

1. Liberal theory, liberal context and the G20

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The emergence of the liberal international order (LIO) after World War II, and its significant reconfiguration after the end of the Cold War, has been driven by rising liberal economic and political forces. These strong liberal currents during the Cold War gathered even greater momentum after the geopolitical divisions between East and West melted away.¹ Only with the 'Rise of the Rest', and in particular the 'Rise of China', the resurgence of a more aggressive Russia, and most dramatically the shock of a presidential election victory in the United States (US) by Donald Trump, and his 'America First' actions, have we come to suspect that the LIO is no longer assured. This, then, is a story of the liberal forces that have carried the LIO forward since the end of World War II. I recognize that there are distinctions to be made in the Liberal Order. For me, the Liberal Order is made up of liberal democratic countries only. It is what John Ikenberry (2018), one of the best-known chroniclers of the LIO has referred to as the 'small and thick' vision of Liberal Order. In contrast, the LIO includes a wide variety of states that are liberal democratic, but also includes states that are illiberal and indeed in some instances authoritarian as well. Nevertheless, the system is built on global market forces, relatively open markets and International Organizations (IOs) and increasingly sub-state and non-state actors (NSAs). Ikenberry (2018) refers to this architecture of international relations as a 'large and thin' version of liberal internationalism. Both systems have existed but in the post-Cold War era a thin version of liberal internationalism, what is referred to here as the LIO, has emerged dominant.

The expansion of the LIO after the end of the Cold War, as we will see, is not just a narrative of states. A significant variety of actors have come to have a part in advancing the collective efforts of the LIO. Intergovernmental institutions, in particular, have been a critical part of the architecture of the LIO. These institutions, notably the United Nations (UN), the Bretton Woods institutions, the alliance systems in

Europe and then Asia built principally by the US, the multilateral trade and investment arrangements supervised in part by the General Agreement on Tariffs and Trade (GATT) and subsequently the World Trade Organization (WTO), were all created to manage the liberal world – the global economy, trade and development, international finance and the political security of this world order. But the story does not end there. Though these formal institutions have continued to play a significant role, in fact, it was the development of an entire class of informal institutions that gives the LIO its particular character. Most evidently the leader-led informal institutions have come to play a significant global governance role in the LIO. The leader-led ‘informals’ are today highly familiar – the G7 and the G20. These informals are all part of what I, and others, have called the Gx system (Alexandroff 2010). Of these informals none is more significant than today’s G20.

What is rather curious in this dramatic narrative is that international relations (IR) enthusiasts and experts, more often than not, at least until recently, ignored the growing array of informal institutions and, what I have called elsewhere, ‘the rise of the informals’ (Alexandroff and Brean 2015: 4). From the liberal position, the informals are a key to understanding the LIO. These institutions, especially the Gx system of leaders’ summits, first the G6, then G7, and then the G7/8 and G8, and most influentially, since the global financial crisis, the G20, have been critical to maintaining and then advancing global governance and building out further the LIO. These leader-led informals, especially the G20 because of its broader critical representation, may yet help secure the LIO’s continuance in the face of serious challenges from the return of geopolitical rivalries, the rise of nationalist politics and, most critically, the rise of the leadership of President Donald Trump.

LIBERAL SOURCES OF THE ORDER

Liberal theory focuses on the dynamics of state and intergovernmental cooperation in order to promote peace and prosperity nationally and globally. In focusing its sights on these international collaborative efforts, liberal theory pays attention to actors beyond just the traditional states and their international institutions. Liberal theory examines the roles and influence of variety of NSAs ignored often in traditional IR thinking. In sum, liberal theory focuses on how the dramatic mix of all these various actors in the Liberal Order strive to encourage peaceful change and economic prosperity in the international system. And not to be ignored,

liberal theory is concerned with the creation and development of democratic liberal regimes in the international system and the impact liberal democratic states have on conflict in the international system. Though conflict and war play a dominant role in the IR narrative, liberal theory has paid greater attention to how cooperation is made possible and indeed sought by the variety of actors in international relations, with the intent to create a more peaceful order even within this anarchic world of international relations. In the end, economic progress and prosperity is the ultimate objective.

