



## THE G20 DEBATE ON ENVIRONMENTAL ISSUES: IS MINILATERALISM THE SOLUTION?

## O DEBATE AMBIENTAL NO G20: O MINILATERALISMO É A SOLUÇÃO?

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**ABSTRACT:** Global range climate change institutions and conferences (e.g.: UNEP, COP etc.) have been part of international dynamics for decades. Many of them took place in international regimes that was specifically designed for environmental issues. G20 was created in 1999 with the goal to overcome the Asian crisis. In that moment little attention was given to environmental issues. This situation began to change in 2008 with the first G20 summit. In that occasion, only 2 paragraphs of the final declaration dealt with climate issues. In 2010, this number grew to 12.7. This shows a growing commitment of the forum to deal with climate issues. The purpose of this paper is to evaluate if and how G20 debate on climate change could help the world to achieve deeper environmental cooperation.

**KEYWORDS:** *G20 - Climate Change - Global Governance*



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**RESUMO:** Instituições e conferências globais de mudança climáticas (por exemplo: PNUMA, COP etc.) têm sido parte da dinâmica internacional há décadas. Muitas delas se situam em regimes internacionais que foram projetados especificamente para as questões ambientais. O g20 foi criado em 1999 com o objetivo de superar a crise asiática. Naquele momento, pouca atenção foi dada às questões ambientais. Esta situação começou a mudar em 2008, com a primeira reunião de cúpula do g20. Na ocasião, apenas dois parágrafos da declaração final tratadas questões climáticas. Em 2010, esse número cresceu para 12,7. Isso mostra um crescente compromisso do fórum para lidar com as questões climáticas. O objetivo deste trabalho é avaliar se e como debate sobre a mudança climática no âmbito do g20 poderia ajudar o mundo a alcançar o aprofundamento da cooperação ambiental.

**Palavras-chave:** *G20 - Mudanças Climáticas - Governança Global*



## **INTRODUCTION**

International organizations are created for many different reasons and to deal with many different issues. There's a wide global debate about their efficiency and capacity to create a compliance behavior among its members. At one hand the realist tradition in International Relations (Mearsheimer, 2001; Waltz, 1979 and others) tends, in general, to believe that international organizations have only a minor effect in state behavior and therefore are not the main object of study in their research agenda<sup>1</sup>. On the other hand, both the liberal (Keohane, 1988 and 1989; Keohane and Martin, 1995; Martin and Simmons, 2012 and others) and some constructivist (Finnemore and Sikkink, 1998, Onuf, 1998 and others) authors have argued that international organizations are not only important in shaping state behavior but can also (in the case of constructivist school) create and change state beliefs about how to properly behave<sup>2</sup>. Several articles and arguments have fed the debate about the importance of this phenomenon of international relations through the years and a closure of it is not anywhere near.

In this article we won't be taking part of this debate, but rather agreeing with the schools of thought that give importance to international organizations. Furthermore we will try to identify if and how institutions can overlap and help each other. Specifically we will drive our attention to one organization that has been gaining bigger attention every year: the financial G20 (hereafter mentioned solely as G20). As one could possibly guess, talks within this forum are focused on economic and financial matters only. In fact it's true that the majority of G20 debates, meetings and official documents have dealt with this issue. In recent years nonetheless G20 has shown a disposition to deal with environmental issues and has approved final declarations and

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<sup>1</sup> Some realists (Schweller, 1997) argue that realist tradition does pay attention to the phenomena of international institutions, especially the Neoclassical tradition of realism.

<sup>2</sup> The liberal tradition asserts that states will comply with international organizations basically because they lower the transaction costs in state-to-state relation and also create a more foreseeable and thus safer world. The constructivist school of thought asserts that once an institution (weather formal or not) is created, it affects state identity and in ultimate case make states comply because they believe it's the right thing to do.



communiqués with paragraphs exclusively managing with it. Since G20 has high rates of compliance on its economic and financial decisions, one should expect that this compliance would be observable in matters of environmental issues as well.

Apart from addressing the environmental debate within G20, another goal of this paper is to demonstrate if the forum has agenda-setting power in this issue.

The point for considering the role of G20 in environmental – and specifically sustainable development talks – issues is quite simple: the main source for development is energy. Right now, the majority of energy produced is based on fossil energy, which compromises the environment and the sustainable development. Addressing the energy issue would then require investments in green energy, which, by its turn, is given by finance ministers and presidents. And that's exactly what G20 is all about: presidents and finance ministers meetings. The road to green energy would be therefore closely linked to G20 talks, if of course G20 were willing to cooperate in this subject.

