



Task Force 7
Towards Reformed Multilateralism: Transforming
Global Institutions and Frameworks



REVITALISING MULTILATERALISM BY ENABLING A GLOBAL PARADIGM SHIFT ON GROWTH AND SECURITY

July 2023


Jean Dong, Associate, Centre for Contemporary Chinese Studies, Melbourne
University

वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE



Abstract




Current multilateralism is confronted with a new era characterised by successive and interlinked disruptions. Two primary challenges lie at its core: the phenomenon often referred to as the Anthropocene or environmental crisis, and the emergence and impact of artificial intelligence and technological disruption. These developments bring forth challenges to the fundamental concepts underpinning contemporary multilateralism, namely growth and security. The emerging paradigm urges G20 nations to pledge their efforts towards the strategic development of an adaptive and future-proof


framework of growth and security that would better support the future course of multilateral cooperation. This policy brief makes an appeal for the simultaneous adaptations of security and growth, as reconceptualising one cannot be accomplished without transforming the other. To achieve this goal, this brief proposes four key recommendations: fostering and enhancing inter-institutional dialogue, creating an integrated task force to align goals and strategies, formulating the link between national and international security strategy, and formulating the link between environmental policy and economic policy.



The Challenge



1




Current multilateralism is confronted by a new era characterised by successive and interlinked disruptions. Two primary challenges lie at its core: the phenomenon often referred to as the Anthropocene or environmental crisis, and the emergence and impact of artificial intelligence and technological disruption. These developments bring forth challenges to the fundamental concepts underpinning contemporary multilateralism—growth and security. The emerging paradigm urges G20 nations to pledge their efforts towards the strategic development of an adaptive and future-proof framework of growth and security that shapes future multilateralism.

Reconceptualising growth to be sustainable and durable

Over the past two centuries, the long-term trajectory of economic output has been unequivocally positive, generating an unparalleled level of job opportunities, investment, and prosperity. However, there are two challenges confronting the current measurement of economic growth.

Firstly, an unprecedented level of globalisation has challenged the underlying assumption behind economic growth, as measured by gross domestic product (GDP). The fundamental assumption behind the GDP is that the economy is an independent network that connects autonomous individuals, organisations and states through temporary contractual agreements.¹ This presumption overlooks the fact that, essentially, there are significant and incalculable exchanges between interrelated individuals, countries, and ecosystems in the age of globalisation.² Economic policies that concentrate solely on material growth could undermine societal stability in the medium to long term and potentially heighten geopolitical conflicts among nations. This is especially crucial in the context of climate change and environmental risks that have not only exacerbated social divisions and inequalities but also intensified geopolitical conflicts among nations vying for limited natural resources, including freshwater, arable land and energy sources.

Secondly, while GDP quantifies the value of goods and services offered in the market, it neglects numerous other



factors beyond market transactions that remain crucial in a society's overall well-being. For instance, the ocean's vital role in supporting diverse marine life or the carbon sequestration capabilities of peat soils, along with the value of unpaid care work, such as parenting, caregiving and volunteer activities, are not factored into GDP calculations.³ Given these limitations, economic development should not be limited to growth-centric indicators alone. Instead, economic development should encompass a broader range of quality-focused measures, including human capital development indices, features of technological advancement, social equality factors, access to developmental resources and standards of living that consider both social and environmental issues.

Re-envisioning security to be future-proof

To re-envision security, it is essential to shift the focus of security strategy from geopolitical rivalry towards future-readiness.⁴ The notion of peace is currently challenged in two respects. On one hand, the prevailing condition in the world is marked by intensified military, technological, and political competition.

Major global and regional players are increasingly engaging in military deterrence, hindering cooperation on global issues. On the other hand, emerging existential security risks, such as environmental risks and artificial intelligence disruption, are insufficiently addressed by existing international multilateral institutions and legal arrangements.

These challenges bring forth two important implications. First, the emergence of non-traditional security threats has made it essential to incorporate future-oriented factors into the security concept, extending beyond the conventional military defence of the state against external threats. Second, the transformation in security risks, which is global, systemic and interconnected, has altered the dynamics between nations, challenging the conventional assumption that the world comprises separate nation states with distinct independence and autonomy. This transition to more globally focused security also necessitates a re-evaluation of geography, rendering obsolete the notion of "siloes security". In other words, in a world that is profoundly interconnected, the security of one nation is inextricably linked to

the security of other nations and global security as well.⁵

To effectively tackle these challenges, it is important to acknowledge that while the traditional understanding of security, which revolves around protecting the sovereignty of nation-states, remains fundamental to domestic and international security, the changing security environment demands a broader capacity to defend national sovereignty beyond mere reliance on military strength. The armed forces may not possess the necessary tools to confront future challenges effectively, making it imperative to pursue alternative security measures.⁶


National and international security policy can only be more effective if it responds to the global interconnectedness of the security environment. However, security issues tend to be categorised and addressed in isolation, disregarding the possibility of unintended consequences and exacerbating other problems.⁷ For instance, policies aimed at increasing national security may instigate arms races and hegemonic pursuits, not only leading to an increased carbon footprint from military activities but also potentially diverting resources

away from addressing human needs and environmental preservation.⁸

In addition, attempts to strengthen economic security policies by imposing stricter control over resources such as energy, oil, and water may exacerbate resource competition and heighten state rivalry, further undermining the development prospects of developing nations and accelerating instability in unexpected ways. Moreover, policies aimed at ensuring food security may increase climate change, pollution, and biodiversity loss, particularly through deforestation and the adoption of single-crop agricultural practices.⁹

Security and growth nexus

This brief advocates for the simultaneous pursuit of reframing of security and growth, as reframing one cannot be achieved without transforming the other. It is important to discuss how security and growth are interconnected. As long as growth remains materially focused, it necessitates safeguarded access to resources and unrestricted passage through both land and sea routes. This, in turn, leads to security concerns, resulting in resource-rich regions and areas adjacent to crucial access points becoming vulnerable to potential



conflicts. Meanwhile, if security is equated with an increased deployment of armed forces and weapons to safeguard national territories, then more funds and resources are needed to cover the costs of troops, tanks, planes, and submarines. This approach creates a “spiral of doom” scenario, where growth is necessary to pay for the military, and the military is essential to sustain the conditions of growth.

It is evident that in today’s competitive global environment, the logic of military–economic competition has resurged as a driving force for many countries, redirecting resources away from social, environmental and human sectors. These trends are skewing economic globalisation and encouraging the exploitation of interdependence for economic leverage and hybrid warfare. As a result, regional and global military build-up is increasing, and arms control and non-proliferation regimes are declining, with key stakeholders unprepared to mitigate the risks of military escalation.

The obstacles facing the practical execution

While it is easy to call for a paradigm shift, it is vital to recognise that there are

significant obstacles facing the practical execution of reconceptualising security and growth.


- **Lack of know-how:** In the current environment facing unprecedented change, there is limited knowledge of the potential chains of causality, meaning, which events may lead to which outcomes, and with what degree of likelihood. Fragility arises at the highest levels of leadership due to the lack of established, tested and widely accepted frameworks or models that can pinpoint the necessary variables and indicators for reconceptualising security and growth in a meaningful manner, especially regarding criteria that take into account the global context and future value. As a result, there is a shortage of clear policy insights to guide leaders in prioritising various courses of action or pinpointing specific initial steps to be taken, leading to a lack of coherent and widely accepted actions.
- **Limited cognitive capacities:** Although we have lived in a globalised world for decades, our thinking mode tends to remain national by default. To respond to unprecedented risks, it is essential

to think creatively and innovatively, avoiding compartmentalisation to prevent a failure of imagination. However, there is little indication that a new paradigm can be put in place without a major overhaul of deeply held beliefs. The accumulation of expertise and entrenched mental patterns all pose significant obstacles. Simultaneously, while there is an abundance of data and information at our disposal, we lack dependable tools for making sense of them and have a limited capacity for accurately interpreting situations on a broad scale.


- **Political expediency and incentives:** Political expediency and the election cycle limit leaders' capacity to commit to long-term plans, which are essential for addressing shared global risks effectively. There is a trade-off between the incentive to please the domestic audience, and efforts to drive important multilateral changes. In democratic countries, the election system is not adequately motivated to pursue the latter, which is often less comprehended and yields fewer electoral advantages. In essence, leaders are generally constrained by their local mandate.



The G20's Role



2



Considering the challenges in empowering necessary paradigm shifts as discussed in the preceding paragraphs, the crucial role that the G20 can and should play becomes increasingly evident. In an era marked by successive and interconnected disruptions, it is critical to acknowledge that these disruptions and complexities cannot be addressed in separate 'silos'. Thus, prioritising national responses to shared global challenges, which are fragmentary in nature, is misguided and may undermine regional and global cooperation. For example, a fragmented national response to climate change has turned it from consensual collaboration to contentious geopolitics, where one part of humanity seeks to exert pressure against another, creating deep division and conflict. Therefore, the world must adopt a holistic perspective and integrated responses that span across

government departments, as well as national and regional boundaries.

As the foremost global forum uniting major developed and developing nations, the G20 holds a unique position to harmonise existing efforts across diverse approaches adopted by different countries, thus preventing confusion and the proliferation of conflicting efforts. To achieve this, G20 countries must exhibit leadership on the global stage by demonstrating their ability to overcome their differences, and by recognising that they are inherently united in addressing global challenges that render them all vulnerable. The G20 countries carry the responsibility of exemplifying the importance of this paradigm shift to others, stressing how focusing on a more holistic framework for economic development and a global security perspective can lead to a more robust and secure global environment.



Recommendations to the G20

3



Fostering and enhancing inter-institutional dialogue


A crucial step in empowering paradigm shifts on growth and security is to focus on shared transnational issues and encourage the formation of supranational partnerships. A suggested course of action for the India-led G20 is to take a bold step in establishing an annual inter-institutional dialogue among institutions that may potentially have conflicting interests. This dialogue could encourage the exchange of ideas on crucial issues related to growth and security. This could involve dialogue between BRICS and G20 on economic matters, between the New Development Bank and Bretton Woods Institutions on financing issues, and more ambitiously, between the Quadrilateral Security Dialogue (better known as the Quad) and the Shanghai Cooperation Organisation on security concerns.

Undertaking such an action necessitates strong leadership and foresight, acknowledging the divergent interests that prevail among multilateral institutions and, notably,

the intensifying competition among nations participating in different security cooperation frameworks. Realising this proposal would require significant diplomatic endeavours and dedication to finding common ground from all parties involved. The India-led G20 is particularly well-suited to take this pioneering step to rebuild trust and strengthen diplomacy given India's important role among all the multilateral institutions. It is essential to maintain realistic expectations, understanding that only modest exchanges may be achievable initially. However, this shift in thinking towards the common good, rather than geopolitical rivalry, must begin to take root.

Creating an integrated task force to align goals and strategies

The India G20 can promote new metrics for growth and security by establishing a task force to devise an initial indicator for this objective. It is important to recognise that numerous alternative indicators are already available, such as the Human Development Index, Genuine Progress Indicator, Sustainable Development Goals (SDGs) Index and more. However, the challenge lies in



achieving a fully consensual action plan. Thus, the task force's purpose is not to create statistical evidence, but rather to align goals and efforts among G20 nations. This task force should operate on a network model, collaborating with leading experts to leverage existing data and expertise in an open, transparent and inclusive manner. As a preliminary step, the task force should produce an annual report for G20 leaders, presenting the agreed-upon metrics and indicators that facilitate the paradigm shift in security and growth.

On a high level, it is recommended that the G20 nations embrace a well-being approach that goes beyond GDP, taking into account the complex and interrelated connections among human, natural, social, produced and financial capital.¹⁰ GDP alone does not offer a complete view of sustainability, as it does not adequately evaluate whether our current lifestyle is sustainable or whether we are guaranteeing an adequate quantity and quality of resources for the well-being of future generations.¹¹ To address this, a 'stock' approach based on inclusive wealth is necessary, which accounts for the assets available for the benefit of both present and future generations.¹²

Additionally, assessing the 'flow' component, which includes indicators of economic performance, social cohesion, individual autonomy and environmental sustainability, is essential.¹³ This helps determine the degree to which stocks are being accumulated or depleted over time and how they contribute to well-being both in the present and future.¹⁴ Utilising this comprehensive approach allows for evaluating the balance between present and future well-being and aids in guiding policy decisions.

On the security front, it is strongly recommended that G20 countries embrace the concept of human security and adopt a comprehensive collective security metric that transcends traditional defence spending. This approach should take into account the interdependence among individuals, as well as the intricate connections between people, the planet and technology.¹⁵ By adopting a global security perspective, G20 countries can create opportunities for a much larger group of stakeholders to participate, effectively blurring the lines between domestic and international affairs and policies.¹⁶ This holistic perspective fosters cooperation, shared responsibility and joint problem-solving, which are essential for addressing the

complex and interconnected challenges facing our world today.

