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German  Institute of Global and Area Studies  
Leibniz-Institut für Globale und Regionale Studien

GIGA Research Unit:  
Institute of Asian Studies

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## **The G20: Engine of Asian Regionalism?**

Hugo Dobson

**No 179**

**November 2011**

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GIGA Research Unit “Institute of Asian Studies”

Editor of the GIGA Working Papers series: Bert Hoffmann <[workingpapers@giga-hamburg.de](mailto:workingpapers@giga-hamburg.de)>

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English copy editor: Meenakshi Preisser

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GIGA German Institute of Global and Area Studies  
Leibniz-Institut für Globale und Regionale Studien  
Neuer Jungfernstieg 21  
20354 Hamburg  
Germany  
E-mail: <[info@giga-hamburg.de](mailto:info@giga-hamburg.de)>  
Website: <[www.giga-hamburg.de](http://www.giga-hamburg.de)>

## The G20: Engine of Asian Regionalism?

### Abstract

As a result of the emergence of the G20 as the self-appointed “premier forum for international economic cooperation”, Asia’s expanded participation in G-summitry has attracted considerable attention. As original G7 member Japan is joined by Australia, China, Indonesia, India and South Korea, this has given rise to another alphanumeric configuration of the Asian 6 (A6). Resulting expectations are that membership in the G20 will impact Asian regionalism as the A6 are forced into coordination and cooperation in response to the G20’s agenda and commitments. However, by highlighting the concrete behaviours and motivations of the individual A6 in the G20 summits so far, this paper stands in contrast to the majority of the predominantly normative extant literature. It highlights divergent agendas amongst the A6 as regards the future of the G20 and discusses the high degree of competition over their identities and roles therein. This divergence and competition can be seen across a range of other behaviours including responding to the norm of internationalism in promoting global governance and maintaining the status quo and national interest, in addition to claiming a regional leadership role and managing bilateral relationships with the US.

Keywords: G20, summitry, global governance, Asia, regionalism

JEL code: F01, F02

### Hugo Dobson, Ph.D.

is a professor of Japan’s International Relations in the National Institute of Japanese Studies and School of East Asian Studies at the University of Sheffield. From June to July 2011, he was a visiting researcher at the GIGA Institute of Asian Studies.

Contact: <H.Dobson@sheffield.ac.uk>

Website: <[www.sheffield.ac.uk/seas/staff/japanese/dobson.html](http://www.sheffield.ac.uk/seas/staff/japanese/dobson.html)>

# The G20: Engine of Asian Regionalism?

Hugo Dobson

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## 1 Introduction

Although in existence since 1999 at the finance ministerial level, the upgrading of the Group of 20 (G20) to the leaders' level in November 2008 captured popular, media and academic attention. More recently, however, the abatement of the initial excitement surrounding the G20's emergence as the self-appointed "premier forum for international economic cooperation" (as announced at the 2009 Pittsburgh Summit) and its reversion in 2011 to an annual, rather than semi-annual, event means that now is an opportune time to take stock of its impact, role, development and effectiveness, in addition to the division of labour amongst the various levels of G-summitry, often termed the "gaggle of Gs" and more broadly "messy multilateralism", that now constitutes the architecture of global governance. So far, six G20

summits at the leaders' level have taken place: Washington (November 2008), London (April 2009), Pittsburgh (September 2009), Toronto (June 2010), Seoul (November 2010) and Cannes (November 2011). Whilst finance ministers continue to meet regularly throughout the year, the next G20 leaders' summit is scheduled for autumn/winter 2012 in Mexico.

Within the ever-expanding literature on the G20, one of the many focuses of attention has been the new participants in G-summitry that are seen to provide the long sought-after legitimacy that the Group of 7/8 (G7/8) in particular struggled with.<sup>1</sup> In particular, Asia's expanded membership has attracted attention; alongside original member Japan, the new additions are Australia, China, Indonesia, India and South Korea, giving rise to another alphanumeric configuration of the Asian 6 (A6).<sup>2</sup>

The precedent that exists for giving Asia a voice within G-summitry is Japan's self-appointed role as Asia's representative within the G7/8 since 1975. However, in a number of ways, expanded Asian representation within the G20 has increasingly made Japan's role an anachronism. First of all, the leaders of Australia, China, India, Indonesia, Japan and South Korea have attended all six G20 summits so far (with the exception of Australia at the 2010 Toronto Summit due to Kevin Rudd's replacement by Julia Gillard). In addition, the chair of ASEAN (for example, Vietnam at the summits in 2010) and the secretary-general of ASEAN have also been added to the G20's attendance list. Thus, in terms of the number of seats being occupied at the summit table, Asian and European representation is balanced, whereas in the G8 Europe dominates, and there is no need for Japan to act as the regional representative anymore.