At one first look, G20 seems to be doing well in getting rich countries to cooperate. Nonetheless checking the type of commitments made in the forum throughout the Summits suggests otherwise. G20 is making broad and vague commitments and that can lead to two mislead conclusions about the forum: the first one is about overestimate the forum's commitments and the second – once one have concluded that those are not that straightforward as imagined – underestimate it. The first one seems clear: if we only look at the numbers, G20 would look like the perfect forum to deal with environmental issues, since a significant part of what is agreed is done. The second problem would occur when we look at the type of commitments (and consider them either meaningless or vague) and simply phase out G20 potential of helping sustainable development negotiations.

Therefore this article has one major premise: G20 can account as an important forum to deal with a specific issue of environmental talks. In order to organize our thought the paper will be divided into four sections. The first part will be dedicated to some brief discussion about some theoretical perspectives that will help us understand



part of the argument. The second one will briefly relate G20's creation and the evolution of issues dealt within the forum; the third part will be dedicated to a critical review of the G20 compliance when it comes to environmental issues; the last part of the paper will be dedicated to draw some ideas related to how G20 can display as an important institution when it comes to environmental issues and help these environmental-oriented institutions to achieve its goals.

### ***MINILATERALISM: BETWEEN EFFICIENCY AND LEGITIMACY***

Kahler argues that multilateralism suffers from two critiques: in one hand from realists that argue that multilateralism will fail because great powers will do what they think fit within their interests immune from other states scrutiny. In the other hand, neoliberals argue that the big numbers of participants in these multilateral frameworks impede them to function properly. In this sub-section we will briefly present Kahler's argument about minilateralism and raise its doubts about its legitimacy. (KAHLER, 1992)

The main problem that neoliberals find in multilateralism is based in Olson's *The Logic of Collective Action*. The main idea, as Olson puts it, is that "the larger the group, the farther it will fall short of providing an optimal amount of a collective good". This is because three reasons:

the fraction of the group benefit received by any one individual decline as group size increases; larger groups are less likely to exhibit small-group strategic interaction that could help in collective good provision; and organization costs increase with an increase in group size (Kahler, 1992. p. 683)

An additional problem has been addressed by Taylor in "*The Possibility of Cooperation*" when he argued that the chief drawback according to him is the difficulty in achieving conditional cooperation in larger groups.



One argument that emerged was that in order to assure cooperation it was needed a hegemon that would reward the followers and punish the free-riders. This conception has been undermined and instead the idea of minilateralism arose. Kahler pictures this idea with the post-Second World War world. As he puts it:

Even in the early years of the postwar era when the power of the United States in most issue-areas was at its peak, the US sought collaborators, particularly in Western Europe. Where multilateral institutions flourished, they were typically supported by minilateral cooperation among the Atlantic powers, a “disguised” minilateralism that provided the essential frame for a multilateral order.

According to Bruyninckx and Happaerts (2013), “many Western powers are supportive of minilateral solutions, arguing that decisions will be reached more efficiently when only the key actors sit around the table, which should also lead to more effective agreements “. And this idea of coordinate small number of key actors to try to push for global regulations is seen in NATO, Bretton Woods’ institutions and so on. As Barry Eichengreen shows this patter of great power collaboration is at the core of most stable regimes.

One problem was raised in regard the minilateralism. Although it might seem more efficient – because it doesn’t need to achieve a common denominator between lots of actors – it looks less legitimate once one decision that would be enforced globally would have been decided among few actors. This might not be the case that we are presenting here, though. This is because, as Kahler argues, there can be such situations of a “progressive club within a club and it is apparent in some environmental negotiations and has been used as a means of reaching an agreement more ambitious than the lowest common denominator.” (KAHLER, 1992. p. 706)

Our argument in the last section will draw from this perspective but we will go further and explain why minilateralism can suit perfectly in G20’s debate about environmental issues, especially if it succeeds in fully comply with its recent decisions.



**FROM PURELY FINANCIAL NEGOTIATIONS TO A BROADER UNDERSTANDING OF DEVELOPMENT**

During the G8 meeting in Germany, in September 1999, countries signaled the importance of creating an environment where developed and developing countries could discuss international economic issues. Such announcements marked the birth of the Group of Twenty, or G20<sup>3</sup>. Together the countries have more than 80% of world GDP and two-thirds of the world population.

The specific event that motivated G20 creation was the 1997 Asian Crisis, which started in Thailand and spread through countries like Russia and in Latin America. Furthermore, the creation of the Group shows the changes in the global economy, where formerly less developed countries began to develop quickly and could not be jettisoned of the decision-making processes of the international economy. Another point that demonstrates the need to create an environment of broader economic dialogue between the countries is the greater integration of world markets, making it impossible to bias decisions, thus requiring multilaterally coordinated courses of action. (G20, 2007)

One important thing to bear in mind is that G20 wasn't created to be a decision-making forum. Instead the idea was to help articulate positions and shape international economic agenda. The other main goal was to serve as an example for other countries in counter-crisis measures policy adoption. After the 9/11 attacks the Group decided that another main objective would be ending terrorism funding throughout the world.

G20 would also articulate with other economic-oriented organizations like the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO). Furthermore, G20 would also have links with NAFTA, ASEAN and APEC.

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<sup>3</sup> Which would consist of: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, EU, the IMF Director, the World Bank president, together with the presidents of the International Monetary and Financial Committee and Development Committee



Since its inception until 2007 G20 was focused on debating and negotiating issues strictly connected to economic issues, or security issues that would be directly connected to economic issues, such as the combating terror financing or financial abuse and crime. During these years G20 didn't have Summit status. It changed in 2008, in the wake of the American crisis. The then President George W. Bush called for a high level Summit of the G20 in order to create mechanisms that would diminish crisis effects throughout the world. Summits then assumed the prime time of G20 diplomatic calendar year.

In the occasion of the first Summit, in Washington, little attention was paid for environmental issues<sup>4</sup>, since the greatest motivation for the Summit was an economic crisis. Even then, though, the leaders stated that they “remain committed to addressing other critical challenges such as energy security and climate change, food security, the rule of law, and the fight against terrorism, poverty and disease”. They also agreed on making efforts to restore “[...] sustainable growth and development[...]”.(G20, 2008). The London Summit paid as little attention to environmental issues as the Washington Summit of 2008. Then leaders agreed of the necessity to “build and inclusive, green, and sustainable recovery”. (G20, 2009)

Two Summits have passed and nothing meaningful was debated within G20. As Bracht (2010) puts it: “However, it was not until the Pittsburgh Summit in September 2009 that the issue came onto the agenda in a more meaningful way”. One thing seemed clear during the Pittsburgh Summit: the recovery must be sustainable and green. Leaders agreed on phase out fossil subsidies as they were an “encouragement [to] wasteful consumption” (G20, 2009). Furthermore G20 leaders stated that they would “spare no effort to reach agreement in Copenhagen through the United Nations Framework Convention on Climate Change (UNFCCC) negotiations” (G20, 2009).

G20 requested the International Energy Agency, the Organization of Petroleum Exporter Countries, the Organization for Economic Cooperation and Development and the World Bank to produce a joint report on fossil-fuel and other energy subsidies. This

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<sup>4</sup> Environmental issues would be considered here just like Kirton & Shaw (2011) methodology in its gathering of G20 environmental-oriented paragraphs.





report would be presented in the Cannes Summit and would cover mechanisms that countries have undertaken to phase out fossil-fuel subsidy.

Additional paragraphs of the Pittsburgh Summit dealt with financing climate change research and implementation of green energy strategies within countries. Finance Ministers were asked to work together with their Energy counterparts in order to develop strategies to sustainable growth and also do show possibilities of climate change financing. That would serve as a “resource to be considered in the UNFCCC negotiations at Copenhagen” (G20, 2009).

The Toronto Summit witnessed a set back in negotiations and, more specifically, mentions to climate change or environmental issues. The only thing Toronto meeting did was to welcome other initiatives that were already in motion and to recognize the importance of sustainable growth and green energy financing. Nothing substantive was agreed or initiated.

The Seoul Summit was expected to advance the process of incorporating environmental issues in the G20 agenda. Young Soo-gil, chairman of the Presidential Committee on Green Growth, said “The agenda for the summit will be crowded with other issues of pressing priorities to allow much discussion on green growth”.

