



SESSION SKETCHES

Asan Plenum 2013: “New World Disorder”
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How is the G-20 Dealing with Disorder?

Panel: Session 4 (Grand Ballroom III)

Date/Time: Wednesday, May 1, 2013 / 09:00-10:15

Speakers: David Shorr, The Stanley Foundation
Ahn Ho-Young, Ministry of Foreign Affairs, Republic of Korea
Thomas Wright, The Brookings Institution
Zhu Liqun, China Foreign Affairs University

Rapporteur: Hana Lee, Ewha Institute for Development and Human Security

The criteria for judging the success of a multilateral organization, stated moderator David Shorr, is whether or not the organization compels governments to do things they would not have done otherwise. The success of the G-20 was discussed with this definition in mind. Shorr initially portrayed the G-20 as struggling to show results, but also added that the degree of difficulty of G-20 objectives is an important factor for consideration.

Ahn Ho-Young separately assessed the G-20’s short and long term measures. Short-term, emergency fiscal and monetary policies were successful in minimizing the impact of the 2008 financial crisis—swift recovery in total volume of world trade between 2009 and 2010 demonstrates that success. However, the G-20 appears ineffective in implementing long-term measures. Ahn explained this appearance of inefficacy to the nature of the long-term measures themselves, rather than any shortcomings of the G-20. Strengthening financial regulations and international financial institutions, for example, are inherently difficult and take time to implement. Thus, while long-term measures may appear ineffective, the fault is not on the G-20 system itself. In addition, diverse economic powers agreed to aggressive stimulus policies despite some nations’ inclinations toward austerity in responding to the 2008 financial crisis. Thus the G-20’s ability to persuade governments to do things they otherwise would not have done, asserted Ahn, demonstrates its success as a multilateral organization.

Chinese public opinion of the G-20 is quite positive, said Zhu Liqun, because of the system’s ability to solve difficulties caused by the financial crisis, bring world leaders

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together, and facilitate emerging powers in discussions. China has been actively involved in the G-20 process, and looks forward to an increased leadership role as it continues to develop economically. Liqun sees the G-20 as a platform through which China can rise peacefully without threatening the international system. China’s domestic economic imbalances are linked to international imbalances, thus G-20 efforts at international economic reform are linked to China’s domestic reform process. Domestically, China’s 12th Five Year Plan aims to restructure the economy for sustainable development through deeper reform, urbanization, land reform, and creation of social safety nets. Liqun observed that while the G-20 struggles to deal with finding a balance between legitimacy and effectiveness internationally, China will struggle to find a balance between government, economy, and society.

Thomas Wright assessed the G-20 from an institutionalized and de-institutionalized perspective. As an institution, the G-20 encouraged the maximum amount of cooperation possible between states despite domestic political constraints, and therefore performed exceptionally well in dealing with the 2008 economic crisis. However, individual countries are not doing enough to prevent future crises from surfacing, Wright noted. Even if the G-20 as an institution succeeded in dealing with financial crisis, if major economies do not attempt to fix fundamental flaws in the international economic system, crisis may recur soon in the future. Ultimately, the success of the G-20 depends on its ability to prevent such recurrent crises, thus successful economic reform is a pressing imperative for member nations. Additionally, noted Wright, even as economic cooperation deepens, competition on issues of security and national interest continues to increase. How to preserve economic cooperation in the face of such competition is another question for G-20 nations to answer.

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