The resulting overall tone of much media and academic coverage has focused upon the catalytic effect that membership in the G20 might have upon Asian regionalism as the A6 are forced into coordination and cooperation in responding to the G20's agenda and commitments with the goal of giving Asia a greater voice at the summit. To this end, at the 15<sup>th</sup> ASEAN Summit in October 2009, the decision was made to create a G20 contact group, including ASEAN's secretary-general and chair, and Indonesia. Moreover, in the lead-up to the Seoul Summit of November 2010, the first G20 summit to be held in Asia, voices calling for a coordinated Asian response reached a crescendo. For example, Mahendra Siregar and Tuti W. Irman proposed that

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1 The G8 includes eight countries (Canada, France, Germany, Italy, Japan, Russia, the UK and the US) plus the EU (represented by the presidents of the European Council and European Commission) and accounts for 66 per cent of global economic output but only 14 per cent of the world's population. In contrast, the G20 includes 19 countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK and the US), in addition to the EU as a twentieth member, accounting for 90 per cent of global economic output and 67 per cent of population.

2 If one were to include the four other G20 members from the Asia-Pacific region (Canada, Mexico, Russia and the US), this would constitute an AP10. Although the Asia-Pacific Economic Cooperation (APEC) forum has supported the G20's role and recommendations in securing growth, comparatively little attention has been placed on such a configuration within the G20. However, this paper will refer to it where relevant.

[t]he region's role as an engine for global recovery and growth, and its long history of regional engagement, encourages the notions of an informal regional sub-grouping in the G20, and moving regional integration to the next level (2010: 12).

In the same publication, Barry Carin and Peter Heap argued that

Asia, which now holds the strong cards, must caucus to promote initiatives such as: the final burial of the G8, with its questionable practice of inviting developing countries as second-class citizens; establishing a formal G20 secretariat located in Beijing; establishing a formal Asian Global Fund, open to South Americans and Africans as well; and, setting up an Asian regional trade organisation (2010: 13-14).

In a similar vein but taking up an alternative to the A6 as the mechanism of Asian representation in the G20, Praduma Rana (2010) has advocated formalising ASEAN membership within the G20 but without explaining how this will concretely be achieved and ignoring the inevitable tension between representation, legitimacy and effectiveness that results from making a crowded table even more crowded. Instead, Rana suggests that ASEAN+3 could meet before the G20 to coordinate positions, but this ignores Australia and India, suggesting that ASEAN+6 would be a more appropriate forum. Finally Rana has suggested that Asian countries should work with the informal Singaporean-led Global Governance Group (3G), which seeks to represent smaller countries and ensure the UN is not eclipsed by the G20. This kind of outreach could be effective in strengthening the G20's legitimacy but will not necessarily make Asia's voice heard any more loudly or clearly.

Others place themselves somewhere between the two poles of advocating a full-blown Asian caucus based on the A6 and calling for minimal coordination in the G20 as is necessary (Young 2009; Parello-Plesner 2009). This range of positions mirrors the distinction made by Andrew Gamble and Anthony Payne between regionalism, as a deliberate state project originating from domestic political actors that seeks to "accelerate, to modify, or occasionally reverse the direction of social change" at one extreme, and regionalisation, as a process, not a project, and a "complex articulation of established institutions and rules and distinctive new patterns of social interaction mostly between non-state actors" at the other (1996: 250). In other words, whether by the design of national governments, or as result of emerging structures, a greater degree of regional coordination is expected to emerge.

In contrast, Ito Takatoshi has struck a note of caution by arguing that "Asia has not coordinated to maximise its effectiveness. But, one may wonder, is there a common agenda for Asia? Asian leaders should examine whether Asia collectively has anything to contribute to the global agenda, or an Asian agenda to press" (2010: 8-10). In providing an initial and introductory overview to this subject, this working paper takes a state-centric view. This is a result of the fact that the nature of G-summitry has historically been focused on individual leaders and national governments. Admittedly, the G8 has benefitted from and metamorphosed as a result of civil society participation; however, this has hardly been evidenced at

the G20 in its short history. Thus, the emphasis here is on discerning the deliberative state projects that might possibly define and promote regionalism. To this end, this paper explores each A6 national government's position towards and behaviour in the G20 before ultimately concurring with Ito's initial point and arriving at pessimistic conclusions in answering his subsequent questions.

This conclusion stands in contrast to much of the literature on Asia's role in the G20 for the reason that the majority of it is normative and bears little relation to the actual development of the G20 and the nature of Asian countries' participation so far. Certainly Asia's numeric representation in the G20 has increased, and China, Japan and South Korea did meet informally on the periphery of the G20 Washington Summit of November 2008 to increase their levels of bilateral currency swap agreements. However, evidence of actual coordination or cooperation similar to that of BRICS countries (Brazil, Russia, India, China and (from April 2011) South Africa) is thin on the ground, especially as the initial sense of crisis that led to the upgrading of the G20 dissipates (Mo and Kim 2009). For example, the G20 was mentioned three times in the Japan-China-South Korea Trilateral Summit's Declaration of May 2011 in terms of promising coordination and compliance that has ultimately failed to materialise.

