Explanatory notes:

- abbreviation: Policy Brief (PB), see further abbreviations under the next bullet point
- The Policy Briefs (PBs) collected in the report are assigned to three subject areas, namely Global Governance (GG), Social Cohesion (SC), and Future of Politics (FP). PBs that address each of these three topics can be found under A) Cross-cutting Issues.
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1. Overarching Narrative

-- To be completed and revised --

"Thus far, our underlying narrative was “recoupling”: Social prosperity (societal wellbeing) can become decoupled from economic prosperity (GDP); the G20 should focus on social prosperity; and the G20 should seek to recouple economic prosperity with social prosperity.

We are now in the process of evolving this narrative in the direction of “global paradigm change”: The existing global paradigm – the interlocking economic, social, political and environmental systems – are not sustainable; the G20 should promote global paradigm change by promoting fundamental and consonant economic, social, political and environmental changes to address major global challenges, from climate change to financial crises."

Some introductory thoughts:

- Social cohesion, global governance and the future of politics are closely intertwined:
  - Vicious circle deriving from decoupling process: Economic growth has decoupled from social development (the process of economic growth has been uneven) > social cohesion has been eroding > decoupling has created backlash against globalization in general and global economic integration in particular > backlash puts national governments under pressure and hampers global cooperation, which complicates the making of policies that could make an important contribution to the recoupling social and economic development
  - T20 PBs from the TF “Social Cohesion, Global Governance and the Future of Politics” make a range of policy proposals to break this very vicious circle; many PBs propose recommendations in two key areas: (a) fostering social cohesion and (b) rethinking the present distribution of responsibilities both between different actors (e.g. civil society organizations, governments, business) and between the different levels of government/governance (regional, national, intergovernmental, supranational), as well as their interplay.
  - Both progress and regress in one of these two areas is closely connected with developments in the other: On the one hand, promoting social cohesion requires inclusive and effective policy-making on the regional, national and global level. Inclusive and effective policy-making, in turn, might need a rethinking of politics on different levels and including different actors. On the other hand, effective policy making on all levels of governments is notably facilitated by enhanced social cohesion.
  - Policies that are geared towards reducing inequalities and better involving society in national and global policymaking, and thereby creating more inclusive and effective policy processes, are the crucial point of the recoupling process.
  - By creating and encouraging global arrangements that serve all the people, the **G20 can play a crucial role in recoupling economic and social development.**
2. G20 Commitments and Initiatives

-- To be added --

Task Force Description (T20 Japan 2019)

Task Force 6 deals with the unprecedented crisis in multilateralism at the global level, disruption of social cohesion at the domestic level, how nations could address these issues, and what the future of politics should look like. In recent years, there has been political backlash against globalization in many parts of the world. If populism with its “we-first,” protectionist approach were to spread globally, we may experience significant disruption in global supply chains, deterioration of trade and investment, if not a collapse of the liberal trading system. Therefore, political leaders must address these issues at global fora such as the G20. TF6 previously pointed out that social prosperity has become decoupled from economic prosperity (see Snower 2018). For countries with weak social safety nets, the redistribution of income from winners to losers becomes essential. For countries with sufficient social safety nets, income redistribution may not be enough to improve social prosperity; innovative policies will be needed. TF6 aims to conduct robust analysis of populism from a socio-economic perspective. It also seeks to identify implications for global governance to help the G20 consider optimal formula and institutional arrangements that will allow high levels of international economic cooperation while reducing conflicts. TF6 will produce concrete policy measures to address these issues and shed light on the relationship among social cohesion, global governance, and the future of politics.

A. Cross-cutting Issues: Social Cohesion, Global Governance and the Future of Politics

Challenge

- If populism with "we-first" approaches and the associated protectionism spread globally, we may experience a significant disruption of global supply chains, deterioration of trade and investment and collapse of the liberal trading system. Therefore, political leaders are encouraged to address this issue at a global forum such as G20. [source: 2019 Japan T20, Description Task Force 6]
- As elaborated on in Chapter 1 (“Overarching Narrative”), social cohesion, global governance and the future of politics are closely intertwined; therefore, the T20 community is encouraged to develop policy briefs that address cross-cutting issues as much as possible (rather than focusing on one single issue), see examples below [source: 2019 Japan T20, Description Task Force 6]
- How to transform the actual global multilateral trade system to allow it to have a more equilibrated impact in the future development of all countries, is today one of the main challenges for global political governance, and not only for trade. The inequality effects of international trade are today one of the main reasons that could explain why citizens in many countries have become angry with respect to globalization. [source: https://www.g20-insights.org/policy_briefs/a-vision-about-regional-contribution-to-a-more-effective-global-governance-the-case-of-the-multilateral-international-trade-system/]
- International trade law has been oblivious to social inclusion. One of the results has been a rise in neo-nationalism and the threat of trade wars. [source: https://www.g20-insights.org/policy_briefs/adapting-trade-policy-to-social-environmental-and-development-goals/]

Policy Briefs / Literature

A role of private sector: Leveraging corporate governance as a way to improve social cohesion, global governance and the future of politics

suggested PB topic

Perspectives from Asian emerging economies on social cohesion and global governance and the future of politics

suggested PB topic

Global Governance at risk: challenges of social fragmentation, anti-globalization populism and the rising emerging economy powers

suggested PB topic

Recoupling economic growth and social development: New challenges in the digital economy

suggested PB topic
suggested PB topic

A vision about regional contribution to a more effective global governance: the case of the multilateral international trade system

PB G20 Insights: G20 Argentina

- Andrés Matías Schelp (Consejo Argentino para las Relaciones Internacionales (CARI))
- Félix Peña (Consejo Argentino para las Relaciones Internacionales (CARI))

Abstract: The main idea of our vision is that, at least in the case of international trade, global governance architecture and its impact in social cohesion at the national level, could be improved through a higher degree of sustainable win-win governance approaches at regional geographic spaces. That means that the design of the future international trade order (institutions and rules), especially if it is based in a network of connected regional and interregional trade agreements, could be acquiring greater practical importance for the efficacy of global governance and for the trust of civil societies concerning the idea of opening national economies.

