

Disrupted Order: G20 Global Governance at a Time of Geopolitical Crisis

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This article evaluates the outcomes of the Rome G20 in October 2021 and the forces behind those outcomes. Overall, the results were meager and far below current needs for coordination in the context of major global disruptions. I argue that leaders of major countries have increasingly engaged in cognitive dissonance: there is a fast-growing gap between their continued official support for G20 procedures and their refusal to cooperate with each other. The G20 may have become a limited safety net of sorts, or a custodian of increasingly limited norms of cooperation. But the main action is elsewhere in the face of rising geopolitical tensions: the gradual weaponization of globalization, a growing rift between China and the West, and the outright rejection of the global order by Russia post February 24, 2022.

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In this difficult context, the G20 managed to make progress in global environmental governance (climate and biodiversity) by setting clear goals for the first time. The G20 also made advances in global taxation and other second-tier issues. But the Rome G20 could not provide meaningful coordination or guidance on three most pressing global governance issues: the COVID-19 pandemic, the growing fragmentation of the trading order, and the cyber and AI revolution. And the absence of both Vladimir Putin and Xi Jinping may have been a portend of the massive crisis of early 2022. In the wake of the Ukraine invasion, the existence of the G20 model itself is at stake.¹

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Introduction

The Rome G20 Leaders' Summit met on October 30-31, 2021. It was the first in-person G20 Leaders' Summit since the COVID-19 pandemic started in December 2019. It was also the first full G20 Summit of the post-Trump era, and it featured the return of a US president committed to the global liberal order and to multilateralism for the first time since 2016. Additionally, the Rome G20 Summit benefitted from an experienced Chair, given that Italian Prime Minister Mario Draghi had attended many past G20 ministerial meetings in his capacity as President of the European Central Bank (ECB). This 'Draghi advantage' was somewhat 'blunted', however, by a change of the Italian Sherpa half-way through the

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¹ This article incorporates elements from my article published with East Asia Forum on November 8, 2021, "The good, the bad and the incongruous at the Rome G20."

year.

Given the G20's self-assigned role as "the premier forum for international economic cooperation," (G20 Research Group 2021) the urgency of managing the post-pandemic world economy, and the worsening climate change situation, expectations toward the Rome Leaders' Summit were high. Indeed, the G20 summit process in late 2021 faced an extremely challenging mission: it was tasked with reconciling the enduring reality of economic and environmental interdependence with the other reality of serious ongoing disruptions. These disruptions included: the COVID-19 pandemic, climate change challenges, the digital and AI revolutions, social backlash against global capitalism in some countries, and a growing great power rivalry between China and the United States.

Would the leaders of the world's most powerful countries and international institutions gathering around the G20 table help forestall forces of fragmentation and foster effective collective responses to shared crises? Could the G20 process help mediate the growing tensions between key members, especially tensions between Western countries and China and Russia, as well as North-South tensions over climate and pandemic equity issues? Can the G20 serve as the line of defense for global connectivity and global cooperation under very tough geopolitical circumstances?

In terms of process and viability, the Rome G20 was hampered by the absence of six leaders out of 21 (the EU has two leaders, hence the number 21). Such an absence was unrepresentative of past leaders' summits. Mexico's President Andrés Manuel López Obrador has not appeared at any global summit and 'true to form' did not appear at the G20 Rome Summit. Saudi Arabia's leader, Crown Prince Mohammed bin Salman Al Saud was absent. And South Africa's President Cyril Ramaphosa was held up by elections at home. All three were represented by competent foreign ministers with experience in multilateralism. More serious for the G20 ability to advance collective compromise was the absence of three of the most powerful countries: China, Russia, and Japan. Japan's new Prime Minister Kishida Fumio was held up by crucial general elections in the wake of his nomination as Prime Minister on October 4, 2021. His absence and the relative 'green' nature of his Cabinet meant that Japan could not be an effective player in these leader-level discussions. Russia's Vladimir Putin skipped the summit due to the COVID-19 situation, but probably also because of his increasing isolation from global diplomacy and a dark inward turn—as later revealed by his brutal invasion of Ukraine on February 24, 2022.

China's leader, Xi Jinping, as it turns out, had not left the country since January 2020. It would appear that his unwillingness to travel is driven by his determination to fight a zero-COVID-19 strategy after the national trauma of the Wuhan COVID-19 explosion early in 2020. No summit abroad is important enough, it seems, at the moment, to break that pattern. Additionally, President Xi seems far more focused on the enormous domestic political maneuvers needed to secure a norm-breaking third term as Party Secretary of the Chinese Communist Party (CCP) at the 20th Party Congress in the fall of 2022. In that heavy domestic context and in the wake of increasingly ideological posturing toward outside rivals during the pandemic years, he was probably not ready to face a strong US-led pushback at the G20. President Xi did deliver a speech at the G20 by video conference and was represented by a large delegation of able officials headed by Foreign Minister Wang Yi. However, in the complex Chinese governing system, and given his lack of seat on the Politburo, Wang Yi's authority to craft any compromise with other countries is essentially nil. The Chinese lineup at the Rome G20 ensured that China would stick to agreements

negotiated by Sherpas prior to the actual Leaders' Summit.

The Rome G20 Leaders' Summit—A Failing Grade But There Is Some Hope

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The Rome G20 Summit produced a mixed, and in fact, limited outcome. The Leaders' Declaration (G20 Research Group 2021) is a rather 'stuffy' technical and overly aspirational document—unfortunately not that unusual for a leaders' declaration. In terms of managing critical systemic risks and forestalling the potential fragmentation of global interdependence, the results seem less than ideal. On the big three critical issues of pandemic management, global trade and inequality, and cyber and AI governance, the G20 appears to offer a 'failing grade'. There was simply no ability among leaders, it seems, to envision an effective outcome and the necessary compromises to reach it. However, there was limited but significant progress on the fourth critical systemic issue of our times: climate change and biodiversity preservation. And there was significant cooperation and delivery on a series of second tier issues—global taxation, support for the Sustainable Development Goals (SDGs), and on global debt relief for lower income economies. Most importantly, the G20 leaders all committed to a series of global norms and principles, including climate, sustainable development, health, education, and global cooperation. After two G20 Summits that ended up with 19+1 declarations forced by the US dissenting on issues of climate and trade, this Declaration and Summit indicated willingness again to share common goals.

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In reviewing the Italian year, we seem to identify a growing dissonance in the behavior of key states in the G20. On the one hand, members increasingly refused to invest in the G20 process to address the systematically most important issues, given their current focus on competitive national dynamics. On the other hand, they continued to show attachment to the G20 process itself and to ensure some limited progress.

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In addressing this G20 growing dissonance, it appears, the preferences of key states toward global governance and the G20 has fundamentally changed between 2008-2015 and the post 2017 period. Their evaluation of the necessity for global cooperation has been downgraded relative to domestic and security priorities, and the trust in each other and in global cooperation has decreased significantly. The 2008-2009 global financial crisis (GFC) did trigger an enormous though too rare global coordination through the G20. This coordination continued until around 2010. True, the crisis itself resulted from a failure of domestic financial regulation in the US and beyond and the frontline firefighters were the central banks, coordinated by the US Federal Reserve, as well as the US Treasury (authorized by Congress through The Troubled Asset Relief Program, or TARP). However, the G20 leaders' summits in 2008-2010 played a powerful supportive role by coordinating global efforts around fiscal stimulus packages, doubled funding for the IMF, and creation of the Financial Stability Board (FSB). These efforts were part of an emerging global financial monitoring and safety net, prevention of beggar-thy-neighbor currency dynamics similar to those of the 1930s, prevention of trade protectionism, and a series of other key regulatory efforts. As well, the G20 summits and the long series of Sherpa-level, ministerial level or informal summits between such summits provided crucial space for information sharing, trust building and diffusion of tensions. The fact is, the global

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institutional system enlivened by the G20 creation, did deliver an effective response (Drezner 2014; Tooze 2018).

From 2011 to 2016, G20 effectiveness gradually faded as the focal power of the crisis slipped into the past and centrifugal tensions rose. Nevertheless, key players continued to have a stake in the G20 and to deliver occasional significant outcomes. In contrast, it seems to me that the period of 2017-2021 marked a change of dominant global governance paradigm for key players. The period moved from a minimal shared management of global interdependence to competitive disengagement with only limited coordination. The critical players in this process were the US under Donald Trump and China—as well as Russia, the UK after Brexit, Turkey, India, Brazil, and Saudi Arabia, but the dynamic has proved so far irreversible even under Joe Biden. The pandemic only accelerated this process. Interestingly, a few important players retain significant commitment to the global management of integration: the European Union, Canada, and Japan. But these actors don't have the collective heft to reverse the heavy momentum set by the great powers and their followers.

Regarding the curious continuous adherence of most G20 players to the process itself and to a degree of deliverables on second-tier issues, it seems this attachment arises from three sources. First, G20 states are willing and eager to retain a safety net of sorts if their dominant national strategies fail. Second, global cooperation norms in support of global interdependence remain dominant, even though major players don't always maintain them in practice. This cooperation is due to the speed of the current transition of the global order and the lack of new dominant norms to replace old ones. As well, dominant players are not yet willing to publicly own their great power competitive behavior and find instead that it is convenient to hide it behind a continuing official commitment to shared global norms. Third, even the US and China still find the G20 platform useful as a forum for discussion, and a chance to convey messages, share information, learn about allies and rivals, and update their beliefs and preferences. Obviously, in the wake of the Ukraine invasion by Russia, this is no longer the case. It has become all but unthinkable to imagine a Russia under Putin present at the G20. This may have rather negative consequences for the G20. But we will have to see.

I. Measuring Outcomes: Rome Summit Scorecards Relative to Governance Needs

The rationale for having the G20 lies in the growing externalities, public good requirements and systemic risks generated by the acceleration of global integration since the early 1980s (Alexandroff et al. 2020; Alexandroff and Cooper 2010; Bradford and Linn 2007; Drezner 2014; Kaul et al. 1999; Kaul and United Nations Development Programme 2003; Kindleberger 1988; Kirton 2013; Sandler 2004; Tiberghien 2017; Tiberghien et al. 2019). Economic connectivity and interdependence already existed in the 19th and early 20th century in an earlier incarnation, albeit one shared by only 15 or so countries and with much simpler technology (Angell 1910; Berger 2003). The modern version of economic globalization really took off to new levels in terms of breadth, reach, intrusiveness, and speed after about 1980 (Garrett 2000; Keohane and Milner 1996; King 2017; Stiglitz 2002). This new high-speed economic integration has generated powerful global markets,

global forces, global economic actors, and global risks that often reach beyond national governance. In this global context, the spillovers made it impossible for individual states to monitor and regulate markets, manage crises, generate public goods and deal with systemic risks on their own. Global markets require global rules, and global systemic risks require global cooperation. Markets and interchange require stability, information, trust, security, and other forms of governance to be able to survive over time (North 1990; Williamson 1985). And adequate governance must be provided at the global level. Yet, the basis for such provision is on thin ground, since power and sovereignty lie at the national level with states the dominant actors under today's Westphalian system. The answer to this conundrum became a US-led effort to add a layer of global institutions and cooperation among those states, which became part of the so-called Liberal International Order (Ikenberry 2011).

The initial post-war response to the need for order and coordination, as well as global stability, was to create new global political institutions (the United Nations) and economic institutions separate from the UN, the International Monetary Fund (IMF), the World Bank (WB), and the aborted International Trade Organization, the ITO, that became the General Agreement on Tariffs and Trade (GATT) and then later the World Trade Organization (WTO) through and alongside a power structure provided by US hegemony (Ikenberry 2011; Kissinger 2014). This system is often referred to as the rules-based international order by the likes of Canada, Australia, Japan, or Europe. But Ikenberry (2011) calls it a fused system combining elements of hierarchy (US power) and constitutionality (rules and institutions). On the economic and ecological front, the stability of this system lies in the balance between global forces or markets and the governing capacity of global institutions.

Post 1990, the functional demands on this governance structure expanded exponentially. With massive financial, trade, and investment deregulation and the addition of the advent of the Internet, global markets and global digital reality took a scale and impact never seen before. With growing opportunity costs of closure and effective pressures from the US and allies, the world joined in this globalization process, including China and India. Managing these markets and dealing with crashes such as the GFC became much more complex. Meanwhile, massive connectivity, population growth, technological sophistication, environmental destruction, and the removal of national circuit-breakers generated a level of systemic risks never seen before (Goldin and Mariathasan 2014).

Given the inability of any power to manage such economic interdependence and the absence of mandate for the UN to manage the global economy, Paul Martin of Canada and Colin Bradford and Johannes Linn of Brookings called for the urgent addition of a Leaders 20 - an L20 (Bradford and Lin 2007). The G20 came into being in November 2008 at the height of the GFC, even though various proposals had been vetted prior to the crisis.

The nominal demands on the G20 are actually huge. The task at hand is nothing less than to generate cooperative global institutions and policy convergence among systemically important countries in order to thwart the collapse of the global economy, generate rules and norms to manage global flows, deal with global public goods, and generate collective responses to systemic risks. When the G20 fails to act, there is no effective back up system, given that no country, however powerful, is up to the collective tasks of interdependence management and no regional or club grouping can do more than postpone major crises.

The current period sees the parallel emergence of several systemic risks: the potential collapse of the global trading or financial system, climate change and the collapse of ecological biodiversity, global pandemics, the existential risks of the digital and AI revolution, with the potential of making humanity redundant within decades (Bostrom 2015; Ord 2020; Tiberghien et al. 2021). We also witness the greatest power transition since 1850, with 21 percent of global GDP changing hands from developed to emerging economies between 2000 and 2020 (with two-thirds of that change driven by the rise of China). We observe that these trends are accompanied by increased great power competition and growing struggles over global rules and institutions, possibly because of the erosion of the US hegemony and lack of consensus among states, alongside the resurgence of grievances and mutual suspicion. This, in turn, has led to growing conflicts and asymmetric exploitation of vulnerabilities in globalization itself (Drezner et al. 2021; Farrell and Newman 2019; Leonard 2021).

In this context, we face high global cooperation requirements, namely finding collective cooperative responses to those risks and ensuring a stable and fair management of global connectivity without catastrophe. Some see this as the mission for the G20. Others, such as the US and possibly China see the G20 as only a limited part of the solution and prefer to mount partial coalitions or groups to provide elements of governance. The G20, however, should play some role as it draws together divergent interests between established and emerging powers despite security competition.

Relative to such needs and the urgency of current files, how do we evaluate the outcomes of the Rome G20? Table 1 offers my evaluation of the Rome Summit, including scorecards ranked from 1 (lowest) to 10 (highest) on systemic and secondary issues facing the G20. While the rankings are subjective, this evaluation is based on the close read of the G20 Rome Declaration and accompanying documents. A score of one (1) means that the issue is not addressed. A score of five (5) or more means some degree of meaningful global coordination. A score of two to four (2-4) means some normative progress, but a lack of concrete mechanisms and institutions to bring these norms to reality. A score of four (4) indicates the setting of a clear target, albeit without a concrete credible action plan.

Table 1. Scorecards of G20 Rome Outcomes Relative to Governance Needs

| | Outcomes | Governance Needs | Score (1 lowest-10 highest) |
|--|---|---|------------------------------------|
| TIER 1: SYSTEMIC ISSUES | | | |
| Pandemic | Support for private sector vaccine production deals for WHO | Massive, coordinated support of global vaccines and drugs, stronger WHO | 2 |
| Digital and AI – you might add China proposal for legal text on autonomous robots. Rejected by Japan, US, and others | Normative mention of data free flow and fair access | New global governance capacity | 1 |

| TIER 1: SYSTEMIC ISSUES | Outcomes | Governance Needs | Score (1 lowest- 10 highest) |
|--|--|--|---|
| Climate Change and Ecological Emergency (Biodiversity, Oceans) | First time normative commitment to 1.5C and 2030 biodiversity targets, many pages in declaration | Massive global mobilization and new technology development | 4 |
| Global Trade and Inequality/Anger | Normative commitment to global trade, no action | Agreements on updated WTO rules and Dispute Settlement | 2 |
| Global Financial Crises Prevention & Management | Normative recommitment to IMF reforms and principles | IMF quota reforms, strong global safety net and monitoring, common regulations | 2 |
| Poverty Alleviation and Global Justice | Commitment to SDGs, limited commitment to SDR use and DSSI | Major commitment of resources and support for green development through global markets and support | 2 |
| TIER 2- REGULATORY ISSUES | | | |
| Global Taxation | Support for OECD-negotiated 15 percent minimal tax | Global enforceable rules and agreement | 6 |
| Anti-Corruption | Continued support for coordination and norms | Global coordination against enablers, including tax havens | 4 |
| Migration | Support for global norms | Preparation of massive resources and institutions | 2 |
| Education and Youth | Shared progressive principles and good practices | Institutions and resources | 3 |
| Global Agriculture and Food Markets | Normative mentions but no actionable items | Reform of global markets to support fair revenues | 1 |
| Global Infrastructure | Reaffirmation of shared principles and willingness to cooperate | Global coordination and cooperation on quality green infrastructure up to scale | 3 |

| TIER 2-REGULATORY ISSUES | Outcomes | Governance Needs | Score (1 lowest-10 highest) |
|---------------------------------|-----------------|--------------------------------|------------------------------------|
| Global Space Commons | Nothing | New global governance capacity | 1 |

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The results are rather sobering. The G20 is not generating meaningful responses to nearly any systemically important issues beyond common normative statements that recognize the importance of these issues. Leaders are either lacking innovative capacity or are showing little interest to work collectively toward existential threats.

We do see some progress, however, on one systemic issue (climate change and biodiversity) and to a secondary degree on pandemic management. We also see some significant progress on a number of secondary issues, such as global taxation. And G20 leaders continue to be willing to collectively commit to solve most global issues after acknowledging them, but without investing in solutions. There is a remarkable resilience in global norms of collective cooperation, despite the absence of actual investment. It is also important to note that the G20 outputs remain an elite process and that leaders have gradually decreased their personal investment in explaining the outcomes to their citizenry. There remains some global media interest in the pageantry of the G20, but not much attention to the more essential presence or lack of outcomes on key files.

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II. Stalemate On the Big Three Systemic Issues: Pandemic, Cyber And AI, and Trade and Inequality

As pointed out by Adam Triggs (2021), the G20 was not able to accelerate COVID-19 vaccine distribution as it should. The G20 merely accompanied the growing mobilization of the private sector of the US and China, and others around the world to reach 70 percent vaccination by mid-2022. But this codification of global focal targets is still useful. The commitment to meaningful reforms and budget increase of the WHO and to reforms of the International Health Regulations is a key move in the right direction. Yet, there was no actual breakthrough in making such reforms a reality. In particular, it would require a credible commitment by the US to the long-term sustainability and financing of the WHO (or an alternative global surveillance agency). It would require, additionally, a credible commitment by China and other large countries (including the US) toward rapid acceptance of WHO teams of experts during pandemic outbreaks.

On global trade, the G20 declaration reaffirms principles, and a commitment to the WTO but offers no specific commitment to restart the dispute settlement mechanism or make an agreement on core disputed issues such as the role of subsidies, technology transfer, or digital and data governance. The US has blocked the appointment of judges to the WTO Appellate Body since 2019 and the gap between China and the US and its allies is very large on questions such as domestic subsidies and technology transfers. Additionally, the language on the crucial issue of inequality and exclusion does not begin to provide blueprints that can address the urgency and scale of the crisis.

The G20 is also totally behind the curve on the massive acceleration of the

digital/AI economy or the space economy, where new corporate giants currently operate in a near governance vacuum. The few paragraphs focus on data free flows and access to technology. This is a complete lack of acknowledgement of the urgency of global cooperation and regulations in the cyber and AI space. Here too, we can note a large spectrum of governance proposals between players, some of whom are eager to move forward with regulation (led by the EU) and others that are opposed to any global rule-making beyond market opening (led by the US). Other countries, such as India, Indonesia, and others insist on some data localization requirements to enable the creation of infant digital industries. As for China, it sees digital governance as integral to the preservation of its authoritarian rule and is reluctant to accept global rules, beyond elements such as privacy and IP protection from corporations.

In fact, the G20 is currently unable to truly function as the incubator for the reforms of global governance institutions that the world needs to manage global markets and pressing systemic risks. Contrary to early hopes, it is proving unable yet to manage frictions between established and emerging powers. There are three proximate reasons for this. First, the US, as the ongoing primary ‘owner operator’ of the liberal international order, is not interested in facilitating structural change at the global level. The US is not ready to empower the G20 to broker compromises among systematically important countries. The US prefers to combine its powerful leadership with *ad hoc* coalitions, such as the G7 and the Quad. The partial window that opened in 2008 in the US with regards to the usefulness of the G20 probably closed in 2016. Second, the ever-accelerating US-China competition and the collapse of mutual trust between China and the West greatly limits G20 possibilities. And third, most G20 leaders either face domestic turmoil, or at least extremely constraining domestic politics. It is hard to find any country, where working for the global public good at the G20 resonates with domestic voters and can result in political rewards for leaders.

The deeper reasons for declining G20 global governance commitment primarily lie in the shift that took place with the Trump presidency in 2017, but also at least partially in China, Russia, India, Brazil, Saudi Arabia, Turkey, and the UK. All reflect the diminishing importance given to global governance and global cooperation, relative to domestic solutions. Not only have these countries reduced trust in other G20 partners, they have also increasingly discounted the usefulness and role of global governance mechanisms themselves. In light of the reality of global interdependence and shared risks, this trend is itself generating new global risks. The logical implications will be both decreased global connectivity (whether gradual or through ruptures) and weakening ability to handle systemic risks.

III. Normative and Actual Progress In Some Issue Areas

Given the larger dominant processes analyzed above, it is surprising to see some limited progress on two systemic issues (climate and the SDGs) and significant progress on secondary issues, example global taxation.

Compared to G20 summits in the last four years, the Chair did not have to resort to 19 vs 1 contortions on climate, trade, or SDGs. The commitments to SDGs and climate are unanimously reinforced. In fact, the Leaders’ Statement goes further than ever before in

acknowledging the climate crisis and codifying long-term aspirations. For the first time, there is a strong indication that 1.5°C of warming should be a key target. Leaders also support the goal of protecting 30 percent of land and oceans by 2030 as well as the firm commitment to ending all public financing for coal power plants abroad. All this is significant. 340

Meanwhile, the G20 commitment to a minimum 15 percent level of taxation for large global multinationals (as codified by OECD) is a breakthrough, even though it will have to be legislated throughout the world, a particularly difficult task in the US. Also significant is the shift involved in taxation of digital profits based on the place of consumption and not the place of physical production. In sum, we continue to see against all odds some limited incremental progress. We also see continued normative commitment to broad-based cooperation. The machinery of the G20 is still churning, including working group meetings, task forces, ministerial meetings, and Sherpa meetings, as well as meetings with engagement groups. The annual host country continues to have some autonomy in advancing some key issues in an entrepreneurial way. 345 350

This reveals an interesting dimension. Even the most skeptical countries remain unwilling to unravel what constitutes one of the last lines of defense of the collective management capacity of global interdependence and global governance. Larger players may have most of their attention currently focused on strategic competition, partial decoupling and reshoring, and fractious domestic politics. The systemic competition between the US and China at the heart of the G20 is currently toxic, plagued by ideological conflict, security confrontation, and profound accusations. Gone is the actual commitment to working together, even though the formality of shared processes in the G20 remain. However, as with the UN itself, the G20 remains useful to systemic players as a forum for discussion and a place to effectively learn about friends and rivals. The G20 also offers some useful joint monitoring function and helps address the growing cognitive gaps and misunderstandings among major players (Tiberghien 2020). And the G20 remains useful to key states due to its capacity to help fix small irritants and plug small holes in global governance. 355 360 365

The continued normative agreement around key principles remains interesting. It is both a legacy of past cooperation and a reflection of the difficulty in generating new norms. It may also be a sign of cognitive dissonance in the policies pursued by the major players. While they are directing their energy to strategic competition, they continue to retain some secondary belief in global interdependence and a fast-disappearing liberal international order. And this includes China. 370

Conclusion 375

The Rome G20 can be seen as a ‘pressure-relieving valve’ that cleared some air, changed the global conversation, and offered shared commitments for some matters to mobilize around. The Rome Summit also enabled side conversations that resulted in some significant deals (EU-US steel and aluminum deal) and openings (Turkey-US), or crucial clarifications—in the case of the Antony Blinken-Wang Yi meeting. Despite extremely strong adverse currents, the Rome G20 Summit played a positive role in inserting common energy to counteract the growing entropy of global politics and coordinate various global 380

actors toward common goals. It embodies the resilience of the norms of global interdependence and the continuing strengths of global epistemic communities. 385

These elements of normative resilience and limited progress should not hide, however, the reality of a large governance gap between the functional requirements of the G20 as the only game in town in terms of possible collective economic and environmental management of global interdependence and its current actual delivery. The US consensus, such as it is, has moved away from the belief in global cooperation and multilateral institutions. The Biden Administration has favored smaller partnerships and a ‘democracy versus autocracy’ framing of global order rather than promoting closer global cooperation. Given the pivotal role of the US in the construction of the post-war global economic and security system, this poses a significant problem. The outcome is a net decrease in the global capacity to handle crises (such as COVID-19 and climate change) and increasingly global volatility. 390 395

This gap between global governance capacity and global systemic needs continues to grow. And it marks a decreasing commitment by key major players to both global governance and global interdependence itself, particularly the US. The fallback focus on reduced collaboration among trusted friends, plurilateral engagement, is not a credible avenue for solving global systemic risks and maintain a global economic system. This situation will only change when the US and other key countries realize that even a limited global order requires greater collective cooperation. Even a more decoupled global order requires guard rails, minimal common rules, and space to reduce misperceptions. And elites must do a better job to regain the trust and support of citizens, which in turn requires building a fairer and more equitable global interdependence. 400 405

On February 24, 2022, with the unprovoked Russian invasion of Ukraine, the state of global cooperation embedded in the G20 concept took a marked turn for the worse. With this move, and the barbaric urban siege tactics used, Russia signified its total rejection of the existing global order, UN norms and laws, and global cooperation. It is as if a mask was suddenly removed, and Russia reappeared as a vindictive 19th century Czarist regime with no interest in a rules-based order. Russia’s role in the G20 and in any global institutions now appear to be just a farce. 410

Sure enough, the US, Canada, Europe, Japan, and many other countries responded by cutting off Russia from most links to the global economy, save two: energy markets and the Chinese connection. At the time of writing, Russia and the West are teetering on the brink of possible direct conflict. And China is tainted by the guilt of association with Russia, after the Russia-China Declaration of a tacit partnership signed on February 4, 2022. 415

How the world emerges from the depth of this crisis is difficult to predict. One scenario is an expanded war. A second scenario is a breakdown of cooperation between the West and not just Russia, but also China. That would lead to the end of the G20 model and a return to a fragmented world of coalitions: a G7+ model would face off with a China coalition and other regional coalitions. The problem with such a model is that China and the West remain deeply embedded in mutual interdependence and unraveling this interdependence is impossible without massive economic and social upheaval for both sides. A third, and rather better scenario would see China edge away from Russia. China, the G7, and others would work toward a reformed model of global cooperation, without which effective global governance is not possible. This third option could lead to a 420 425

resumption of the G20, albeit without Russia until a new leadership replaces Putin and changes course. In any case, if we thought that the Rome G20 was disappointing, 2022 and the Indonesia G20 Summit appears to be even more of a challenge. 430

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