In understanding why, this paper highlights the concrete behaviours and motivations of the individual A6 in the six G20 summits so far and suggests that few attempts have been made to coordinate an Asian approach in G-summitry. On the one hand, what emerges are divergent agendas amongst the A6 as regards the future of the G20, mostly starkly represented by Japan, which seeks to secure the continuation of the G8 whilst others seek to ensure its eclipse by the G20 and capitalise on their seats at the top table. On the other hand, a high degree of convergence is also clear, as each country in the A6 has sought to carve out and claim the same identities and roles in the G20, whether as an innovator in global governance or as a bridge between the developed and developing worlds. This divergence and convergence can be seen across a range of other behaviours including responding to the norm of internationalism in promoting global governance and maintaining the status quo and national interest, in addition to claiming a regional leadership role. Finally, the shadow that the US hegemon casts over the G20 summits should not be forgotten. Not only is this the key challenge for global governance mechanisms like the G20, but each country, Asian or not, regards the summit as a forum in which it can manage its core bilateral relationship with the US.

## **2 Internationalism and Innovation in Global Governance**

The first behaviour shared by a number of the A6 has been to respond to the norm of internationalism by acting as a responsible member of international society and to seek to innovate in terms of global governance mechanisms. Australia represents one of the most salient examples of this, and the rise of the G20 has been cited as a significant foreign policy victory for Australia generally and former Prime Minister Kevin Rudd individually. Ahead of the

Washington Summit, reports circulated claiming that the upgrading of the G20 to the leaders' level was Rudd's initiative, communicated to, and originally resisted by, President George W. Bush in a telephone conversation.<sup>3</sup> A year later, another newspaper claimed that after the Pittsburgh Summit the rise of the G20 was both "a major win for Australia and developing nations that have pushed hard for the broader body to reflect the shift in power to the developing world" and for Kevin Rudd "the culmination of a nearly two-year campaign to convince larger nations to support the broader body, which includes China, India, Brazil, Indonesia and other developing nations."<sup>4</sup>

The reasons for Australia's enthusiastic response to the G20 can be explained by Rudd's personal ambitions (and G-summitry is characterised by the emphasis it places on the input of individual leaders and the interpersonal relationships they construct). However, it can also be explained as a long-standing normative driver in Australian foreign policy; as highlighted by Michael Fullilove, "the one foreign policy theme that has united our otherwise diverse post-war prime ministers has been the desire to join (and, if necessary, erect and strengthen) institutions through which Australia can influence international decisions and touch the international flows of power" (2010). This strong proclivity is evident in Gillard recalling Australia's heads of G20 diplomatic missions in order to articulate her position: "[I]t's not the Australian way to stand on the sidelines when we've got something to contribute. [...] We are internationalist by instinct. We believe in multilateral forums. [...] [T]hrough Australian eyes we see the G20 as a serious strategic opportunity, not just for us but for the global economy."<sup>5</sup> This was also seen as part of Gillard's effort to secure the role of G20 host in 2014.<sup>6</sup> Thus, as part of a continuum from ANZUS to APEC and beyond, the G20 would appear to demonstrate that "Australia is going global".

Australia has backed this "vision" up with performance. One concrete measure of internationalism is compliance with the pledges made at G20 summits. According to compliance studies conducted by the G20 Research Group at the University of Toronto, one increasingly salient outcome is the difference in compliance between G8 members of the G20 and new members, with the former scoring higher than the latter. However, Australia bucks this trend by ranking highly overall and the highest of newcomers to G-summitry.

Similarly, South Korea and Japan have demonstrated internationalist impulses and the desire to innovate. The Koreans were the first Asian and non-G8 hosts of a G20 summit and seized the opportunity to make clear their leadership qualifications. Sakong Il, chair of the Presidential Committee for the G20, stated that "[t]he G20 members, especially the G7, know we'll be more than willing to lead. Leadership doesn't mean working alone. Leadership

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3 *The Australian*, 30 October 2008.

4 *The Age*, 26 September 2009.

5 "Speech to the G20 Heads of Mission Dinner", 20 March 2011, online: <[www.pm.gov.au/press-office/speech-g20-heads-mission-dinner](http://www.pm.gov.au/press-office/speech-g20-heads-mission-dinner)> (07 July 2011).

6 *The Sydney Morning Herald*, 23 March 2011.



means getting harmony, getting cooperation and getting support.”<sup>7</sup> To this end, South Korea sought to ensure the G20 lived up to previous commitments on issues that were inherited from previous summits such as reform of the IMF, banking regulations and the ongoing Doha Development Agenda (DDA); progress was achieved on some (reform of IMF voting rights), although there was little or no momentum on others, such as concluding the DDA. In addition, little progress was made on exchange rates, but South Korea sought to shape the future agenda of the G20 by promoting development as an issue for discussion at the G20.

As regards innovation, South Korea was also conscious of the fact that after Seoul, the G20 would revert to an annual summit process and thus it was presented with a chance to shape the G20 before it metamorphosed from crisis to steering committee. Thus, it has promoted initiatives like the Business 20 meeting of global CEOs and engaged in a number of outreach activities with non-G20 countries and international and regional organisations. In terms of compliance, South Korea’s performance has improved in direct response to the Seoul Summit to become one of the most compliant countries of the new additions to the G20 alongside Australia. As will be demonstrated below, hosting the Seoul Summit was a key event in motivating South Korea.

Japan has similarly sought to demonstrate its internationalist credentials. It did not follow the 17 countries and regions (including China and Indonesia) that introduced protective measures after the 2008 Washington Summit despite their leaders’ promises. Prime Minister Aso Taro spearheaded the provision of assistance to the IMF with 100 billion USD and proposed the plan of doubling member countries’ contributions to the IMF’s general fund (from 320 billion USD to 640 billion USD). Japan’s contribution in these terms has been described as “unmatched. [...] China followed while Japan led” (2009: 7). This can be seen in Japan’s tradition of innovation in G-summitry, for example by creating a time and space for the Group of 5 (G5) of Brazil, China, India, South Africa and Mexico to meet independently and with the G8 at the 2008 Hokkaido-Toyako Summit as the G13, in addition to a G16 that included Australia, Indonesia and South Korea, to work towards reductions in emissions. Finally, according to compliance studies, Japan ranks highly. However, as will be discussed below, Japan’s internationalist and innovative tendencies within the G20 specifically have been tempered by more hard-nosed realist motivations.

India is no newcomer to G-summitry, having attended G8 summits as a member of the G5 with qualified status until the G20 was promoted to the leaders’ level in 2008. India clearly gets the recognition in the G20 that it has demanded and not received in the G8’s outreach and dialogue processes. Prime Minister Manmohan Singh has attended all six G20 summits, whilst operating from a position of strength as India’s economy proved to be relatively resilient during the crisis. As a result, India can claim a degree of impact on the G20’s final declarations. For example, a great deal of similarity was noted between the Pittsburgh Summit’s declaration and

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7 *Wall Street Journal*, 28 May 2009.

Singh's policy prescriptions on a range of issues including supporting financial institutions and coordinating exit strategies.<sup>8</sup> In addition, India could even claim the position of innovator in global governance, as it was the India–EU Summit of 30 September 2008 in Marseilles that represented one catalyst for the upgrading of the G20 to the leaders' level at Washington.

However, beyond this India has little to claim in terms of providing leadership. Its levels of compliance are low, and *The Economist's* Simon Cox has demonstrated that India is "mostly indifferent to the G20", quoting Vijay Kelkar, a former IMF Executive Director, on India's qualified role:

We shouldn't flatter ourselves too much about what India can do for the international system [...]. Pretending we can influence vastly the [international financial] architecture at this stage is beyond our current capacities (Cox 2010: 4).

Also standing in contrast to the leading internationalists and innovators of Australia, South Korea and Japan, Indonesia's behaviour has been circumspect. President Susilo Bambang Yudhoyono has attended all six summits, and Indonesia has supported efforts to reinforce the role of the IMF, to strengthen financial supervisory regulations and to establish a donor agency of developed countries that would have a role similar to that of the IMF. Indonesia has co-chaired two working groups, one on reform of the World Bank and the IFIs, and one on anti-corruption measures. Yudhoyono also highlighted climate change in his speeches at Pittsburgh and promoted food security at the World Economic Forum in Davos as a particular issue.<sup>9</sup> Thus, in some ways Indonesia has responded positively to the status it has been accorded through its membership in the G20. However, its low levels of compliance with G20 commitments suggest that this tentative activity is motivated and limited by other factors, discussed below.

Finally, China has traditionally been openly hostile towards G-summitry by ignoring or dismissing its communiqués and emphasising the legitimacy of the United Nations Security Council (UNSC). Since 2003 China has joined G8 summits as part of an enlarged dialogue meeting or as a member of the G5. However, the G20 meeting of finance ministers and central bank governors was regarded positively as, in the words of one leading Chinese economist, a "timely gift for a Chinese government, which wishes to have closer cooperation with the G7/8 but does not want to be part of it for the time being" (cited in Chin 2010: 118). Since then, the upgrading of the G20 to the leaders' level and its self-appointment at the Pittsburgh Summit as "the premier forum for international economic cooperation" have also been positively welcomed by China and have placed it in a central position. However, beyond expressing support for further institutionalisation by creating, and even hosting, a permanent secretariat, China has done little to shape the work of the G20, has not always complied with commitments, and as will be shown below has been motivated by more realist concerns.

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8 *The Times of India*, 27 September 2009.

9 *Agence France-Presse*, 28 January 2011.

### 3 Status and Status Quo

There is a strong tendency across the A6 to protect the new-found and hard-fought status within the G20, although this is expressed differently by each nation. In the case of Australia, a degree of status anxiety is evident. Australia's media reported a secret memo leaked from the UK's Foreign and Commonwealth Office ahead of the 2009 London Summit that designated Australia, along with Canada, Mexico and Russia, as "second-division" countries, whilst "high-priority states" were the US, France, China, India and Saudi Arabia.<sup>10</sup> Similarly, one Australian diplomat described the G20 as "potentially the most significant new diplomatic initiative in the world since the founding of the United Nations" but stressed that "Australia is lucky to be a part of it – if the forum is to last beyond the financial crisis of the past few years and Australia is to keep a spot at the top table, that place must be earned."<sup>11</sup> Thus, degrees of not only internationalism but also developmentalism are evident in motivating Australia's participation within the G20. A similar status anxiety can be seen as one of the underlying motivations behind South Korea's efforts to reinforce its claim to a seat at the top table of summitry, especially when doubts had been expressed previous to the Seoul Summit as to its qualifications to lead (Japanese Prime Minister Kan Naoto and Finance Minister Noda Yoshihiko being two vocal critics).

