



Task Force 3:
LiFE, Resilience, and Values for
Wellbeing



TOWARDS A FUNCTIONAL, INCLUSIVE MULTILATERALISM FIT FOR THE 21ST CENTURY

June 2023

Markus Engels, Secretary General, Global Solutions Initiative


वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE



Abstract





This policy brief discusses the need to update the multilateral system, take the current international power structure into account, and react to the pressing challenges of the 21st century. Global problems like climate change, the loss of biodiversity, and poverty are also security issues and must be reflected in institutional design. The author^a argues for revamping the multilateral system with permanent institutions and a comprehensive approach to global problem-solving. As part of this process, we need to redefine influence, moving away from a definition based primarily on military and economic aspects and towards one that encompasses criteria such as the ability and willingness to contribute to


finding solutions to global problems. Going forward, the success of the multilateral system will rely on states and regions successful transitioning to more sustainable and resilient societies and economies. This will require the inclusion of new actors in the global decision-making process along with new financial contributions, promoted by the G20, that support the transition of societies. To achieve this, the author calls on the G20 to accelerate institutional reform by admitting the African Union and the ‘vulnerable 20’ into its group, and promote the reform of international financial institutions. Finally, a precondition for further international funding is a traceable mechanism for transparency and good governance.


a The author thanks Amy Pradell, Daniel Iturri Calvo, and Elisabeth Schröder from the Global Solutions Initiative team for their kind support in writing this paper.



The Challenge

1






Over the past few decades, the balance of power in the international order has undergone a sea change, and yet institutions continue to reflect the power dynamics of yesteryear. The United Nations Security Council (UNSC), for example, still adheres to a post-Second World War logic with permanent members including Allied victors and official nuclear powers, despite the geopolitical tectonic shifts that have occurred since its founding. While a country's military and economic strength were the decisive factors in ranking power after the 1940s, we are now confronted by new global challenges. Climate change, the loss of biodiversity, the finite nature of strategic resources, an obscene wealth imbalance, pandemics, and the emergence of artificial intelligence are social and planetary challenges that should give a prominent position in multilateralism to those who possess special capabilities to solve such challenges, along with

the will to bring these capabilities to bear for the benefit of all. What is needed, then, is a reinterpretation of power^b based on a comprehensive security analysis that re-evaluates what capabilities a threatened world needs most. It is about moving away from a predominantly military and economic approach to international relations.

It is not only international power shifts that call for readjusting the institutional order; the most pressing global risks also require more international cooperation, as well as new tools to solve problems. Surprisingly, however, a countervailing trend is now gaining strength, namely, an international decoupling that challenges universalist approaches. Terms such as 'plurilateralism,' as well as the pursuit of strategic autonomy or rivalry¹ and the creation of thematic clubs,^c are expressions of this decoupling trend,² which found its obscene climax in the 'me first' approach to policy popularised by former US President Donald Trump.

b This policy brief questions whether a definition of power that prioritises military and economic strength is still appropriate given the complexity of global challenges.

c One example is the "Climate Club", which the G7 initiated in 2022. The G7 presidency at the time made it clear that it was to be an inclusive initiative.



This policy brief understands multilateralism as an international order in which institutions operate from a rules-based foundation and seek to tackle major international problems with a global approach, problems that


require a global approach due to their complexity and interdependence.^{3,4,5} The paper discusses what the G20 can contribute to achieve such a multilateral order.



The G20's Role

2





The G20 is one of the most powerful confederations of states. Not only do they represent 75 percent of global trade and produce 81 percent of global CO2 emissions,⁶ but all five permanent members of the UNSC are in the G20, as are all G7 countries. With India, Brazil, and South Africa, emerging nations are also part of the powerful club. The G20 also claims to represent the interests of the Global South, i.e., the poorer states and populations, and the emerging economies. In total, the G20 represents two-thirds of the world's population.

