal multilateralism. Therefore, according to Richard N. Haass, multilateralism in the 21<sup>st</sup> century will be more fluid and 'messy' than the previous time.<sup>9</sup> It is in this context that this paper attempts to explore two questions: firstly, how the G-20 should be understood in the context of multilateralism and global governance, and secondly, what role that the G-20 could perform in bolstering the reform of global governance in managing globalization.

This paper argues that crisis of multilateralism in the existing international institutions has been giving birth to the emergence of 'G' grouping type of multilateralism. This new kind of multilateralism provides the opportunity to give dynamics to the already messy multilateralism. Regarding to global governance, aside from many criticisms on undemocratic and misrepresentative nature of the G-20, the role of this multilateralism will be very essential in shaping the next global governance.

### **Multilateralism and Global Governance: a Conceptual View**

Although the concept of multilateralism has not played a more prominence role in international relations theory, multilateralism has become progressively important in world politics, showed by the increasing number of multilateral intergovernmental organisations and multinational meetings.<sup>10</sup> Multilateralism is often used as opposition to bilateralism and discriminatory arrangement in relationship between nation-state. Robert Keohane defines multilateralism as "the practice of coordinating national policies in groups of three or more states through ad hoc arrangements or by means of institutions."<sup>11</sup> John Ruggie calls Keohane definition as nominal and incomplete. According to Ruggie, multilateralism is an adjective that modifies the noun of institution. Multilateralism refers to "coordinating relations among three or more states in accordance with certain principles".<sup>12</sup>

What distinguishes between multilateralism and other form of cooperation is the key principles that organize relationship between states, that are; indivisibility, non-discrimination and diffuse reciprocity. Indivisibility relates to the cost and

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9 Richard N. Haass, 'The Case for Messy Multilateralism', *Op-Ed*, Council on Foreign Relations, January 5, 2010.

10 James A. Caporaso, 'International Relations Theory and Multilateralism: The Search for Foundations', *International Organization*, 46 (3), 1992, p. 599.

11 Robert O. Keohane, "Multilateralism: An Agenda for Research." *International Journal*, 45 (4), 1990, p. 731.

12 John Ruggie, 'Multilateralism: The Anatomy of an Institution', *International Organization*, 46 (3), 1992, pp. 566-68.



benefits of the scope of multilateralism whether it is based on geography or functionality. Non-discrimination principle comes from norms that strongly urge general modes of states' relations. Diffuse reciprocity emphasize that states have to avoid unilateralism because the coordination will benefit all parties in the long run.<sup>13</sup> These principles should become antecedent of actor interest to facilitate collective trust building within institutions amongst states (with different size and power), that the policy coordination is self binding.

Multilateralism has a close linkage with aspiration of universality and egalitarian form of international cooperation and decision making. Therefore Multilateralism offers a more democratic means of determining measures to encounter common issues. Nevertheless, international institutions embodying these multilateralism principles face criticism two important problems. Firstly, multilateralism with large number of member countries will find challenges from great powers in bargaining table bilaterally since the great powers wish to gain their national interest. Secondly, universal multilateralism with formal institutions will find obstacles relating to collective action, effectiveness and efficiency.<sup>14</sup> That is why, multilateralism as an 'institutional form' based on Ruggie definition, has been experiencing a crisis.

Global governance is one of popular discoursed and yet under-specified concept. Richard Higgot defines global governance as a process of interaction between different social and political actors and the growing interdependence between them due to complexity and interactivity of societies and institutions.<sup>15</sup> Governance relates to the making and implementation the rules and the exercise of power within a given domain of activity. Keohane argues that global governance refers to "rule-making and power-exercise at a global scale, but not necessarily by entities authorized by general agreement to act".<sup>16</sup> Since there is no global government, global governance involves strategic interactions among entities that are not arranged in formal hierarchies. Therefore, global governance can be practiced by states, religious organizations, and business corporations, as well as by intergovernmental and nongovernmental organizations.