When drawing up the membership of the G20 finance ministers meeting in 1999, it was decided that Indonesia would be invited at the expense of Thailand. In short, "Thailand was the nexus of the Asian banking crisis, but Indonesia was more influential in the region. Indonesia in; Thailand out."<sup>12</sup> Although hardly equitable, this demonstrates that membership in the G20 can be arbitrary and suffers from the legitimacy problems that beset the G8. In any case, Indonesia's participation is based on this recognition by other powers that it is an important regional power as well as a growing economy, and its participation provides greater legitimacy for the G20 in terms of geographical, political, cultural and religious representation.

Participation in G-summitry is nothing new, but in the G20 process, Yudhoyono has not lost any opportunity to emphasise Indonesia's new-found status and arrival on the world stage. Ahead of the Seoul Summit, he declared that

Western countries' economic domination will not last forever. There will be new poles, new powers that are called emerging nations or emerging economies [...]. Since Indonesia became a permanent member of G20 in 2008, we are already world class. If we can manage things well, then 5 to 10 or 15 years from now, we can really be a world power.<sup>13</sup>

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<sup>10</sup> *The Financial Times*, 13 March 2009.

<sup>11</sup> *The Age*, 23 March 2011.

<sup>12</sup> *The Globe and Mail*, 18 June 2010.

<sup>13</sup> *Jakarta Globe*, 13 October 2010.

To this end, Indonesia wants the G20 to be a permanent institution: “an economic and civilizational powerhouse” in Yudhoyono’s words, which ultimately promotes Indonesia’s position in the world and its claims to stand alongside the BRIC countries to form BRICI, whilst allowing it to carve out a role for itself as a spokesperson for the developing world and a bridge between it and the developed world (roles that are also being claimed by other A6 countries, as discussed below) (Chin 2010: 112-114). However, Yudhoyono’s ultimate goal is for Indonesia to grasp this opportunity and become “a regional power with a global impact”.<sup>14</sup>

China has been probably the most high-profile member of the upgraded G20 summit and is the rising power that all other summiteers want to court. However, its participation appears to be concerned with status as its previous misgivings towards the G8 evaporate now that it is centre-stage in the G20. Thus, as regards China’s abilities and motivations in the G20, rather modest assessments have characterised China’s role:

Although it is excited by its acceptance as a major world power, China is not yet prepared to take a leading role in assuming responsibility for global prosperity. In terms of its economic and political development, it is still a developing country. China has therefore neither the capability nor the willingness to establish a new international system to replace the existing one. China, rather, uses the current system, while trying to change parts of it to sustain its own interests. This rising China is revisionist rather than revolutionary (Tu 2009: 50).

On specific issues, China has come forward with specific proposals. For example, ahead of the G20 London Summit, Zhou Xiaochuan, governor of the People’s Bank of China, received praise for his promotion of Special Drawing Rights (SDRs) as the new international reserve currency in place of the dollar and suggested reforms of the IFIs – a sign of China’s growing confidence and desire to be regarded as an equal. However, these are only proposals that seek to tinker with the system; they hardly express China’s long-term normative vision or hegemonic ambitions. China’s contributions to the G20 have been not only modest but also opaque and driven by national interest – for example, ensuring that Hong Kong and Macau were not classified as tax havens and, like many G20 countries, breaking commitments not to take protectionist measures. Thus, China’s new-found relationship with the G20 is hardly an epiphany, and strong doubts linger within China. For example, the effectiveness of an expanded and ad hoc forum where 20 leaders meet around a crowded table and have only 10 minutes each to have their say has been questioned by China, as has the legitimacy of the G20, with some voices dubbing it a “transitional mechanism” and instead placing continued emphasis on the role of the more formalised and legalised institutions such as the UN as the legitimate architecture of global governance, and even going so far as to suggest the creation of an Economic Security Council within the UN that would essentially be doing the work of the G20 but within the more legitimate framework of the UN (Chin 2010: 118-119). China’s

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14 *The Economist*, 31 March 2010.

recent assertive reactions to bilateral issues with Japan and regional security have suggested a hard-nosed realism that leads analysts to wonder what kind of collective, collaborative behaviour can be expected from China in forums like the G20.

In contrast, Japan is more concerned with maintaining the status quo as represented by the G8, and its own status therein. As a latecomer denied a permanent seat on the UNSC, the G8 holds a special position in Japan's international relations as it has been recognised as an original member since the inception of the summit process in 1975. In addition, Japan has instrumentalised the summit to demonstrate its role as a responsible member of international society and has adopted the role of representative of Asia within these chiefly European and North American gatherings. In terms of status, identity and acceptance, the G8 has mattered to Japan, and this has been evident in mediating its actions within the G20. Whilst demonstrating its commitment to a concert approach to the global economic and financial crisis through the G20, as outlined above, Japan has also sought to avoid the institutionalisation of the G20, especially at the expense of the G8, and to ensure that the latter is not consigned to the history books. This can be seen in various prime ministers' statements before and after the summit, from Aso, who declared in 2009 that "Japan believes that the importance of the G8 has increased", to Hatoyama Yukio, who declared later that year that "the G8 should not be discarded [and making the G20 the premier forum] does not make the G8 irrelevant", through to Kan, who wrote that "the importance of the G8, underpinned by a shared sense of fundamental values such as freedom and democracy, remains unchanged" (Kan 2010).<sup>15</sup>

