

Wielding influence in a new governance architecture: Norway, the G20 and the 2030 Agenda

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Introduction

The G20 is by dint of its membership – the 20 largest economies in the world – an important decision-making body. Moreover, the challenges currently facing established inter-governmental organizations (IGOs) arguably make the G20 even more important. The G20 is perceived as agile, effective and powerful whereas established IGOs – such as the UN and the World Bank – appear to be bogged down by overly bureaucratic rules, organizational inertia, and a lack of resources to fulfil their mandates. This was on display when the G20 convened in Washington DC during the global financial crisis, and its swift actions, in all likelihood, prevented a more severe global crisis.

For Norway, the power of the G20 as an arena for shaping global governance represents both a challenge and an opportunity. It is a challenge because Norway has for the last half-century invested heavily in multilateral institutions both as an end in itself, and as a means to embed Norwegian interest within multilateral rules. This was made clear in the government's recent White Paper "Veivalg i Utenriks- og Sikkerhetspolitikken."¹ The G20 may pose a challenge if its seen to undermine the credibility of multilateral institutions with regard to uphold established rules. This in turn, may reduce Norway's ability to influence global governance through these multilateral institutions. It is an opportunity to the degree that the G20 can strengthen global governance on key areas of importance for Norway, such as the 2030 Agenda for Sustainable Development. The G20 also represents an underexplored channel for wielding influence on other issues, which requires a different type of strategy than the one pursued vis a vis multilateral institutions.

The new White Paper confirms the government's long-standing commitment to multilateral institutions. At the same time, it stresses the increased importance of the G20 and notes that the government will assess how best to strengthen relations with key G20 members to advance Norwegian interests.² This policy brief seeks, in part, to

respond to this effort. It does so by making four key points:

First, we note that while established IGOs such as the UN is more legitimate because of its universal membership, they are much less so when we consider its decision-making procedures. Further, many IGOs often fail to take collective action, as exemplified by the ongoing conflict in Syria. The G20 – while unrepresentative – has become more important, and so securing Norwegian interests require a conscious strategy for wielding influence on and through it.

Second, drawing on new research, we note that much of the debate about established IGOs, including how it is assessed in the government's new White Paper, does not fully capture how much IGOs have changed in their operations, and how reliant they are on non-state actors to perform core governance tasks.³ While international law and universal decision-making bodies is one important guarantee for a rules-based order, the bulk of global governance is done by, or in cooperation with, non-state actors. This has also transformed how IGOs operate as they are now much more shaped in their operations by transnational networks of experts and professionals on specific issue-areas.

Third, there has been a shift towards soft law and voluntary standards as a key means of governing, especially in areas relevant for the 2030 Agenda. The implication is that the promotion of a rules-based order and the investment in global public goods require investment in governance mechanisms also outside organizations such as the UN, and in transnational networks that engage in global governance. Enter the G20, which does not have a permanent secretariat and whose policy continuity and agenda setting is dependent on similar types of networks, such as its Development Working Group and the G20 Sherpa network.

Fourth, we discuss policy implications for Norway and the need for a continued commitment to the UN and other universal decision making bodies while at the same time increasing engagement and

influence with the G20. Most importantly, we emphasize the need to shift from influencing organizations to influencing the networks of diplomats and associated experts that discuss, promote and execute the agenda of these organizations. Tapping into and harnessing the networks of diplomats and experts that serve as a de facto G20 secretariat should be further explored.

The G20 and the 2030 Agenda

The G20 presents itself as the “...the premier forum for international economic cooperation and increasingly the central forum for all questions of global governance. It responds to the insight that national action alone falls short in an increasingly networked world.”⁴ It also seeks to highlight that its members are not only responsible for 85 percent of global gross domestic product (GDP) and three-quarters of global exports (goods and services), but also represent about two-thirds of the world’s population. The fact remains, though, that the G20 can never be a fully inclusive or representative global governance forum. It can, however, make sure that its members secure public rather than club goods: although not representative, it may be able to produce goods that benefit all or most states, a case in point being the 2030 Agenda. The recent Chinese and current German leadership exemplify the G20s efforts to not only put global issues on the agenda but also commit the G20 to actions that would benefit non-members. Both the German and the Chinese presidency have actively supported and pushed for the G20 to adopt Agenda 2030 and the Paris agreement. Specifically, the G20 has adopted an Action Plan to support implementation of the 2030 Agenda.

The G20’s endorsement of the 2030 Agenda sends an important message to Norway and other non-G20 countries. Moreover, by recognizing the 2030 Agenda, the G20 acknowledges the UN as the most important and democratically legitimate international body for the implementation of the SDGs. As one observer notes “This form of support for UN processes by the G20 is new. It is both timely and meaningful, because the G20 is criticized for having created a parallel and more exclusive structure than the UN, which as noted could undermine the UN’s role and function.”⁵

The G20 Action Plan is also an important contribution to building a global partnership in line with SDG 17. The G20 has stated that it will cooperate with actors beyond its membership on implementing the Action Plan. Relevant partners include governments of low-income countries, civil society, the scientific community and the private sector. Since the G20 is embracing the universal approach of the 2030 Agenda, it appears less prone to prioritize “club goods” that only serves members’ interests.

The G20’s influence is based on its members’ economic power but extends beyond it as other actors anticipate and adapt their strategies in accordance with G20 decisions. As such, the G20 wields tremendous political power. It is nevertheless important to bear in mind that the G20 does not have a permanent secretariat, and its mechanisms to ensure follow-up – through the Development Working Group (DWG) and the Sherpa coordination process – are not firmly institutionalized. Further, the G20 lacks its own tool box: it

does not have a legal identity and is dependent on other actors to implement its policies. Whereas the G20 member states are likely to contribute and invest in various aspects of the 2030 Agenda this is very different from the G20 acting as a collective body to move the agenda in a distinct direction. There is also the risk that while the G20 may commit to advancing the 2030 Agenda, the lack of a joint mechanism for implementation and follow-up will lead to each state doing what it would have nonetheless planned to do, thereby seriously undermining the “added value” of the G20 to push the 2030 Agenda forward. To properly assess the G20 and implications for Norway, therefore, we need to embed our analysis in a broader analysis of some key changes in the system of global governance within which the G20’s role – and that of Norway – must be understood.

The G20 as part of the global governance system for the 2030 Agenda

The system of global governance has changed significantly over the last two decades. There is only marginal growth of new inter-governmental organizations, but exponential growth of other types of organizations, such as NGOs, firms, private foundations and public-private partnerships that are involved in some form of governance. This development is more pronounced in the areas that are most relevant for the 2030 Agenda, such as climate governance, poverty reduction and health. One study goes as far as to suggest a paradigm shift from inter-governmental, treaty-based regulation to private, transnational market regulation. One study notes, for example, that private transnational regulatory organizations (PTROs) are not only expanding in numbers but are becoming more important in global governance because they “engage directly in transnational governance, adopting standards of conduct for business and other targets on regulatory issues from worker rights to climate change; promoting, monitoring, and enforcing those standards; and conducting related administrative activities...”⁶

The establishment of the G20 is related to this evolution of the system of governance, as states have established plethora of ad-hoc coordination mechanisms outside the system of established inter-governmental organizations. This included “groups of friends” mechanism, and “meta-institutions” aimed at coordinating other actors, such as the High Level Political Forum for Sustainable Development. This process has in part been driven by states themselves: they have cut core funding to established international organizations, demanded that they seek partnerships with and attract funding from private sources, and treat non-state actors’ alleged flexibility as a virtue. Conversely, inter-governmental organizations (IGOs) are often characterized as bloated, headquarter-heavy, unable to reform, and offering few new solutions to ever more complex global challenges.

Figure 1⁷, below, captures states’ perceptions of which type of international organization perform the best (it also captures whether IGOs have autonomy to act, which we discuss below). The ones that score high on perceived performance are, with a few exceptions, new organizations that are characterized, precisely, by public-private partnership and more market-based modes of governance. A case in point is GAVI, a public-private partnership in which Nor-

way has invested heavily through its support to vaccinations and other health-related projects. Another is the Private Infrastructure Development Group (PIDG), which aims to mobilize private funds for infrastructure investment in developing countries, and the Climate Investment Fund, which is a trust fund under the World Bank. Norway contributes with funding to both. While these organizations may be established by states, and be subsidiaries of inter-governmental organizations, they are modelled on a different type of regulation and governance model that seeks to mobilize market forces rather than acting through inter-governmental rules.