There always has been a descant melody focused on the evolution of cooperation in international relations, though it can be far too quiet. So, if you look at the work, particularly of a number of diplomatic historians and IR theorists, they recognized the diplomatic efforts to erect institutions to manage conflict and maintain stability in the international system. These experts examined the rise of collective institutions dedicated to the maintenance of peace and the possibilities of at least great power collaboration (see Vose Gulick 1955; Kupchan 2010; Mitzen 2013; Stein 1990; and Alexandroff 1981). IR experts, especially those that reflect liberal theory, have picked up on such collaborative efforts. The inquiry goes back 200 years to the Concert of Europe with diplomatic efforts to end ‘balance of power’ mechanics as the central means of maintaining peace and stability in the international system.² Paul Schroeder (2010: 81), one of the great diplomatic historians of the modern era, implicitly rejected realism in his later analysis of the Concert when he argued that ‘the state of anarchy that impels states constantly to be on their guard against one another likewise compels them to try to devise various ways – rules, norms, practices, conventions, institutions – that enable them rationally and prudently to trust one another’ and thereby promote order. And with order you witness generally greater collaboration and cooperation. This effort to construct order in the world of anarchic state interaction occurs over and over in the modern period: with the League of Nations; and then with the emergence of the UN and Bretton Woods system in the latter stages of World War II and at its conclusion. This effort to construct order and to permit the circumstances for stability and prosperity in the international system continues today. The architectural constructions whether at the time of the Concert, or more pointedly with the League of Nations and then of course with the UN, were all designed to restrain if not eliminate conflict and promote cooperation and maintain international stability in the international system. All of this was in turn designed to facilitate economic progress and prosperity. In other words, there is a strong tie between these architectural constructions and liberal progress in international relations.

The continuing struggle for 'Liberal Order' identifies a further feature of liberal theory. Realism seems to offer a never-ending narrative where the principal actors struggle for power and dominance. Realism appears to accept that there is a reoccurring cycle of struggle for dominance, conflict and the restoration of a dominant power or powers. However, liberal theory presumes progress and a struggle to build a more prosperous and peaceful world order. The rise of prosperity has two elements, in my view. First, liberal theory focuses on the economics of trade, investment and a focus on economic growth. The foundation of liberalism is built on prosperity. Trade and investment, open markets and the rule of law are all important aspects of liberal theory. The second aspect of liberal attention and inquiry is targeted at the rise of liberal democratic states and the consequences for the LIO of such an emerging trend. As democratic states grew from just a handful of regimes after World War II to a significant quotient in the enlarging circle of states, liberal theory suggested that democratic polities tended to seek affiliation with other democratic states and to build peaceful relations among at least these democratic states (Doyle 1983). In addition, for liberals, the focus was not just on states but on the growing variety of actors and their emerging links. Liberal theory insisted that it was not just states that drive international relations, as noted earlier, but individuals and groups that created this universe of intergovernmental, sub-state and non-state actors in the international system (Avant et al 2010). This variety of actors had come to include those actors in international economics built on a flourishing global capitalism, such as multinational corporations and businesses more broadly, nongovernmental organizations (NGOs), along with a growing list of sub-state actors such as provinces and states but now increasingly cities and regions. Furthermore, the connections that this variety of actors create appears to be growing and increasingly complex but also relevant to the development of the LIO. The NSAs also include, unfortunately, a variety of 'bad actors' as well. So, the attention paid to these new actors includes terrorist organizations, religious extremists, drug cartels and crime organizations, just to name a few.

THE LIBERAL INTERNATIONAL ORDER AND GLOBALIZATION

While there is a long history examining the rise of order in international relations and the institutional arrangement of actors, as noted above, the true burgeoning of liberal institutionalism occurs after World War II. Arthur Stein (2008: 204) makes clear the tie-in of liberalism and

international institutions: ‘those who studied the post-Second World War international organizations were called liberals. In part, this was because they focused on the cooperation that underlay the new post-Second World War international arrangements’. That substructure of IOs was strengthened through the influence and persistent leadership of the US. Efforts to build a wide system of alliances and alignments describes decades of Cold War US leadership in the West. The story starts with significant formal multilateral IOs. A notable achievement of US leadership was the creation of the UN, the International Monetary Fund (IMF), the World Bank, and the GATT that emerged as the WTO in the 1990s. There were also the vital formal security arrangements particularly NATO in Europe but also treaty-based security arrangements in the Asia Pacific especially with Japan and also the Republic of Korea (South Korea). These alliance arrangements were perceived as vital to securing these partners from the designs of the Soviet Union and its allies.

With the Cold War’s collapse, ‘global governance’ assumed the role of dominant term used to describe modern international relations. Global governance reflects the transformation of the international system, the dramatic alteration in the architecture as the Cold War divisions and international relations behavior of that era faded away. The end of the bipolar world opened markets that helped drive growth. The demise of the Soviet Union, and the freeing of its allies to integrate in the global economy especially and most dramatically China, represented a major change in the shape of the global economy but also the global political order. As Barnett and Duvall (2005: 5) wrote of global governance:

The vocabulary of ‘global governance’ appeared at the very same moment that the Cold War receded from view. The Cold War was not only a description of a bipolar system; it also represented a mode of organizing the analysis and practice of international politics. With the end of the Cold War, the issue became what would and should take its place. For many, global governance represented a way of organizing international politics in a more inclusive and consensual manner. ... Alongside the eclipse of the Cold War was the emergence of globalization. Although globalization had various dimensions, a unifying claim was that intensifying transnational and interstate connections requires regulatory mechanisms – governance, although not a government – at a global level.

The end of the Cold War architecture and the rising prominence of global governance reflected liberal ideas but it also ushered in the ‘Unipolar Moment’ that saw the US ‘standing tall’ as the sole superpower.

This liberal hegemony by the one remaining superpower, the US, paradoxically as it turned out, undermined the LIO in ways not readily

understood at the time. The dramatic enlargement of the LIO beyond the classic Cold War West was highly consequential. Reflecting back on the Cold War's end, Ikenberry (2018: 9–10) describes the architecture and changes to the order:

As the Soviet Union collapsed, the great rival of liberal internationalism fell away, and the American-led liberal order expanded outwards. With the end of the Cold War, liberal internationalism was globalized. Initially, this was seen as a moment of triumph for western liberal democracies.

However, this 'globalization of the Liberal Order' meant that the liberal democratic core had come to be succeeded by a much broader and diverse membership which also meant that the LIO lacked the 'shared sense' of being a security community, as was the case during the Cold War (Ikenberry 2018: 10). Furthermore, the integration of the LIO into the global economic system spread first through the LIO core, the G7, and then drew in the large emerging market powers, particularly China, but also Brazil and India. The growing and increasingly tight economic interdependence soon extended to the so-called 'middle income' countries which included the traditional middle powers but also now the new emerging middle powers.

With the demise of the Cold War system two dramatic forces emerged to reshape the international system. Economically, there was the rise of globalization and in particular the freeing up of global finance as a powerful dynamic in the LIO. Global capital markets and finance came to dominate the global economy. This was then an era of burgeoning globalization and increasingly tight interdependence. Financial regulation of markets was relaxed. International corporations built global value chains that dominated global manufacturing tying China, and other countries, into the global economy. It was an era of growing and spreading prosperity and an enormous dividend was paid with the opening of the former Soviet Union and its allies to the global economy. Moreover, those focused on enlarging trade and financial flows elaborated on the widening system of not just international institutions but on the rules of this open system of exchange and the growing interdependence among states. Liberal theory describes best what appeared at the time to capture the development of the global market system. There had been a continuing effort through the GATT to liberalize trade through various trade rounds to reduce and, where possible, eliminate tariffs. Across the Atlantic, the European project continued to develop. Meanwhile, Canada and the US had negotiated their first free trade agreement and that agreement in the late 1980s, soon thereafter to

become a trilateral negotiation to include Mexico, became the North American Free Trade Agreement (NAFTA). There were thus continuing efforts to build, extend and deepen a rules-based set of trade and investment relations.

Finally, while the democratic peace theory was a specific aspect of liberal inquiry,³ a focus on regime type and more generally a focus on actors other than just the state actors signified that liberal theory had a much wider take on the actors and their arrangements in the international system. As Stewart Patrick (2018) summed up the view from Washington at the time of the end of the Cold War:

As the Berlin Wall fell and the Soviet Union dissolved, Western political and economic models seemed poised to become universal. That was certainly the assumption behind Bill Clinton's 1994 national security strategy. America's goal, as national security adviser Tony Lake explained, was 'enlargement of the world's free community of market democracies'.

All told, the tale of the enlargement of the LIO is a more organic and a far different examination of international action than the traditional realist argument for US dominance. Lastly, there was also the rise of global governance activity. Global governance policy came to drive much international relations. In IR theory we saw the growing effort to overcome what political scientists saw as the collective action problem. Led frequently by the US, though often in the face of skeptical domestic politics and audiences, the US sought to construct the necessary formal and informal collaboration with other states to create IOs to meet a variety of global political challenges: nuclear proliferation, international human rights, international terrorism, the environment and climate change, just to name a few. Efforts to manage the global economy also loomed as crucially important to the operation of the LIO.

THE RISE OF THE INFORMALS

Early on, the economic challenges to the global economy drove various collaborative efforts. The Gx system, the heart of the rise of the informals, was born in the early economic crises in the 1970s with the creation of the G5, then the G6 and quickly thereafter the G7. For the US the informals were a way for the core states of the Liberal Order to continue to exert influence over the itinerary of global governance in an expanding LIO. John Ikenberry (2018: 7) describes the expansion outward of the LIO and the global governance institutions: 'NATO expanded, the WTO was launched and the G20 took centre stage.

Looking at the world at the end of the twentieth century, one could be excused for thinking that history was moving in a progressive and liberal internationalist direction'. Liberals contended that the LIO was informed by both formal and informal forms of governance. Jan Klabbers (2001: 405), early in the 2000s, identified what he called 'soft organizations'. Here then was a significant change in the mechanics and operation of the LIO. In the analysis that followed there appeared, according to Klabbers, two types of organizations: those that focused on governance; and those that focus on regulation of one kind or another. Of the former, experts such as Robert Putnam and Nicholas Bayne (1984/1987) examined the emergence of the Gx system of informal organizations, especially the leader-led informals. These informal organizations, most particularly the G7 early on, then the G8 and then finally the G20, came to exercise some form of governance over aspects of the global economy. The uniqueness of these Gx informals went beyond just the governance aspects. These informals were leader-led, not just bureaucratic or operated by officials. The leader-led structures first identified with the G7 were replicated by the G8, the G20, ultimately, the BRICS (Brazil, Russia, India, China and South Africa), Asia-Pacific Economic Cooperation (APEC), the East Asian Summit, the Summit of the Americas and indeed others.