#### 4 Bridging Developed and Developing Countries

A third role within the G20 that members of the A6 converge in seeking to claim is that of a "bridge" between the developed and developing countries. In the case of South Korea, this role was central to its preparation and hosting of the first Asian G20 Summit. President Lee Myun-Buk had been advocating development as an agenda item for the G20 for some time previous to Seoul, and at Pittsburgh was already carving out a bridging role for South Korea: "The G20 should also continue to try to further increase the voice and representation of the emerging and developing world, to reflect global economic reality more closely" (Lee 2009: 18). In the words of Sakong:

Certainly Korea is well positioned to bridge the two worlds [of advanced and developing economies]. While Korea is a member of the OECD, it still has first-hand development experience and a vivid memory of the pains and agony of that process. Secondly,

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15 *A Japan-Europe Partnership to Surmount Global Challenges*, 05 May 2009, online: <[www.kantei.go.jp/foreign/asospeech/2009/05/05speech\\_e.html](http://www.kantei.go.jp/foreign/asospeech/2009/05/05speech_e.html)> (30 June 2011); Press Conference by Prime Minister Yukio Hatoyama following his attendance at meetings at the United Nations and the Pittsburgh G20 Summit, 25 September 2009, online: <[www.kantei.go.jp/foreign/hatoyama/statement/200909/25naigai\\_e.html](http://www.kantei.go.jp/foreign/hatoyama/statement/200909/25naigai_e.html)> (30 June 2011).

Korea recently went through a currency and economic crisis because of its own mistakes and successfully overcame it – faster, in fact, than other crisis-hit countries. Naturally, Korea has a lot to share with the emerging and developing world (Sakong 2009).

Hosting the G20 allowed it play this role to an extent but never at the expense of securing other successful summit outcomes.

In the cases of India and Indonesia, both countries have regarded themselves as being in a position to play this role. On the one hand, Director-General Rajiv Kumar of the Federation of Indian Chambers of Commerce and Industry highlighted that India's duty at the Seoul Summit was to "bring sanity back" to the G20 summit process and make the world's leaders realise that "we're in it together, and we sink or swim together", suggesting a bridging role in attempting to bring back the cohesion that was seen to characterise the initial crisis-triggered summits.<sup>16</sup> India's strength in this position is a result of its relatively strong performance through the crisis, thereby allowing it the opportunity to promote reform of the World Bank and IMF and even lead the developing countries.<sup>17</sup> Although India has claimed this identity, as mentioned above, it has failed to back this up with concrete action.

On the other hand, Yudhoyono was more successful in advocating a widely cast invitation at the initial Washington Summit and protecting the developing nations through a Global Expenditure Support Fund to ensure their continued growth. These efforts continued at the London Summit within discussions of the reform of the IFIs and the specific assistance that developing and poor countries required. Thus, motivated by a worsening situation at home in terms of its ability to meet debt repayments, Indonesia played a central role in the G20's decision at London to shift funds from the IMF and World Bank to regional development banks, particularly the Asian Development Bank (Chin 2010: 112-114).

## 5 Regional Leadership

What is obvious by its absence has been Japan's traditional role as Asia's representative. Japan is now one of six Asian participants, with attention particularly focused on China but South Korea as well. Japan lost in its bid to host the first G20 Summit in Asia to South Korea, and subsequently its response has been to question China's and Korea's abilities to provide leadership, a strategy that has created tensions, rather than cooperation, amongst Asia's representatives.

In fact it is Australia that can probably boast the best record amongst the A6 for seeking to promote a regional response. Australia's Department of Foreign Affairs and Trade declare on their webpage that:

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<sup>16</sup> *The Wall Street Journal*, 10 October 2010.

<sup>17</sup> *The Wall Street Journal*, 25 June 2010.

Australia is committed to consulting non-G20 members so that their views are considered by the G20. Australian officials conduct regular outreach meetings with our regional neighbours to ensure that the decisions of the G20 reflect the needs of our region. Australia encourages other G20 members to do the same in their own regions, so that G20 decisions benefit all economies.<sup>18</sup>

Again, this appears to have been driven initially by Rudd, particularly as part of the broader Asia-Pacific Community initiative that “brings together the leaders of the key nations in the Asia Pacific region – including Indonesia, India, China, Japan, the United States and other nations – with a mandate to engage across the breadth of the security, economic and political challenges we will face in the future” and seeks to create “an overarching and effective regional architecture, [...] engendering a stronger sense of the need for a region-wide will to work and plan cooperatively and in as coordinated a fashion as possible.” Similarly, Australian Foreign Minister Stephen Smith has placed the emphasis much more on the AP10 than the A6:

Australia has high ambitions for the G20 and the Asia-Pacific region’s influence in it. It can become a political driver of stronger global cooperation and governance, responding to the range of global challenges that will confront us in this the Asia-Pacific century.’ The focus of this proposal is not East Asia, or Southeast Asia, but Asia-Pacific.<sup>19</sup>

However, Gillard stressed in her above-mentioned speech that “there could be a role to be played by the East Asia Summit in financial stability work in the region which reinforces and reflects the G20 agenda” and only mentioned Asia-Pacific once. Thus, there is the question of which region Australia wants to promote in the G20.

Indonesia is similarly conflicted. Its traditional constituency is as a spokesperson for ASEAN (despite the recent participation of ASEAN in its own right) and as a representative of developing countries and non-G20 countries. However, the question is whether it wants to continue to play the role of ASEAN’s spokesperson, or has it outgrown this role and now sees itself as an independent power, unconstrained by its membership in ASEAN and standing alongside the BRICs as emerging powers. Advocates of a post-ASEAN foreign policy welcome Indonesia’s membership in the G20 as an opportunity to press ahead with an independent foreign policy and argue that “Indonesia should free itself from an undeserving obligation to follow the wishes of any state or grouping of states, including ASEAN, if by doing so we sacrifice our own national interests” (cited in Desker 2010). In contrast, at the 15<sup>th</sup> ASEAN Summit in October 2009, Yudhoyono announced that he was aware of “worries that since Indonesia has a new club, new home, namely [the] G20, it will no longer make

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18 Australian Government Department of Foreign Affairs and Trade (2011), *The G20*, online: <[www.dfat.gov.au/trade/g20/index.html](http://www.dfat.gov.au/trade/g20/index.html)> (30 June 2011).

19 Frost, F. (2009), *Asia Pacific: Toward a 21st Century Community*, 03 December 2009, online: <[www.foreign-minister.gov.au/speeches/2009/091203\\_asia-pac.html](http://www.foreign-minister.gov.au/speeches/2009/091203_asia-pac.html)> (07 July 2011).

ASEAN its main home. [... However,] it is not true that since Indonesia joins the G20, it will no longer consider ASEAN important. ASEAN is very important.”<sup>20</sup> To this end, he did suggest at the Pittsburgh Summit that the rotating chair of ASEAN be invited. Thus, it is unclear which group Indonesia wishes to be identified with, and beyond the rhetoric it has been concerned more with its own interests than regional coordination.<sup>21</sup>

In contrast, India has done little to promote an Asian position at the G20. Any discussion of groups and identities has been framed within possible divisions in the G20 between debtor and creditor countries, and India sought to paper over the cracks at Seoul in order to maintain harmony and “we-ness” within the group. In a similar vein, South Korea has responded to a range of domestic, bilateral and internationalist audiences in seeking to ensure the success of the G20. However, one outcome of this was Korea’s avoidance of coordinating too closely with its Asian G20 partners for fear of creating a caucus that might stymie and fracture the work of the G20. In other words, it appears as if South Korea sacrificed any ambitions to regional leadership for those to global leadership in order to burnish its image at home and abroad as being firmly positioned at the centre of global governance and international summitry.

## 6 Handling the Hegemon

Membership in the G20 process provides countries with the opportunity to manage their most important bilateral relationships, either with the traditional hegemonic US or with a rising China. On this most basic level, Indonesia has used the G20 summit as an opportunity to conduct meetings on the periphery of the summit to manage its relationships with both these countries. India and Japan have used the opportunity for their respective leaders to meet US President Barack Obama for the first time as part of a “getting to know you” exercise.

As host of the Seoul Summit, South Korea’s actions in the G20 exhibited a stronger bilateral flavour. Lee attempted to instrumentalise the summit as part of a wider redefinition of the US–South Korean relationship into a range of different areas that include economic, social, cultural, scientific and technological cooperation. In this context, the Seoul Summit was identified (although ultimately unsuccessfully) as the deadline for the conclusion of a Korean–US Free Trade Agreement (Snyder 2009).

For Australia, the bilateral aspect of multilateralism represents a balancing act that has resulted in mixed messages. On the one hand, Paul Dibb (2009), former deputy secretary of defence, argued that “the global financial crisis will hasten the relative decline of America and improve China’s status. That simple statement in itself reflects the crucial geopolitical nature of this global financial crisis for Australia.” However, at the same time, Australia does

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20 *The Star*, 26 October 2009.

21 *The Jakarta Post*, 03 April 2009.



not want to be seen to be too close to China as was evidenced in Rudd's sensitivity to accusations of his privileging the relationship with China at the expense of the US. This even manifested itself in Rudd avoiding being seated next to the Chinese ambassador to Britain, a long-standing friend, on a BBC news programme ahead of the London Summit.<sup>22</sup>