Unfortunately the Summit only made more declarations welcoming the previous commitments and recognized the importance of “the ongoing loss of biodiversity as a global environmental and economic challenge”. Furthermore leaders recognized “the value of the sharing of knowledge, expertise and capacity with respect to programs and policies that phase out inefficient fossil fuel subsidies” (G20, 2010)

Even though this last part would be important, no roadmap or goals were established, which made the Summit more of the same with no meaningful commitments made.

Before we proceed to the Cannes Summit, in 2011, its important to detach some results of the IEA, OPEC, OECD and WB Joint Report on fossil-fuel subsidy as requested by G20 Leaders in the occasion of the Pittsburgh Summit.



The first acknowledgment the Joint Report makes is on clarifying that it was not its objective to establish “which measures are “inefficient fossil fuel subsidies that encourage wasteful consumption”, for which no common definition has been established by the G20 countries”. It also defines what would be subsidy to fossil-fuel consumption as “broad concept of support that encompasses policies that provide a benefit or preference for fossil-fuel production or consumption, either in absolute terms or relative to other activities or products ” (IEA, OPEC, OECD & WB Joint Report, 2011)

This Joint Report was the first of its kind ever made by OECD which developed an inventory of the various mechanisms that support fossil-fuel production in 24 countries<sup>5</sup>, of which only 10 are G20 members. It was found over 250 mechanisms that effectively support fossil-fuel production, with an average cost of USD45-75 billion per year between 2005-2010 in these 24 countries. Additionally IEA identified that 37 countries subsidize fossil-fuel production at a cost of nearly USD 409 billion only in 2010, almost USD110 billion more than in 2009<sup>6</sup>. As the report suggests although the results might differ, they are complementary in a sense that they measure different parameters.

Sustainable development, as suggested in every analysis, is not all about energy, prices and money, but also about social and humanitarian development and well-being. With this in mind the report showed that nearly 1.3 billion people have no access to energy and 2.7 billion don't have clean cooking facilities.

The report also showed that of the economies analyzed, almost half of them undertook reforms in its fossil-fuel subsidy policies or announced plans of doing so. Furthermore it concluded that “if fossil-fuel consumption subsidies in the economies captured by the IEA survey were completely phased-out by 2020” we would see some significant progress in emissions savings: 4.1% less global demand for primary energy;

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<sup>5</sup> Australia, Belgium, Canada, Chile, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Spain, Sweden, Turkey, the UK, and the United States.

<sup>6</sup> As explained by the report, this difference is due to the volatility of energy prices.



4.7% less CO<sub>2</sub> emissions and 6% less greenhouse gas emission by 2050. Compared with other projections made in the past, it would be a much brighter scenario.

Without the reforms the Report estimates that the total value of subsidies would be nearly USD 660 billion by 2020, which would correspond to 0.7% of global GDP. One problem pointed in phasing out subsidies would be the 3.4% loss of the GDP in OPEC countries and a 2.3% employment loss over the 5 years ahead of the phase out stage. That shows that every policy must be well executed and planned carefully so it wouldn't damage economies causing even more turmoil in global economy.

In hands with the report, G20 met in Cannes but little was discussed about climate change or sustainable development. Leaders have welcomed countries that have successfully implemented or planned policies on phasing out fossil-fuels subsidies and asked "Finance Ministers and other relevant officials to press ahead with reforms and report back next year". (G20, 2011)

Another point worth mentioning was the fact that G20 agreed on promoting low-carbon development strategies "in order to optimize the potential for green growth". Furthermore Leaders have agreed on encourage policies that would undermine barriers to efficiency and to spur "innovation and deployment of clean and efficient energy technologies". (G20, 2011)

The United Nations Conference on Sustainable Development (Rio+20) was mentioned in the Final Declaration and G20 countries showed committed to the success of the meeting. The same type of commitment was made in the case of the then upcoming Durban Conference on Climate Change (COP 17). Specifically, countries asked for the full implementation of the Cancun Agreements and the operationalization of the Green Climate Fund.

The Final Declaration of Los Cabos Summit brought important commitments to G20. The first one was to acknowledge the importance of adapting agriculture to climate change. Also leaders agreed about the importance of finding ways in which economic growth, environmental protection and social inclusion wouldn't be mutually exclusionary. They should "complement and reinforce each other". Again another



mention was made about G20 commitment to the success of Rio+20.

The most important things of Los Cabos Summit were undoubtedly in paragraphs 71 and 72. In paragraph 71, leaders acknowledged that costs of stopping climate change would be higher in the future if nothing is done now. They also committed with the full implementation of Cancun and Durban agreements and welcomed Qatar as the host of COP-18.