On the regulatory side, Anne-Marie Slaughter (2004) alerted us to the rising emergence of transnational actors and informal forms of coordination. What Klabbers (2001: 410) identified at the time, however, was that these international institutions ignored most of the elements of formal organizations: 'whether the organization takes legally binding decisions or non-legally binding decisions is deemed to be of little relevance'. These informal forms of governance reflected, in part, a liberal drive toward technocratic governance able to coordinate states with regards to a range of issues and policy areas. The variety of informals is wide indeed. As pointed out above, there were those that focused on governance including the leader-led ones. Not surprisingly perhaps, there were informals organized to deal with numerous economic and financial questions such as the Basel Committee on Banking Supervision (BCBS), the Group of Ten (G10), the Financial Action Task Force on Money Laundering (FATF), the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24), and the Financial Stability Board (FSB), just to identify a few. But the scope of these informals was not limited to economics and finance, as pointed out by Charles Roger (forthcoming). The informals extended to security matters as well: the Australia Group, the Nuclear Suppliers Group, the Proliferation Security Initiative (PSI), the Missile Technology Control Regime, and the Wassenaar Arrangement (formerly CoCom, the

Coordination Committee for Multilateral Export Controls). In other words, these informals extended to the full range of global issues.

Other IR experts have also come to recognize these new informal organizations. Felicity Vabulas and Duncan Snidal (2013) recognized the importance of the informals, or what they described as the 'IIGOs' – or, the 'informal intergovernmental organizations'. According to Vabulas and Snidal (2013: 197), IIGOs are organizations set up by states that: (1) have explicitly shared expectations about purpose, (2) are explicit associations of state members, and (3) have regular meetings but no independent secretariat. As Vabulas and Snidal suggested (2013: 194), 'IIGOs are becoming increasingly important in world politics', but what was even more insightful than simply the distinction between formal and informal organizations was their understanding that in fact there was a spectrum of such intergovernmental institutions. As a result, these authors describe a range of intergovernmental institutions from supra-national organizations such as the European Union, the most prominent FIGOs (formal intergovernmental organizations) such as the UN and the Bretton Woods institutions, IIGOs within FIGOs, such as the NATO Quint group, the Cairns Group in the GATT, and WHO Groups, IIGOs, to explicit agreement consultations such as the Plaza Communique or the START negotiations (Vabulas and Snidal 2013: 195). Such informal forms of governance support the work of formal IOs/intergovernmental organizations.

Charles Roger in his recent research explores in some detail the similarity and differences of these international formal and informal organizations. He also explores and reveals the differential growth of these institutions. Roger (2016: 71) concludes that while the vast majority of IOs were formal after World War II, the growth of informal organizations is significant over the following 60 years. Today these informal institutions constitute nearly a third of all the currently 'active' IOs. The informals then appear to be a particularly relevant aspect of the international system, explaining the surge in the number of such IOs. And the key to their appearance and significant rise, it would appear to be, is their 'flexibility'. Over all, Roger (forthcoming: 52) suggests that informals 'tend to be more flexible, agile, and confidential. They also place fewer domestic demands on governments in terms of ratification, monitoring, and resource requirements'. Roger shifts from an international or even a realist framing, and insists that the emergence of the informals is important and that neither a functionalist nor a power perspective best explains the creation and growth of these informals. Rather it is a liberal perspective focused on domestic politics that best explains the surge in informals and the development of the G20.

THE G20 AND GLOBAL SUMMITRY

A common characteristic in the formation of the leader-led Gx system is the presence of crisis, or crisis-perceived, events. It appears that each of the Gx global summits was a product of crisis. The first, the G6, appeared in 1975, becoming the G7 in 1976 and then the G7/G8 and ultimately the G8 late in the 1990s. The emergence of this first leader-led Gx gathering has generally been seen to emerge as a result of difficult economic changes to the international system. As Peter Hajnal (2007: 11) summarizes, the economic problems of the time that led to the emergence of this first leader-led informal related to the economic recession of the early 1970s which demonstrated the interconnected nature of the leading economies. Relying on Putnam and Bayne (1984/87: 25–27), Hajnal (2007: 11) suggests that the creation was driven due to the reality that ‘the traditional organs of international co-operation were no longer able to reconcile the differences among the leading Western powers or to give them a sense of common purpose’. Furthermore, in line with the attention paid to the informal character of the Gx system, Bayne (1995: 494) acknowledges that the ‘inventors’ of this informal leaders’ gathering, President Giscard d’Estaing of France and Chancellor Schmidt of Germany, saw this leader-led architecture as being:

in rebellion against the formality of large international meetings, which had frustrated them when they were finance ministers. Giscard and Schmidt wanted instead a direct, unscripted, unbureaucratic exchange between a few heads of government. Even today, after many disappointments, the G7 heads of government long for such a refreshing and stimulating encounter, of a kind they would never expect from a UN or NATO Summit or even a European Council.

In retrospect, the G7 creation seems rather reasonable in the context of global governance. G7 leaders were all deeply concerned with and engaged in the global economy and these states dominated the international system. Looking back, analysts focus on these allies and reference the like-mindedness of these liberal democratic leaders of the West that did of course extend to Japan, a liberal democratic state in Asia. An examination of the discussions of these annual leaders’ summits reveals deep differences, however, on how the global economy was to be organized. Policy disputes certainly blunt the notion of like-mindedness: disputes over policy directions and the values and norms among this ‘western core’ was very evident.

The next form of global summitry of note, and the precursor to the G20 Leaders’ Summit, was the G20 finance ministers and central bank

governors. It too was created in crisis: in this instance the Asian financial crisis (G20 History 2007: 9). The crisis extended to a number of emerging economies beginning in Thailand in mid-1997, moving on to South Korea and Indonesia before spreading to Russia and ultimately to Latin America. The G20 retained the core liberal democratic governments but expanded to include states that were not necessarily liberal democratic regimes but significant for the global economy. Many of these new members were 'systematically important'. The G20 had been birthed as a forum for finance ministers and heads of the central banks to gather to, according to Hajnal (2014: 12), 'forward the reform of global financial architecture' in the aftermath of the economic crisis in Asia. Those who made the decision as to the composition of the group apparently included at least Canada's finance minister Paul Martin and his US counterpart treasury secretary Lawrence Summers (Hajnal 2014: 14). It is clear that decision makers saw that the large emerging states, such as the increasingly systematically important countries of China, Brazil and India, had to be included, as did a number of the newly emerging so-called middle-income states.

The emergence of the G20 signaled the changing power structure in the international system as well. Globalization and the dramatic global economic growth that followed from the 1990s through to the global financial crisis itself also saw the economic growth of what became known as the large emerging market states such as India and Brazil, but most particularly China. Fareed Zakaria (2009: 1) described this as the 'Rise of the Rest', not so much about 'the decline of America but rather about the rise of everyone else'. This marked a dramatic redistribution of power from the established, or developed, states in North America, western Europe and Japan to the large emerging market powers which included the rise of newly emerging powers and what traditionally had been called middle powers such as South Korea, Mexico, Indonesia, Turkey, Saudi Arabia and Australia. All of these powers were included in the G20. Indeed, the G20 seen from one perspective was a uniting of the G7 and a few other established middle powers with the rising powers of what had been labeled in the days of the Cold War as the third world. All these changing arrangements are significant and cover dramatic political and economic events.

While some of these states were at least new democracies this certainly did not encompass all states. But the ubiquitous liberal democratic context, the emerging global governance system, solved the apparent concern for liberals. In the context of the end of the Cold War, the 'Unipolar Moment', the 'End of History' thesis and the gathering pace of globalization, the core liberal democratic states presumed, as noted

above, that history was moving in their direction and presumably all states would adopt liberal democratic characteristics (see: Fukuyama 1989). Moreover, one of the prime supporters of the enlargement, finance minister and then later prime minister of Canada Paul Martin, along with US treasury secretary Lawrence Summers had urged the enlargement to include systematically important emerging countries in discussions on a political level in order to engage these states with the practicalities of liberal capitalism in an age of globalization. As noted by the G20 History Study Group (2007: 16) the enlargement to the G20:

also gave tangible recognition to the marked changes to the international economic landscape that had occurred over the preceding decades. Emerging countries had become important economic powers. Moreover, owing to the increasing integration of economies and markets through globalisation, domestic developments in these countries could have significant repercussions far beyond their borders. The effective functioning of the international financial and economic system warranted their active participation in the governance structure of the global economy.

In addition to enlarging the size of the meetings there was also the shift to leader-led summits, rather than G20 finance ministers. Hajnal (2007: 21) claimed that Nicholas Bayne saw a number of justifications for moving the summits to the leaders' level including: the belief that leaders could resolve disputes that could not be solved by lower officials; that these leaders could suggest new ideas; leaders could better reconcile domestic interests with international ones; and leaders could advance real multi-lateralism by establishing 'real' collective leadership in place of just US leadership.