## 7 Conclusions

The modest aim of this paper has been to provide an introductory overview of the nature of the A6's participation in the G20 so far. The focus has been on attempting to identify the state-led regionalist projects that might constitute a coordinated regional response. Reviewing the position of each country in the A6, Australia has been one of the most proactive countries in advocating revision of the architecture of global governance and coordinating an Asian response therein. However, there are questions as regards how far it will promote these changes, in what form and to what end. In the case of China, it probably means more to the G20 than the G20 means to China. What the G20 means to China can be understood in terms of recognition, rather than as an opportunity to provide global, let alone regional, leadership. India has shown little inclination to lead or contribute to the G20's work. Indonesia's concerns revolve around moving from the regional to global level but it continues to suffer from domestic problems that potentially undermine this ambition. For Japan, the emergence of the G20 has presented a challenge rather than an opportunity. It has worked towards the success of the G20 as the "premier forum for international economic cooperation", even demonstrating a leadership role on occasion, whilst displaying a reactionary preference for the G8 and the status that goes with membership of this more select grouping. Finally, South Korea's participation in the G20 is an opportunity to demonstrate its ability to provide leadership in global governance, particularly in the face of a number of doubters before the Seoul Summit, and burnish President Lee's domestic legacy.<sup>23</sup> Little room was left for a regional leadership role, which was notable by its absence from the Korean host's efforts.

Thus, the picture painted in this paper is one of not only, but predominantly, national interest shaping the participation of the Asian members of the G20 so far. Ultimately, it agrees with Ito (2010: 10) that

Asia collectively is not pushing its agenda, if there is one. An Asian G20 caucus does not exist. So far, Asia remains fragmented despite the opportunity increased membership presents.

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<sup>22</sup> *The Age*, 31 March 2009.

<sup>23</sup> Exploiting the tailwind of the summit for domestic consumption is nothing new and has been a central part of G-summitry since President Gerald Ford called the second meeting of the G7 in San Juan in 1976 ahead of his presidential election campaign. More recently, in June 2011, Obama selected his home city of Chicago to host the G8 Summit in 2012.

Moreover, there is little concrete evidence to suggest that this situation will change in the near future. This fragmentation amongst the A6 can be seen both in participation, which has been largely unilateral, uncoordinated and driven by national interest/status anxiety, and on the issue of the evolving architecture of global governance, where there appears to be little agreement on the legitimacy, effectiveness and future of the G20. As regards identities and roles within the G20, it appears to be a case of too many cooks spoiling the broth as countries jockey for the position of innovator in global governance, representative of the developing world and bridge to the developed world. Although not explicitly focused upon in this brief introduction, it appears that this fragmentation within a potential G20 caucus extends beyond the A6 to other regional forums, including ASEAN and APEC, which still depend on specific members – who may have been arbitrarily accorded membership of the elite G20 – to act as representatives. Finally, there appears to be little bilateral cooperation or coordination amongst the Asian members of the G20 that could, in aggregate, constitute an engine of Asian regionalism.<sup>24</sup>

One question that emerges is whether the existing institutional arrangements are sufficient for Asia, or any region, to have its voice heard at the G20. In thinking about these questions, we can refer to Huigens and Niemann's definition (2009) of actorness using the criteria of "recognition", "authority", "autonomy" and "cohesion", and it would appear from the above analysis that the A6 is weak in all of these criteria. In any case, the G20's record in supporting these elements of actorness specifically and regionalism/regionalisation more generally is patchy. To encourage regionalism and inter-regionalism, the G20 would have to invite the leaders and the respective regional hubs. It seems to cover some bases – EU, North and South America, East, South and Southeast Asia – but membership in an elite club – a top-down, exclusive, hierarchical rather than bottom-up form of multilateralism – is not conducive to developing regional identity. Also, some of the choices of regional representatives are contentious – why South Africa and not Nigeria as the only African representative, and why Saudi Arabia and not Egypt for the Middle East? Finally, the focus so far on the decisions surrounding the G20's membership has been placed on its role not as a bridge between regions but as a bridge between developed and developing countries.

There is also the question of what role might be played by non-G20 Asian countries. For example, Singapore has played a proactive role in attempting to shape the G20 and enhance its legitimacy by giving voice to the non-G20 countries of the world through its 3G initiative. Its leadership within this pressure group has centred upon strengthening the position of the UN and other multilateral bodies, whilst promoting a "variable geometry" in the way in which the G20 makes decisions across different sectors in which non-G20 countries have a stake (Chowdury 2010). However, this represents a somewhat tautological position, as these traits are at the heart of the G20 process, as outlined in Paul Martin's original proposal (Martin

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24 Similar in spirit to the "lattice regionalism" hypothesis developed by Dent in relation to bilateral free trade agreements (2005; 2006).

2005). So, what is motivating Singapore to take a position that is self-evident and already embedded in G-summitry? It appears to be seeking to carve out a similar bridging, middleman role as some of the other Asian countries that have secured a seat at the top table have done.

Looking ahead to future summitry, the six pillars of the French G20 presidency – reducing imbalances and fostering economic coordination, reforming the international monetary system, tackling commodity price volatility, improving financial regulation, contributing to development and fighting against corruption – are likely to reappear at future summits as “legacy issues”, in addition to which new issues will be added as part of the Mexican G20 presidency in 2012. In this context, there is much that an A6 can contribute. However, it is also becoming increasingly clear that the G20 lacks the ideological glue that binds a smaller group like the G8 together, and this is equally true of the A6. In the absence of a sense of “group-ness” or togetherness, the more likely outcome is a “variable geometry” or constantly shifting coalition of countries on specific issues.

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