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The role of the chair in informal international organisations: Australia's Group of Twenty presidency

Christian Downie[a] and Larry Crump[b]

[a]School of Regulation and Global Governance (RegNet), Australian National University, Canberra, Australia; [b]APEC Study Centre, Griffith University, Brisbane, Australia

ABSTRACT

Scholars of international relations have devoted significant effort to understanding international organisations. However, two areas have been understudied: the role of the chair in international multilateral negotiations and the role of informal international organisations. Yet informal international organisations are increasingly important in international affairs as world leaders turn to smaller and more flexible forums to address global challenges. This article addresses these two blind spots in the literature by considering the role of Australia as chair in one of the most important yet most understudied informal international organisations: the Group of Twenty (G20). Drawing on primary interview data and the participant observations of the first author, who was a member of the G20 chair in 2013–14 during Australia's presidency, the authors examine two theoretical puzzles: (1) why states delegate control of the negotiation process to a chair and (2) how the chair can, and does, influence the negotiation process. It is argued that member states delegate control to the chair to overcome specific institutional failures and, in doing so, provide the chair with the power to influence the negotiation process. The authors also argue that the G20 case indicates that existing theory overlooks key factors which restrict the capacity of the chair to influence the negotiation outcome.

Introduction

In response to the proliferation of international organisations (IOs), scholars of international relations have devoted significant effort to understanding why IOs exist, how they operate and what influence they have on international affairs (Abbott and Snidal 1998; Barnett and Finnemore 1999). Most scholars now agree that IOs are not merely epiphenomena, but that their role is critical to understanding outcomes in international relations. However, in the literature on IOs, two areas have been understudied. First is the role of the chair in multilateral negotiations. It is widely acknowledged by those who participate in negotiations, of the United Nations (UN), the World Trade Organization (WTO) or the European Union, for example, that the chair matters. Many negotiators would assert not only that the chair matters to the negotiations, but that the actions taken by the chair have a direct impact on the negotiation process and outcome. Yet

international relations scholars have paid very little attention to the role of the chair. To the extent that they have, accounts have focused on the formal IOs mentioned above, and few scholars have sought to theorise the role of the chair and how and why it matters (Blavoukos and Bourantonis 2015; Depledge 2007; Odell 2005; Tallberg 2010). Second, the literature on IOs scholarship has focused almost exclusively on 'formal' IOs, such as the UN or the WTO, and not on what some scholars have referred to as 'informal' IOs, which are distinguished by the fact that they have no formal treaty and/or secretariat (Vabulas and Snidal 2013). Yet informal IOs are becoming increasingly important in international affairs as world leaders turn to smaller and more flexible forums, such the Group of Eight (G8) and the Group of Twenty (G20), to address global challenges (Kirton 2013).

Accordingly, in this article, we seek to address this gap by looking at the role of Australia as chair in one of the most important yet most understudied informal IOs: the G20. In the last five years, the G20 has emerged as the premier forum for addressing some of the most pressing issues facing the world, from reform of the international financial architecture to reinvigorating the global trade regime and bringing the international energy architecture into the twenty-first century (Downie 2015; Wade 2011). It is also the most dramatic illustration of the shifting balance of power in the international system with a membership that reaches beyond the nations that have governed the world in the post-war era to include the rising power of the BRICS—Brazil, Russia, India, China and South Africa—which are now at the centre of discussions about the future of international affairs (Hopewell 2015).

The G20 is also unique because it is most unlike other IOs that have been the focus of international relations scholarship. Unlike the UN, for example, the G20 has no founding documents, buildings or permanent staff. As such, it has no permanent secretariat, and the host of the G20, which rotates each year, acts as both the chair and the secretariat for the period of its presidency. The informal structure reflected the preference of its member states in the wake of the global financial crisis in 2008 to establish an informal forum for world leaders to meet and consider a common response to the unfolding financial collapse. As a result, there are no formal decision-making rules and no means to coerce states to comply with any agreement reached. Of course, this also means that the chair of the G20 has some flexibility to shape not only the agenda of the negotiations, but also the operating procedures and decision-making rules so long as they are consistent with the expectations and prior experience of G20 member states.

In order to examine the role of the chair in the G20 negotiations, we draw on the existing literature on the role of the chair in IOs, primarily from the rational institutional perspective, to set out a theoretical basis for analysing (1) why G20 member states delegate control of the negotiation process to a chair and (2) the means by which the G20 chair can, and does, influence the negotiation process during the course of its G20 presidency. To do so, we focus on Australia's presidency of the G20 in 2013–14. This single case study was selected for two reasons. First, the G20 is a critical case. It is arguably the most important informal IO in the world, which is tasked with addressing problems across multiple policy domains, from finance and trade to energy and climate change. And yet, we know very little about how it operates and how the chair fills the functions delegated to it by its members. Second, the G20 is a revelatory case. The first author had the opportunity to participate in and observe the chairing of the G20 negotiations. This access also

enabled both authors to conduct primary interviews with G20 officials immediately after the G20 leaders' summit. This type of data—participant observations and primary interviews with G20 negotiators—is generally inaccessible.

Drawing on this data, we argue that consistent with the rational institutional perspective, G20 member states delegate control to the chair to overcome specific institutional failures and, in doing so, provide the chair with the power to influence the negotiation process. However, we also argue that this perspective that dominates the small body of literature on the role of chairs overlooks the importance of key factors that impact upon the influence of the chair. For example, the G20 case suggests that existing theory overlooks the importance of domestic political factors pointed to by scholars in the liberal tradition of international relations, such as bureaucratic politics in member states and the domestic salience of an issue—both of which can restrict the capacity of the chair to steer negotiations towards a preferred outcome. This has implications for theory and policy, which are explored in the final section.

The article proceeds as follows. The next section provides a theoretical basis for examining the role of the chair in the G20. The following section provides a brief overview of the rise of the G20 and Australia as chair. The remainder of the article examines the role of Australia as chair of the G20 in 2014. The article concludes with a discussion of the theoretical and policy implications.

Understanding the role of the chair

Among those scholars who have considered the role of the chair in international negotiations—and there are very few—the focus is broadly on two areas. First is the rationale behind the decision of states to delegate control of the negotiation process to a chair. Second are the consequences of doing so—in other words, how the chair behaves and the influence of its actions on the negotiation outcome. In this section, we consider each of these areas in turn in order to better understand the role of the chair in IOs.

Why establish a chair?

Scholars in the rational institutionalist tradition argue that states vest the chair with powers to control international negotiations in response to institutional failures (Stein 2008, 21). In one of the only attempts to theorise the role of the chair, Jonas Tallberg (2010, 243–245) argues that the creation of a chair is a functional response to three specific institutional failures, or bargaining problems. First is agenda failure, which refers to the absence of progress in negotiations because of a poorly managed agenda. In multilateral international negotiations, the management of complexity has become one of the greatest challenges, especially in forums such as the UN, in which more than 100 states attempt to manage unimaginable amounts of technical information, often with very limited resources (Crump and Zartman 2003).

Second is negotiation failure, which refers to deadlocks and breakdowns in negotiations when parties are unable to establish a zone of possible agreement because there are tactical incentives not to reveal their bottom line or reservation value (Crump and Druckman 2016). In this context, the chair of a negotiation can help to overcome negotiation failure by acting as a broker between states when states share information about their

true preferences with the chair, which the chair can use as a basis to develop a single negotiation text (Tallberg 2010, 244).

This assumes that a negotiation failure can be the result of deficiencies in the bargaining process, which in this case may be ameliorated by the chair. Yet realists argue that the negotiation outcome will be determined not by the negotiation process, but by the structural constraints in the international system (Waltz 1979). Similarly, many scholars in the liberal tradition, who relax the assumption of the unitary state to peer into the black box of domestic politics, point to domestic political constraints to explain negotiation failure, not to problems inherent in the bargaining process, which might be addressed by a chair (Moravcsik 1993; Putnam 1988). As we will see in the following sections, there is good evidence in the case of the G20 to support the liberal hypothesis on domestic politics.

Third, Tallberg (2010) argues that the creation of a chair by states is also a functional response to representation failure, which is the product of interdependent bargaining in the international system. Increasingly, multilateral negotiations represent nested games in which one set of negotiations is nested inside a bigger set of negotiations, which can affect the gains and losses that states can face (Tsebelis 1990). As a result, organisations like the G20 require mechanisms to engage with non-members not only to receive input from them, but also to legitimise the role and decisions of the IO to non-members. Accordingly, member states will establish a chair and empower it to represent the IO in other forums and consult with non-member states.

The creation of the chair as a functional response to these three specific institutional failures implicitly assumes that the chair is neutral. In other words, that it manages the agenda, searches for zones of possible agreement and represents the IO in an impartial way, which together promote the collective gains of the members (Blavoukos and Bourantonis 2013, 315). From the perspective of constructivists, the role of the chair will be guided by the norms of appropriate behaviour, which dictate that the chair is neutral and consistently acts in a fair and honest fashion (Finnemore and Sikkink 2001; March and Olsen 1998). In short, an effective chair is an impartial chair. However, there is also good reason to assume that the chair may decide to act in a self-interested fashion to pursue its individual interests at the expense of collective gains. In other words, it may direct the negotiations towards its preferred outcome. It is to this question of influence that we now turn.

