Reinvigorating multilateral cooperation during the COVID-19 crisis: The role of the G20

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Abstract:

The COVID-19 pandemic has made clear how important multilateral cooperation is to overcome global challenges, such as this global health crisis. The COVID-19 crisis and its socioeconomic impact are likely to reinforce previous tendencies towards nationalism, protectionism and increasing inequality, which make fruitful international cooperation even more difficult. The G20 can prevent this by lending political support to existing multilateral actors and agreements (WHO and SDGs), setting norms with regard to health as global public good and the necessity to fight inequality, and initiating a task force to evaluate and improve the International Health Regulations.
Challenge
The COVID-19 pandemic has made clear that our world is so interconnected that we can only overcome this crisis by effective international cooperation. Knowledge and information sharing, the development and provision of medical equipment, diagnostic tools, vaccines and treatments, and solidarity with all countries around the globe to enable them to mitigate the economic and social consequences of the crisis are key elements of an effective multilateral strategy to counter the COVID-19 crisis. Once countries have gone through the emergency phase of the pandemic, they have to manage the recovery of their economies and societies and thereby shape a new world that is better prepared for future pandemics - without losing sight of the many other urgent global challenges, such as climate change, extreme poverty, migration, or inequalities of opportunity, that have been overshadowed by the COVID-19 pandemic. Just like the virus, these problems cross borders and therefore cannot be solved by nation states alone but require intergovernmental negotiation, functional multilateral institutions and collective action.

Multilateral cooperation, however, has already been facing serious headwinds well before the COVID-19 crisis (see Pisani-Ferry 2018 and Gowan and Dworkin 2019), and there are several indications that the pandemic will make multilateral cooperation even more difficult. The my-country-first rhetoric is gaining ground, as leaders seek to identify a culprit for the pandemic. Trade-distorting measures like export restrictions or subsidies are likely to increase, partly as an (ill-directed) move to secure the livelihood of the own population and partly as reaction to the external effects of the large-scale support policies, which governments everywhere are implementing (Bown 2020). Climate change mitigation policies and the Sustainable Development Goals (SDGs) are at risk of becoming neglected as governments, which are trying to rebuild their economies, are primarily concerned with minimizing the socioeconomic fallout of the COVID-19 crisis (cf. Pisani-Ferry 2020). Furthermore, the announcement of the US to halt funding of the World Health Organization (WHO), which is the central multilateral player in the fight against COVID-19, demonstrates how the COVID-19 crisis “highlights (...) the way in which multilateral institutions have become battlegrounds” (Dworkin 2020) and how the rivalry between the United States and China has begun “to structure international relations” (Rudolf 2020: 9).

This Policy Brief addresses the question how multilateral cooperation can be reinvigorated during the COVID-19 crisis and looks at the role of the G20 in particular. Based on a review of the key characteristics, past achievements and important modes of action of the G20 process, we make recommendations how the G20 can respond to the COVID-19 crisis to strengthen international cooperation.

Proposal
According to many commentators, the G20 is best placed to take a leading role in enabling both an immediate and a long-term global response to the COVID-19 pandemic and its economic, social and environmental consequences (see e.g. Brown et al. 2020 and Subacchi
2020). An important reason for the G20’s potential to contribute to effective multilateral responses is the group’s global economic and political relevance. Accounting for more than 80% of global GDP and having evolved into “a crucial hub for global governance networks” (Luckhurst 2016: 162), the G20 is widely recognized to play an important part within the global governance system (see e.g. Cooper 2019: 506, Slaughter 2019: 13 and Litman 2017: 21). Furthermore, with timely and concrete policy actions in the aftermath of the global financial crisis 2007-2008, the G20 has gained a widespread reputation as an effective crisis management committee.

**Defining characteristics of the G20 process**

When thinking about possible fields of action and concrete measures for the G20 in addressing the COVID-19 crisis, it is crucial to consider the two key features of the G20 process. Firstly, the G20 as a forum of global summity disposes of an extensive operational structure, which enables the G20 to respond quickly to global crises. Bringing together policy-makers and technical experts from both the world’s largest economies and the most influential international organizations on a regular basis, the G20 provides functional fora at different levels such as thematic working groups, ministerial conferences, meetings of sherpas and finance deputies, and the leaders’ summit.¹ A topical example is the Health Working Group, which was established under Germany’s 2017 G20 Presidency and now proves to become an important instrument to discuss immediate issues arising in the COVID-19 crisis. This structure and regularity enable member countries and their representatives to build trust and collaborative working relationships as well as to share information and experience, which are much needed in international cooperation in general, and in global crises in particular.

Secondly, the G20’s scope of action is closely linked to the group’s informality. The G20 has no steady secretariat or dedicated budget, it is not based on any treaty or constitution. On the one hand, the G20’s informal nature results in a strong dependency on the political will and consensus of the G20 members. Unable to act independently from its members, the G20’s potential to provide bold leadership and achieve landmark results can sometimes be limited. On the other hand, the informality lends a considerable amount of flexibility to the G20 process. The rotating G20 presidency, currently with Saudi Arabia and next with Italy, is free to define its agenda, procedures and instruments, which makes it possible to create interconnections between issues, policies, institutions and communities. In principle, this allows bridging policy silos by fostering the collaboration of thematic working groups and ministerial conferences in order to address complementarities between issues. For example, under Japan’s G20 Presidency in 2019, a joint meeting of digital and trade ministers was held to tap policy complementarities in the two areas. In the COVID crisis response, this instrument could and should be used again, as this Policy Brief will argue below.

¹ That this structure is operational has been clearly shown by the extraordinary Leaders’ Summit in response to the Covid crisis on March 26, 2020.
G20 fields of action in the COVID-19 crisis and beyond

A look at the past 12 years of the G20’s existence and the modes of action through which the G20 operates shows that the G20 has already made important contributions to solving global challenges. It also reveals opportunities in the current COVID crisis.

The G20 as supplier of top-level political impetus

Both the ministerial declarations and the leaders’ communiqués are potentially powerful instruments to provide political support for the emergence and persistence of global agreements, the work and reform of international institutions, and the prioritization of certain policy problems. As the example of the Paris climate agreement shows, “political impetus from the G20 can be highly useful for issues that are dealt with elsewhere in the multilateral system” (Carin and Shorr 2013: 11). The G20 members’ 2015 commitment to sustainable and ambitious climate protection and the coordinated climate announcement by the American and Chinese governments sent a strong signal to the international community, paving the way for the adoption and activation of the Paris climate agreement, respectively (cf. Luckhurst 2016: 166 and Cooper 2019: 516). Another example is the rapid agreement on the Basel III framework to increase financial market stability, “which would not have been possible without the political momentum provided by the G-20 leaders” (Lombardi and Guerrieri 2010). To increase impact, the lending of political support may be underpinned by the allocation of financial resources. For example, the G20 has repeatedly increased the resources of the International Monetary Fund (IMF) since 2009, both bolstering the IMF’s lending capacity and underscoring the IMF’s pivotal role in promoting the stability of the International Monetary System (Rahman et al. 2014: 169).

Top-level political impetus can even be supplied if the G20 cannot reach consensus in their final declarations. This is shown by the explicit exclusion of the US with regard to support for the Paris commitments in the Leaders’ communiqué of the 2017 Hamburg Summit. The G20 members reverted to a G19 commitment and thereby sent a powerful signal.

Top-level political impetus should also be given in response to the COVID-19 crisis:

Recommendation 1: The G20 should better incorporate the WHO in its activities and equip it with substantial financial resources

Global health crises have massive repercussions on almost all other policy areas. Hence, the G20 would benefit from continuously evaluating the risks. In order to provide political impetus to global health governance, the G20 should invite the WHO’s Director-General as a permanent guest of the G20 meetings and give the WHO a strong mandate to lead and coordinate the international health crisis management in general, and a response to the COVID-19 crisis in particular. The G20 should also ensure the WHO’s funding, both by promoting a general increase in WHO member dues and by requesting the G20 countries to raise their voluntary financial contributions to the WHO. Furthermore, the G20 should lend its support to the worldwide implementation of the WHO’s International Health Regulations (IHRs) and thereby improve pandemic preparedness around the globe. Complementing the IHR action plan (see below), the G20 should encourage its members to make concrete commitments regarding the provision of technical and financial assistance to poor countries, enabling them to fully implement the IHRs. The realization of this recommendation does not
necessarily require consensus of all G20 members: the presidency has substantial leeway in setting the agenda and inviting guests, and political impetus can also be supplied without consensus, as mentioned above.

Recommendation 2: The G20 should step up its efforts in achieving the SDGs

There is a risk that governments lose sight of the sustainable development agenda when they are focused on rebuilding their economies. In order to prevent this, the G20 should amplify its support for achieving the SDGs in general and, through that, also advance global health (e.g. Boutilier et al. 2017). Several steps in which the G20 could supply political impetus in support of the SDGs are outlined, for example, in Görlich et al. (2020). They include increasing accountability by systematic SDG reporting in the G20 Mutual Assessment Process, by which policy measures would be reported and benchmarked against the SDGs, or by promoting the alignment of the governing mandates of financial actors with the SDGs, by which SDG considerations enter investment decisions.

The G20 as a norm setter

The G20’s capacity to induce shifts in policy norms within the G20 community and its networks is based on the consensus-building activities that occur on the various levels of the G20 process. This form of influence has become apparent most notably in the aftermath of the global financial crisis. Examples for the G20 wielding influence on norms range from the departure from the one-size-fits-all solutions of the Washington consensus over the promotion of paradigms such as macroprudential financial regulation and sustainable development to the stimulation of policy debates on the importance of sustainable and inclusive economic growth (see Luckhurst 2016: 165 and Luckhurst 2019: 104–105). By agreeing on a standstill on protectionist measures in the global financial crisis, G20 leaders have also set a norm for national reactions to the economic downturn, which has notably reduced protectionism, as several authors argue (e.g. Carin and Shorr 2013: 9 and Narlikar 2014: 63–64; for an opposing opinion see Kirchner 2016: 491–492). In context of the COVID-19 crisis, the G20’s norm-setting capacity is central to guiding the countries both to rebuild more resilient economies and societies that aim at reconciling economic, ecologic and social needs and to reform their health systems so that they are better prepared for future pandemics. The following policy recommendations can be drawn from these insights:

Recommendation 3: The G20 needs to increase the world community’s awareness of health as a global issue

The COVID-19 pandemic has made clear that the spread of infectious diseases can pose significant security risks to both global health and the global economy. Even if global health should not be reduced to security aspects only, realigning the interests of the world’s major economies around global infectious disease control not only offers a promising pathway through gridlock within the global health regime (Brown and Held 2017) but can also give a significant boost to establishing health as a priority theme on the G20 agenda. Apart from highlighting the need for advancing emergency preparedness and response capabilities worldwide, the G20 should continue highlighting the importance of universal health coverage (UHC). Ensuring that all people receive the health services they need without suffering financial hardship would enable everyone to receive a proper diagnosis and treatment for
COVID-19 and provides the basis for a strong health system to responding effectively to health crises (Kickbusch and Gitahi 2020). To enhance an understanding of health as an important global issue, the G20 should place special emphasis on the nexus between health governance and other policy areas. Organizing joint ministerial meetings, e.g. for health and employment, or health and trade, seems to be a promising instrument for increasing health policy’s relevance within the G20 process.

Recommendation 4: The G20 members should declare the prevention of rising inequality as a major policy issue

The capacity for effective multilateral cooperation rests on solid support from national leaders and domestic constituencies. While the nationalist rhetoric of some leaders is already undermining this support, the economic and social effects of the COVID-19 pandemic are likely to intensify the erosion of domestic support for multilateral cooperation because inequalities within countries are bound to increase strongly during and after the crisis. The lockdowns and physical distancing measures including the enduring closure of schools and childcare facilities entail that richer households get better through the crisis than poorer households. Especially women have to carry the burden of the crisis as many are pushed into fulfilling household and care duties, preventing them from working and pursuing their careers (OECD 2020). Those with jobs in sectors that are hit by physical distancing obligations are even more affected since they face a higher risk of income loss. G20 countries should realize the danger of rising inequality for multilateral problem-solving and declare the prevention of inequality a major policy issue.

The G20 as policy initiator

Even though the G20 process itself cannot implement policies, it has started several important policy initiatives in the past. These initiatives will either have to be implemented by the member countries, e.g. fiscal stimulus packages or the “25 by 25” goal to improve gender equity, or the G20 tasks international institutions to take on the initiative, e.g. the BEPS initiative to combat tax avoidance by multinational corporations, or the drafting of G20 A1 principles, both of which are headed by the Organization for Economic Cooperation and Development (OECD). This „delegative quality“ (Cooper and Pouliot 2015: 343) has significantly enhanced the role of, for instance, the IMF and the OECD in global economic governance (Bradlow 2015: 146, Rewizorski 2017: 39–40). To improve the world’s emergency preparedness and response capabilities, the G20 should act as policy initiator in the following way:

Recommendation 5: G20 should launch a task force to evaluate the effectiveness of the IHRs and improve the worldwide implementation of the IHRs

The COVID-19 crisis also put the International Health Regulations (IHRs) to a test. The G20 should launch a task force to evaluate the effectiveness of the IHRs in the aftermath of the COVID crisis, identify the IHRs’ weaknesses and improve the worldwide implementation of the IHRs. The G20 members may task the WHO with this initiative and invite an international expert committee. With this policy initiative, the G20 would contribute to improving an important multilateral instrument in health crisis management.
Conclusion

The categorization of the most important modes of action of the G20 does not only show the scope of what the G20 can do in general but also gives an idea of how the G20 can enable multilateral cooperation to support the COVID-19 response in particular. As shown above, there are several opportunities for the G20 to pull its weight and enable effective multilateral cooperation in response to the COVID-19 crisis, especially in the fields of advancing the WHO’s role in global health governance, the implementation of the IHRs and UHC, and progress in achieving SDGs. In doing so, the G20 do not “replace global institutions, but (…) galvanise them through a display of political commitment to see these institutions exercise their mandate” (Sidiropoulos 2020) and thus take a role as enabler of international cooperation. The previous analysis shows that the real power of the G20 lies in its capacity to (1) lend political support to international institutions and agreements, (2) set norms by providing shared principles for addressing global policy challenges, and (3) start policy initiatives. Due to its flexibility in initiating task forces, working groups and ministerial meetings to shed light on the interconnections between issues, the G20 is the right forum to ask how the various global challenges are connected and to push countries to seek complementarities between their policy responses to the COVID-19 crisis and other global challenges. This is exactly what is needed to navigate through the COVID-19 pandemic and to rebuild a livable post-COVID-19 world.

References