There are several reasons why global governance has become fast growing interested concept.<sup>17</sup> Firstly, there has been a long time disappointment with conservative models of international public policy that fail to respond the changing

13 John Ruggie, 'Multilateralism: The Anatomy of an Institution', p. 571-572.

14 Miles Kahler, 'Multilateralism with Small and Large', *International Organization*, 46 (3), 1992, pp. 681-682.

15 Richard Higgot, 'Multilateralism and the Limits of Global Governance', CSGR Working Paper no. 134/04, Centre for the Study of Globalisation and Regionalisation, University of Warwick, May 2004, p. 8.

16 Robert O. Keohane, 'Global Governance and Democratic Accountability', <[www2.lse.ac.uk/PublicEvents/pdf/20020701t1531t001.pdf](http://www2.lse.ac.uk/PublicEvents/pdf/20020701t1531t001.pdf)>, accessed 16 June 2010.

17 Richard Higgot, 'Multilateralism and the Limits of Global Governance', p. 9-10.



relationship public and private sectors (domestically) and states and the market interplay in the global level. Moreover, the existing international institutions fell short in dealing with power shift in global politics featured by the increasing importance of emerging economies such as China, India, Russia and Brazil. Secondly, there is a need to develop ideas and practice to manage cross border policy problems using new methods instead of nationalism perspective. Thirdly, the role of non-traditional actors (non-state actors such as NGOs and networks) has been increase and give influence on advocating, broadening and deepening policy understanding across countries. Fourthly, the growing importance of multi-governance structures due to enhance role of specialized agencies in issue-based policy areas. In short, global governance is a manifestation of growing frustration over the disparity between the over-grown global economies and the lagged-behind global polity.

Furthermore Richard Higgot differentiates two types of global governance. Higgot called as type I and type II global governance.<sup>18</sup> Global governance type I refers to the efforts to enhance the effectiveness and the efficiency by resolving problems of collective action in the delivery of global public goods. Global governance type II refers to the stipulation for democratic global governance through better representation, transparency and accountability. The international institutions and international regimes especially in economic area are well known as instrument to reduce transaction cost and enhance coordination between players (type I). However, there is a growing demand on how to enhance democratic engagement in global level (type II).

### **The Crisis of Multilateralism and the Emergence of the 'G' Grouping Multilateralism**

The origin of the 'G' multilateralism can be traced back to the creation of the G-7 in the early of 1970s. Amid the economic turmoil caused by the collapsed of the Bretton Woods monetary system in 1971 and the first oil crisis in 1973, six countries including, the United States, France, the United Kingdom, Germany, Japan and Italy held a first summit at Rambouillet 1975. To some extent, the summit also a part of responses to the emerging movement of the Non-aligned countries and New International Economic Order ideas brought by United Nations Conference on Trade and development (UNCTAD) that began to challenge the post-World War II economic order. In the second summit in Puerto Rico 1976, Canada joined and the 'club' then well-known as the G-7. Together these industrialized countries assumed the responsibility for ensuring the stability of the monetary and financial system post-fixed exchange rate in the Bretton Woods era.

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18 Richard Higgot, 'Multilateralism and the Limits of Global Governance', p. 10.



Following the collapse of Soviet Union, the G-7 invited Russia to participate in a post-summit dialogue in 1991 and it gain full membership in 1998 at Birmingham Summit. The annual gathering then became known as the G-8, though the G-7 countries continued to hold finance ministerial that exclude Russia.

The G multilateralism is considered as an alternative way to break the deadlock of international institutions reformation. While the primary centre of attention was the macroeconomic policy coordination, the G-7 meeting also began discussing political and security issues such as condemning the Soviet invasion of Afghanistan in 1979, involved in setting up multilateral arrangement to address debt crisis in South America, and become driving force in Uruguay round trade meeting and the creation of the WTO. With the whole package of economic, military, and diplomatic capacity, the G7/8 could exercise a vast influence over global governance of multilateral institution. The G-7/8 played a great influence on policies, programs and decisions of the United Nations institutions such as in the United Nations Security Council, the IMF, the World Bank, the WTO and the Organization for Economic Cooperation and Development (OECD).<sup>19</sup>

In 1999 the G-8 meeting formed a more inclusive group the G-20, in the aftermath of Asian financial crisis that will focus on meeting among finance minister. By convening representatives from 10 industrialized economies and 10 emerging market economies, the G-20 presented a much more geographically and culturally diverse group and also much more representative than the G-8. When the 2008 global financial crisis hit, world leader quickly concluded that the G-8 would not able to respond the crisis effectively and illegitimacy if it still lacked a quorum of major economic players. It pushed President George W. Bush into convening the G-20 Summit on November 15, 2008. After two other G-20 summits considered being successful, at the meeting in September 2009 at Pittsburgh, the leaders' summit decided to upgrade the G-20 status to become primary forum for international cooperation replacing the G-8.

The shifting from the G-8 to the G-20 reflected the accommodation to the changes in global economic balance of power. As critics accused the G-8 as a club of the rich and self appointed global leaders, in early 2003 the G-8 has accommodate the rising of G-5 (Brazil, China, India, South Africa and Mexico) into consultation forum but not as a full membership: Beginning at Heiligendamm meeting in 2007, the G-8 and the G-5 initiated a dialogue to enhance collective policy in some issues area. But the meeting did not commit to enlarge the membership of the G-8, until the September 2009 meeting in Pittsburgh that declare the G-20 as the principal economic leader summit.

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19 Tom Barry, 'G8: Failing Model of Global Governance', *Foreign Policy in Focus*, 7 (9), 2002.



In a bigger picture, the emergence of the G grouping is a consequence of the evolution process of global arrangement. Globalization and interdependence has affected the global arrangement in three important ways; firstly, there is a widening and deepening interdependence in various issues (economic, politics, health and climate issues) with numerous actors. Anthony McGrew calls it as 'transnationalization of politics'.<sup>20</sup> Secondly, globalization increases the risk of 'problems without passport' or threats beyond national borders. Thirdly, globalization facilitates the growth of emerging economies that changes the economic balance of power.

The G20 as other G-grouping has embedded characteristic as a 'G' clubbing, small grouping, or executive multilateralism.<sup>21</sup> It has the potential to add to the problem of institutional proliferation. The post Cold War era has seen a plethora of international, regional and non-governmental organization that attempt to deal with many global problems stems from economic development to humanitarian agendas. According to *Yearbook of International Organizations*, in 2008 there were 246 formal international institutions. If the subsidiary agencies, treaty bodies, regional organizations and technical agencies are counted, the number will be more than 6,000.<sup>22</sup> At the same time the proliferation of NGOs also has had increased the complexity, since many private foundations play overlapping roles with the official multilateral bodies.

### **The G-20 and the Shape of Global Governance**

The emergence of the G-20 raises debates on what roles that it would play to shape global governance. There are several criticisms that become source of controversies regarding the establishment and the role that will be assumed by the G-20. First contention is the lack of legitimacy. Several questions comes up such as who is appointed the G-20 to represent the 192 of the world; and what is the selection criteria and how the mechanism to choose membership? The creation of the G-20 has been accused to become a global economic apartheid since it is left the other 172 countries left without representation. A number of countries that have been central to international cooperation in the past are excluded from the

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20 Anthony McGrew, 'Power shift: from national government to global governance?' in David Held (ed), *A Globalizing World? Culture, Economics, Politics*, Routledge, London & New York, 2004.

21 Andrew F. Cooper, 'The G20 as an improvised crisis committee and/or a contested 'steering committee' for the world', *International Affairs*, 86 (3), 2010, p. 742.

22 The data is cited from Bruce Jones, 'Making Multilateralism Work: How the G-20 Can Help the United Nations', *Policy Brief Analysis*, The Stanley Foundation, April 2010.



membership including the Nordic countries as well as low-income countries and almost entirely countries in the continent of Africa.<sup>23</sup>

Second criticism related to the scope of the G-20 mandate.<sup>24</sup> As has been proclaimed that the G-20 will become the primary forum for international economic cooperation, the G-20 assumed the responsibility for global economy. But given its lack of formal foundation, there is no guarantee that it will not expand of its original purposes. If the G-20 is growing popular over time, some countries may argue that the G-20 will have more influence than other existing international institutions. Answering these criticisms, the supporter of the G-20 argues that although the G-20 is under representative in term of number of the member, the G-20 does represent the biggest proportion of economic and population of the world. More importantly, the G-20 membership is best representing the mixture between emerging economic power and established economic power.