Thus, the G20 states together form an unprecedented concentration of power. If the G20 members were to put aside supposedly national interests^d in the interest of finding global solutions—thus supporting a fair

international institutional order—then this model would likely prevail globally. Since many global conflicts are also echoed within the G20, an agreement in this forum would be the prologue to a worldwide reform. This paper identifies measures that the G20 can take to achieve a sustainable reform of the international system, some of which are easy to implement.

In addition to its political strength, the G20 has the economic potency to finance the transformation of our societies and economies toward greater sustainability and resilience. Transforming national and regional economies and societies is not only an important condition for sustainable multilateralism to work, but could also motivate governments to engage constructively in reform toward effective multilateralism.

^d The author strongly doubts whether in this age of planetary risks there are still “national interests” that fundamentally stand in the way of international problem-solving. National interest, as well as entrepreneurial interest, must have an interest in maintaining the foundation of our societies by preserving our living space and overcoming poverty.



Recommendations to the G20

3





Take a comprehensive approach to security as the basis for institutional reform

According to a number of security analyses^{7,8,9,10} produced over the last decades, factors like global environmental problems, climate damage, lack of resources, pandemics and technical developments unleash conflict and new security risks. For example, climate change leads to extreme weather, in turn triggering hunger, migration crises and violent conflicts.¹¹ Often, the biggest contributors to climate change are not most directly affected; instead, states and regions not responsible for major CO₂ emissions bear the brunt of climate change. This radically distorts the ‘polluter pays’ principle, according to which those responsible also must repair and pay for damages.¹² Avoiding new risks^{e,13} and making amends for existing ones require different skills than in the past. Whereas at the turn of the 19th and 20th centuries, many European states still defined their influence in terms of colonies, and the

people and resources they exploited, in the post-war era possessing nuclear weapons was considered a must-have for any claim to power. Nowadays, influence does not rest solely on economic, political, and military power, but also on ‘softer’ aspects like humanitarian commitments, ecological footprint, engagement in international institutions, the ability to generate and share goods, and the development of new concepts that promote global well-being. Nations must also demonstrate competence in solving the most pressing global problems:

- Does a country contribute to the peaceful coexistence nations or is it itself involved in armed conflicts that are not legitimized under international law?
- What contribution does a country make to contain pandemics and, in this context, is it willing to forego its own benefits or economic gains to support global health as a public good?

e The term “new” is understood here within a longer timeline. Not least the report of the Club of Rome, published as early as 1972, showed the need for a global shift toward greater sustainability more than 50 years ago.

- To what extent does a government commit to transforming its economy to net-zero and, additionally, support poorer regions in such a transformation (such as by creating a loss and damage fund)?


These are just three examples that illustrate how we can gain a new understanding of global responsibility. The insistence on a position of power in the international order goes hand in hand with visible and successful efforts to deploy power to benefit global wellbeing—and not primarily to secure one’s own privileges. We also address this demand to the permanent members of the UNSC.

In concrete terms:

- The G20 should actively participate in the UN Summit of the Future, which has set itself the task of restructuring the multilateral system. In doing so, the G20 must not act as a forum of the most economically and militarily powerful states, but must be solution-oriented in the long term, which necessarily includes taking into

account the interests of the weaker and most vulnerable states and population groups. Reforming the UNSC must be explicitly included in G20 proposals, even if the UN Summit of the Future has not yet made this its task.

- To position itself as a forum for finding global solutions, the G20 should include the African Union and the ‘vulnerable 20’ (V20) in the G20. This will not only strengthen the voice of the Global South, but also of those most affected by the growth-driven approach of the G20 members.
- The G20 should produce a joint analysis of the greatest global security risks and use the results as the basis for reorganising the international system. This analysis must at the same time answer the question of what capabilities states need to respond to these security risks in a sustainable manner. Those who see themselves a global or regional power must justify this assessment by acting accordingly, in the global interest.



