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Seoul G20 Summit: Will it Adopt Singapore's 3G Ideas?

By Pradumna B. Rana

Synopsis

The invitation to Singapore to participate in the G20 Summit is a recognition that the Global Governance Group (3G) it initiated can contribute to the G20 process. In Seoul, the leaders should adopt the 3G ideas to position the G20 Summit as the universal and unquestioned premier fora for overseeing global economic governance.

Commentary

FOR THE first time, the Group of 20, through current chair South Korea, has invited Singapore to participate in the G20 Summit to be held in Seoul on 11-12 November. This is a recognition that the Global Governance Group or the 3G, which Singapore chairs, can contribute to the G20 process.

The G20 Summit – comprising leaders of 20 of the world's major as well as emerging economies – was established by the dominant powers soon after the onset of the global economic crisis in 2008. The leaders who met self-appointed the Summit as the “premier fora for international economic cooperation”. In September 2009 President Obama categorically announced that the G20 would replace the G7, the economic forum comprising only the world's top industrialised economies. This was an historic event as important emerging countries were for the first time included in the core of global economic governance.

G20's Inclusiveness

Questions were, however, immediately raised about the inclusiveness of the G20. While it represents 4.2 billion people, what about the remaining 2.6 billion, were they not to be heard on global issues? The legitimacy of the G20 was also questioned because its membership was ad hoc and self-selected.

Issues of managing the crisis and coordinating policies internationally had occupied the attention of policymakers when the world was at the brink of the worst crisis since the Great Depression. In this regard, the G20 performed admirably in coordinating fiscal stimulus packages, initiating financial regulatory reforms, and to some extent, in raising issues related to reforming international economic institutions (IEIs). As the industrial countries still struggle to emerge from the crisis, issues of inclusiveness and legitimacy have once again re-surfaced to haunt the G20. If these issues cannot be addressed, there is a danger that the G20's capacity to oversee global economic governance could be questioned.

Enhancing G20's Legitimacy

To make the G20 more inclusive and legitimate, the Stiglitz Commission appointed by the President of the UN General Assembly has recommended the involvement of the United Nations. The Commission argues that decisions concerning necessary reforms in global institutional arrangements must be made not by a self-selected group but by all countries in the world or the G192, working in concert. It also argues that better representation and democratic legitimacy will not require the presence of all countries in all deliberations. Working committees chosen by a democratic process can be limited to a size that ensures effective decision-making. This proposal merits further consideration. On the other hand, the view that the UN lacks effectiveness and has a few accomplishments to show on the global economic and financial areas must be considered as well.

Global Governance Group

A better approach is that of the 3G which has been convened by Singapore under the auspices of the UN since July 2009. Its membership presently comprises 28 small and medium states from around the world of which six are from Asia -- Brunei, Malaysia, New Zealand, Philippines, Singapore and Vietnam. The group believes that the G20 needs to be consultative, inclusive and transparent so that its outcomes can be effectively implemented globally. For this to happen, there has to be greater engagement between the G20 and the UN, the only global body with universal participation and unquestioned legitimacy. The 3G believes that the G20 and the UN can co-exist amicably.

Singapore's Permanent Representative to the UN, Ambassador Vanu Gopal Menon, has summarised the main ideas put forward by the 3G. Firstly, the G20 should undertake consultations as widely as possible with the non-G20 members both before and after the G20 Summits. Secondly, the participation of the UN Secretary General and his Sherpa at the G20 Summits and preparatory meetings should be formalised.

Thirdly, participation of Chairs of various regional organisations in G20 Summits should be regularised. In accordance with the G20 practice of inviting non-members, Chairs of the African Union (AU), New Partnership for Africa's Development (NEPAD), ASEAN and 3G have been invited to participate in the Seoul Summit. In the future, Chairs of additional regional groups could be invited selectively as appropriate.

Fourthly, regional groupings alone may not adequately represent the national interests of small and medium-sized states. In such a case, the G20 decision-making process should be flexible. It should allow non-G20 states to participate in ministerial and other gatherings as well as other working groups involving senior officials/experts on specialised issues. This will ensure that deliberations on key issues of global concern engage all relevant parties.

Adopting 3G's Ideas in Seoul?

In November, the G20 Summit will be held for the first time in Asia and there is pressure on Asia to deliver. In a recent speech in Daejeon, South Korea, Dominique Strauss-Kahn, the managing director of the International Monetary Fund (IMF), reminded that the time had come for Asia to play a leading role in the global economy.

Asia has six, or nearly, one-third of the membership of the G20. In Seoul, Asian leaders, with the cooperation of their colleagues from other parts of the world, should adopt the ideas put forward by the Singapore-led 3G. The 3G ideas would enhance the inclusiveness and legitimacy of the G20 process. It will also help convert the G20 Summit from a self-selected group to a universal and unquestioned "premier fora for international economic cooperation" overseeing global economic governance.

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