The original G7 leaders' summits, followed by the G20 summits, have been labeled as not just of summits but instances of 'global summits'. Leaders' summits, as pointed out above, have occurred periodically across the history of international relations, and these encounters have garnered a fair bit of attention. Why then would we describe these gatherings as global summits as opposed to just summits? Global summitry is concerned with the behavior of leaders and the activity of leadership in the international system, or more precisely what the diplomatic historian Paul Schroeder (2000: 261) calls the 'human conduct' in the system. The term 'global summitry' emphasizes the increasing connectedness globally driven by the forces of globalization. But the term also emphasizes the deliberations of leaders' networks of intergovernmental policy makers and transnational actors. Global summitry (Alexandrov and Brean 2015: 2) emphasizes the 'influence the agenda, the organization and the execution of global politics'.

THE G20 IN ITS GLOBAL ROLE

The informals have suffered from time to time over the question of legitimacy and representativeness. Obviously as something less than universal, and as a result of self-appointment, these leader-led informals have been under continuous pressure to add members that are perceived as vital to legitimacy. Still that has not in the end hindered the G20, though the questions are unlikely to end. The concerted effort of the G20 Leaders' Summit, according to Bradford and Lim (2010: 4), is to solve the great global summit challenge: 'The G20's biggest challenge is to define itself as the global leadership forum to make globalization work in the 21st century'. But at the time of creation, President George W. Bush convened the first G20 for 14 and 15 November 2008 in Washington in the face of a growing global financial crisis with the US at the centre of the financial crisis. This convening of the G20 Leaders' Summit, according to Alexandroff and Kirton (2010), was a sign, if unacknowledged at the time, that the US could not unilaterally resolve the deepening financial crisis. Implicitly, as well, the calling of this Leaders' Summit signaled the major powers believed that more than the formal organizations of the Bretton Woods-UN system, in particular the IMF, were required to solve the economic crisis. So, the importance of informal global governance was raised. Finally, and possibly most importantly, this enlargement was a recognition, long held by some, that global governance required that systematically significant powers beyond the established powers were required to be part of the global governance policy making. And, importantly these rising powers needed to be involved as equals in this new self-proclaimed global governance forum.

There is no question that the G20 Leaders' Summit in the immediate period after its creation acted as an informal 'crisis committee' because the G20 met repeatedly during the immediate economic crisis. And IR experts, such as Daniel Drezner (2014), saw the G20 as an effective forum for the collective effort to stimulate the global economy and avoid a repeat of the Great Depression. Other scholars, however, have been more resistant to claiming the success of the G20 at the time of the global financial crisis. Eric Helleiner (2014), for instance, was far more skeptical in his appraisal of the collective action of the G20. In a later interview in the *Washington Post* with Henry Farrell (2015), Helleiner argued:

you are right that I think the G20's significance as a manager of the 2008 global financial crisis has often been exaggerated. I argue that the most important aspect of the international financial management of the crisis was

the U.S. willingness to act as an international lender-of-last-resort (ILLR) on a large scale.

While Helleiner sees the US's Federal Reserve taking the critical liquidity steps required to 'unfreeze' the banking and near-banking sectors, most acknowledged that the collective G20 leaders' expressions helped assure audiences that this was not going to be another Great Depression. While it may be that the key to avoiding the trap of illiquidity in the global economy was the work of the Federal Reserve, nevertheless the expressions of collective action at the early G20 summits were crucial to reassuring global markets.

But the role played by the G20 to support the LIO was not unproblematic. By 2011 it became more noticeable that the early success of this crisis committee was not aiding in the G20 Leaders' Summit transition to a steering committee able to prevent global economic problems. While a broader set of issues had become part of the agenda, there was little enthusiasm that the G20 was acting as a collective gathering successfully leading the LIO in tackling successfully mid- and long-term policy concerns. The annual meeting had expanded its policy agenda, yet there was little to suggest that the G20 was being acknowledged as a global leadership forum, or that as a presumed steering committee that it was likely 'to make globalization work in the 21st century' (Bradford and Lim 2010: 4). It is more than a little ironic that the non-treaty-based, non-secretariat and defined informal summitry of the G20 leaders' summits, have come to be the pinnacle of multilateral global governance and so important for the future operation of the LIO.

Indeed, Jim O'Neill, the economist who had invented the investment acronym BRIC, later an actual serious leaders' political forum, concluded that the G20 had improved global policy making in the crisis and might yet advance leadership in global policy making:

While there is not a huge amount of evidence that the G20 has done anything particularly collectively powerful since that first year the crisis arose, I am one of those that believe its joint actions, and the solidarity of 2008 were pertinent factors in ensuring that that crisis, as severe as it was, didn't leave the world with the same degree of economic weakness that prevailed in the 1930s. ... It is also the case that this represented the beginning of G20-wide financial regulatory co-ordination, with regularity, to aim for greater international coherence, and has remained in existence since (O'Neill 2017).

While there remain questions over the G20 leaders' efforts to manage globalization and advance global governance policy making, the summits have allowed various leaders to move forward on global policy making.