Formulating the link between national and international security strategies


The India-led G20 should urge the grouping's member nations to mandate a section in their national security strategy to establish the linkage between internal (national) and external (international) security policy, while adhering to the established system within the national security strategy. Policies focusing on security issues emphasised by the SDGs, United Nations Security Council resolutions, and the Paris Climate Agreement should be prioritised to form this link, addressing areas such as climate, terrorism, energy, technology, cybersecurity, and food security. This integrated security strategy framework will foster a connection between internal and external security that is established from the inception of the strategy-development process, prompting leaders to consider their individual obligations towards not only national security risks but also shared global security threats.

Further, G20 nations must work together and foster greater communication and collaboration among themselves to improve their crisis management and conflict resolution capabilities. By integrating both Track 1 and Track 2 multilateral consultations into their policy-making processes, they can reduce negative trends in global security and minimise the direct risks of military confrontations.

Formulating the link between environmental and economic policies

Economic and environmental performance must go hand in hand. Two tasks are particularly relevant here. First, guaranteeing that environmental resources are accessible to enhance well-being and promote future economic expansion; and second, addressing the potential risks to growth stemming from unfavourable environmental occurrences.¹⁷

The India-led G20 should urge its member nations to mandate a reporting on the potential shift of environmental damage overseas. While domestic environmental regulations strive to curb excessive



resource consumption and foster efficient production and consumption, global environmental protection necessitates addressing the potential transfer of environmental harm to other countries.¹⁸ Such an approach could

encourage G20 leaders to recognise the interdependence of environmental risks on the global economy and adopt an inclusive and long-term vision for the formulation of their domestic economic development policy.

Attribution: Jean Dong, “Revitalising Multilateralism by Enabling a Global Paradigm Shift on Growth and Security,” *T20 Policy Brief*, July 2023.

Endnotes

- 1 Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi, *Mismeasuring Our Lives: Why GDP Doesn't Add Up* (New York: The New Press, 2010).
- 2 Stiglitz, Sen and Fitoussi, *Mismeasuring Our Lives*.
- 3 Tim Everett, Mallika Ishwaran, Gian Paolo Ansaloni and Alex Rubin, "Economic Growth and the Environment," *Gov.UK*, April 12, 2021, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69195/pb13390-economic-growth-100305.pdf.
- 4 Chris Barrie, , "Missing in Action: Responding to Australia's Climate and Security Failure," *Australian Security Leaders Climate Group*, September 2, 2021. https://www.aslsg.org/wp-content/uploads/2021/09/ASLCG_MIA_Report.pdf.
- 5 Ernst Hirsch Ballin, Huub Dijstelbloem and Peter de Goede, *Security in an Interconnected World: A Strategic Vision for Defence Policy* (Hague: Springer Nature, 2020), <https://link.springer.com/book/10.1007/978-3-030-37606-2>.
- 6 Ballin, Dijstelbloem and de Goede, *Security in an Interconnected World*.
- 7 Heriberto Tapia et al., "New Threats to Human Security in the Anthropocene: Demanding Greater Solidarity," *UNDP*, February 17, 2022, <https://hs.hdr.undp.org/pdf/srhs2022.pdf>.
- 8 Tapia et al., "New Threats to Human Security."
- 9 Tapia et al., "New Threats to Human Security"
- 10 Zakaria Zoundi, Dennis J. Snower, Robert Smith, Katharina Lima de Miranda and Livia Bizikova, "Moving beyond GDP: A Stock-Flow Approach to Measuring Wellbeing for the G20," *G20 insights*, September 1, 2022. https://www.t20indonesia.org/wp-content/uploads/2022/11/TF5_Moving-Beyond-GDP.pdf
- 11 Stiglitz, Sen and Fitoussi, *Mismeasuring Our Lives*
- 12 Stiglitz, Sen and Fitoussi, *Mismeasuring Our Lives*
- 13 Zoundi et al., "Moving beyond GDP"
- 14 Zoundi et al., "Moving beyond GDP"
- 15 Barrie, "Missing in Action"
- 16 Barrie, "Missing in Action"
- 17 Everett et al., "Economic Growth and the Environment"
- 18 Everett et al., "Economic Growth and the Environment"



वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE