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US-China Study Group on G-20 Reform: Final Report

The China Institutes of Contemporary International Relations, the Center for American Progress, and the Stanley Foundation formed a study group in late 2011 to evaluate the role of the G-20 in the US-China bilateral relationship and the influence of the relationship on the G-20 and to propose recommendations that could improve the efficacy of this important body. The Chinese and American experts listed below held two conferences over the course of 2012, in Santa Monica, in February and in Beijing in October. At the end of these meetings, participants of the group agreed to the following 20 points:

1. The G-20 is a critical forum to address key global economic challenges. The G-20 is also an important platform for US-China relations, and the United States and China play essential roles in the success of the G-20. In 2008 and 2009, America and China, joined by other major players, launched a global response to the historic financial crisis. This cooperation helped prevent a global economic catastrophe and enhanced mutual trust between China and the United States.
2. Now the G-20 and the US-China relationship are facing new challenges. After its early successes, the G-20 appears to have lost some momentum. Its priority issues are among the most formidable

problems on the international agenda, and unrealistic expectations have bred cynicism toward the body.

3. In addition, at a time of political transition and economic adjustment in both countries, the Sino-American relationship has been marked by some uncertainty.
4. With greater cooperation through the G-20, there is an opportunity for China and the United States to further strengthen both that forum and their bilateral relationship. Such cooperation can contribute to the development of a new type of major power relationship.
5. The G-20 should continue to build on its comparative advantage as a relatively informal, world leader-led process.
6. The G-20 has set three core priorities: global economic growth, financial stability, and international financial institution governance reform. These issues constitute the group's main work. Building a stronger record of success on them will be the key to future G-20 credibility.
7. Other issues including development can, and sometimes should, be added to the G-20 agenda. However, recent experience argues for greater discipline in selecting and managing these topics. Host governments have a reasonable expectation that they will be able to make their mark on the body and its work. Yet this should be balanced by the need to preserve a focused agenda that produces results.
8. Therefore, any country proposing a new topic must submit to Sherpas, the personal representatives of leaders, a written justification that includes the following elements:
 - i. an explicit connection to the core mission (e.g. development as a key contributor to growth) and/or an explanation of a critical gap elsewhere in the multilateral agenda for which the G-20 can usefully provide political guidance;
 - ii. an explanation of how the G-20 can advance the issue and monitor progress; and
 - iii. when G-20 involvement will end (i.e., a "sunset" provision).
9. The leaders' summit agenda need not include all items on the regular G-20 agenda. For most of the matters, all that is needed from the leaders is their blessing of the work done by lower-level officials. This helps keep their time free for unscripted discussion of the global challenges that are uppermost on their minds.
10. Leaders should have spare time to meet informally on the margins of the formal group meetings.
11. Sherpas should continue to prepare the agenda and track work being carried out at other levels. Sherpas should decide, as a group, which ministerial meetings and working groups should be held.
12. G-20 Sherpa assistants ("Yaks") could negotiate parts of the agenda to relieve the burden on Sherpas and to develop a larger cadre of officials experienced in this type of multilateral cooperation.
13. Summit communiqués should be concise (ideally 3 to 4 pages) and focused solely on those issues important for leaders to highlight. Other matters that were discussed and negotiated by lower level officials should be captured in separate documents. These documents should reflect recent progress achieved as well as next steps.
14. To preserve credibility, the G-20 should make good on its existing commitments, including to implement 2010 international financial institution reforms. And Chinese participants think the G-20 should advance more governance and quota reforms of Bretton Woods Institutions.
15. Participants welcome China's future hosting of a G-20 leaders summit.

16. Membership of the G-20 is not ideal in terms of comprising the world's actual largest economies and/or equitable geographic representation, but the membership will and should remain stable in the near term. Hosts should continue to invite permanent guests including representatives from the African Union and Association of Southeast Asian Nations.
17. Ideally, over the long term, there should be a process for refreshing G-20 membership to preserve legitimacy. Some Americans argued that working toward some sort of constituency system (with representatives of geographic regions), for instance, could allow for greater inclusiveness and evolution of membership over time.
18. The G-20 should step up its outreach efforts even further—including a focus on countries that offer special insight on specific issues as well as continued, deepened engagement with relevant stakeholders.
19. Participants discussed the idea of a G-20 secretariat and had different views. Some Chinese participants argued that a secretariat would contribute to efficiency and to the sustainability of the G-20 as an institution. Others were concerned that a secretariat would undermine the flexibility and informality that are hallmarks of the G-20.
20. Participants agreed, however, that to help ensure smooth functioning of G-20 consultations and summit preparations, it would be useful to pool troika administrative capacity. Previous and upcoming host governments could offer 1-3 officials to the current host on secondment to form a Host Support Team. One of the key functions of this team would be to maintain an official, consistent G-20 website in multiple languages to serve as a repository of all official documents, past and current. (Other duties would include circulating draft documents and scheduling meetings.)

Notes

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This brief summary was drafted during the conference and reviewed by the participants, who had a subsequent opportunity to suggest revisions before it was finalized. Except where contrasting points are noted, the summary was meant to capture the group's shared views, though not every participant agrees with every point, and everyone spoke in a purely individual capacity. Both Chinese and American participants agreed to deliver these valuable findings to their respective governments and public audiences.

Participants in the G-20 Study Group

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Center for American Progress



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The China Institutes of Contemporary International Relations (CICIR) is a comprehensive research institution with a focus on international studies. CICIR consists of eleven institutes, two research divisions under the direct supervision of CICIR leaders, eight research centres, and several administrative departments such as the President's Office. CICIR's research work includes world strategic, political, economic and security studies; country and regional studies; and, China's relations with other countries.



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