Summary of Proposal: At least in the case of international trade, global governance architecture and its impact in social cohesion at the national level, could be improved through a higher degree of sustainable win-win governance approaches at regional geographic spaces.

1. A balance among global and regional trade rules.
2. Make the benefits of international trade reach more of the world’s population
3. Facilitate global growth in micro, small, and medium-sized enterprises (MSME’s).

Adapting Trade Policy to Social, Environmental, and Development Goals

PB G20 Insights: G20 Argentina

Note: the PB argues for global cooperation in international trade to strengthen social cohesion

- Gregory Shaffer (International Panel for Social Progress (IPSP))
- Marc Fleurbaey (International Panel for Social Progress (IPSP))

International trade law has been oblivious to social inclusion. One of the results has been a rise in neo-nationalism and the threat of trade wars. This proposal addresses how international trade law can be retooled in order to: help combat harmful tax competition, avoidance, and evasion; aid domestic social security and job retraining; support labor protection; discourage social dumping; and enable industrial policy experimentation for development. The proposal involves: pursuing tax cooperation and linking trade agreements to tax agreements; incorporating adjustment policies into trade agreements and adding monitoring mechanisms; enlarging trade negotiations over policy space; setting up procedural and transparency safeguards to prevent abuses and hidden protectionism.
Implementations

-- To be added --
B. Social Cohesion

Challenge

Economics of populism (with "we-first" national approaches)/ Investment in human resources (education and health)/ Relaxing social mobility and economic inequality/ Boosting economic growth/ Coping with technological progress (digital economy, industry 4.0) etc.

- The world economy has achieved an unprecedented level and pace of globalization (through the free movement of goods, services, capital, money and people) and a rapid advancement of digital economy (notably information and communication technology) particularly since the 1980s. This has fundamentally transformed the pattern of production across borders in terms of scale and geographical coverage. The downside consequence of globalization and technological progress is the destruction of jobs (though import competition, outsourcing and off-shoring of economic activity, or automation), existing communities (local economies, non-competitive firms, or family ties) and social unity (through widening inequality and inadequate social safety nets). [source: 2019 Japan T20, Description Task Force 6]

- Social cohesion is a crucial variable for economic governance (due to its direct positive effect on the quality of institutions, and thus on economic growth, as well as on individual well-being), but there is growing perception that social cohesion is decreasing, particularly in Western developed countries; worrying trends particularly for the components of social cohesion that concern acceptance of diversity and trust in governments [source: https://www.g20-insights.org/policy_briefs/understanding-and-fostering-social-cohesion/]

- While global income inequality has decreased as a consequence of convergence from fast-growing economies, it remains high by all standards and has risen within many countries, especially among the advanced G20 economies, since the 90’s. The process of growth has been uneven, creating a backlash against globalization and global economic integration. This backlash may turn out to further hurt the least advantaged. ► Pursuing inclusive growth, as recommended by the 2016 G20, is a major global challenge that requires both national and international efforts. [based on https://www.g20-insights.org/policy_briefs/reducing-inequalities-strengthening-social-cohesion-inclusive-growth-roadmap-action/]

- The consequences of growing global inequalities and uneven development are impairing social cohesion, the very glue that is holding our national societies together. [source: https://www.g20-insights.org/policy_briefs/inequalities-undermine-social-cohesion-case-study-south-africa/]

- Economic inequality is rising in nearly all countries. In the framework of the 2015 Sustainable Development Goals (SDGs), target 10.1 commits countries to a reorientation toward greater equality: “By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average”. Achieving this target will require a reversal of current trends in many countries. [source: https://www.g20-insights.org/policy_briefs/towards-pisa-type-ranking-economic-inequality/]
Policy Briefs / Literature

**Re-engineering social capital for greater social cohesion by drawing lessons from practices and experiences among the T20 countries**, including innovative welfare policies, social innovations (role of NGOs, family and community), **and good use of technological innovations to support balanced work and life style.**

*suggested PB topic*

**Promoting health in an aged society for securing social cohesion**
(universal health coverage, innovative measures of public support, mutual assistance, etc.)

*suggested PB topic*

**Understanding and fostering social cohesion**

PB G20 Insights: G20 Argentina

- Nicholas Tänzler (Kiel Institute for the World Economy (IfW))
- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))

Abstract: We offer theoretical foundations for the notion of social cohesion, provide empirical evidence for its drivers and impact on policy-relevant targets (such as GDP and well-being) and analyze its trend. We then offer several recommendations on how to foster social cohesion, pertaining to either its “objective” component – e.g. facilitating participation in association and community work, inserting “service-learning” into school curricula, acting for inclusive growth – and its “subjective” component – e.g. encouraging media and civil society to self-regulate to reduce the diffusion of false information, improving tolerance across groups and removing stereotypes over immigrants’ perceived lack of integration in society.

Summary of Proposal: **comprehensive and integrated approach** needed that takes account of the difficulties in improving social cohesion (especially correcting individual stereotypes, removing the spread of factually wrong information by the media, and facilitating participation in associations, community work and the implementation of policies for inclusive growth)

1. Facilitate the constitution and the participation in associations and community work
2. Offer educational programs providing students with the opportunity to engage in community work and association membership.
3. Citizen involvement in the implementation of public goods
4. Facilitate the opportunities for citizens’ political engagement and improve the institutional reception to bottom-up initiatives
5. Comply with a strategy of inclusive growth
6. Improve integration of immigrants in society
7. Improve reciprocal tolerance across different ethnic and social groups
8. Engage in a public dialogue with the media, broadly defined, in order to discard the diffusion of so-called “fake news”
9. Identify sensitive areas for trust in governments and implement policies to improve consensus

Reducing inequalities and strengthening social cohesion through Inclusive Growth: a roadmap for action

PB G20 Insights: G20 Germany

- Romina Boarini (OECD)
- Orsetta Causa (OECD)
- Marc Fleurbaey (International Panel for Social Progress (IPSP))
- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))
- Ingrid Woolard (University of Capetown)

Abstract: We propose a policy compact to achieve more inclusive growth in G20 countries so that economic growth regains the ultimate sense of improving all people’s lives. Guiding principles are: 1) social cohesion is not just about income but about all relevant dimensions of well-being and determinants of social status; 2) it is also about including people in participatory decision-making to enhance their dignity and control over their lives; 3) integrated policy approaches are needed, across policy domains and between national and global actions, including migrations. Concrete policy actions are described that span education, labor, fiscal instruments, public and private governance.