What influence can the chair have?

Before considering whether the chair will seek to direct negotiations towards its preferred outcome, it is important to consider the resources it has at its disposal to do so. Drawing again on Tallberg's (2010, 245–246) model suggests that the chair will have two forms of 'power resources' that can enable it to enhance the efficiency of the negotiations and shape the distributional outcomes. First, by virtue of its position, the chair will have access to privileged information that other parties will be unlikely to acquire. The chair's privileged position gives it a continual opportunity to collect information about party preferences and the issues under negotiation.

Second, the chair also has power because of its control over negotiation procedures. The chair is in the privileged position of controlling the format, sequence and frequency of the negotiating sessions (Tallberg 2010, 246). In the context of the WTO negotiations, John

Odell (2005) refers to what he calls communication, formulation and the manipulation tactics of the chair. For example, the chair can ask the secretariat to prepare technical background papers to inform the negotiating sessions or can establish specialised negotiating groups, appoint chairs for these groups, set interim agendas and schedule additional meetings, or it can go further and threaten to abandon negotiations to push parties in specific directions.

While these resources can be employed by the chair to help maximise collective gains, they can also be used by the chair to pursue its own agenda. Assuming that the chair is a 'rational' strategic actor, in the words of game theorists, with an independent set of preferences, it can use these resources to influence the negotiations in a manner consistent with its own preferences, which may not maximise collective gains (Schelling 1960). Returning to our earlier question, then, the consequences of states vesting the chair with the power to control the negotiations could produce efficient negotiations, which overcome many of the bargaining deficiencies described above, but it could also result in outcomes that are skewed towards the unique preferences of the chair.

However, as those few scholars who have considered the role of the chair point out, its influence on the negotiations will be mediated by the institutional environment in which it operates (Blavoukos and Bourantonis 2013; Tallberg 2010). Several factors are at play and all relate to the institutional arrangements of the IO. First, the decision rules or voting rules will mediate the chair's influence. Simply put, the more demanding the decision rules, the smaller the zone of possible agreement and the smaller the scope for the chair to intervene to direct negotiations. For example, if agreements require consensus, then the chair is compelled to consider the interests of all parties, making it difficult to direct negotiations towards particular outcomes. In contrast, majority voting will make it easier for the chair to influence the distribution of gains because it does not require all parties to sign on to one particular outcome.

Second, the chair's influence will also be mediated by the type of chair that has been established by the IO. Various models exist, from the election of a chair from a participating state, to the election or appointment of a supranational official, to the rotation of the chair between states, which may or may not coincide with the hosting of the negotiations —as occurs, for example, with international climate change negotiations under the UN. The central hypothesis, as Tallberg (2010, 246) argues, is that a rotating chair will provide greater scope to influence negotiations than an elected chair, whose influence will be restricted to the efficiency of the negotiations. The logic is that rotation, much like repeat bargaining (Axelrod 1984), will create a dynamic of reciprocity whereby member states will provide a degree of autonomy to the chair to steer the negotiations, knowing that in doing so they will have the same opportunity in the future.

Finally, there are other factors that will mediate the chair's capacity to influence negotiations, which are overlooked by the rational institutional perspective. Drawing on the insights of liberal scholars, there is good reason to assume, for example, that when an issue is politicised or has high domestic salience, states are likely to be especially sensitive to any movement by the chair to influence negotiations in a way that is inconsistent with that state's domestic political dynamics (Putnam 1988). The opposite will also be true— that is, a chair is likely to be given a higher degree of autonomy the lower the domestic political salience of an issue. In sum, while the chair certainly has the resources to shape the distributional outcomes of negotiations, including towards its own unique set

of preferences, the degree to which it can do so will be mediated by the broader institutional environment.

Before drawing on this theoretical literature to examine the role of Australia as G20 chair, the next section provides an overview of the G20 as an informal IO and the role of the chair therein.