Include new actors in decision-making as a condition for strengthening the legitimacy of a new regulatory framework


The age in which states alone are the subjects of international law is long gone. International humanitarian law and universal human rights treaties also designate natural persons and groups of persons as subjects of international law. This development has been reinforced by the establishment of international criminal law and its corresponding jurisdictions. This normative determination on human well-being also defines the goal of a multilateral order.^f This normative orientation for a multilateral order is complemented by more recent treaties signed by almost all states: the Paris Climate Agreement and the 2030 Agenda, both from 2015. However, when an order is established for the benefit of all, it must, by definition, address everyone.

In addition to fairly representing all regions, continents, world views and religions, global institutions gain legitimacy through inclusive and diverse participation. Therefore, we should strive to have not only nation states in international fora, but also representatives of parliaments, local entities^g and the most vulnerable groups.

Having said this, an international body composed of hundreds of members will not work efficiently. To address this, one can limit the number of participants by clustering groups. For example, the EU could be allocated a seat to represent the European perspective, and the same could apply for the African Union. Another example is the V20 group, which is composed of 58 nation states. The G20 system of including engagement groups is also an instrument to ensure better representation and glean insights from

f In an interview, Amrita Narlikar proposes ways to overcome the anthropocentric perspective. For more, see: Martin Bialecki, “‘The West Uses Double Standards’ - an Interview with Amrita Narlikar,” *Global Policy Journal*, <https://www.globalpolicyjournal.com/blog/05/01/2023/west-uses-double-standards-interview-amrita-narlikar>. Bialecki.

g The fact, that the G20 has established the ‘Urban track’ acknowledges the view that the regional and local perspective needs to be represented in global problem solving. Regional entities do not only know how to implement necessary measures and work on this daily, close to citizens, but in the 21st century there is a visible trend that non-state regional authorities are playing a crucial role for the acceptance of governance. For more, see: Thomas Hüsken and Amal S. Obeidi, “Cyrenaica Contemporary: Politics, Identity, and Justice in Times of Transition” in *Local Self-Governance and Varieties of Statehood*, eds.,



different social groups, thereby gaining legitimacy. For such a multilateral forum, it makes sense to have a general assembly, a board and presidium, and a permanent bureau. Increasing opportunities to be involved in such a multilateral institution may encourage countries and potential stakeholders to join forces internationally. This could help form a new global identity in the face of planetary challenges.


Any effective reform of the international system to address global challenges will require broad acceptance—or worldwide approval, in other words—to be successful. To establish a trustful relationship with international civil society, the G20 ought to establish roundtables and townhall meetings in their member states and beyond. These would open the debate on the future multilateral system on the local, regional, and national levels to prepare proposals for the UN Summit of the Future. It makes sense to ask the established G20 engagement groups to transpose these dialogues in all G20 countries. This kind of dialogue could help prioritise positions and overcome government-centric views, thus opening up options for compromise.

In concrete terms:

- The G20 members should initiate regional and national town hall meetings to engage with their civil societies on priorities for a new international order.
- The G20 should advocate at the UN level for the participation of parliaments, regional entities, and civil society in the Summit of the Future, and should back up this proposal with appropriate practices. The system of G20-related engagement groups is a useful tool to ensure extended representation.

Make use of financial and technology transfers as a basic condition for sustainable transformations worldwide

In addition to the institutional architecture, there is a need to think about how to foster and finance progressive change in communities to make societies and economies more just, sustainable, resilient, and social. Taking every existing financial measure or support for the Sustainable Development Goals (SDGs) into



account, we are still lightyears away from what we really need. The current system is arbitrary and thoroughly dependent on the specific political decisions and interests of the ‘donors.’ The rising cost of energy and food has worsened the debt crisis. New money is needed to ease poverty as well as to finance the transition towards net-zero societies.