Summary of Proposal:

1. Share the benefits of increased prosperity and globalization more evenly across social groups.
2. Devise policies that consider the multidimensional nature of prosperity and how the various well-being outcomes are distributed in the population.
3. Ensure that all individuals are equipped to fulfil their productive potential with adequate investment in skills and health and good opportunities for quality jobs to keep pace with an increasingly globalized and digitalized world.
4. Make sure that the voices of all citizens are heard by promoting wide participation to political and economic decisions in particular from less engaged groups. Foster transparency in decision-making processes and prevent capture by special interest groups, at all levels.
5. Counter the rising tide of anti-immigration voices by developing effective migration and integration policies and by explaining the benefits from immigration. Step-up international cooperation to manage migration flows at the global level.
6. Making inclusive growth happen requires evidence-based reasoning. More timely data are needed to understand the conditions under which economic growth translates into higher well-being outcomes.

How Inequalities undermine Social Cohesion: A Case study of South Africa

PB G20 Insights: G20 Germany
Abstract: The consequences of growing global inequalities and uneven development are starting to be noticeable because of their effect on social cohesion. South Africa is such a country that bears the consequences of having the most unequal society in the world. This policy brief therefore uses the case study of South Africa to show how social and economic inequalities can end up undermining social cohesion, the very glue that is holding our national societies together and fostering a greater response to inequalities. The authors propose various measures in which the South African government can address the decreasing levels of social cohesion because of increasing socio-economic inequalities. This can be done through government committing to adopt redistributive policies in the social and economic spaces. The redistributive policies have to be aimed at redistributing the land, investing in African businesses and increasing the minimum wage.

Summary of Proposal: The authors propose various measures in which the South African government can address the decreasing levels of social cohesion because of increasing socio-economic inequalities. This can be done through government committing to adopt redistributive policies in the social and economic spaces. The redistributive policies have to be aimed at redistributing the land, investing in African businesses and increasing the minimum wage.

Towards a PISA-type ranking on economic inequality

PB G20 Insights: G20 Germany

- Lucas Chancel (Institute for Sustainable Development and International Relations (IDDRI))
- Alex Hough (Institute for Sustainable Development and International Relations (IDDRI))
- Tancrede Voituriez (Institute for Sustainable Development and International Relations (IDDRI))

Abstract: Economic inequality is rising in nearly all countries. Some nations however fare better than others and the global community could learn from successful national policies implemented to tackle inequality. Building on the SDG impetus, this policy brief calls for i) the publication of a periodical report that would rank countries over their performance in terms of economic inequality and ii) the creation of a research and policy forum to facilitate mutual learning over inequality reduction policies.

Summary of Policy Proposal:

...for G20 leaders

- Publish a periodical (annual or every two years) **statistical and policy report** ranking countries over their performance on SDG target 10.1. This report could include contributions from academia but should eventually be endorsed by the United Nations Statistical Agency. G20 countries should take the lead on this.
- This report would contain – or would be supplemented by a side-report on – a **discussion of successful and less successful policies implemented** in different countries to tackle inequality.
• Present and discuss these reports at an annual global inequality conference. The T20 host could kick start such a conference and convene it over the first years, but it should eventually be hosted by the United Nations.

Implementations

-- To be completed and revised --

**Understanding and fostering social cohesion** by Nicholas Tänzler (Kiel Institute for the World Economy (IfW)) Gianluca Grimalda (Kiel Institute for the World Economy (IfW))

Existing policies

- African Union Employment and Social Cohesion Fund (The AU is currently establishing a fund in order to defy unemployment and socioeconomic exclusion, in particular of women and young individuals. [https://au.int/sites/default/files/newsevents/workingdocuments/34086-wd-progression_report_on_the_establishment_of_the_au_employment_and_social_cohesion_fund_english.ppd](https://au.int/sites/default/files/newsevents/workingdocuments/34086-wd-progression_report_on_the_establishment_of_the_au_employment_and_social_cohesion_fund_english.ppd)
- Council of Europe European Social Cohesion Platform (PECS) (The PECS was established in 2016 with the aim of guaranteeing equal social rights and the respect of human dignity to all citizens of the EU and preventing discrimination of refugees. [https://www.coe.int/en/web/turin-european-social-charter/european-social-cohesion-platform-about](https://www.coe.int/en/web/turin-european-social-charter/european-social-cohesion-platform-about))
- Government of Canada Promoting Social Cohesion in Iraq (This project, finished in 2017, provided educational activities for internally displaced Iraqis to improve their negotiation, mediation, project planning and implementation abilities. [http://w05.international.gc.ca/projectbrowser-banqueprojets/project-projet/details/D001622001?Lang=eng](http://w05.international.gc.ca/projectbrowser-banqueprojets/project-projet/details/D001622001?Lang=eng))
C. Global Governance

Challenge

Saving multilateralism/ Optimal formula of the global economic rules/ Cooperation between developed and developing countries

- The proliferation of "we-first" national strategies is indeed a serious concern, and could jeopardize multilateralism. In other words, multilateralism or international liberalism could be protected only through social acceptance in national domains. Salient point concerning global economic governance is a friction between global rules governing the world economy and nation-state economic policies. One example is the anti-euro sentiment. A single currency system does not allow an individual member country's monetary policy and adjustment of the exchange rate. As a result, less competitive countries struggle with economic burdens, and the consequence is the rise of populist moves against the euro and EU integration. The US trade policy under President Trump is another example. The US tariff measures likely violate the WTO rules. It is high time for the G20 to come up with an optimal formula which allows high levels of international economic cooperation (for free trade and investment) and at the same time reduces a conflict between the global economic rules and national sovereignty.
  [source: 2019 Japan T20, Description Task Force 6]