The G20 and Australia as chair

The G20 leaders' summit emerged in response to the 2008 global financial crisis, but the roots of this informal IO extend back to meetings of the Group of Seven (G7) finance ministers and central bank governors, which have taken place since 1986 (Hajnal 2014; Kirton 2013). Its members include all G8 members—Canada, France, Germany, Italy, Japan, Russia, the UK and the USA—plus Argentina, Australia, Brazil, China, India, Indonesia, Mexico, the Republic of Korea, Saudi Arabia, South Africa, Turkey and the European Union. The G20 operates as an informal IO. It has no charter or treaty and no permanent secretariat. As Table 1 shows, the G20 chair or president, which rotates each year, hosts the negotiations and assumes the functions of a secretariat during its presidency. The G20 chair rotates on an annual basis between what negotiators colloquially call 'buckets', and it is sometimes referred to as the 'reverse bucket system' because of the order of rotation. The chair, the immediate past chair and the incoming chair make up the troika (G20 2008; Gstöhl 2007). The troika acts as a leadership group for the G20 and as an additional resource for the chair to draw on. G20 declarations and communiqués carry no legal obligations and cannot be enforced. These informal arrangements, which distinguish the G20 from formal IOs, provide members with some specific advantages, such as flexibility, control over information, minimal bureaucracy and reduced sovereignty risk (Vabulas and Snidal 2013). These advantages also help to explain why G20 members have largely preferred a rotating chair rather than a permanent secretariat.

At the 2011 leaders' summit in Cannes, Australia was nominated to chair the 2014 G20 negotiations, and in 2013 it took up its position on the troika as the incoming chair, along with Mexico and Russia (Thirlwell 2009). As chair, Australia managed both tracks of the negotiations: the finance track and the sherpa track. G20 finance ministers lead negotiations on the finance track, which cover issues such as banking regulation, taxation and reform of the International Monetary Fund (IMF). G20 sherpas, the personal

Table 1. G20 presidencies, 2008–16.

G20 presidency	Location	Date
Brazil	Washington, DC	November 2008
UK	London	April 2009
UK	Pittsburgh	September 2009
Republic of Korea	Toronto	June 2010
Republic of Korea	Seoul	November 2010
France	Cannes	November 2011
Mexico	Los Cabos	June 2012
Russia	St Petersburg	September 2013
Australia	Brisbane	November 2014
Turkey	Antalya	November 2015
China	Hangzhou	September 2016
Germany	Hamburg	July 2017

Source: G20 Research Group, University of Toronto (2016).

representatives of the G20 leaders, lead negotiations covering non-financial issues, such as trade, energy and development. In both tracks, decisions are traditionally made by consensus, which helps to shape the actions of the chair. Each negotiation track is supported by a series of working groups, such as the Framework Working Group, which considers policies that support growth, and associated IOs, including the IMF, World Bank and the Organisation for Economic Co-operation and Development (OECD), among others.

The G20 chair and institutional failures

As discussed, the existing literature on the role of the chair assumes that states vest the chair with powers to control negotiations to overcome specific bargaining problems. In the case of the G20 chair, the evidence indicates that the creation of the chair is, to varying degrees, a direct response to agenda, negotiation and representation failures. First, agenda failure has long been considered a problem in international multilateral negotiations, especially in large negotiations, such as the WTO trade negotiations or the UN climate negotiations, where more than 150 parties attempt to reach an agreement. Yet, even in smaller, more targeted forums like the G20, which are often advocated as minilateral alternatives to larger negotiations, agenda management remains a problem (Naim 2009). In part, this reflects the diversity of the G20 membership, which, as we have observed, includes both developed and developing countries, and, as a result, 'is not a group of like-minded countries', like the G7, for instance (Interview 17). Not only is it not a like-minded group, but it is often tasked with addressing multiple issues, from finance and trade to energy and climate change. Further, across these policy domains, it is often left to respond to crises as they unfold—be it the global financial crisis or the wars in Syria or Ukraine—which can 'derail the main agenda' (Interview 17; 11; see also Cooper 2010).

Accordingly, it comes as little surprise that interviews with G20 officials show that, in 2014, agenda management was front and centre for Australia as chair. Australia felt a strong demand from member states to deliver an efficient negotiation process and address the ballooning number of issues and meetings (Harris Rimmer 2015). In part, this demand reflected the fact that the G20 is an infant institution 'that is still finding its way' (Interview 11). As one respondent put it: 'We want the G20 to be mean and lean' (Interview 17). In response, Australia declared early in its presidency that it was determined 'to pare back the agenda' and deliver a three-page communiqué (Abbott 2014), as the previous communiqué at the 2013 G20 summit had run to 27 pages (Interview 11; see G20 2013). A streamlined agenda that flowed through to a shorter communiqué was a constant refrain from G20 officials in the chair's secretariat, with official after official reiterating the need to structure meetings 'carefully' to prevent '1000 flowers from blooming' (Interview 13), or to deal with members who were referred to as 'Christmas tree' parties, because 'they always want to add new things to the agenda' (Interview 12).

Second, while there may not have been the same demand from G20 members for a chair to address negotiation failure as there was for agenda failure, it was a role that Australia assumed. Like past chairs, Australia devoted considerable resources to engaging with the membership, and particular effort was made to consult with the troika—namely, Russia and Turkey. For example, Australian sherpa Heather Smith visited every G20 member in the course of Australia's presidency. The motivation was to pre-empt

negotiation deadlocks because, as one respondent put it, 'one country can block anything if it really wants to' (Interview 4). However, the capacity of the chair to garner information about state preferences and overcome bargaining breakdowns is likely to depend heavily on the country that holds the chair. In other words, the role of the chair as a broker will be country-specific. There is good evidence to suggest that middle powers like Australia are well placed to play this role. To be sure, existing empirical work on middle powers has found that nations such as Canada and Australia are typically trusted players in the international arena and have a strong history of brokering compromises in international disputes (Cooper, Higgott, and Nossal 1993). As G20 officials from several countries pointed out, 'Australia is seen as a constructive player' (Interview 15) and is 'not seen as only in the US camp or the China camp' (Interview 11). This means that it is well positioned to bridge the historical divides between different groups within the G20 (Downie 2017). As we will see in the following section, Australia used these attributes to good effect.

Third, the breadth of issues that the G20 covers and the influence that it has on international affairs, despite its small membership, requires the chair to meet demand for two types of representation. One is that almost every issue under negotiation in the G20 is nested inside a larger negotiation. Many of these global issues are now governed by what some scholars refer to as a 'regime complex', which, broadly speaking, is a loosely coupled set of specific regimes that are linked in complementary ways (Keohane and Victor 2011). As a result, there is a strong demand for the chair to ensure that the G20 negotiations complement what is taking place in other IOs. It is for this reason that representatives from other IOs, such as the WTO, are invited by the chair to participate and are often present in G20 negotiating sessions. It is also why the chair regularly holds bilateral meetings with representatives from these institutions and requests their input into the negotiations (Interviews 7 and 12). For example, in 2014 the G20 negotiations on corporate taxation—specifically the negotiations on base erosion and profit-shifting—were directly informed by presentations and reports from the OECD (2013). Likewise, the negotiations on strengthening the multilateral trading system were boosted by the WTO agreement in Bali in December 2013 on trade facilitation.

Another demand for representation is that G20 members recognise that the institution is 'not representative', given that many of its decisions have global ramifications (Interview 15). Accordingly, the G20 chair has taken on growing responsibility for engaging with non-member governments, and non-state actors, to consult on G20 decisions and to legitimate those decisions among parties outside the organisation. For example, on assuming the role of chair, Australia appointed a special representative, or G20 ambassador, whose role was 'to underline to non-G20 members that this is a consultative body' and to take 'the [G20] agenda to third parties, to international organisations, to listen to their thoughts and perspectives and learn from them' (Interview 15). Over the course of Australia's presidency, the G20 ambassador attended meetings at the Asia-Pacific Economic Cooperation forum, the African Union, the Caribbean Community, the Pacific Islands Forum and the UN, among others, in an effort to legitimise the role of the G20 (Interview 16). Consistent with G20 tradition, Australia also invited a number of guest countries to attend the summit, including New Zealand and Singapore.

In summary, the evidence indicates a strong demand for the chair to overcome the type of institutional failures expected by rational institutionalists. However, in the case of the G20, the demand for a chair to respond to agenda failure and representation failure is

more pressing than the need for the chair to play the role of broker. This likely reflects the fact that the G20 is an infant institution, which, unlike formal IOs such as the UN, is still to prove to members and non-members that it has a legitimate role to play in the international system. As a result, there is a strong demand for the chair, on the one hand, to manage an efficient negotiation process so that members feel that the G20 is worthwhile and not a waste of their leaders' time, and, on the other, to engage with other states and organisations to legitimate the G20 and its decisions. In other words, to address agenda failure on the one hand and representation failure on the other.

The power and influence of the G20 chair

In this section, we turn to consider the means by which the G20 chair can, and does, influence the negotiation process. While constructivists expect that the norms of appropriate behaviour lead the chair to act in a neutral and consistent way, as discussed above, there are good reasons to assume that, as a strategic actor, the chair will use its resources to steer negotiations towards its own preferences. From the interview data, it is clear that Australia did have an independent set of preferences, which were set by the prime minister on the advice of the bureaucracy. Preferences on specific issues were coordinated across government agencies by the policy taskforce within the Department of the Prime Minister and Cabinet and then submitted to the prime minister, and often his cabinet, for approval. In short, Australia was not impartial. Yet this is not to say that Australia necessarily acted in a manner which contravened the existing expectations of G20 members about the chair's role—in other words, the norms of appropriate behaviour. For example, one of Australia's overarching interests, which had been established and supported by successive governments, was to ensure that the G20 remained an effective and legitimate forum because, as Australian officials conceded, there is no guarantee that Australia would be included in an alternative body if the G20 failed (Interview 17; see also Conley Tyler, Scott, and Dao forthcoming). Accordingly, Australia wanted the G20 to succeed, and this preference complemented the demand from members for the chair to address the institutional failures described above, such as establishing an efficient negotiation process. However, respondents also recognised that on some issues there was a natural 'tension between being chair and prosecuting our interests' (Interview 11). Further, when Australia did contravene the expectations of G20 members, it was quickly brought into line. For example, statements from the Australian Minister for Foreign Affairs suggesting that the Russian president, Vladimir Putin, should not be invited to the Brisbane summit met with a swift response from the BRICS foreign ministers, who issued a statement that 'noted with concern' the recent media reports. Australia was forced to clarify its position that invitations to the summits are a matter for the membership of the G20, not simply the chair (Callaghan 2014).

As chair, Australia had two principal forms of power resources. First, as scholars of chairs in IOs would expect, Australia was in a privileged position to collect information about party preferences. Australia used its position to continually collect information from individual members and then share these ideas with more and more members in search of a zone of possible agreement—in other words, it took the information it collected in bilateral meetings and shared this in an ever widening series of concentric circles (Interview 14). Of course, while all nations conduct bilateral meetings, the chair is in a unique

position because parties are more likely to share information about their negotiation red lines with the chair than with other parties. Australia used the information drawn from these trips to draft communiqués, for example, or joint ministerial statements, which were then shared with the troika. The troika was seen as 'a powerful tool to test the water' and to 'figure out who the opponents might be' to particular issues prior to a draft text being shared with the full membership of the G20 ahead of the multilateral nego- tiations (Interviews 15 and 16).

Further, consistent with what liberal scholars might expect, Australia also recognised that potential bargaining failures are not only the result of failures of the negotiation process, such as poor agenda management, but also stem from domestic political con- straints in member states. In line with studies on bureaucratic politics which show that the preferences of government agencies and bureaucratic coalitions will be an important influence on state behaviour internationally, Australia used its bilateral meetings to engage the wider bureaucracies in member states and not just the department or agency respon- sible for the G20 (Allison 1971; Druckman and Mahoney 1977; Krasner 1972). As one respondent described in relation to bilateral trips to some of the BRICS countries:

> One benefit of the trips was that when we went to some countries they made a whole-of-gov- ernment roundtable, which we addressed. So we were able to use the trip to force other countries' government agencies to talk to each other (Interview 12).

The information that Australia collected by virtue of its position as chair enabled it to broker agreements on issues that may have otherwise not been forthcoming. A case in point was the agreement on G20 'growth strategies'. Following a 'fact-finding mission' to other G20 members and IOs, including the OECD, the IMF and the World Bank, Aus- tralia decided to use its presidency to focus on what became known as 'growth strategies' (Interview 14). Working 'closely with the Canadians', who co-chaired the Framework Working Group, Australia, particularly the finance deputy, who leads negotiations on the finance track, urged G20 countries to suggest individual strategies in areas such as investment and infrastructure, which had been identified by the IMF and the World Bank, to boost economic growth (Interview 14). Despite strong resistance from European countries, especially Germany, which was 'extremely sceptical', Australia achieved its first aim in February 2014 when G20 finance ministers announced a 2 percent growth target (Crowe and Uren 2014). This target was then used by the chair to push G20 countries to identify structural reforms that would ultimately be incorporated into comprehensive growth strategies ahead of the G20 leaders' summit in November (Callaghan 2015; Sains- bury 2015).

Second, the chair also has the power to control the negotiation procedures. As this case suggests, the power of the chair to set negotiation procedures may be greater in an infor- mal IO like the G20, where the norms of appropriate behaviour are not yet embedded. Consistent with its preference to manage the agenda and run an effective negotiation process, Australia used its position to improve the day-to-day functioning and the internal governance structures of the G20. For example, after assuming the role of chair, Australia communicated specific steps it would take to improve G20 processes, including limiting the G20 leaders' communiqué to three pages, circulating briefing materials at least 10 days prior to negotiations, and chairing engaging and dynamic meetings (Interviews 11, 13 and 14). In addition, Australia also saw an opportunity to improve G20 governance

by improving the coordination between the sherpa track, which represents leaders, and the finance track, which represents finance ministers and central bank governors. This included hosting more joint meetings between the tracks (Interview 14).

On the one hand, this control provided Australia with a degree of influence to set the negotiation agenda and steer the outcome towards its preferences. As one official noted: 'The chair … can decide the order of the speakers and help to manage the conversation, for example, by lining up interventions and asking countries to speak on particular issues' (Interview 12). Or, as another explained: 'We arranged interventions so that if there was a negative comment that could be put first, for example, then a few positive speakers to shift the discussion' (Interview 15). However, as all of the respondents acknowledged, as chair 'you do not have as much control as you think' (Interview 12). For example, countries do not always deliver the intervention in the negotiation that the chair anticipates. Likewise, the chair's capacity to select working groups' chairs is often impeded by geopolitical dynamics beyond the control of the chair (Interview 13). And, importantly, as the negotiation literature shows, and respondents in this case confirmed, the power to influence the negotiation outcome declines as the negotiations move from bargaining over principles to bargaining over implementation agreements with tangible costs and benefits (Moravcsik 1993; Putnam 1988). For example, as discussed, Australia, led by the Treasurer, Joe Hockey, managed the unsuccessful effort to implement the IMF quota and governance reforms that were agreed to in 2010 by the G20 but were yet to be implemented in 2014.

Much like the existing scholarship would expect, Australia's influence as chair was mediated by the institutional environment, especially the decision-making rules. Although the G20 is an informal IO and 'nothing very much is set in stone' (Interview 16), there is an expectation that decisions will be made by consensus. With such demanding decision rules, there is less scope for the chair to intervene and influence outcomes in the same way as it could if agreement required a majority. The limits on the chair can play out via multiple pathways. For example, the chair's capacity to influence the outcome will be reduced when it encounters direct opposition from more powerful states, such as the USA or China. This is especially so when the country in the chair is a middle power like Australia, which has limited capacity to counter the direct opposition of the USA (Beeson 2011) or, for example, marginal players in the G20, such as Saudi Arabia, which can choose to block or even veto agreements that directly contravene their interests, such as the negotiations on fossil fuel subsidies, despite the best efforts of the chair to get the rest of the membership on board (Interview 12). This is not unique to the G20, and is one of the reasons why many international multilateral negotiations with consensus decision-making stall.

Further, the chair's influence is mediated by the type of chair, which in the case of the G20 is a rotating chair held by the state that hosts the negotiations. According to Tallberg (2010), a rotating chair will provide greater scope than an elected chair to influence negotiations because rotation will create a dynamic of reciprocity. However, the evidence suggests that the chair's autonomy was a function of the fact that the G20 is a new informal IO. As one respondent explained, with no treaty or secretariat, there 'is no real model of how to organise the G20' (Interview 14). As a result, the chair had more scope to structure and intervene in negotiations than could be expected in an IO where the rules and procedures for the chair are well established.

That said, as G20 chair, Australia had the power resources to influence the negotiations by virtue of its access to privileged information and control of the negotiation procedures, which G20 officials acknowledged they used in an attempt to affect the negotiation outcome. Yet it remains difficult to assess precisely what influence Australia had and how any influence was mediated by the institutional environment. Accordingly, it is instructive to consider a counterfactual example. Would G20 leaders have issued a stronger statement on climate change if Australia had not been chair? In the lead-up to the G20 summit in 2014, Australia's newly elected conservative prime minister, Tony Abbott, made it clear that he wanted to limit the G20's discussion on climate change by keeping the issue off the formal agenda of the leaders' meeting (Allard 2014; Massola 2014). However, Australia's influence was mediated, in part, by the consensus decision rules, meaning that any statement that Australia wanted on climate change had to be supported by the rest of the membership, which, as G20 officials made clear in the press, was not the case (Allard 2014). Australia's influence was also restricted because many of the members that opposed Australia were far more powerful, such as the USA. Speaking on the morning before the summit, President Obama gave a televised address at the University of Queensland in Brisbane expressly criticising the stance of the Australian government (Bourke 2014). In addition, the high domestic political salience of the issue in many of these countries meant that states such as France—which was due to hold the UN Framework Convention on Climate Change negotiations in Paris the following year—were more sensitive to attempts by the chair to influence negotiations away from their own preferred outcome. As G20 officials from Europe pointed out at the conclusion of the summit, they were forced to conduct 'trench warfare' to get 'most of the things' they wanted on climate change (Allard 2014). In short, Australia's capacity to influence the G20 outcome was limited, and the USA and Europe, among others, succeeded in 'pushing Australia much further than it wanted to go on climate change' (Kehoe 2014). In sum, it seems likely that had Australia not been chair, climate change would have been on the formal agenda and, at the very least, the G20 leaders' statement on climate change would have been stronger.

Conclusions

IOs are now well studied in international relations. The role of the chair in IOs and the role of informal IOs are not. In this article, we have attempted to redress these two black spots in the literature by shining a light not only on the role of the chair, but also on the role of the chair in arguably the most important informal IO of all: the G20. As an informal IO, the G20 is unique because it has no treaty or permanent secretariat. Yet it is now tasked with solving some of the most pressing problems facing the globe across multiple policy domains, from finance and trade to energy and climate change. The G20 is a critical case, yet we know very little about how it operates and how the chair manages the functions delegated to it by its members.

The analysis presented here is significant for theory and policy. First to theory, Australia's presidency of the G20 provides empirical support to much of the rational institutional expectations about the role of the chair in international multilateral negotiation. In the G20, there is strong demand for the chair to overcome the institutional failures identified in the literature, such as representative failure, by reaching out to non-member states and

non-state actors to consult on G20 decisions and legitimate those decisions with the outside world. Similarly, as the rational institutional perspective would predict, the G20 chair possesses two sources of power—privileged information and control of the negotiation process—that enable it to influence negotiation outcomes to some degree.

However, the G20 case also suggests that the rational institutional perspective overlooks key factors which impact the influence of the chair—factors that should be tested across multiple cases in formal and informal IOs. First, the existing theory overlooks the importance of domestic political factors pointed to by scholars in the liberal tradition of international relations, such as bureaucratic politics in member states and the domestic salience of an issue, both of which can restrict the capacity of the chair to steer negotiations towards a preferred outcome. Indeed, these factors may prove more restrictive to the chair than others identified in the literature, such as whether the chair is an elected chair or a rotating chair.

A second factor that is suggested by the G20 case is the extent to which the mandate of the chair is specified. Tallberg (2010) and others have argued that the influence of the chair will be mediated by the voting rules of the IO and the type of chair. It seems that the autonomy Australia had as chair and its capacity to intervene in the negotiations had just as much to do with these factors as it did with the fact that, in an informal IO like the G20, the norms of appropriate behaviour are not well established. Hence, there is good reason to expect that the influence of the chair will reflect not only the type of chair and voting rules, but also whether the IO is formal or informal.

Finally, future theorising needs to consider the relationship between the type of country in the chair and the influence of the chair. For instance, it could be the case that countries such as Canada and Australia, which have traditionally played a broker role in international relations and are generally regarded as trusted players by the major powers, will be more adept at playing a similar role as chair.

Turning to policy implications, there are also two main implications that we suggest should be adopted by future G20 chairs. First, in order to enhance its role as a broker and overcome negotiation failure, the G20 chair should establish parallel dialogues between G20 officials and non-government officials. The literature on negotiation practice demonstrates that various types of parallel dialogues which have been used in formal IOs, such as the UN and the WTO, have helped parties to build trust, share information and come to agreement (Martinez and Susskind 2000). While this was not tried by Australia, some effort was made to inform the negotiations with new ideas and to push countries to think outside their predefined national positions. For example, at the second sherpa meeting in March 2014, Australia invited academic experts from around the globe to discuss issues such as trade and energy (Interview 12). However, this should be taken much further, and the likely resistance that some states may have to such initiatives will be more easily overcome in an informal IO like the G20, where the power of the chair to set negotiation procedures is greater. A good starting point could be to reconsider how relevant engagement groups, such as the Think 20 (T20), which comprises think-tank representatives, inform the negotiation process.

Second, in order to improve the continuity between G20 chairs, the troika arrangements should be strengthened. The existing practice, in which each G20 chair starts afresh, means that the lessons learned by the previous chair are too often lost on the incoming chair. This is compounded by the fact that because the troika's responsibilities

are limited, the immediate past chair often redirects its bureaucratic resources away from the G20 after hosting the negotiations—resources that could be vital to enhancing the capacity of the chair. One way to address this would be for the immediate past chair and the incoming chair to have titles and responsibilities, such as the responsibility for chairing one of the negotiation tracks. This would force these states to devote greater resources to the process, and it would also help to improve the institutional capacity of future chairs, especially those from nations that do not have the experience of hosting global summits.

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Notes on contributors

Christian Downie is a Fellow at the Australian National University.

Larry Crump is Deputy Director of the APEC Study Centre at Griffith University.

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