Relating to global governance, the G-20 features offer the larger deliberation and collaboration in international system. That is why the G-20 is expected to become leadership multilateralism that will become steering committee to shape global governance for the next year to come.<sup>25</sup> In the era of "multi-multilateralism"<sup>26</sup> there is an imperative of cooperation based on shared interests among global leader in order to shape global governance. In it in this context that the 'G leadership' summit such as the G-20 summit will become important instrument to advocate collective action and pull the global efforts through multilateral cooperation. The small size of the group also will reduce the transaction cost, increase the transparency and reduces the potential for vetoes. Leadership multilateralism furthermore will generate collaboration through concerted power, while the summit repetition will encourage the commitment to the institutions. Therefore, the inclusion in the international leadership is not a matter of rights but it is about obligation and responsibilities<sup>27</sup> which put basic national sovereignty not only on rights but also obligation toward the wider international community.<sup>28</sup>

23 Jonas Gahr Støre, 'A divided house of global governance cannot stand', <[http://www.regjeringen.no/en/dep/ud/aktuelt/taler\\_artikler/utenriksministeren/2010/g20\\_legitimacy.html?id=601035](http://www.regjeringen.no/en/dep/ud/aktuelt/taler_artikler/utenriksministeren/2010/g20_legitimacy.html?id=601035)>, accessed 16 June 2010.

24 David Shorr and Thomas Wright, 'The G20 and Global Governance: An Exchange', *Survival*, 52 (2), 2010, p. 183.

25 See for example, Alan S. Alexandroff, 'Challenges in Global Governance: Opportunities for G-x Leadership', *Policy Brief Analysis*, The Stanley Foundation, March 2010.

26 There are several label to describe the contemporary multilateralism for instance Richard Haass concept of messy multilateralism and multilateralism a la carte. Multi-multilateralism is a concept from Francis Fukuyama in his book *America at the Crossroads: Democracy, Power, and the Neo-conservative Legacy*, Yale University Press, New Haven, 2007.

27 Alan S. Alexandroff, 'Challenges in Global Governance: Opportunities for G-x Leadership', p. 5.

28 The concept of Sovereign responsibility is based on Steward Patrick definition. See, Steward Patrick, 'Global Governance Reform: An American View of US Leadership', *Policy Analysis Brief*, Stanley Foundation, February 2010.



Other arguments that support optimistic view of the G-20 highlight the importance of process and structure of grouping. Aside from the annual summit meeting among head of the state, the G grouping process such as G-7/8 and G-20 have in-depth process and structure such as consultation, ministerial-level meeting for different cabinet portfolios, regular and ad hoc task force and working groups. These kinds of multi level and regular meeting provide important connective issues between the consultation and the summit. This process will contribute to enhance trans-governmental network in global governance. According to Anne-Marie Slaughter, trans-governmental is different with inter-governmental multilateralism in a sense that the trans-governmental consultations are more similar to public administration organization based on expertise, competence and professionalism of the participants<sup>29</sup>. While the delegation in inter-governmental process embodying the position of the government which is represented.

Relating to the type of global governance defined by Higgot respectively, the G-20 meets with the criteria of global governance type I. The G-20 potentially enhances efficiency and effectiveness in policy making and become an important breakthrough in the impasse of larger multilateral arrangement. The potency of efficiency and effectiveness rests on the character of the forum as a policy consultation medium among states rather than rigid traditional intergovernmental organizations. According to Alexandroff, there are several key aspects of G multilateralism that will affect the efficiency and effectiveness of global governance. The first aspect is performance legitimacy. As has been mention above the G-20 has criticized of being legitimacy deficit. However, since the G-20 hold responsibility as primary committee, its legitimacy will be mostly measured from the result of the process.

According to Thomas Wright, the priority of reforming international order is not rests on participatory and inclusion issues, but mostly on the right diagnoses of the weakness of international order. The weakness of international order historically is caused by the inability of international institutions to deal effectively with the on growing international challenges. It then resulted in the loss of confidence in the existing order. There are some instances to illustrate this argument such as the weakness of Non-Proliferation Treaty (NPT) that results in hard talks on nuclear weapon development among its signatory, and the inability of UN Security Council in dealing with human rights issues in Kosovo, Darfur and many other places. Echoing this argument, the priority answer to increase effectiveness of the multilateralism is not on broader participation and inclusion but how to make the

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<sup>29</sup> Anne-Marie Slaughter argument is cited from Alan S. Alexandroff, 'Challenges in Global Governance: Opportunities for G-x Leadership', p. 6



multilateralism works. Instead of rising effectiveness, broader participation will likely increase deadlock and thus, waning the structure of cooperation.<sup>30</sup>

The second feature is equality and informality. The summit of G multilateralism, given its small size will give the opportunity to the leader to get to know each other, discussing various problems in a more directly rather than diplomatic setting. The summit also gives value on principle of equality, since there is no relative status of the leader or the state based on power or contributions such in United Nations Security Council or the Bretton Woods institutions.

The third dimension is like-mindedness. There is an optimistic view that the G multilateralism is based on commitments and shared values that has identified in the communiqués of the leaders. The commitment is the reflection of agreed intentions and policies of the leaders. But the effectiveness of the G multilateralism also affected by the compliance of the member in implementing result of the summit. Many commitment made in the international level is not useful if there is no real implementation in political and policy action in the national level. The multi-level meeting in the G multilateralism will potentially build a strong commitment and compliance amongst its member.

### **The G-20 and Global Governance Reform**

In the second summit in London, April 2009 the G-20 countries pledges USD1 trillion for the IMF and other multilateral organizations, US\$750 billion of direct aid, US\$250 billion in special drawing rights (SDR) for IMF and US\$100 billion for multilateral development banks.<sup>31</sup> This pledge was coordinated to dampen the repercussion effects of the crisis and to “restore confidence, growth and job” that become the banner of London Summit.<sup>32</sup> The summit also agreed to create a Financial Stability Board (FSB) to replace the former Financial Stability Forum. This new board, together with IMF will conduct early warning and financial risk assessment. The G-20 successful response to the global financial crisis showed a revival of in multilateralism toward global governance. According to Woods, the G-20 has been transfusing blood into multilateralism.<sup>33</sup>

More importantly, the successful of London summit demonstrated that the G-20 could become catalyst for United Nations reform. The United Nations

30 Thomas Wright, 'On Reforming International Order', *Policy Brief Analysis*, The Stanley Foundation, February 2009.

31 Claudia Schmucker and Katharina Gnath, 'From the G8 to the G20: reforming the global economic governance system', GARNET Working Paper No. 73/09, January 2010.

32 'The Global Plan for Recovery and Reform, 2 April 2009', <<http://www.g20.org/Documents/final-communicue.pdf>>, accessed 16 June 2010.

33 Ngaire Woods, 'Global Governance after the Financial Crisis: A New Multilateralism or the Last Gasp of the Great Power?' *Global Policy* 1 (1), January 2010.



institutions are still the most important multilateralism that has strong legitimacy in global governance. Moreover there is no other multilateralism in dealing with global issues that has vast geographic and political reach like the United Nations. Comparing to other multilateral institutions, the United Nations Institutions have many comparative advantages such as; long experience in dealing with global problems, universality in terms of consent and legitimacy, large geographical breadth and deep substantial breadth.<sup>34</sup> While still counting on broad legitimacy of the United Nations the G-20 might become impetus for reformation and revitalization of the United Nations. It is because the G-20 might end up with binding declaration, but it needs the United Nations to make a greater impact universally.

The collaboration between the G-20 and the United Nations is also needed to anticipate the ongoing competition between major powers and emerging powers. Different view and interest among powerful states and emerging powers are among the most important factor that stalemates the process in the UN, such as the slow pace of climate change negotiation and the humanitarian intervention code of conduct. The major and emerging powers also involve in competition over energy and strategic resources that breaching the norm of good donor behavior to win the heart of energy-rich countries. There also tension between the United States and China in East Asia, India and China along their border and tension between Russia and its neighboring countries. Although it is not likely lead to open conflict between states, it needs constructive responses from the United Nations. The G-20 incorporates major powers and rising powers in a shared of interest, cooperation and deep consultation. Since the G-20 members are also member of the United Nations, the G-20 could provide a pathway to cooperation in the United Nations.<sup>35</sup>

The increasing role of the G-20 also often contrasted with the existing function of the Bretton Woods institutions (the IMF, the World Bank) and the WTO, that there will be a conflicting relations between those institutions. The optimistic view on the G-20 argues that instead of hostility relationship, the G-20, the IMF, The World Bank and the WTO could potentially work in complementary way. The Bretton Woods institutions could continue its role in ensuring the stability of international economy, advocate development and provide economic crisis management while the G-20 plays its role as key forum for financial issues.<sup>36</sup> Although the role of the G-20 could possibly to be expanded to economic issues more broadly, the United

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34 Bruce Jones, 'Making Multilateralism Work: How the G-20 Can Help the United Nations', p. 8-9.