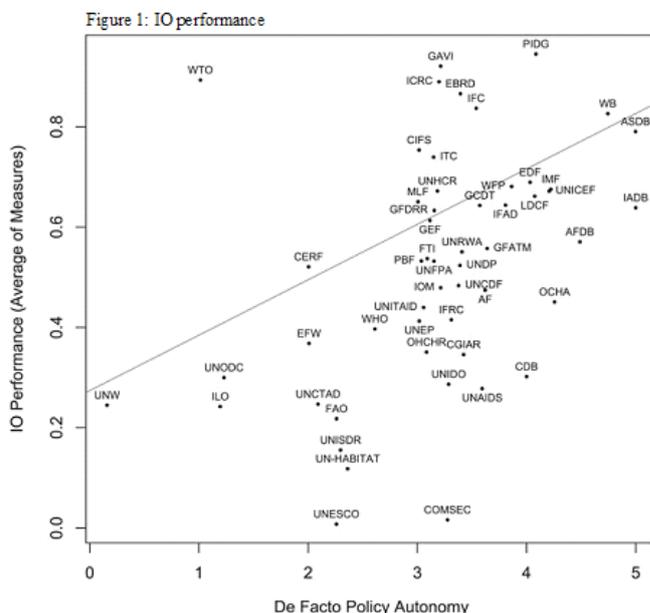
This transformation in the infrastructure for governance has significant implications, for it extends well beyond the formation of new types of organizations established by states: the most significant development is found in the growth of new types of organizations that engage in a different mode of governing. These new organizations, such as the Forest Stewardship, the International Council on Mining and Metals sustainability principles (2003), the Sustainability Consortium (2010), and the Climate Bond Initiative (2011) all seek to govern through soft law or voluntary arrangements. They “... adopt voluntary standards and rely on incentives such as consumer demand, reputational benefits, avoidance of mandatory regulation, and reduced transactions costs to induce participation and compliance.”⁸

While in some issue-areas states do call the shots, in other areas it is much less clear exactly who wields power. With regard to financial regulation, for example, one would expect this to be strongly controlled by the International Monetary Fund. Studies have found, however, that changes in financial regulation since the mid-1980s is better explained by the shifting consensus among the Group of Thirty (G30), which brings “together individuals from the public and private sectors and academia” and which is part think tank, part advocacy group and that do not operate on the basis of a formal mandate.⁹ Indeed, it is an open question how best to measure or localize where the power of established IGOs, such as the World Bank, IMF or the UN, resides. It obviously resides in these institutions’ mandates and financial resources. But more specifically, the staff – the professionals and experts that work within these institutions wield tremendous influence. One study of global financial governance found that “there is overwhelming evidence that the thinking of

the emerging global regulatory regime on this issue is shaped most extensively by IGO staff that sit at the core.”¹⁰ We see this in other areas as well, where alliances between IGO staff and experts and issue-professionals make up so-called “epistemic communities” (who share a body of knowledge and a policy goal) that are able to wield considerable influence over global governance. This dynamic also extends to issues with bearing on national security, such as the regulation of private security companies.¹¹

To summarize, the infrastructure of governance – in particular areas of importance for the 2030 Agenda – is best characterized by being an “open” rather than a “closed” (state-based) system¹²: states, IGOs, NGOs and firms form issue-specific networks that govern through a range of tools, some of which are based on state regulation, some of which depend on voluntary standards, and some on market incentives and consumer demands. This is not an argument about the erosion of the nation state, nor of the fading, or inefficiency, of inter-governmental organizations. Rather, it is about how the power to shape the governance agenda has diffused, and how new and more indirect and voluntary governance mechanisms have emerged. This means that there are many more avenues available to shape the contents of global governance, and the 2030 Agenda, than through investment in multilateral institutions alone.¹³

A related issue here is that those inter-governmental organizations



Note: The solid line represents the estimated regression line for DE FACTO POLICY AUTONOMY from Model 6, Table 2.

that perform the best are not only those that have been able to mobilize and harness the power of outside actors to forge alliances with them. It is also that those organizations that enjoy policy autonomy – being able to shape and implement policy without too much interference from states – are those ones that states themselves see as performing best. Figure 1, above, captures this aspect well, and it implies that discussions about the role of the G20 relative to the UN system should be viewed in light of efforts to increase, not curb, the autonomy of the UN to do its job. This lends support to Norway’s continued support for a high

level of core-funding to multilateral institutions, while at the same time exploring ways to wield influence through the G20, as we discuss below.

Implications for Norway

The developments analysed above have significant implications for the role of the G20 in shaping the 2030 Agenda and for how Norway can best engage with it. Let us highlight five factors:

- Given that ever more actors in global governance are non-state, the criteria used for assessing, and criticizing, the G20 should be revised.: The G20 is not necessarily more or less accountable and “democratic” than other institutions. It need not undermine but may strengthen multilateral institutions.
- The power to shape the 2030 Agenda resides in the networks that cut across both inter-governmental and different transnational organizations, including the G20.
- Harnessing these networks, especially those associated with the G20 Development Working Group (DWG) and Sherpas, is a potential to be explored especially for non-members like Norway.
- Norway has considerable expertise and international standing on a range of issue-areas that are immediately relevant to the G20’s priorities within and beyond the 2030 Agenda. This includes peace and reconciliation, energy, and illicit financial flows. This position can be expanded upon to make inroads with G20-related networks as a tool to advance the 2030 Agenda, and to seek influence vis a vis the G20.
- Norway could seek to convene annual expert meetings/retreats with key members from G20-related networks, and to explore ways to establish Norwegian actors – whether state or non-state – as key actors in “global knowledge banks” on particular issue-areas relating both to the 2030 Agenda, and to the G20’s broader agenda

Notes

1. Stortingsmelding nr. 36 (2016-2017) Veivalg i norsk utenriks- og sikkerhetspolitikk. Utenriksdepartementet. <https://www.regjeringen.no/no/dokumenter/meld.-st.-36-20162017/id2549828/>
2. Ibid. The report notes that “Norge pleier et nært forhold til toneangivende land i G20. I 2017 er vi av det tyske G20-formannskapet

invitert som gjesteland. Regjeringen vil bygge videre på disse erfaringene og utrede hvordan kontakten kan styrkes...”p. 40.

3. This is on display also in the recent Policy Briefs produced as part of the T20 process. See, inter alia, <http://www.g20-insights.org/wp-content/uploads/2017/03/Reforming-international-cooperation-towards-transformative-change.pdf>

4. <https://www.b20germany.org/the-b20/about-g20/>

5. Kathrin Berensmann, D+C Development and Cooperation (funded by Germany’s Federal Ministry for Economic Cooperation and Development)

6. Abbott, K. J. Green and R. Keohane (2016) “Organizational Ecology and Institutional Change in Global Governance” *International Organization*, 70 (2): 247-277, p. 248. See also Seabrooke, Leonard and Ole Jacob Sending (2015) “An Open System of International Organization”. GR:EEN Working Paper.

7. Reproduced from Lall, R. (2017) “Beyond Institutional Design: Explaining the Performance of International Organizations” *International Organization*. 71(1): 1-36. p. 22.

8. Abott et al. (2016).

9. Tsingou, E. (2015) “Club governance and the making of global financial rules” *Review of International Political Economy*. 22 (2): 225-256.

10. Ban, C, L. Seabrooke and S. Freitas (2016) “Grey Matter in shadow banking: international organisations and expert strategies in global financial governance.” *Review of International Political Economy*.

11. Avant, D. (2016) “Pragmatic Networks and Transnational Governance of Private Military and Security Services.” *International Studies Quarterly*, Vol. 60, no. 4.

12. Seabrooke, L. and O.J. Sending (2015) “Open Systems of International Organization” GR:EEN Working Paper no. 51. University of Warwick

13. Ibid.



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