Most notably, China's Xi Jinping exercised leadership in 2016 that saw China step up to a major global governance role. As Yves Tiberghien (2017) described: 'the Chinese leadership attempted to make the Hangzhou G20 one of the most important G20 summits since London in 2009. The Chinese focused on long-term governance and sustaining globalization in the age of "green" and shared growth'. Furthermore, the German presidency, led by Chancellor Angela Merkel, in 2017 worked to extend China's efforts. Merkel's leadership was accomplished in the far less favorable global governance environment following the surprise election of Donald Trump in the US.

Furthermore, the global summitry of the G20 has continued to become more elaborate in the form of outreach processes with key societal interests whereby the G20 Sherpas (the personal representatives of leaders) have extended efforts to involve advocacy and research groups and to encourage dialogue. In the case of the 2017 G20 Summit, Germany held a 'dialogue forum' with business (Business 20), civil society organizations (Civil 20), trade unions (Labour 20), the scientific and research community (Science 20), think tanks (Think 20), women (Women 20) and youth (Youth 20). In particular, in the case of the Think 20, the German government deepened its relationship (the Think 20 first emerged at the 2012 Mexican Summit), encouraging the think tanks to prepare policy briefs under the umbrella of various task forces established by the German hosts. Argentina in 2018 has maintained this broad outreach effort and has suggested that, while recommendations from these groups are not binding, 'they are considered by the G20 for its discussions and negotiations and contribute to the policymaking process' (G20 Argentina 2018). These engagement efforts reflect the liberal aspiration to broaden the decision making of global governance to create legitimate, inclusive and transparent forms of governance to inform G20 leaders even in the context of the diverse national interests of member states. However, such inclusive leadership may have become significantly more difficult in the face of the Trump Administration in the US.

THE CHALLENGE FOR THE G20 AND GLOBAL GOVERNANCE

Liberal forces continue to reshape the global economy but new and often angry domestic political forces have emerged with the 'rise' of nationalist and populist politics with possibly dramatic consequences for the LIO. This dramatic turn in politics has emerged at its 'heart' – the US and Europe. This rise of populist politics is partly a reflection of slow

growth, particularly since the global economic crisis. The global financial crisis accentuated a period of stagnant incomes and growing inequality in society.⁴ The reaction includes new populist forces in western Europe including anti-European politics in France, Italy and especially Britain with the Brexit referendum. We also see the rise of illiberalism in central Europe. Most spectacularly, as noted earlier, we have witnessed the election of Donald Trump and his 'America First' policies which threaten to end American leadership of the LIO, notwithstanding that the US, more than any other state, has built and led the LIO. Indeed, Trump may, through his attacks on allies, his skepticism over multilateral arrangements, and his apparent 'promotion' of autocratic leaders, do more than any other leader to encourage the dismantling of the LIO.

Trump appears, even in his first year and a half as president, to have challenged the central features and tenets of the LIO. As Robert Kagan's *Washington Post* article claims: 'Trump is not merely neglecting the liberal world order', writes Kagan, he is 'milking it for narrow gain, rapidly destroying the trust and sense of common purpose that have held it together and prevented international chaos for seven decades' (Kagan 2018). Kagan (2018) describes the US under Trump as a 'rogue superpower'. If the LIO was built on American leadership, increasingly Trump foreign policy and the 'America First' approach is for the US to act unilaterally, not just an 'America First' policy but in fact as an 'America Alone' policy. In doing so, Trump has advanced economic nationalist ideas and fundamentally challenged the multilateral institutions underpinning the LIO.

Trump has criticized multilateral trade arrangements. He campaigned on the position that other countries had taken advantage of the US, especially China but also America's closest allies, Canada, Mexico and the European allies. His administration has approved stiff tariffs on steel and aluminum using a national security provision, Section 232 of the Trade Expansion Act of 1962, to advance policy. More recently, he has threatened to impose automobile tariffs on the same national security grounds against Europe, Canada and Mexico. His administration has also readied, apparently, serious tariff penalties against China under Section 301 of the Trade Act of 1974 and developed a report on Chinese trade with the US. The report determined that China's trade practices related to technology transfer, intellectual property, and innovation are an unreasonable burden on US commerce. The report on China's trade practices is reported to be over 300 pages, and as reported by Adam Behsudi (2018) in *Morning Trade*, this tariff action appears to be 'geared

more toward creating shock value and gaining leverage against China than achieving the methodical engagement that U.S. businesses would prefer’.

Trump has also attacked multilateral political and security arrangements. In June 2017, the President signaled withdrawal of the US from the multilateral climate action treaty, the Paris Agreement. President Trump attacked allies in the NATO security arrangement accusing allies of failing to pay their fair share of the defense arrangements. In general President Trump has seemed harshest toward US allies and strangely far more equivocal toward authoritarian leaders. Trump was almost effusive toward North Korea’s leader, Kim Jong Un, at the 12 June Singapore Summit (Russel 2018). Moreover, Trump continued to reflect positively on Russian leadership though the US and his European allies had sanctioned Russia for aggressive actions in the Crimea and eastern Ukraine. And there has also been a special counsel investigation by Robert Mueller into possible Russian meddling in the 2016 US Presidential election.