It was also created the G20 Study Group on Climate Change that would “consider ways to effectively mobilize resources taking into account the objectives, provisions and principles of the UNFCCC in line with the Cancun Agreement” (G20, 2012).

In paragraph 72 were stated that the Development Working Group debated ways to come up with sets of “practical, voluntary measures and actions that have the potential to help countries define their paths towards sustainable development based on their own circumstances and priorities”. G20 agreed that developing countries should be able to access institutions and mechanisms that could facilitate “knowledge sharing, resource mobilization and building technical and institutional capacity to design and implement inclusive green growth strategies and policies”. It was also welcomed the launching of the Green Growth Knowledge Platform.

The importance of public and private association was acknowledged in paragraph 72. As stated G20:

encourage further exploration of effective mechanisms to mobilize public and private funds for inclusive green growth investment in developing countries, including through the public-private Dialogue Platform on Inclusive Green Investments [...] And welcome the B20's Green Growth Action Alliance (G20, 2012)

B20 is a meeting that gathers businessmen from G20 countries. Generally they discuss strictly economic issues and come up with suggestions for the G20 Summit that happens after B20 meeting. It was the first time that businessmen gathered in G20



Summits talked about Green Growth and that showed a new willing to actually move towards a full sustainable development.

For the G20 Russian presidency in 2013, two points of the priority areas can be considered as related to sustainable development and/or climate change. The first deals with “Global Economic Outlook and Implementation of the G20 Framework for Strong, Sustainable and Balanced Growth” and is about assuring that not only development is constant but also sustainable. The second deals with “Energy Sustainability” and is about, among other things, “promoting energy efficiency and green growth” and “ensuring global protection of the marine environment” and “draft principles for efficient energy markets regulation to stimulate infrastructure investments and integrate green growth and sustainable development priorities into structural policies” (G20, 2013)

With all these information about G20 debate of environmental and climate change issues, it is important to have a critical view of it so we can truly understand the impact not only for the internal process of institution building but also the impacts for the global environmental talks. The sections that follow will be dedicated to a brief summary of the environmental conferences and some critics about all these years of environmental talks within G20. Moreover we will present an informative table about policies implemented among G20 members that deal with the phasing out inefficient fossil fuel subsidies.

### ***G20 COMPLIANCE RATES ON ENVIRONMENTAL ISSUES***

Two outcomes of G20 debate about environmental issues might be highlighted: the first, and perhaps the most important, one is about the agreement on phasing out inefficient fossil-fuel subsidies; the second is about the idea of sharing the knowledge on clean energy and green development initiatives and policies.

Phasing out inefficient fossil-fuels subsidies is today one of the most requested



policies that environmentalists demand from world leaders. The idea of changing the money flux from a environment-damaging type of fuel to a cleaner and environment-enhancing one is being said as the most important thing that leaders can do right away and that the impacts would be felt as immediate as the implementation is done. This is an important part of the so called green economy and development.

However phasing out these kinds of subsidies is not the answer alone, and was proved to be a quite dangerous and a delicate matter, with countries facing a real risk of both delaying or lowering GDP growth and losing jobs. Together with these measures investments in advanced research about clean energy is also important so countries don't face energy problems and thus development delays. Not every country can do it though, and it would limit the number of countries that would implement policies against fossil-fuel subsidies. Sharing the knowledge about how to generate and implement green policies is then a good strategy that could assure that every country is able to develop its own path to sustainability.

It's stated that G20 has high rates of compliance when it comes to environmental issues. Here we analyzed four compliance reports of four Summits<sup>7</sup>. It was used the University of Toronto G20 Research Group methodology and results. As an average the rate of compliance was 0,61 (being 1 full compliance, 0 moderate compliance and -1 no compliance). The results appear as follows: London (0,15); Pittsburgh (0,75); Seoul (0,77); Cannes (0,95)<sup>8</sup>

With these results alone we can imagine that G20 is doing a great work in taking care of environment. When we look in the last section of this article although we think different. Compliance is high but when we look carefully through each commitment, its possible to see that some flaws allow countries to just act as if they were complying. We'll take the phase out fossil-fuel commitment case to demonstrate this point.