35 Bruce Jones, 'Making Multilateralism Work: How the G-20 Can Help the United Nations', p. 7-8.

36 'United Nations and the G-20: Ensuring Complementary Efforts', *The Stanley Foundation's 41<sup>st</sup> United Nations Issue Conference*, The Stanley Foundation, March 26-28, 2010, p. 15.



Nations could become umbrella of a concerted action from those institutions toward long term economic security.

The G-20 offers an alternative avenue to filling the gap of the existing multilateralism and the on growing global issues. It also could potentially play as a hub for reforming global economic governance.<sup>37</sup> In the growing tension between states and markets led by neo-liberal globalization the world need a committee or mechanism to avoid the domination of market over the state. Global financial crisis is evidence in which market domination turned to be a disaster to million people in the world. While existing international economic institutions seemed weak and late to respond, the G-20 now has already at the peak of international economic order. In an optimistic scenario the G-20 will become an explicit steering committee or at least informal world leaders informal meeting that could widen and deepen international agenda. The widen meeting would allow the G-20 to build cooperation based on trust and collective action. The successful of the G-20 in acting as crisis committee could be expanding in other important issues, from geopolitical security to environmental and health issue, to hasten a concerted action.

## Conclusion

The emergence of the G-20 is a part of improvised multilateralism to address global crisis. From its nature characteristic the G-20 often categorized as new multilateralism showed by informality and discursive oriented features rather than decisional organization. Despite of that fact, the G-20 provide a substitute route to escape from the deadlock and turf war decision making process in the existing international institutions. It is proven by its role in generating collective action and problem solving to the recent global financial crisis.

Many criticisms have been directed to the growing important role of the G-20. It is in fact self-selected institutions that built a sort of executive multilateralism. This mode of institution has an embedded risk in which the real power will be grabbed by the "big club" at the expense of many other states' interest. This big club also could be used a self justification decision making in doing "top down" reformation.<sup>38</sup> The most dangerous impact of the uncontrolled role of the club process is that it could possibly weaken the multilateralism and international law that will result in unjust and undemocratic international order. These situations will likely lead to the emergence of rival groupings as showed by the appearance 3G grouping (a global governance group driven by Singapore).

37 Andrew F. Cooper, 'The G20 as an improvised crisis committee and/or a contested 'steering committee' for the world', *International Affairs*, 86 (3), 2010, p. 749.

38 Anthony Payne, 'The G8 in a changing global economic order', *International Affairs*, 84 (3), May 2008.



Aside from those condemnations, the success of the G-20 conducting as “crisis committee” presents a new hope in reforming global governance. The ideal type of global governance should be characterized by two important facets; effectiveness and democratic. At this point, the G-20 multilateralism demonstrates the ability of this institution to deliver global policy coordination and collective problem solving in efficient and effective means. Although it plagued by democratic deficit that affects its legitimacy, there are at least two important real politics that support the vital role of the G-20. Firstly, the emergence of the G-20 shows international system adaptation to create a new landscape of order by incorporating emerging powers such as China, India and Brazil. Secondly, by bringing the emerging powers “on board” the concentration of power in international system is being updated. More importantly it will provide a bridge to shorten the friction between the North and the South. It will also become a redistribution process of shares and risks in global politics and diplomacy.

From optimistic point of view, the G-20 has potential roles in the future as vehicle to reform global governance. The dimensions and process of the G-20 will generate collaboration and coordination with other international institutions. The G-20 could also work in complementary way with The United Nations and the Bretton Woods Institutions. Arguably, the G-20 could also widen its agenda to bring other global issues to accelerate concerted action. However, the future of the G-20 project will depend on its performance to overcome the obstacle of collective action in multilateralism.

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