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The Global Governance of Global Crisis: Why the G20 Summit was Created and What We Still Need it to Do.

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Introduction

The G20 summit was created amidst a grave global crisis. Indeed, it is important to remember that it was only created because of that crisis. As we know, a Group of 20 (G20) of sorts had first been brought into being at the level of finance ministers and central bank governors in 1999 and operated conscientiously but without great impact from that year onwards on the basis of regular annual meetings. There had also been much discussion of and some writing about the merits of upgrading this structure to the level of leaders during the course of the first decade of the new century (English, Thakur & Cooper 2005). But nothing moved until United States President George W. Bush unexpectedly reached out for something different amidst the collapse of Lehman Brothers and the emergence of genuine and escalating global financial crisis in the autumn of 2008. Fearing, as he was supposed to have observed colloquially, that 'this sucker could go down' (Bush 2008), he reversed gears and decided that the global political economy not only needed some quick and smart steering after all, but that this could only be accomplished by involving the leaders of all of the major countries of the world, not just the largely Western sub-set that met within the Group of 7 (G7) and the Group of 8 (G8). China, India, Brazil and others were revealed at last to be 'systemically important' and suddenly invited in from the outer margins of the G7/8 to become full members of a new G20 which met for the first time in Washington DC in the United States on 14-15 November 2008. To repeat, it is highly unlikely that this move would have been made, and perhaps could not have been made, outside of a moment of crisis marked by real fear for the survival and stability of the global economy as it was then constructed.

What this means, however, is that the way we choose to conceptualise this crisis becomes critical to how we subsequently assess the record of the G20 summit from 2008 onwards. On this key question, of course, it is possible to take different views. For example, it was widely proclaimed in some quarters that all that was needed was to fix a few faults in the governance of the system, thereby enabling the neoliberal world order to get quickly back on the road and resume its position in the fast lane. In this case, we know, as it were, what the G20 was expected to do and can judge it accordingly. But it has also been argued that the crisis actually connoted an existential challenge for neoliberalism, as it had come to operate by late 2008, and therefore put on the table nothing less than the design of a new world order grounded in a new model, or models, of global capitalism. Needless to say, in this reading the task that faced the G20 summit was of a completely different nature and scale, with associated implications for evaluation of its performance. This Paper sits within the latter perspective and turns now to a brief schematic overview of what sort of crisis we think that the world currently faces before returning to consider the record, so far, of the G20.

The Great Uncertainty

Labels matter in orienting our thinking about, characterising and constructing different eras in the global political economy. They are also invaluable shorthand and these days we all increasingly write, and possibly think, in shorthand. So how are we to frame the period of the crisis? At one level the answer is (or was) simple: we have been living – at least those of us in the West – amidst the 'Great Recession'. *The New York Times* journalist, Catherine Rampell, has recently provided a nice etymology of the use of this term (Rampell 2009). It has been an accurate enough description of reality for too long a period of time, but it does not catch the deeper elements of our current conjuncture and, of course, even long-running recessions come to an end, with growth now resuming to varying degrees of intensity in a number of Western economies. However, the more honest answer to the question is that we do not really know – yet – where we are, not least because where we think we are will determine how we get out of the prevailing mess and we still seem a long way from that, notwithstanding many claims to the contrary. Many critics suggest, or maybe just hope, that neoliberalism is over. But the neoliberals do not think so and in any case new eras always take longer to emerge than people think. Thus far, neoliberal dispositions seem to have been reinforced by the crisis – for in a sense that is exactly what austerity is all about. It is important, though, to remind ourselves that getting from the Wall Street crash of 1929 to the Bretton Woods conference of 1944 took fifteen years (including a devastating period of world-wide war). The other great recent period of shift – the 'long 1970s' – is even harder to date with precision. But, again, it took a lot of pounding by the neoliberal right to move us from the first signs of the crisis of 'embedded liberalism' in the late 1960s to the hey-day of Reaganism and Thatcherism in the early 1980s. So perhaps fifteen years is about standard for these sorts of transitions.

In these circumstances, many analysts fall back on Gramsci, reaching for *The Prison Notebooks* and quoting that bit where he writes that 'the crisis consists precisely in the fact that the old is dying and the new cannot be born', adding that 'in this interregnum a great variety of morbid symptoms appear'. However, we have opted to take up the challenge implicitly laid down here by Gramsci by trying to think through the key elements of the confusion and contradiction that dominate so many attempts to chart our position. We label the current era 'The Great Uncertainty' (Hay & Payne 2013) and suggest, by deliberate use of this term, that the present conjuncture is being shaped by a remarkable, and hugely challenging, coalescence of three major processes of structural change occurring simultaneously and interacting in all manner of complicated ways. They can be distinguished analytically as follows:

- Financial crisis: a largely Western crisis brought about by neoliberal excess and now rendering the confident resumption of economic growth a severe conundrum for the US, Japan and nearly all major European economies and a problem at least for the rest of the global economy;

- Shifting economic power: the recent intensification of longstanding movements in the locus of economic power in the world characterised by the rise of countries like China, India, Brazil and several others too; and

- Environmental threat: the eventual realisation that climate change is both real and accelerating and is now asking the most serious questions about the ongoing viability of traditional notions of economic growth and indeed the good society itself.

The key point, though – and the reason that this all adds up to The Great Uncertainty – is that these processes of change are all taking place in the contemporary period and could well come to a head at broadly the same time. They also feed off each other in extraordinary and unexpected ways, with the politics flowing both through and between them in highly complex fashion. Clearly, much more could be said to elaborate upon these key processes of change, but this is not the place. It is enough for the moment to note that in my analysis of the situation this is the conjuncture that the G20 was formed to steer us through. Its enormous task is therefore not just to develop into an effective global steering committee (which would be difficult enough even in predictable times), but to do so in this current dense fog of uncertainty, charting somehow a workable route to the building of a more equitable, more sustainable mode of global capitalism. It is in every sense the tallest of orders.

The G20 in Phase 1: From Washington DC to Pittsburgh

Again, this is not the place to describe and review in detail the various announcements and decisions taken by the G20 since its inception as a summit of leaders. All of the many communiqués and declarations are available for all to see and other good analysts (Cooper & Thakur 2013; Kirton 2013) have already published thorough and informative accounts. However, a pattern has surely emerged that shows the record of the G20 to fall already into two distinct parts: an initial phase covering the first three summits (held in Washington DC in November 2008 as indicated, in London in April 2009 and in Pittsburgh in September 2009) and a subsequent phase covering the next four summits (in Toronto in June 2010, in Seoul in November 2010, in Cannes in November 2011 and in Los Cabos, Mexico, in June 2012). The most recent meeting, which took place in St Petersburg in September 2013, was different again (for very particular reasons) and arguably marks the beginning of a third phase. Accordingly, the next part of this Paper will make some brief observations about the lessons that can be learned from the first two phases of the G20's emergent record before considering the considerable failure that was St Petersburg and looking forward to the upcoming summit in Brisbane.

The general view of Phase 1 is that the G20 hit the crisis running, as it were, and made a good fist of handling its most immediate and pressing aspects. Clearly, the first meeting in Washington was taken very seriously by virtue of its very existence, let alone because of the severity of the financial pressures that were still being felt strongly at the time of the meeting. It did reflect a strong assertion, albeit very late in the day, of renewed US leadership of the global political economy. The next meeting in London benefited hugely from the extraordinary amount of pre-diplomacy put into it by the British Prime Minister, Gordon Brown, who had a more acute grasp of the global nature of the financial crisis than most other political leaders. It was a fine hour for him personally. The third meeting gained in turn from the fact that it was hosted by the new US President, Barack Obama, who was convening a major international meeting for the first time, and seemed to many to mark the moment when the G20 graduated from being an *ad hoc* crisis response to becoming the self-proclaimed 'premier forum for our international economic co-operation' (G20 Leaders 2009). The obvious lessons were that global crises do bring the globe together and that leadership matters and maybe still emanates most easily from familiar Anglo-American sources.

It is also notable that the G20 record in this phase had an apparently easily recognisable political economy. In the midst of economic crisis its members resorted to a set of policies that deployed the powers and resources of the state (actually, of course, states in the plural which served to make the responses all the more striking and effective) to bring about stability to the global economy. In particular, many G20 states, led by the US, made significant moves to deliver both a fiscal and monetary stimulus to their economies and thus directly support growth and counter recession. In addition, they deployed their ample rhetorical talents to oppose a formal turn towards protection and signal their continued adherence to liberal trading norms. On the whole, the leaders of the so-called 'emerging economies' of China, India and Brazil were less immediately worried about the crisis, because it was not their financial systems that lay in peril, but they responded to the pressure of the Western countries and mostly joined in the stimulus party. Many analysts, often with some excitement, interpreted this set of responses as indicating a return to Keynesian political economy norms after the long night (about three decades) of dominant neoliberalism. There was accordingly much talk of the 'return of the master' (Skidelsky 2009). This was almost certainly a misreading of the intellectual and ideological motivations of those involved. Neither Bush nor his Secretary for the Treasury, Henry Paulsen, who was a former Chairman and Chief Executive Officer at Goldman Sachs, could ever remotely pass muster as Keynesians, even if Gordon Brown and his Chancellor of the Exchequer, Alistair Darling, had once thought that this was a credo in which they believed. The reality is that everybody was a neoliberal of one sort or another by late 2008 and it was too late for these political leaders to learn to think again within a different paradigm of political economy. What is more, nor did they actually want or need to do so. Neoliberalism has often been wrongly understood as signifying a crude rejection of the state and a thorough-going endorsement of market mores and methods. In reality, it stands much more for creative use of state power to build liberal market orders (Gamble 2014). From this perspective the embrace of growth stimuli by the G20 leadership in Washington, London and Pittsburgh in the heat of the financial crisis in 2008-9 was exactly how one would expect neoliberal leaders to react to financial melt-down. In emergency circumstances they used their states to rescue the global market, not to reform it.

The G20 in Phase 2: From Toronto to Los Cabos

By the time the G20 was preparing to gather as a summit of leaders for the fourth time in Toronto in June 2010, the politics of the crisis had changed in quite significant ways. For the bulk of the previous year the US (under Obama) and Britain (under Brown) had continued to press other G20 countries to maintain and even in some cases extend their commitments to stimulate their economies. Their main target was Germany which the two Anglo-American leaders felt was not delivering to the extent that its economic strength merited. Yet, as Mark Blyth (2013: 60) has argued, 'rather than simply continue to accept the continuing [apparently] Keynesian counteroffensive, some of the neoliberal old guard, in both Europe and the United States, began to strike back'. He has shown how, initially in the columns of globally significant newspapers like the *Financial Times* and then in and around the network of G20 finance ministers themselves, a campaign began to bring stimulation to an end in favour of 'tightening up' again for fear of future inflation. It was led by the German Finance Minister, Wolfgang Schäuble, and the then Chief of the European Central Bank, Jean Claude Trichet, and found ready support from the Canadian G20 host, Stephen Harper, and the new British Prime Minister, David Cameron, who had just replaced Brown in office and was already promising to bring in an immediate austerity budget. At Toronto the leaders of the 'emerging economies' largely sat on their hands, leaving Obama to cope with his new isolation within the traditional G7 Western countries. As a consequence, the final communiqué from Toronto no longer endorsed the maintenance of increased public spending and looser monetary policy until the recovery was firmly entrenched, but favoured instead the (oxymoronic) notion of 'growth friendly fiscal consolidation'. This was the preferred slogan of the moment of the neoliberal mainstream. As Blyth (2013: 61) has put it, 'seen at the time as a fudge between the Keynesian and orthodox positions, what it actually signalled was the end of global Keynesianism'. For reasons previously enunciated, this reading exaggerates the extent of the reversion to Keynesianism that had previously taken place, but it nevertheless captured tellingly the reality that a shift of significance in the neoliberal management of the global crisis had been pushed through the G20 at Toronto.