The shaking of the LIO by President Trump is threatening and real. The question is whether the global governance institutions, particularly the leader-led informals, the G7, but particularly the G20, can deflect the most destructive aspects of the ‘America First’ unilateralism toward the LIO? Certainly, the early gatherings of the G7 and G20 during the Trump era have not seemed to have preserved collaborative leadership. Starting with the G7 meeting in May 2017 in Taormina, Italy, Trump contested various aspects of the leaders’ communique. Notably at the G7, Trump refused to endorse a global climate change accord. And then at the Hamburg G20 Summit meeting, hosted by Chancellor Angela Merkel, a summit which until that meeting had retained consensus over the leaders’ communique, a split was acknowledged. The G20 presented dissenting conclusions with the 19 members taking note of the US’s withdrawal from the Paris Agreement which they viewed as ‘irreversible’ and reiterated their own determination to move ‘swiftly’ to full implementation (G20 History 2017). On trade, the G20 Leaders’ Declaration (2017) committed to the liberal demand for fighting protectionism though the language was more nuanced than in the past with this communique agreeing to ‘keep markets open’, restating opposition to protectionism and endorsing a ‘rules-based international trading system’ but adding ‘reciprocal and mutually advantageous trade and investment frameworks’. The G20 Leaders’ Declaration (2017) also recognized ‘legitimate trade defence instruments’ and demanded ‘concrete policy solutions’ by November from a G20 sub-body set up earlier to examine steel market imbalances.

The harsh economic nationalist tenor of relations was ratcheted up even further at the 2018 G7 Summit in Charlevoix, Quebec, Canada. Difficult G7 leader discussions seemed to have been rewarded with an agreement on the leaders' declaration only to have President Trump withdraw the US's endorsement after his departure on Air Force One on his way to the Singapore Summit. President Trump tweeted (Foran 2018): 'based on Justin [Trudeau]'s false statements at his news conference, and the fact that Canada is charging massive Tariffs to our U.S. farmers, workers and companies, I have instructed our U.S. Reps not to endorse the Communique as we look at Tariffs on automobiles flooding the U.S. Market!'

Yet, notwithstanding the contention apparent in recent leaders' gatherings in both the G7 and G20 with the new Trump presidency, these interventions from other liberal leaders may be quite vital in sustaining the LIO and demonstrate the value of the G20. First, as pointed out above, the G20 has broken from its original consensus mandate. The Hamburg G20 witnessed the first instance where the 'G19' set out a consensus opinion which in this case excluded the US. These annual gatherings give the leaders the opportunity to hear from the US President but also to express disagreement with him. Jean Pisani-Ferry (2018) has suggested recently that it is possible that multilateralism can adapt and there is no better setting than the informal nature of G20 summitry to consider and develop efforts to sustain the LIO. But though Pisani-Ferry (2018) is less optimistic over actions 'preserving the existing order' or using the opportunities to reform the system in fact both have appeared. G20 leaders made it clear at Hamburg that they would preserve the Paris Climate Change Agreement. And, after President Trump in one of his first actions withdrew from the Trans-Pacific Partnership (TPP), the remaining 11 countries renegotiated the TPP for themselves, though they left open the possibility that the US might return to the agreement in the future. Collective action appears to remain possible. Leadership is critical in advancing multilateral global governance and the LIO. At the Hamburg G20 Summit, Chancellor Angela Merkel underscored the importance of strong committed leadership. The G20, and indeed the G7, are classic settings for leaders and their liberal efforts to develop collective and collaborative global decision making. These leader-led institutions may be a critical setting for maintaining the LIO in the days where dismantling this order is the strong melody from the Trump Administration.

NOTES

1. For a recent contrary argument that views the international system of today being built on a precarious balance of power see Graham Allison (2018).
2. There remains an ongoing debate whether the Concert system was intended to re-establish and improve the balance of power system following the destruction of Napoleon, or that the Concert system was constructed by the victorious Great Powers to eliminate the balance of power. Many IR specialists prefer to consider that it was the reconstruction of the balance of power. But a close examination of the documents and the statements of the Great Powers at the time suggest that the Concert was an effort to construct a different international architecture that might enable change but maintain, at the same time, stability in the international system. The fact is, that regressive moments aside, such as the Crimean War, this Concert system survived in some manner or other for 100 years. This is no mean feat.
3. The democratic peace theory was built on the foundation that democratic states rarely fight one another and that they are less likely to become involved in disputes among themselves (Michael Doyle 1983).
4. The most recent analysis of US inequality is from Matthew Stewart (2018). The article focuses on inequality and the negative economic consequences to the bottom 90 percent in the US. The article acknowledges the top 1 percent but focuses on the negative consequences to the bottom 90 percent by the 9 percent – the societal segment between the 90 and the 1 percent.

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