Ways to create ‘fresh money’ for the Global South/SDGs include:

- Direct funding from the Global North to the Global South. Demands and appeals have been formulated quite often, for example at the COP27 in Egypt and in nearly every General Assembly of the UN. This model is appealing because it is based on the ‘polluter pays’ principle. Direct funding from north to south also reflects the fact that in addition to statistics that per capita consumption is

also still highly unequal and unjust from the perspective of the Global South. An important first step is to act on the financial promises and commitments already given by the Global North to support vulnerable countries, i.e., contribute more financial resources to the loss and damage fund, which was agreed upon at COP27.

- Through supporting technical cooperation (for instance in the release of patents, if this helps to resolve crises such as pandemics). This is not about generosity, but rather about enabling disadvantaged regions to produce and apply effective goods and concepts themselves to make a substantial contribution toward overcoming global crises. The G20 should agree on an international regulation for global pandemics that confirms their commitment to prioritise a common global health

h “Stiglitz argued the economic reforms the IMF and World Bank often required as conditions for their lending—the so-called Washington Consensus of fiscal austerity, high interest rates, trade liberalization, privatization, and open capital markets—have often been counterproductive for target economies and devastating for their populations. In particular, he links indiscriminate lending conditionality to the onset of financial crises in East Asia in 1997 and Argentina in 1999”. See: Johnathan Masters and Andrew Chatzky, “The World Bank Group’s Role in Global Development,” Council on Foreign Relations, April 9, 2019, <https://www.cfr.org/backgrounder/world-bank-groups-role-global-development>.

strategy over patent and ownership rights. Such a clarification can help link issues like climate, health and security and lead to united action.

- There are growing demands in favour of a fundamental change in the policy of the World Bank and other international financial institutions (IFIs), to adjust their principles on investments and loans as well as their portfolios.^h The mandate of the World Bank needs to be extended to finance and protect global common goods—such as biodiversity and natural resources like drinking water and oceans—to fight climate change and foster social stability. Climate lending needs improved terms or targeted budget support for governments that want to pursue transitions to make their economies climate neutral. The G7 can speed up this debate if they commit to supporting these reforms.

In concrete terms:


- In the debate on IFI reform, the G20 should make it clear that their mission is also to help address global risks, and that mandates

and business practices must be changed accordingly.

- The G20 should work to establish new sources of financing, for example by imposing taxes on speculation, wealth, or the digital economy. This could include closing tax havens, introducing taxes on global speculation and extreme wealth, or using a form of minimalistic taxation on all financial transactions and digital ‘clicks’.¹⁴
- The G20 should take the initiative to ensure the implementation of previous financial commitments and establish an appropriate mechanism to accelerate and automate financial commitments and their implementation.

Transfer programmes must ensure that transparency and good governance are conditions of funding

If the willingness to provide transfers from north to south is to be increased, it must also be ensured that (1) the financial resources provided are actually spent for their intended purposes; (2) strict transparency requirements are in effect; and (3) ‘good governance’



requirements apply to the recipient countries. Transparency International does important work in this area with its corruption index, and also points to the structural causes of corruption.

There is a consensus that donor funding commitments must be based on the SDGs and the agreements of the Paris Climate Agreement; the situation becomes more complicated, however, when we discuss, for example, responsibility for CO₂ emissions. It is clear that those who have historically been responsible for the largest share of CO₂ emissions must take responsibility for their actions, be it states or companies. It is also certain that emerging countries and economies also bear a growing responsibility for the global climate balance. Finally, it is equally obvious that all calculations of responsibility must also take into account the CO₂ per capita balance.¹⁵

These three criteria make it clear that everyone can and must contribute to improving the world's climate within the scope of their responsibility and abilities. The same applies to protecting biodiversity and the conserving global resources, some of which have or must be classified as global public goods.