The next three summits that followed Toronto brought nothing to check the G20's broad austerity agenda. This unfolded painfully, and yet hesitantly, as various neoliberal leaders sought to ground it within varying domestic political conditions. The Seoul meeting was interesting in a way because it showed glimpses of what the G20 could perhaps begin to look like if the non-G8 members asserted themselves, their interests and their view of the global political economy more coherently and collectively. But, even though new issues were tabled and ostensibly adopted as part of the so-called Seoul Development Consensus, the meeting did not seek to tackle the notion of 'growth friendly fiscal consolidation' formally adopted in Toronto. Indeed, both the Cannes and the Los Cabos meetings (notwithstanding its hosting by the government of Mexico) were completely overshadowed by the different stages of the unfolding Eurozone sovereign debt crisis and served in the main only to highlight the many grave weaknesses generated within the economy of the European Union (EU) by the intensity of the German-led deflation of the growth prospects of the EU's peripheral members. No political leader was able at either meeting to articulate a wider and more ambitious agenda for the global economy, certainly not one that offered some kind of global rescue package that involved China and other emergent countries coming to the aid of the faltering (but still mostly rich) European countries. For his part, thanks to the weakness of his position in Washington in relation to the Republican-controlled Congress, Obama found himself increasingly trapped into having to preside over federal spending cuts demanded of his administration by those in Congress who were seeking to undermine it from an extremist neoliberal position. As the journalist Michael Hirsh wrote in an article in the *National Journal* in October 2013, the Republicans in the US may have lost the 'shutdown battle', but 'they're winning the fiscal war' (Hirsh 2013). Frankly, the truth is that G20 has been completely irrelevant and utterly unhelpful to Obama as he has struggled with this debilitating domestic issue. By the same token, of course, Obama has not been able to lead the G20, which suggests that the old debate about US decline is coming to have greater relevance even since the moment when President Bush forcibly gave birth to the new leadership summit.

The G20 in Phase 3: From St Petersburg to Brisbane

The last G20 summit held in St Petersburg in Russia in September 2013 can fairly be said to have initiated a new phase in the short history of the G20, principally because it has been deemed by many observers to constitute the biggest G20 failure yet in respect of demonstrating capacity to manage the global crisis – The Great Uncertainty – which brought it into being. It was not just that the meeting was completely hijacked by bitter disagreement amongst the leaders about the civil war in Syria which reached an especially dangerous stage just as the summit convened, but more the fact that the gathering gave up on its central purpose, indeed its foundational purpose, in order to manage, via headlines, a divisive issue that would have best been handled by conventional quiet diplomacy. This reminds us of the trajectory of the G7 in the 1970s (from deliberate focus to over-commitment, one might say, in respect of the range of issues it sought to handle) and is a salutary lesson for the G20, which should be recalled immediately every time there emerges a temptation to expand its agenda into 'political' or 'security' terrain. Syria dominated media coverage of the St Petersburg summit, highlighting the many divisions that existed amongst the leaders on this issue, and thus gave rise to, and indeed substantially embedded, a public perception of the G20 as a hopelessly ineffective agency of global governance. In short, from St Petersburg onwards the predominant G20 'story' (whether true or not) has become that of its decline: seen as decisive and effective in the early moments of the crisis, but now divided and reckoned by many to be stalled in what perhaps will be seen in future as the middle phase of the crisis.

This is not to say that, as a consequence of Syria, the summit did not address global economic questions. In fact, it generated the longest and most detailed communiqué in the G20's five-year history, plus the St Petersburg Action Plan, the St Petersburg Development Outlook and the G20 Anti-Corruption Action Plan. But the communiqué was in the main a reiteration of previous commitments and the other documents rarely rose above the articulation of broad commitments. The general tone was more that of presenting a report-card than a bold road-map by which to chart a route out of global crisis. As Harold James (2013) put it in a brief post-summit commentary, 'it is difficult … to think that much is left of the original vision, and of the success of the exercise in April 2009 at the London summit'. Official briefings drew particular attention to the agreement of the leaders to seek better administrative means to contain tax evasion, but it should be noted that this was at best only an agreement to negotiate and, although very important, could hardly be considered an issue of the same global urgency as the issues that the G20 was initially set up to address. Indeed, on the key matter of continuing fiscal consolidation, and again led by Canada in the person of Harper, the summit repeated its core Toronto commitment to firm medium-term strategies to bring fiscal deficits under control. Careful wording of the communiqué to allow some members some marginal leeway to promote growth was all that Obama and the US could secure.

Prior even to the meeting in St Petersburg, the next G20 summit had been scheduled to be held in Brisbane in Australia and it now gathers there, just two weeks from now, on 15-16 November 2014. Australia has a tradition of active international diplomacy and sees itself as a 'middle power' capable of inserting itself effectively into global bodies. When this venue was first announced the country was being governed by a weak minority Labor administration, but it nevertheless embraced its G20 responsibilities energetically by establishing an all-government task force coordinated by the Department of the Prime Minister and Cabinet, convening several working groups and generally embarking upon widespread consultation (Ravenhill 2014). Further optimism was generated, at least on the G20 front, when in June 2013 Julia Gillard was replaced as Prime Minister by Kevin Rudd, the Labor Party's former leader and himself a former Mandarin-speaking diplomat. Rudd had actually been one of the leaders, along with Gordon Brown and the then French President, Nicolas Sarkozy, who had actively pressed Bush to make the historic move towards bringing into existence a G20 of leaders at the moment of greatest fear in the autumn of 2008, and it was certainly hoped by some that, with his return to office, a G20 leader could once more take charge of the organisation and shape its agenda in a more ambitious direction, much as Brown had succeeded in doing in April 2009. However, by one of those ironies of timing by which democratic politics often torments us, the conclusion of the failed St Petersburg summit was followed, literally a day later, by the election of a new government in Australia. This was a Liberal-National Party coalition led by Tony Abbott, a leader who, unlike the defeated Rudd, had previously shown no interest at all in the capacity of global governance to serve as a tool for managing important and complex interconnected global issues. This change of government unquestionably disrupted Australia's G20 preparations. Abbott himself had to be extensively briefed, whilst the Australian G20 'sherpa' (the senior civil servant who manages each member country's interaction with G summits) was also changed, with the incumbent being promoted to another bureaucratic position and replaced by Dr Heather Smith, a former academic economist who had since held senior positions in the Australian Treasury and Department for Foreign Affairs and Trade.

The first fruits of Abbott's engagement with the upcoming G20 were revealed in his speech to the World Economic Forum in Davos in January 2014. It constituted a striking, and indeed astonishingly crude, assertion of the claim that the 2008 crisis was at heart 'not a crisis of markets but one of governance' (Abbott 2014). These events, he declared, had 'not changed any of the basic laws of economics' which were crisply summarised as follows:

> You can't spend what you haven't got.
> No country has ever taxed or subsidised its way to prosperity.
> You don't address debt and deficit with yet more debt and deficit.
> And profit is not a dirty word because success in business is something to be proud of.

Aware that much of the world economy remained mired in recession or had at best only returned to muted levels of growth, Abbott proclaimed that 'stronger economic growth is the key to addressing almost every global problem'. As for the contribution of the G20, he picked up the commitment made at St Petersburg that in the intervening year each member country would prepare its own comprehensive growth strategy to feed into a G20-wide action plan to be agreed at the next summit. In that sense, as Ravenhill (2014) has noted, the Australian approach was 'one of emphasizing consolidation … moving back to what it perceived as the core agenda of the G20 – of enhancing global economic governance'. Even before Abbott's accession to power Australian officials had privately despaired of communiqués that had expanded to many pages. At Davos, the new Prime Minister asserted that the G20 must be 'more than a talkfest' and promised a final document 'just three pages long' (Abbott 2014).

Abbott's remarks were widely criticised in the press and on the internet as simplistic, partisan and repetitive. The best that commentators could say of his G20 'vision' was that: 'it's a start' (Callaghan 2014). But, as Brisbane has drawn closer, the central thrust of his Davos speech has been reiterated several times, not only by Abbott himself but also by his Foreign, Trade and Treasury ministers. In other words, no-one, including the other heads of state and the directors of the various global institutions attending, can be in any doubt as to the ideological base from which this year's G20 will be chaired. Tony Abbott is and remains a fundamentalist neoliberal. However, shaped helpfully by detailed background work undertaken by the International Monetary Fund (IMF) and the Organisation of Economic Co-operation and Development (OECD), a series of meetings of G20 Finance Ministers and Central Bank Governors, running from February to September 2014, has managed to work up the core Abbott plan for Brisbane into something more substantial and sophisticated. At its centre is a commitment to develop new measures that aim to lift the collective GDP of the G20 countries 'by more than 2 per cent by 2018 above the trajectory implied by policies in place at the time of the St Petersburg summit in 2013' (G20 Finance Ministers 2014). This framing has been deliberately designed to offset charges that, too frequently in the past, G20 leaders have contented themselves with 're-announcing' policy commitments previously enunciated for other purposes in other settings. In addition, around this core commitment to engineer 'extra' growth, the summit is now being tasked with launching a Global Infrastructure Initiative designed to increase investment in major infrastructural projects; carrying through to completion previous G20 promises to improve the resilience of the global financial system; taking further forward the so-called Base Erosion and Profit Sharing Action Plan intended to limit cross-border tax avoidance; and overseeing both the review by the Financial Stability Board (FSB) of its structure of representation and the ongoing efforts to implement the reforms of the IMF's quota and governance arrangements originally approved at St Petersburg.

In effect, then, Australia has succeeded in crafting a leaner and more focused agenda for the Brisbane G20, at least when compared to some of the other more recent summits. This could still of course by hijacked by immediate events, especially those affecting global security. Politicians are politicians and journalists are journalists. Nevertheless, the official agenda, as set out, is worth dissecting. The Cairns meeting of G20 Finance Ministers in fact received a joint OECD/IMF report (2014) which calculated that the various country measures already tabled would add 1.8 per cent to anticipated growth by 2018; it also then endeavoured to identify extra measures to complete the task. Yet it seems that these measures are being constituted, at least in the main, by different 'structural reforms' required of member countries according to their level of development and the extent of their prior commitment to the tenets of open, liberal, market economics. The focus is not actually on global macro-economic coordination at all. In other words, supply is trumping demand. In addition, by adopting such an approach the G20 risks embarking on a potentially fruitless effort to shape a series of domestic political economy agendas at the expense of asking itself what is its comparative advantage, as the self-proclaimed 'premier forum for our international economic co-operation', to stimulate growth-oriented action at the global level. In the absence of such neo-Keynesian coordination and amidst declining growth in China, Brazil, South Africa and Russia, continuing stagnation in the Eurozone and less than vigorous recovery in the United States, the harder question may be whether G20 members can even achieve the growth expectations promised by the policies in place at the time of St Petersburg, let alone the 2 per cent increment now being worked up. Several commentators in a recent pre-G20 report produced in association with the Australian Institute for International Affairs (2014) strike a sceptical note on this question and it is hard to dissent from that tone.

In the interim, we can do no more than await Brisbane. There is no doubt, though, that, for the G20, the stakes are high, given the growing sense of its decline and apparent stasis. Thomas Bernes (2013) has starkly, although entirely accurately, summed up the options that lie ahead in observing that the Australians 'face a huge challenge in trying to bring focus to the G20 work program and agenda, and reverse the sense of drift that exists today'. 'Their success', he went on, 'will hold out the possibility of important benefits for the global economy. Their failure will leave the G20 on a downward trajectory from which it may never escape.'

The G20's Design Flaw

There is also a bigger picture to consider that extends beyond the success or failure of one particular summit. The G20 has been in existence long enough now for us to be able to see how and when it works, and also of course how and when it does not work, which has generally of late been an increasing proportion of the time. The truth is that it has become ever more apparent that the G20 suffers from a fundamental flaw in its structural design. This is not actually the matter of its membership and the implications that this has for its legitimacy. I have contributed to this line of argument myself in a previous publication (Payne 2010) and others (Wade & Vestergaard 2010 and 2011; Narlikar 2014) continue to make that critique forcefully. It is of course the case that G20 members were selected quickly and in highly political fashion back in 1999 as a result of a conversation between the US Treasury and the German Finance Ministry; that too many other states just seem to be allowed to turn up and join in; and that there are real questions to be asked about the relationship of the G20 to the 'G172', namely, all the other countries of the world, the 'marginal majority', as I have previously dubbed them. But these points add up only to a case for a bit more thought about, and then some adjustment to, current operating procedures. In other words, by fiddling around the edges of the institution the legitimacy of the G20 can be improved. But it cannot be turned into a mini-United Nations. A G20 or G21 or G22, however selected, is always going to be an elite club, or steering committee, for managing global affairs. That is its very raison d'être and indeed there is no real problem with it being so, granted that there exists a pressing need for precisely that steering capacity in managing the global political economy.

The deeper problem is that the G20, as presently set up, is at heart only a vessel, largely empty of political direction until and unless it is periodically re-fuelled with new initiatives and priorities. Or, to adopt perhaps a more telling metaphor, it is in effect a parked-up car, sitting on the lot (between meetings) waiting for a new driver to come along and take over the steering wheel. President Putin rents it out for a bit, then hands it back in (with nobody checking for and even less charging for damage….); whereupon it is parked up again until at some point Tony Abbott presents himself, is given the keys and takes it back out on the road again. The analogy is no doubt exaggerated (for it must be conceded that a growing number of G20 working groups roll on between summits and of course commissioned studies are always being researched). But it does, nevertheless, draw attention to the G20's fundamental lack of permanence, its 'occasionality', if you like. It was set up in a hurry amidst a crisis and was, naturally enough perhaps, modelled on the proclaimed informality and broad commonality of outlook of the member-states of the G7/8. The difficulty into which the organisation has now run is that this manifestly cannot be expected to work in the same way at the level of twenty (or more) member-states, especially when the leaders, ministers and officials of these states are inevitably drawn from highly diverse cultural and ideological backgrounds. It is, as a consequence, in need of urgent institutional reform. In a nutshell, the G20 now needs to be given the tools to do the critically important steering job that has rightly been discerned as necessary in the context of global interconnectedness at a time of Great Uncertainty.

Such a process of reform would have to embrace the following four moves:

1. the creation of a more effective G20 executive, composed like the present informal troika of the previous, current and next heads of government convening the summits, but toughened up considerably beyond current patterns of behaviour and supported (see below) by an influential Secretary-General;

2. the establishment of a modest, but permanent, secretariat headed by an experienced international civil servant, or perhaps preferably an ex-politician, as Secretary-General;

3. the elaboration of clearly understood lines of influence over the major global economic institutions – the IMF, the OECD, the World Bank, the World Trade Organization, the FSB and a new global institution set up to manage the critically important task of responding to environmental deterioration (this is an argument that will have to await another paper, but climate change in particular is at heart an issue of political economy, given its causation by the type of industrial growth that has been pursued all over the world over such a long period); and

4. the development of similarly clearly understood lines of discussion and reciprocal influence with a very wide range of organisations and movements within global civil society.

In this way, the G20 would be reshaped from top to bottom and at last rendered fit for purpose in relation to the extraordinarily demanding tasks that it is supposed to be able to handle. It would have greater ongoing coherence at the highest leadership level; would be serviced properly in between summits and other ministerial meetings; would be better equipped to set the working agendas of the various major global bureaucracies; and would be required to keep its feet on the ground in respect of global public opinion.

Conclusion

Of course, what the G20 then did at Brisbane or at future summits would still depend on politics – on the balance of ideological positions asserted and deliberated upon in relation to all of its activities (Schirm 2013; Cooper 2014). That is an inevitable limitation of what would remain, even if the reforms to its design suggested above were fully implemented, in essence an inter-governmental, rather than supranational, institution. Accordingly, G20 leaders could still fail to chart a sensible way through the crisis of The Great Uncertainty. There would be no guarantees. At times, there would unquestionably be impasse. But it would be more likely that there would also be more phases of pragmatic 'muddling through' and conceivably some periods when creative leaders were able to set out and implement, at least to some degree, big programmes of global change and rescue. In the current context, the debate would still need to be about whether to back growth or austerity and how in either circumstance to bring in sustainability. The core global political economic issue would remain the future of neoliberalism. But the key point is that the direction of this new reformed G20 would be worth fighting for politically, rather than just occasioning at intervals either good or bad headlines. The organisation would matter. As a planet we need urgently to argue through, test out and ultimately shape a global consensus that is both more appropriate to the changed balance of contemporary political power in the world and above all capable of addressing the great challenges identified here as generating The Great Uncertainty. The G20 needs to be properly harnessed to the task of servicing this need, or else it will be a big opportunity lost and the uncertainty (and danger) of our times will intensify.

Note

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