- The G20 at a crossroads: retreat to a reaffirmation of nationalisms or commit to a new form of multilateralism?; economic and social progress becomes decoupled, see growing income disparities, growing disempowerment and disintegrating social affiliation [source: https://www.g20-insights.org/policy_briefs/the-g20-at-a-crossroads-the-future-of-global-governance/]

- (a) lack of integration of civil society into global governance, (b) reliance of economic policy on a model of human behaviour based on self-interest and instrumental rationality, (c) recognition that the spread of divisive narratives, which emphasize demarcations across national or religious lines, hinders global cooperation [source: https://www.g20-insights.org/policy_briefs/exploiting-behavioural-insights-foster-global-cooperation/]

- populists, nationalist groups and governments call into question the momentum gained by institutionalised global cooperation [source: https://www.g20-insights.org/policy_briefs/innovating-global-governance-bottom-up-the-inductive-approach/]

Policy Briefs / Literature

What should new global governance do to mitigate the social costs (negative externalities) of globalization? Are new global institutions or rules needed to help restructure welfare states, redistribution mechanisms and trade adjustment policies?

suggested PB topic
How could multilateralism and international liberalism be protected in view of the Dani Rodrik trilemma and the Ralf Dahrendorf quandary? suggested PB topic

The G20 at a Crossroads: The Future of Global Governance

PB G20 Insights: G20 Argentina

- Dennis J. Snower (Kiel Institute for the World Economy (IfW))

Abstract: The G20 is at a crossroads. It can retreat to a reaffirmation of nationalism or commit to a new form of multilateralism, guided by the primacy of social prosperity and the principle of subsidiarity. The G20 has traditionally focused on economic policy issues – economic growth and financial stability. This is appropriate as along as social progress is closely tied to economic progress, for then the achievement of material prosperity will promote human flourishing. But when economic and social progress becomes decoupled – as we commonly observe through growing income disparities, growing disempowerment and disintegrating social affiliations – then an exclusive preoccupation with economic policy issues is unlikely to quell the widespread public discontent. On this account, it is appropriate for the G20 objectives to be broadened to include resilient, inclusive and sustainable prosperity. This wider conception of human needs calls for a new worldview to underlie G20 policymaking, one that generates social acceptance for multilateral cooperation in tackling multilateral problems, while allowing different countries to nourish different national, cultural and religious identities.

Summary of Proposal: as along as social progress is closely tied to economic progress, the G20 should focus on economic policy issues; when economic and social progress becomes decoupled, it is appropriate for the G20 objectives to be broadened to include resilient, inclusive and sustainable prosperity ▶ G20 should commit to a new form of multilateralism, guided by the primacy of social prosperity and the principle of subsidiarity, one that generates social acceptance for multilateral cooperation in tackling multilateral problems, while allowing different countries to nourish different national, cultural and religious identities

Exploiting Behavioural Insights to foster Global Cooperation

PB G20 Insights: G20 Germany

- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))
- Andreas Friedl (Kiel Institute for the World Economy (IfW))
- Dennis J. Snower (Kiel Institute for the World Economy (IfW))
- Katharina Lima de Miranda (Kiel Institute for the World Economy (IfW))
- Patrick Ring (Kiel Institute for the World Economy (IfW))
- Simon Bartke (Kiel Institute for the World Economy (IfW))
- Steven Bosworth (Kiel Institute for the World Economy (IfW))

Abstract: We identify three challenges to global cooperation and propose three solutions. The first is the lack of integration of civil society into global governance. In the spirit of Ostrom’s poly-centric governance, we propose stronger interaction between public international authorities, including the
G20, and civil society. The second is the reliance of economic policy on a model of human behaviour based on self-interest and instrumental rationality. We propose on the contrary to ground policies on behavioural evidence, and to increase cooperation between academic institutions active in this field worldwide. The third is the recognition that the spread of divisive narratives, which emphasize demarcations across national or religious lines, hinders global cooperation. Alternative narratives should be produced within a transformative process involving responsible leaders, decision-makers, experts, and civil society.

Innovating Global Governance: bottom-up, the inductive approach

PB G20 Insights: G20 Argentina

- Aitor Pérez (Elcano Royal Institute)
- Ángel Saz-Carranza (ESADEgeo Center for Global Economy and Geopolitics)
- Andrés Ortega (Elcano Royal Institute)

Abstract: Recently, populists and nationalist groups and governments have called into question the momentum gained by institutionalised global cooperation. In this Policy Brief we argue that inductive global governance is a bottom-up mode of organising global collective action that has been successful in addressing certain global challenges and should be reinforced. Furthermore, it can also be very useful to counter populist attacks on global governments through argument, resilience and efficiency.

We use the Paris agreement to illustrate inductive governance in several dimensions, and also refer to other global issues where bottom-up governance is working: the 2030 Agenda and Internet Governance. Inductive governance differs from traditional modes of international governance in several aspects. The latter can be considered strengths as regards the populist attack on international institutions, as they connect the global level of governance with civil society, public opinion and subnational governments, and they contribute to a more efficient and accountable use of public resources. These aspects are: participation and dialogue, efficiency, government control, accountability, resilience and private funding.

Consequently, we recommend the G20 to foster an increasing inductive or bottom-up global governance in the sense of improving the acceptance and social support for government coordination and IGO activities. This can be done by improving social awareness and networking around the issues of concern of the G20, seeking voluntary agreements between governments rather than international treaties, raising support from non-governmental actors and subnational governments to reinforce such agreements and following up on implementation through multi-stakeholder coalitions.

Summary of Proposal: Counter populist attacks on global government by reinforcing and complementing intergovernmental or supranational governance through ‘inductive’ or bottom-up governance (organising global collective action, so that the identification of the issues to be addressed at the global level, the content of the international agreements reached and the follow-up of their application at the national level rely on the initiative and active participation of non-governmental and subnational actors)
Recommendations for the G20:

1. Improve social awareness and networking around the issues of concern to the G20.
2. Go for voluntary agreements between governments
3. Raise support from non-governmental actors and subnational governments for non-binding agreements
4. Monitor the compliance by G20 members of their commitments in the G20 framework. Control the implementation of G20 decisions, also using the OECD, the T20, other engagement groups and other international organisations and academic and NGO networks.
5. Reinforce the implementation of arrangements through multi-stakeholder coalitions

Global Governance in 2030. Prospective Scenarios on the Future of Politics

Note: The paper vividly describes the impact of the Future of Politics on Global Governance.

- Julia Pomares (CIPPEC)
- María Belén (CIPPEC)

Abstract: This paper analyzes current global trends in domestic politics and the prospective scenarios on the future of politics. To do so, the paper presents a brief description on three forces we know will forge the future: technological breakthroughs, demographic changes and shifts in global economic power. Later, it turns to the uncertainty of the future. We live in nation states, so we first attempt to devise how these forces will shape domestic politics. We then look at global governance and the way these trends will impact upon it. The final stop of this journey is an analysis of the implications of these scenarios for the role of the G20.

Summary of Policy Proposal:

Role for the G20:

1. **Artificial intelligence (AI) regulation**: The G20 forum can agree on a series of principles that enable the smoother, internationally broader and more socially acceptable introduction of Big Data and AI in the workspace.
2. **Investment and implementation actions** in multiple areas, such as providing cleaner energy, and building climate-resilient urban, energy and transport infrastructure. (e.g. There is a growing need to empower cities as leading actors to mitigate climate change, to develop new metropolitan governance mechanisms and to promote a new-ecologically-based urban agenda.)
3. Collaborate by seeking agreements on the definitions and on minimum standards of **data collection** [on migration].
4. Play a leading role in **promoting and enhancing the accountability for the implementation of the 2030 Agenda**. (For instance, by creating a common template for countries to report on the progress made towards implementing and achieving the SDGs which, in turn, can be fed into the Annual Progress Report.

**Can Global Governance Prevent the Coming Crisis?**

Anthony Payne (The Sheffield Political Economy Research Institute (SPERI))

Serious problems undermine the current regime of global governance and create a significant ‘global governance deficit’. They have not been solved by the G20, the self-styled steering committee of global economic governance, even though the latest G20 summit in 2016, held for the first time in China, did promote a new ‘Hangzhou Consensus’ that constituted at the very least a marker on behalf of the cause of more inclusive growth. Actually existing global governance is simply not strong enough to avert a further global economic crisis by its means. It is also now caught between conflicting ‘reglobalisation’ and ‘deglobalisation’ political pressures.

Should we give up on global governance?

Bruegel Policy Contribution Issue n’17, October 2018

Jean Pisani-Ferry (Bruegel)

The high point of global governance was reached in the mid-1990s around the creation of the World Trade Organisation. It was hoped that globalisation would be buttressed by a system of global rules and a network of specialised global institutions. Two decades later these hopes have been dashed by a series of global governance setbacks, the rise of economic nationalism and the dramatic change of attitude of the United States administration. From trade to the environment, a retreat from multilateralism is observable. The 2008 elevation of the G20 to leaders’ level was an exception to this trend. But the G20 is no more than a political steering body.

The reasons for this retreat partially arise from political developments in individual countries. But such factors hide a series specific roadblocks to global governance: the growing number and diversity of countries involved; the mounting rivalry between the US and China; doubts about globalisation and the distribution of the associated benefits; the obsolescence of global rules and institutions; imbalances within the global governance regime; and increased complexity.

What, then, should be the way forward? The demand for global governance has not diminished, but support for binding multilateral arrangements has. There is a need for alternative governance technologies that better accommodate the diversity of players, provide for more flexibility and rely less on compulsion. From competition to financial regulation, such arrangements have been developed in a series of fields already. They are often hailed as providing a solution to the governance conundrum. But their effectiveness should be assessed critically. Can they overcome the free-rider curse and enforcement problems? Usual game theory suggests not. Not all games are similar, however, and some collective action problems can be tackled without recourse to coercion.
Against this background, multilateralists hesitate over the choice of a strategy. One option would be to seek to preserve the existing order to the greatest extent possible. Its downside is that it does not address the underlying problems. An alternative option is to try to redesign international arrangements, putting the emphasis on flexibility and voluntary participation. Its downside is that it risks overlooking the intrinsic problems of international or global collective action. A potentially more promising approach would be to define the minimum conditions that the multilateral framework must fulfil to provide a strong-enough basis for flexible, variable-geometry and possibly informal arrangements.

In the end, we should neither cultivate the nostalgia of yesterday’s order nor invest our hopes in ineffective international cooperation. The narrow path ahead is to establish a sufficient, critical multilateral base for flexible arrangements and to equip policymakers with a precise toolkit for determining, on a field-by-field basis, the minimum requirements for effective collective action.

Contested Global Governance


- Michael Zürn (Berlin Social Science Center (WZB))

This article aims to contribute to the third generation of global governance research by unfolding the concept of a global governance system consisting of normative principles and patterns of authority relationships and legitimation. The goal is to formulate a positive theory that goes beyond the negative descriptions of global governance as post-internationalist and helps to move global governance beyond its embryonic state. The major theoretical claim is that the features of the current global governance system have endogenously produced the politicization and counter-institutionalization of international authorities. Internal tensions of the system fuel legitimation problems and demands for change, which in the end lead – in some cases – to the decline of global governance arrangements or – in other cases – to its deepening via appropriate institutional responses.

Why Govern? Rethinking Demand and Progress in Global Governance


- Amitav Acharya (American University Washington) (ed.)

The system of international cooperation built after World War II around the UN is facing unprecedented challenges. Globalization has magnified the impact of security threats, human rights abuses, mass atrocities, climate change, refugee, trade and financial flows, pandemics and cyberspace traffic. No single nation, however powerful, can solve them on its own. International cooperation is necessary, yet difficult to build and sustain. Rising powers such as China, India, and Brazil seek greater leadership in international institutions, whose authority and legitimacy are also challenged by a growing number of civil society networks, private entities, and other non-state actors. Against this backdrop, what is the future of global governance? In this book, a group of the leading scholars in the field provide a detailed analysis of the challenges and opportunities facing global cooperation. The book offers a comprehensive and authoritative guide for scholars and practitioners interested in multilateralism and global order.
Implementations

-- To be completed and revised --

Innovating Global Governance: bottom-up, the inductive approach by Aitor Pérez (Elcano Royal Institute) Ángel Saz-Carranza (ESADEgeo Center for Global Economy and Geopolitics) Andrés Ortega (Elcano Royal Institute)

Inductive governance was already applied

- in designing the 2030 UN Sustainable Development Goals
- in reaching the Paris Agreement on Climate Change
- and is starting to be implemented –not only in negotiations but also in executing decisions– in the governance of Internet
D. Future of Politics

Challenge

Curving populism and nationalism/ Reconstruction of welfare states and trade adjustment mechanism/ Partnership with wider stakeholders in civil society/ Aging society

- At all levels and countries, institutions matter, enabling the market to function efficiently and protecting people from frequent volatility and shocks, regardless of political systems, cultures and identities. Those institutional arrangements in politics have to be thought in the context of restructuring welfare states, redistribution mechanism and trade adjustment mechanism. Collaboration with wider stakeholders in civil society is indispensable for curving populism and nationalism. [source: 2019 Japan T20, Description Task Force 6]

- The interaction between failing global cooperation and domestic political instability requires looking for ways to improve national governance as an integral part of pursuing the global agenda of the G20. [source: https://www.g20-insights.org/policy_briefs/political-innovation-for-a-better-governance/]

- Both globalization and democratic institutions suffer from growing disaffection from the population; international constraints when addressing national challenges; difficulty to combine democratic national sovereignty and global economic integration. The challenge is to imagine a way to preserve national democratic policy-making while making the most of the economic and social opportunities offered by the free circulation of capital, goods and services, technology, and labor [source: https://www.g20-insights.org/policy_briefs/effective-national-policies-in-the-globalized-era/]

- Relationship between many G20 governments and organized civil society has become more complex, laden with tensions; the present impasse results foremost from outdated, increasingly ill-suitied regulations [source: https://www.g20-insights.org/policy_briefs/civil-society-organizations-in-need-of-new-regulatory-models/]

- How can philanthropic foundations realize their potential in seeking solutions, while at the same time, becoming more responsive to signals and incentives? How can foundations best manage expectations and negotiate sometimes difficult relationships with government? And how can government provide a policy and regulatory environment that enables foundations to achieve sustained impact? [source: https://www.g20-insights.org/policy_briefs/philanthropic-foundations-from-promise-to-sustainable-contributions/]

- Welfare state is under pressure by growing needs for redistributive safety nets, the costs of advanced health care and old-age dependence and related burdens, widespread disaffection for redistribution, and the race to the bottom on corporate and top income taxation. Welfare state needs a re-foundation to attract consensus from citizens [source: https://www.g20-insights.org/policy_briefs/rethinking-the-welfare-state-in-the-global-economy/]
complex, challenging environment for nongovernmental organizations including philanthropy: intensified competition for financial resources, stricter regulations of CSOs, more restrictions on the cross-border operations and transactions of CSOs, advances in information and communication technologies and social innovations [source: https://www.g20-insights.org/policy_briefs/civil-society-challenged-towards-enabling-policy-environment/]

- Corruption in SOEs has dramatically increased over the last decade and a key problem in many companies. SOEs have usually a strong share in strategic sectors for the provision of public services such as water and sanitation, transport, energy and telecommunications (Bernal et al., 2012). In addition, SOEs can play a key role in the development of the country by generating positive externalities that favors the sectors with growth potential (Christiansen, 2013). [source: https://www.g20-insights.org/policy_briefs/promoting-transparency-and-anticorruption-in-state-owned-enterprises-2/]

**Policy Briefs / Literature**

**Urban and rural disparity.** In many countries, larger metropolitan areas are thriving, while rural areas are suffering from population decline, loss of social capital and a weakening of local economies and civil societies. **What could be done to re-balance urban-rural relations? What role could new digital technologies (for communication, transport mobility, etc.) play in giving rural populations access to an urban based service economy?**

*suggested PB topic*

**Gender and civil society.** Like all institutions, civil society organizations and patterns of social and political participation are gendered and reflect particular power relations in families, communities and nations. **How can we make sure that men and women have access to civil society? What are the barriers to equal participation in civil society, and what policies could help lower them?**

*suggested PB topic*

**Political Innovation for a Better Governance**

PB G20 Insights: G20 Argentina

- Marc Fleurbaey (International Panel for Social Progress (IPSP))

The interaction between failing global cooperation and domestic political instability requires looking for ways to improve national governance as an integral part of pursuing the global agenda of the G20. This brief proposes to improve the legitimacy and effectiveness of national governance and politics by seeking to better enfranchise citizens through: affirming the rule of law and fighting corruption; regulating the interaction between money and politics much more strictly than is currently done; recognizing the public role of the media and treating the media system as a public good; developing and deepening participatory mechanisms; pursuing economic, not just political, enfranchisement by improving governance in economic organizations; reforming electoral systems that are unstable and polarizing with new voting rules that favor consensus building.
Effective National Policies in the Globalized Era

PB G20 Insights: G20 Argentina

- Fernando Filgueira (Centro de Informaciones y Estudios del Uruguay (CIESU))
- Ulf Sverdrup (Norwegian Institute of International Affairs (NUPI))
- Orsetta Causa (OECD)
- Marc Fleurbaey (International Panel for Social Progress (IPSP))
- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))

Abstract: National governments, even in the current phase of “hyper-globalization”, have important freedom of initiative in social and economic policy. The great variety of economic and social policies around the world, even among the most open economies, proves that the welfare state has not lost its original function of compensating citizens from the risk of income variability in open economies. The claim that globalization requires rolling back the welfare state is therefore unfounded. National politics should therefore be seen by all relevant actors (policy-makers, citizens, civil society) as crucial for determining the path of their country and deserving of their investment and energy.

Summary of Policy Proposal:

Observations:

1. Diversity of economic and social policies among open economies
2. A decline in certain taxes and redistributive policies
3. Globalization and redistribution, a complex interdependence
4. Enhancing the effectiveness of national policies in a globalized economy: states have numerous possibilities to either influence or prevent policies in global decision-making bodies, and they have ample possibilities to accommodate the well-being of their citizens when transposing and implementing such international norms into their national systems.

Conclusions:

1. Welfare policies in emerging economies: pensions should not be the driving force of the welfare state, spending on child and family benefits is much more effective, both as an investment in human capital and as a more effective redistributive tool
2. The importance of domestic politics existence of significant differences in preferences for redistribution between countries and considerable room for national discretion and variation; o supplement punishment of infringers with a more effective approach to promote bottom-up mechanisms (e.g. mechanism for domestic groups to appeal to an independent European democracy watchdog)

Rethinking the welfare state in the global economy

PB G20 Insights: G20 Argentina
Note: cross-cutting issue: welfare state reform is seen as an essential building block in maintaining social cohesion

- Fernando Filgueira (Centro de Informaciones y Estudios del Uruguay (CIESU))
- Orsetta Causa (OECD)
- Marc Fleurbaey (International Panel for Social Progress (IPSP))
- Gianluca Grimalda (Kiel Institute for the World Economy (IfW))

Abstract: Is the welfare state jeopardized by demographic and economic pressures (ageing, globalization, technological progress)? In fact, it is even more needed in a globalized economy, and it can be adapted to enhance its effectiveness in promoting more inclusive growth. This involves: developing pre-market and in-market forms of pre-distribution that reduce inequalities in market incomes and lower the need for redistribution; investing in education and health to develop productivity, civic capacities and well-being; seeking more efficient tax bases such as externalities and rents; breaking intergenerational transmissions of inequalities and boosting social mobility by investment in human capital and wealth redistribution; preparing safety nets for large technological waves; developing international cooperation on tax and social norms. These recommendations are equally relevant for developing and emerging economies and should be considered against the broad challenge that such countries face of establishing a sustainable welfare system.

Summary of Policy Proposal:

1. Empowering people through pre-market and in-market policies

   maximizing the welfare state’s pre-distributive operations: (a) investment in human capital and human capacities through education, public health (including environmental policy) and access to basic infrastructure (including digital technology); (b) taxing gifts and bequests at the recipient level only and encouraging donors to distribute their wealth to the most needy. [The G20 countries should build up coordination to enable countries to implement suitable forms of bequest redistribution without fearing capital flight.]; (c) “in-market” pre-distribution: minimum wage and labor contract regulation, competition policy, corporate social and environmental responsibility (European Enterprise Formula, U.S. Benefit Corporation formula), make sure workers in the gig economy are covered by social protection systems.

2. Seeking new revenues drawn through efficiency-oriented interventions

   shift the tax base toward less distortionary or even toward equity and efficiency-enhancing taxes: (a) reducing taxes on labor earnings at the low-end of the distribution, curbing gender bias in taxation by lifting women labor market participation; fostering horizontal equity in the tax system; (b) land rents and market power rents [G20 countries should consider defining guidelines to coordinate anti-trust policy]; (c) taxes on externalities, e.g. carbon tax [Coordination across countries within the Paris Agreement can be enhanced by setting up a coordinated effort at harmonizing the carbon tax (or price ranges for emission permits)]; (d) property taxes
3. Breaking intergenerational transmissions and lifetime persistence

policies attending to material assets and human capital in order to give every individual fair chances and possibilities to recover after disruptive events such as unemployment or health shocks: (a) ambitious policy to curb the dynastic transmission of wealth; (b) unemployment benefits, income support and incentives for savings; (c) Taxes on pollution, initial education; (d) health care, lifelong education

4. Preparing the welfare state for the fourth industrial revolution

reduce the shock resulting from artificial intelligence (AI) revolution: (a) better incentives toward employment through reduced payroll taxes and more democratic management; (b) income support (unemployment benefits and other forms) and retraining programs; (c) pro-competition policy can foster the dynamism of the economy and the creation of new jobs

[G20 countries should consider experimenting with modest levels of universal basic income and test both the economic and political viability of this formula.]

5. Welfare states in emerging economies

(a) enlarging the access to all levels of education (universal coverage); (b) providing health services as broadly as possible (universal coverage) [This is an area where official development aid could take new forms directly financing educational and health programs through the provision of loans or unconditional aid.]; (c) targeted social assistance (usually considered as an effective strategy during the scaling-up of a welfare state

6. International coordination toward a global safety net

The policies and reforms discussed in this note are meant to be implemented at the national level yet with suitable coordination and harmonization they could form the backbone of a project of universal safety net, defining minimal levels for investment in human capital, social protection and related policies.

most basic form of cooperation should bear on tax evasion and the closure of tax havens (Alonso 2018b); introduction of global taxes and global safety nets, or global infrastructure programs (Global taxes such as a carbon tax could be earmarked to pay for infrastructure investment in developing countries and basic safety nets.)

Civil Society Organizations: In need of new regulatory models

PB G20 Insights: G20 Argentina

- Stefan Toepler (George Mason University)
- Helmut Anheier (Hertie School of Governance)

Abstract: The relationship between many G20 governments and organized civil society has become more complex, laden with tensions, and such that both have to find more optimal modes of engagement.
While there are many reasons for this development, the present impasse results foremost from a lack of adequate regulatory frameworks that can accommodate a much more diverse and expanded set of civil society organizations (CSO). Typically, regulations are outdated, and given the growth of CSO activities in economic, political and social terms, increasingly ill-suited. In response, the brief proposes a differentiated model for a regulatory framework based on functional roles.

Summary of Policy Proposal: A more differentiated approach to civil society organizations (CSOs) is needed, namely, regulatory frameworks that take account of the functional differences among CSOs and the various organizational forms underlying them (CSOs as service provider, an expression of civic engagement, private support for the public good (foundations) or social investments).

**Philanthropic Foundations: From Promise to Sustainable Contributions**

PB G20 Insights: G20 Argentina

- Diana Leat (City University London)
- Stefan Toepler (George Mason University)
- Helmut Anheier (Hertie School of Governance)

Abstract: Over recent decades, philanthropic foundations have grown in numbers, scale and policy relevance. Yet their roles and contributions in the context of national and international politics and policies remain unclear, particular in view of the profound challenges G20 countries face in terms of social cohesion, governance, and the need for policy innovations. Drawing from the growing literature on philanthropy and recent research projects by the authors, we identify key roles for foundations, make a case for transparent, pro-active management style, and, in terms of an overall regulatory framework, propose policy recommendations towards enabling environments for philanthropy.

Summary of Policy Proposal:

1. Tackle philanthropic foundations’ vulnerability to the benign fallibility syndrome by a more pro-active management style
2. Government shall provide adequate policy and regulatory environments: (a) arms-length model for consolidated democracies and developed market economies, (b) concessionary system for transition regimes with the rule of law in place, (c) general delegated model for autocratic regimes
3. Foundations shall (a) undertake a serious and profound review of management styles, including issues relating to their legitimacy (especially transparency and accountability), (b) invite public debate on what model fits the circumstances of a particular country best

**Civil Society Challenged: Towards an Enabling Policy Environment**

PB G20 Insights: G20 Germany

- Helmut Anheier (Hertie School of Governance)
- John Burns (The University of Hong Kong)
Abstract: The authors propose to initiate a process for the establishment of an independent high-level commission of eminent persons (i) to examine the changing policy environment for civil society organizations in many countries, (ii) to review the reasons behind the shrinking space civil society encounters in some parts of the world and its steady development in others, and (iii) to make concrete proposals for how G20 countries and civil society can relate in productive ways in national and international contexts.

Summary of Policy Proposal: initiate a process for the establishment of an independent high-level commission of eminent persons

1. to examine the changing policy environment for civil society organizations in many countries
2. to review the reasons behind the shrinking space civil society encounters in some parts of the world and its steady development in others, and
3. to make concrete proposals for how G20 countries and civil society can relate in productive ways in national and international contexts.

Promoting Transparency and Anticorruption in State-Owned Enterprises

PB G20 Insights: G20 Argentina

- Ana Lilia Moreno (México Evalúa)
- Andrea Castagnola (Centro de Implementacion de Politicas Publicas para la Equidad y el Crecimiento (CIPPEC))
- Gonzalo Diéguez (Centro de Implementacion de Politicas Publicas para la Equidad y el Crecimiento (CIPPEC))
- Katja Bechtel (Transparencia International – Secretariado)
- Marcos Ramos (México Evalúa)
- María Emilia Berazategui (Poder Ciudadano)
- María Fernanda Ballesteros (México Evalúa)
- Paula Núñez (Centro de Implementacion de Politicas Publicas para la Equidad y el Crecimiento (CIPPEC))

State-owned enterprises (SOEs) are important because they produce public goods that affect both the economy and the quality of life of citizens, such as energy, water supply, transport and communications. SOEs, whether state agencies or privatized, face similar corruption risks to private sector companies but they have specific higher vulnerabilities coming from their closeness to governments and politics, the scale of assets they control, the considerable value of the public contracts they award and the challenges of the markets and sectors they operate in (Transparency International 2017). G20 leaders should endorse a policy framework for promoting good governance, transparency and disclosure in SOEs, this should be the main goal of states when countering corruption (Transparency International 2017 and OECD 2016a).

The Impact of Foresight on Policymaking. Towards More Transparency and Participation
PB G20 Insights: G20 Germany

- Julia Himmrich (London School of Economics (LSE))
- Monika Sus (Hertie School of Governance)

Abstract: Scenario methodology is one of the most resourceful foresight approaches. It facilitates contrarian thinking and undermines the groupthink that often occurs during policymaking processes in homogeneous environments. Political elites have shown that they are not immune to the effects – at times, even fatal consequences – of such streamlining. Since scenario processes are inherently heterogeneous, they increase overall transparency and provide opportunities to include previously excluded social groups and perspectives in the decision-making process. In sum, foresight studies widen the perspective to cover a range of unexpected yet plausible outcomes and thus they represent a valuable tool for policymakers in view of the growing global uncertainties.

Summary of Policy Proposal: promote democratic processes through inclusiveness, openness and public engagement by applying scenario methodology (one of the most resourceful foresight approaches, facilitates contrarian thinking and undermines the groupthink that often occurs during policymaking processes in homogeneous environments) in the G20 context

Improving governability, legitimacy, accountability

PB G20 Insights: G20 Argentina

- Jürgen R. Grote (DOC Research Institute)

It is widely assumed that the increasing disfunctions of democratic regimes could be fixed internally, i.e. within the realm of government. Today we know that this is an illusion. Democratic governance can only be maintained and advanced within the wider realm of coming to grips with adjacent and often competing modes of societal order, i.e. the market and the community/society. The author first lists different challenges to democratic governance before addressing the question of how these challenges could be met with respect to each of the three dimensions in a way such that governability, legitimacy and accountability (GLA) reassume the character of a virtuous circle.

Implementations

-- To be completed and revised --

Rethinking the welfare state in the global economy by Fernando Filgueira (Centro de Informaciones y Estudios del Uruguay (CIESU)) Orsetta Causa (OECD) Marc Fleurbaey (International Panel for Social Progress (IPSP)) Gianluca Grimalda (Kiel Institute for the World Economy (IfW))

- European Enterprise Formula and the U.S. Benefit Corporation formula
- The Global Partnership for Universal Social Protection launched in 2016 (Alonso 2018a)