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<sup>7</sup> London (2009); Pittsburgh (2009); Seoul (2010) and Cannes (2011)

<sup>8</sup> Every data used to assess compliance was taken from University of Toronto's G20 Research Group and we thank the institution for this amazing job. For further information on this matter access: <http://www.g20.utoronto.ca/analysis/index.html#compliance>



A good thing about the reports made since 2010 is the number of countries reporting. In 2010 two members did not report; in 2011 this number rose to four, but in 2012 all members have reported their progress. This shows growing commitment of G20 leaders to comply.

The main flaw comes when we ask two simple questions: what exactly is fossil-fuel subsidy? Going deeper: What is *inefficient* fossil-fuel subsidy? G20 didn't answer these questions and opened a big margin for maneuver so members could report what they thought was suitable. Another problem raised here deals with the sources. The only way to get access to data about phasing out fossil-fuel subsidy policies is to get from official sources. That means that one government will report about its situation and it doesn't seem likely that it would compromise itself. OECD and IEA have also shown that G20 commitment didn't work as expected and that countries didn't actually decrease fossil fuel subsidies.

So we have two main problems: oversight and accountability. The former problem comes from the lack of accurate sources and the absence of a higher institutional bureaucracy that could stimulate full compliance; the latter comes from the absence of a comprehensive uniform and impartial measurement of countries' fossil-fuel subsidies data. The first problem would be something like *who* is collecting the data and the second *how* it is collected.

G20 have already acknowledged this problem and tried to address it in the last Summit, in Mexico. In the Communiqué leaders agreed to "develop a voluntary peer review process on such fossil fuel subsidies and present a report on the outcomes to our Leaders in 2013". Also they raised the possibility to create accountability mechanisms to assure that the commitment is being fulfilled. The first idea is to adopt a mechanism where "a member could invite another member to assess its fossil fuel subsidy reform progress"; the second is to define fossil fuel subsidies and ways to calculate them so G20 could have a unified and standardized report, allowing countries and the rest of the world to actually see if something meaningful is underway.

These mechanisms are not yet active and countries have both to agree in G20



sphere and create domestic legal mechanisms to implement such measures, but if leaders agree to do everything stated above we will probably have entered a new era of environmental talks within the forum.

Another important issue that we need to analyze in order to critically assess G20 compliance is to deal with its effectiveness as Young puts it. Four things can be raised here being three accounting for how G20 is not effective and thus how compliance shows little about its commitment with environmental issues and a fourth explaining why it has started conversations of this manner.

The first thing about Young's model to measure institutional effectiveness is to see if it has changed state behavior. As we saw – especially with the phasing out fossil-fuel subsidies – G20 hasn't exactly shaped any kind of behavior. It wasn't capable of doing anything at all, since most of the "phasing out" policies were already happen even without G20's intervention. In this sense we couldn't say that G20 was effective in this issue.

Additionally, Young talks about the easiness of violating rules as an indicator of the lack of effectiveness of an institution. In this sense the lack of comprehensive mechanisms of accountability helped G20 members to simply ignore the decisions taken and when they needed to report countries simply put anything as they saw fit. The third point relates to the oversight problem. Since there is no trustable database it is difficult to assess if G20 is doing well on shaping behavior.

In the beginning – in Washington Summit – G20 wasn't willing to meaningfully address the environmental issue, since the main problem it wanted to solve was the American and European crisis. With Summits advancing and new themes being added in the agenda the forum started to deal with social and environmental issues every Summit.

The idea of achieving a full social and sustainable development (at least as stated in Final Declarations and Communiqués) is now a very important part of G20 and leaders repeatedly state the need to come up with meaningful solutions to assure green and social inclusive growth. This is due to the cognitive change that started to





happen years ago about the concept of economic development. In 2008 we could say that the idea of economic development was closely linked to GNP numbers and if it was growing or not. Nowadays it is possible to see, as the third section of the article showed, a broad understanding about what is development and how we should achieve it. The idea of a social and environmental development came together with GNP approach and formed what is now called sustainable development. This is clearly what Young said about the cognitive basis in which an institution is based. If G20 hasn't changed its mind and dealt with sustainable development it would probably be dead by now.

This opens margins for us to turn now for the possibilities that the forum has to contribute with environmental talks. When the most developed and developing economies gather to discuss any subject it's likely to impact and influence the rest of the world. And it wouldn't be different with the environmental debate within G20.

### ***CONCLUSIONS: GREEN ECONOMY, FINANCING AND THE ROAD AHEAD***

The last section was dedicated to talk about the limits of G20 and how it could overcome it inside its institutional apparatus. Now we turn our attention to the possibilities that G20 poses to the inter-institutional debate about environmental issues. We will bring two aspects of the possibilities so we can further think about it. The first thing is how G20 can help to implement green economy structures to other countries; the second is the possibility to form inter-institutional diffusion, how it could be done to enhance these talks and the issue of the legitimacy of unilateral solutions for the environment through G20.



*GREEN ECONOMY*

Green Economy is now being said as one of the major contributions that our generation can pass to the future that is coming. Rio+20 was all about it as we showed before. This focus on green or sustainable economy is due to a change in the environmental debate across years. When it was lunched – mainly in 1972 – the negotiations dealt with how we can preserve species, the rainforest and so on. In those days it was believed that for that to happen we should stop development and industrial activities because they were harming the environment.

Today, as we are aware that development is important for social purposes (assuring people a minimum wage so they can live with dignity) and, for that reason, unstoppable, we have acknowledged both the importance of preserving the environment and assuring development. So the logic and challenge of the international conferences and institutions was to come up with solutions that would assure both things. Green economy then appeared.

One main problem about generating green economy structures is that it takes a lot of money in research and development and it's not every country that has sufficient funds to invest on it. This is where lies the main possibility for G20. It is after all the forum of the biggest economies in the world. If there were countries capable of investing on it, it would be G20 countries. Furthermore they are also the biggest polluters in the world so if they can find ways to fully implement their commitment to green energy funding, it would make a huge difference.

As we saw, however, G20 hasn't been dealing with it in a proper way, in a sense that it hasn't come up with comprehensive agreements that would in fact generate these green economy structures. It is not to say that everything is lost though. It's been only five years since the first G20 Summit and we couldn't expect that only five years would do the trick. The fact that the forum is talking about creating green economy structures is in itself an advance and as time goes by and country positions gets more mature we should expect more comprehensive decisions.



*INTER-INSTITUTIONAL DIFFUSION AND MINILATERALISM*

The other possibility for G20 is to become more integrated to other environmental-oriented institutions and conferences. The Rio+20 conference – and other major conferences about environment – was some kind of frustration because it dealt with a wide variety of themes and solved any. We signaled for a split in the agenda so more specific institutions could deal with one theme on a more proper way, as it is the idea of minilateralism. The idea is that these smaller institutions would have more expertise because they would only deal with one specific issue so they would have more time to go through proposals and research material.

In this sense we here suggest that when it comes to talk about to *whom* and *how* the finance green economy structures would be, the G20 comes in the frontline because of the reasons mentioned above.

For that to happen G20 would have to (i) enhance its negotiations about investment in green economy (as shown above) and (ii) develop partnerships with these environmental-oriented institutions so it becomes part of the main events of this theme throughout the years. This would generate inter-institutional diffusion and innovation to the negotiations.

The problem about legitimacy arises when we argue for a split in negotiations but here is the most important thing about our argument. Even though the debate about green economy would be delegated to G20 it would not harm the legitimacy about environmental debate. And this is because every conference is about how countries can adopt *internal* measures in order to improve sustainable development. The required cooperation in this issue is because if one country does it alone it might compromise its development and get behind all others. But if G20 decides to fully implement domestic investments in order to shift the energy matrix to an environment-friendly one we would be witnessing the worlds biggest polluters doing concerted action to bring about green economy. As Bruyninckx and Happaerts puts it:



A unilateral solution for climate change makes sense because a relatively small number of countries *are [emphasis added]* responsible for three quarters or more of global GHG emissions. (BRUYNINCKX and HAPPAERTS, 2013)

The point is then that it doesn't really matter if G20 has only 19 countries and that debate within the forum is non-legitimate. What matters is that the world's top 19 polluters will be doing something that is bigger than the lowest common denominator for the environment. And that is a huge thing.

### *THE ROAD AHEAD*

G20 has been active as a forum for almost 15 years now. Analysts, journalists and statesmen agree that the forum is and will be of major importance for solving the economic crisis we live in today. It has also the potential to influence in other arenas and institutions. As we demonstrated G20 has been putting efforts to deal with environmental issues. It is true that it hasn't done everything it can but we have shown how it can be more effective and actually help other environmental-oriented institutions to achieve true sustainable development.



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**Recebido em 04 de setembro de 2014.**

**Aceito em 20 de dezembro de 2014.**