In concrete terms:

- The G20 should develop a plan to create an international mechanism by which transfers are tied to the verifiable use of financial resources for their intended purposes, including transparency guidelines and good governance criteria.
- The G20 should work toward a legally binding definition of global public goods, the protection of which is partly the responsibility of national governments or regional entities, which must be accordingly rewarded financially.¹⁶

Attribution: Markus Engels, "Towards a functional, inclusive multilateralism fit for the 21st Century," *T20 Policy Brief*, June 2023.

Endnotes

- 1 Barbara Lippert and Volker Perthes, “Strategic Rivalry between United States and China,” *Stiftung Wissenschaft und Politik (SWP)*, April 6, 2020, <https://www.swp-berlin.org/publikation/strategic-rivalry-between-united-states-and-china>.
- 2 Markus Engels and Christian Kastrop, “Toward a New Age of Multilateralism”, *Think7 Japan: 2023* (2023), https://www.think7.org/wp-content/uploads/2023/04/T7JP_TF4_Toward-a-New-Age-of-Multilateralism.pdf.
- 3 Richard Woodward, “Towards ‘complex multilateralism’? Civil Society and the Organization for Economic Cooperation and Development,” *The OECD and Transnational Governance*, (University of British Columbia Press, 2008).
- 4 Hans Maull, “Multilateralism Variants, Potential, Constraints and Conditions for Success,” *Stiftung Wissenschaft und Politik (SWP)*, March 9, 2020, <https://www.swp-berlin.org/publikation/multilateralism>.
- 5 Tanja Brühl, “Krise Des Multilateralismus – Krise Der Vereinten Nationen?” *Vereinte Nationen: German Review on the United Nations* 67, no. 1 (2019) 3-8, <https://zeitschrift-vereinte-nationen.de/suche/zvn/artikel/krise-des-multilateralismus-krise-der-vereinten-nationen/>.
- 6 German Federal Statistical Office, *G20 Responsible for Approximately 81% of Global CO2-Carbon Dioxide Emissions*, (Wiesbaden: German Federal Statistical Office, 2022), https://www.destatis.de/EN/Themes/Countries-Regions/International-Statistics/Data-Topic/Environment-Energy/Environment/_node.html
- 7 World Health Organization, *Risk Assessments*, n.d. (Geneva: World Health Organization), <https://www.who.int/emergencies/risk-assessments>.
- 8 World Economic Forum, *Global Risks Report 2023*, January 2023, (Geneva: World Economic Forum, 2023), <https://www.weforum.org/reports/global-risks-report-2023/digest>.
- 9 Global Challenges Foundation, *Global Challenges Foundation: Global Challenges Require Global Cooperation*, (Stockholm: The Global Challenges Foundation, 2023), <https://globalchallenges.org/>.
- 10 Funk Gruppe, “Lösungen von Funk Für Neue Und Klassische Risiken,” (Hamburg: Funk Gruppe, 2023), <https://www.funk-gruppe.de/en/risk-fields>.
- 11 UNFCCC, *Conflict and Climate*, (Bonn: UNFCCC, 2022), <https://unfccc.int/blog/conflict-and-climate#:~:text=The%20evidence%20is%20clear%20that,climate%20change%20into%20conflict%20risks>.
- 12 European Court of Auditors, *The Polluter Pays Principle: Inconsistent application across EU environmental policies and actions*, (Brussels: European Court of Auditors, 2021), <https://op.europa.eu/webpub/eca/special-reports/polluter-pays-principle-12-2021/de/index.html>.
- 13 Donella H. Meadows, et al., *The Limits to Growth; a Report for the Club of Rome’s Project on the Predicament of Mankind*, (New York: Universe Books, 1972).



14 Taxation and Customs Union, *Fair Taxation of the Digital Economy*, n.d. Taxation and Customs Union, https://taxation-customs.ec.europa.eu/fair-taxation-digital-economy_en.

15

16 United Nations Economic and Social Council, *Funding Compact*, (New York: ECOSOC, 2019), <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/qcpr/SGR2019-Add%201%20-%20Funding%20Compact%20-%2018%20April%202019.pdf>



वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE