G20 Hangzhou Summit

A Possible Turning Point for Global Governance

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Abstract: The 2016 G20 Summit in Hangzhou takes place within a tense global political context. The outcome of the UK Brexit referendum in June revealed the deep divide between the politics of competitive nationalism and the commitment to international cooperation. It also reflected the depth of public reaction to global economic integration and the absence of response to public anxieties about social well-being and environmental sustainability from the political middle in many countries. China's hosting of the G20 Summit presents an opportunity to turn a corner in global summitry by strengthening global leadership at this critical juncture, while China's ability to do so depends on the willingness of other G20 members to comprehensively address public anxieties. The UN 2030 Agenda and the *Paris Climate Agreement*, both reached in 2015, do provide political and

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policy answers to the public anxieties. The question is the effectiveness of the initiatives governments are taking to implement them, which could be framed together to achieve sustainability for all in the face of serious, demonstrable systemic risks. Many governments may resist this level of ambition and prefer to strike a lower profile as the world shifts its focus from goal setting in 2015 to goal implementation in 2016. Yet even with this less ambitious approach, there are ways that G20 countries can initiate processes that engage stakeholders in envisioning the future and developing alternative approaches and pathways to move their nations toward where they need to be by 2030 in terms of social, economic, and environmental sustainability. As people-centered and planet-centered agendas, the sustainable development goals (SDGs) set in the UN 2030 Agenda and the *Paris Climate Agreement* have the policy content necessary to provide hope and direction for anxious publics. Similarly, it is hopeful that G20 leaders can develop narratives and define commitments to address the economic insecurity of their people and in the meantime strengthen the G20's role in global governance.

Keywords: Group of Twenty (G20); global governance; sustainable development goals (SDGs); strategic leadership.

Introduction

The Brexit vote in the UK on June 24 seemed to confirm public concerns worldwide regarding the pace and scope of global economic integration and its social impact. Those who voted to leave the European Union (EU) already felt left out. Americans by a 4-to-1 margin felt that the UK's vote to leave the EU was "a sign of anger and dissatisfaction that can be seen in other countries, including the United States, according to a *USA TODAY*/Suffolk University poll published on July 4.¹ There is a growing sense that the speed of technological change, the scale of international migration, the disparities in income and wealth, the visibility of alternative lifestyles, and the growth of the world economy have created a backlash by a segment of the working middle-income citizens who feel that the global economic system does not work for them and that it is unfair. These concerns have

¹Susan Page and Fernanda Crescente, "USA TODAY Poll: Americans See Brexit Anger as Widespread," *USA Today*, June 30, 2016, <http://www.usatoday.com/story/news/politics/elections/2016/06/30/poll-americans-brexit-anger-widespread/86546786/>.

now grown in intensity to the point that they pose challenges for global leadership. People across the world are wondering whether deeper changes are needed in the way market economies function and relate to each other in the global economy and in the way the international system of institutions supports national economies in their efforts to produce social and environmental outcomes that meet peoples' expectations.

This new, highly charged global context poses both challenges and opportunities for the Group of Twenty (G20). The pressure is clearly on national leaders to provide answers to these public concerns, many of which have simultaneously deep domestic roots and far-flung global implications. And yet in these circumstances, there are also opportunities for G20 leaders to lead their nations on people-centered issues rather than complex policy questions and to take advantage of this transition year of 2016 when the world moves from goal setting on sustainable development and climate change in 2015 to goal implementation.

This article presents an ambitious vision for the future, highlighting the need for strategic leadership to achieve "sustainability for all" and the constructive and complementary role that the G20 could play if those leaders at the Hangzhou Summit are willing to commit to taking sustainability as seriously as their domestic agendas and make efforts, like in the past, toward the achievement of sustainability in developing countries.

The article first outlines a formulation for achieving "systemic sustainability" as a fully integrated vision of social, economic, environmental and especially political sustainability by conceptualizing it as the urgent need to address "systemic threats." The notion of systemic threats over the longer term ratchets up the urgency of acting now in order to evolve toward a more promising future. In that sense, it brings the future into the present that may open up some vistas, perspectives, and opportunities for policy innovations, which help ease current policy constraints rather than be limited by them.

The second part focuses on G20 summits as platforms for global governance and opportunities for global leadership yet to be fully realized. An important section is included in this part on aligning the 17 Sustainable Development Goals (SDGs) with social, economic, environmental, and political sustainability. One purpose of this section is to emphasize the integrated, inter-sectoral, and inter-disciplinary sweep of the SDGs to highlight the latent potential of synergies embedded in them and the

consequential need for whole-of-government approaches to achieve them. The second purpose is to respond to criticism that the SDGs are a mere “wish list” or “Christmas tree” with everyone’s favorite ornament on it, by making clear how simple it is to cluster the goals according to their social, economic, environmental, and political content in order to convey a simpler, clear structure and meanwhile to make more compelling the organic, holistic, systemic nature of their challenge to our societies and the international community.

The third part explains why governments, institutions, and even state leaders may resist the concept of “systemic sustainability” and be tempted to create a lower, less ambitious profile for implementing the 2030 Agenda for Sustainable Development (hereafter the “UN 2030 Agenda”) and the *Paris Climate Agreement*, even though this may create more vulnerability and risks in the longer term. Finally, the article proposes several ways to address the sources of such resistance to ambition.

Cultural Diversity and the G20’s Evolving Role in Global Governance

The global financial crisis of 2008 was a breaking point in economic trends, unleashing lasting impacts. The lower-income groups in all countries and even middle-income earners in advanced economies suffered severe economic upheaval from the crisis which continues to create dramatic social impacts on billions of people around the world. There are a series of new dynamics that are driving social and economic outcomes in the wake of the global financial crisis. The relationship between productivity change and economic growth seems to have both flattened and become less labor absorbing, dampening the recovery of job growth in many countries. Career trajectories for middle-income earners seem less certain, and public pensions less reliable. Property markets are not the reassuring bulwarks against market fluctuations they once were. Whereas financial regulatory reform has moved forward, there remains a question as to whether it has progressed rapidly enough to prevent yet another financial crisis. The increasing inequality of wealth and income in most countries and the influence of money in politics and policy-making have alienated voters and citizens. In the meantime, adverse environmental

impacts on biodiversity, the oceans, and the atmosphere raise the specter of planetary risks.²

We are now living in an era of systemic threats, which have made people lose confidence in markets, trust in leaders, and faith in institutions. Also, we live in a world of hurt for most people and on a planet at risk. These economic-financial, social-political, and environmental risks pose major challenges to private- and public-sector leaders at all levels, from villages to towns, cities, nations, regions, and to the world. The question is how to respond? What will be the drivers and types of actions required to manage systemic risks and avoid systemic collapse?

The world has to act promptly to avoid a systemic collapse in economic, socio-political and environmental arenas.

Systemic risks are characterized by their massive scale. While actions are required at all levels by all entities, the major economies of the world, often referred to as “systemically important countries” (SICs) and typically represented by the G20, will, with their size alone, be central to managing systemic threats. One of the important features of SICs is that they are civilizations with long histories, deep roots, and global reach. Africa, China, India, Japan, Latin America, Russia,

Europe, and North America are eight civilizational powers that project their identities and cultures onto the global stage, in addition to having economies of sufficient size to be recognized as global leaders. As a result, the global responses to systemic risks now necessarily involve the highly significant cultural diversity that characterizes these eight civilizational powers, and the cultural diversity of civilizational powers should be regarded as an asset for global governance. Thus the answer to the question of how the world will respond to systemic threats at the global level should start from understanding how cultural diversity of these major powers will play out in global governance.

Cultural diversity is unquestionably a major new dynamic in global governance, now that it is clear that the West is no longer the dominant force in global affairs. So far, the transition from a transatlantic-centered set

²Will Steffen *et al.*, “Planetary Boundaries: Guiding Human Development on a Changing Planet,” *Science*, Vol. 347, No. 6223 (2015).

of international institutions and global governance mechanisms to a multicultural foundation for them is not only incomplete, but their new cultural foundation has not yet received significant political attention. Consequently, the reservoir of new perspectives and insights which might be drawn upon for addressing global challenges has been largely ignored, not to mention that the sensitivities to cultural differences have been put aside while the world gropes for answers to new challenges from systemic threats.

Culture, defined as the unique way that people in different civilizations think, express themselves and reason about their condition and their prospects, is the key driving force in determining societal responses to major challenges. The issues of where we come from, who we are, and where we are going are both cultural and political questions. Humanity is uniquely endowed with the capacity to navigate complex force fields, determine its destiny, and envision its future. Capitalizing on the cultural diversity of civilizational powers, the international community — especially the G20 as a platform for mediating contradictory forces and charting a path toward systemic sustainability — can be an important asset and driver of transformational outcomes.

Biological evolution provides another source of ideas for governance. The noted biologist, Edward O. Wilson, has brought forward in his recent book the now widely accepted understanding of the origins of our species. Biological evolution derives from two contradictory tendencies, one sorted out by individual selection through the competition among individuals in the struggle for survival of the fittest, and the other by group selection among dominant groups, which turns out to be based on greater influence of cooperation within groups. In the competition among groups, those with greater tendencies to cooperate within their group prevail over groups that do not. As a result of these two selection processes over millennia, humanity has emerged as the unique embodiment of the tension between the individual and society, selfishness and altruism, and singular interests and societal well-being. Wilson concludes that this “internal conflict of conscience” is “a biological fact fundamental to understanding the human condition and necessary for the survival of the species.” He continues that

[T]he opposed selection pressures during the genetic evolution of prehumans... created a mind that is continuously and kaleidoscopically shifting in mood — variously proud, aggressive,

competitive, angry, vengeful, venal, treacherous, curious, adventurous, tribal, brave, humble, patriotic, empathetic and loving. All normal humans are both ignoble and noble, often in close alternation, and sometimes simultaneously.³

This “internal conflict of conscience” is the essence of the human character and the source of our creativity.

Social intelligence is both the capacity to grasp social relations and to be alert to their complexity and nuances, as well as the skill to mediate between the conflicting forces of selfishness and altruism, competitive and cooperative instincts, and individualism and communitarianism in setting a course and taking decisions. Governance, as the discernment of feasible social consensus, the ability to imagine alternative futures, to design pathways forward, and to mobilize societal forces toward execution, is the work of social intelligence. Everyone embodies “the internal conflict of conscience”, but not everyone has high social intelligence needed for good governance. Governance is not government. Instead, it is more about leadership, whereas government is about administration, law making and law enforcement, and providing public services. In an era of systemic threats, what is needed is more strategic leadership rather than more government. Strategic leadership and governance skills are special talents that depend on strong social intelligence, which is a rare gift.

If biological evolution has been generated by the opposing dynamics of individual and group selection, cultural evolution has been inspired by the interaction of the self with “the other.” For the West, the transition from traditional art to modern art was motivated in part by encounters with non-Western cultures which induced innovation in Western painting, sculpture, and architecture. The most famous example in this regard is Picasso’s encounter with the African mask which led to a break with the past and the development of new genre of cubism with the painting of *Les Femmes d’Alger* in 1907. But in the post-war era of Western modernism, the reverse dynamic occurred when traditional non-Western cultures experienced encounters with Western modern art and

³Edward O. Wilson, *The Meaning of Human Existence* (New York: W.W. Norton, 2014), Chapter 2.

modernism. From this experience, non-Western artists by and large did not simply imitate Western modernism but rather engaged in a process of selective borrowing which generated internal artistic transformation and cultural deepening more than emulation. This highly interactive process of selective borrowing and cultural deepening is a dynamic process of cultural creativity and transformation which results from cultural encounter with "difference." It is a powerful force and a key insight into global engagement. It highlights the positive energy generated by interaction with cultural diversity and its stimulus to new creative artistic and social energy.

Some have been concerned that the intrusion of globalization and Western modernism into non-Western societies would result in cultural homogenization. Fearful responses seek to retreat to the known and the safe ground of traditional understanding and expression by walling off "foreign" influences. However, the evidence from the experience of many non-Western cultures in recent years suggests that selective borrowing as a means of cultural deepening has been widely prevalent and prevailing. The world in fact has moved in the past two decades from one in which Western modernism was considered to be the dominant universal artistic high ground to a world of multi-modernism today in which intrinsic, internal cultural differences drive different variants and expressions of modernism. This highly imaginative and creative cultural dynamic of interactions defining new cultural thrusts relevant to contemporary societies sets out a proven process for other types of global engagement necessary for global leadership and governance. It also provides insights into why many emerging economies and developing countries have resisted "one size fits all" economic prescriptions and prefer instead "selective borrowing" from best practices of other countries. This form of cultural interaction provides a crucial insight into the dynamics of cultural encounter which can inform a governance approach to managing systemic threats; an approach that is open to eclecticism, to different configurations of strategies and to varied ways and policy mixes from other experiences.

The great divide in political economy today is between individualism on the one hand and communitarianism on the other. The politics of economics within most countries today manifests these two distinctive political orientations and philosophies. One emphasizes liberty, freedom, and

individual rights and the other the common good, collective well-being, and societal benefits. Globally, individualism is associated with the West and communitarianism with the East, specifically with Asia. For too long in economics, we have presented these two strands of thought, broadly speaking, as alternatives — countries either choose the path of free trade, free enterprise, and free markets, or the path of government-led economies in which policies predominate over market prices. There was a major debate in economics for almost twenty years, beginning in 1980, over the causes of dynamic growth and trade in Asia in contrast to lackluster performance in Latin America. The dichotomy still exists today in the domestic politics of most countries where conservatives and business elites prefer individualism and free markets, and American liberals with European social democrats and their counterparts in other regions prefer communitarianism and socially and environmentally balanced outcomes.

The mistake made in these debates is the presentation of individualism and communitarianism as being a dichotomous choice between alternative recipes rather than viewing alternatives as gradients of choice along a spectrum of possibilities from which different mixes can be chosen, as from a menu. The experiences of cultural evolution provide examples of how selective borrowing provides a means of pragmatic appropriation of practice and experience from other countries without attempting to copy their development paths. Economics is better when enhancing policy alternatives for countries rather than providing economic dogma or false dichotomous choices.

In this era of systemic threats, biological and cultural evolution provides us with important insights in how to generate human responses to systemic threats. We learn from evolutionary biology that there is a creative tension in all human beings between self-interested behaviors as the basis for competitive individual selection and community-oriented behaviors as the basis for group selection. This tension is mediated by our social intelligence. We learn from cultural evolution that selective borrowing leads to cultural deepening and inspires new modes of cultural expression which itself mediates again between individual interiority and identity and external exposure and engagement. We realize by reflecting on recent and current experiences in political debates on economic policies that blending individualist and communitarian elements is more effective than forcing dichotomous choices between them. This application of selectivity and

pragmatism to economic policy decisions reflects learning from the nature of human biological evolution and the dynamic of cultural exposure and evolution.

Hence, global governance as the work of social intelligence in providing strategic direction and mediating tensions between alternative approaches becomes crucial for addressing systemic threats and achieving sustainability in the new global context of cultural diversity. This rendering makes us aware that culture is the dynamic process by which societal responses to major global challenges are generated. Ignoring the generative qualities of cultural diversity is to miss out on the potential of inculcating broad societal responses to systemic risk and capturing new insights and configurations for new approaches to major challenges facing the world. Humanity can write its own script for the future, and indeed must take responsibility for doing so.

Given the determining importance of cultural diversity today, it should be clear that cultural differences shape distinctive institutional arrangements which in turn create different economic systems, defined as different blends of state and market elements. Cultural pluralism has created systemic economic pluralism. The G20 is a platform where different forms of capitalism meet. The cultural diversity among G20 countries means that global governance efforts are seeking to encourage pragmatic selectivity and careful incorporation of different combinations of elements from best practices to shape economic institutions and policies in ways that fit the historical, cultural and political context of the country itself.

Nowadays, the G20 is slowly moving from being a platform for global economic governance to a global leadership forum. The transition of the G20's role needs to draw on social intelligence as the ability to envision a future that resonates with the local context, politics and institutional arrangements, to mediate between contradictory force fields and even conflicting values, and to mobilize feasible coalitions of consensus for action and implementation. Global systemic threats touch the daily lives of ordinary people in fundamental ways because they feel economic insecurity,

Effective global governance calls for “selective borrowing” from alternative approaches of development instead of reinforcing of the East-West dichotomy.

fearing for the survival of their jobs, their homes and their pensions, social marginalization due to the inequality of wealth and power violating their sense of fairness, political disenfranchisement sensing a failure to be heard and environmental risks affecting water, air, oceans, biodiversity and the atmosphere, literally threatening the survival of the planet. In this light, the G20 has to display strategic leadership that involves providing people with a sense of direction and destiny that addresses their central concerns in their daily lives.

2016 Hangzhou Summit: Time to Strengthen G20's Global Leadership

Undoubtedly, the five G20 summits from 2008 to 2010 provided the needed collective response to the global financial crisis. Yet since the Seoul G20 Summit in November 2010, there has been a growing concern that the G20 has failed to become a global leadership forum on major issues, but rather a "talk shop" among major powers that has revealed more about their differences than their points of agreement. With the European debt crisis in 2011 and gradual economic recovery elsewhere by 2012, G20 summits receded in importance and retreated to the economic policy jargon of the G20 finance ministers group on which the G20 leaders summits are based. Despite this apparent weakening in G20 summits, G20 leaders have begun to deal with security issues since 2013. This inclusion of security issues into G20 summits has inched toward transforming them from economic summitry to global leadership forums. However, more actions have yet to be taken to connect G20 leaders with their public and people-centered issues rather than going over the heads of ordinary people to communicate with markets, the financial sector and business elites, as has been the dominant pattern.

The G20 Hangzhou Summit in September 2016 comes at a moment when there are indeed serious concerns about the global economy itself (not just the impact of regional vulnerabilities on it) and about environmental sustainability of the world. Thus it could be a turning point for G20 summitry itself, by providing leaders of G20 nations an opportunity to play a leadership role in the implementation of the people-centered SDGs embodied in the UN 2030 Agenda along with the planet-centered agenda in the *Paris Climate Agreement*. Agreements on scaling up investment in

infrastructure, which are not only central to implementing the UN 2030 Agenda and the *Paris Climate Agreement*, but also for stimulating economic growth in the short term, should be possible. This focus would create synergies among the three prongs of G20 priorities and also provide G20 leaders an opportunity to assume global leadership which envisions a future that lifts the hopes of people toward a more sustainable, secure, and socially balanced future.

What is new at this moment is the fact that the SDGs are universal goals for all countries, including advanced and emerging economies. The SDGs are different from the two sets of goals which preceded them, namely the Millennium Development Goals (MDGs), agreed to by all UN member countries in Monterrey in 2002, and the International Development Goals (IDGs) agreed to by OECD member countries in 1996. The MDGs and IDGs were goals set for developing countries and were drawn from a series of UN Summits that immediately preceded them. The universality of this round of global goals and the new global thrust to deal with climate change are essential. The SDGs are numerous because systemic threats are manifold, multilayered and interlinked. The 17 SDGs can be grouped in clusters which align with the broad public sense of systemic threats to economic, social, political and environmental sustainability and communicate clearly and simply a mobilizing vision for sustainability by 2030 (see Table 1). The naysayers who criticize the goals for being too many and too diffuse have not yet understood clearly their fundamental meaning.

Several conclusions can be derived from this “alignment.” One is that the 17 SDGs boil down to five distinct, clear dimensions of the central

Table 1. Alignment of the SDGs with Achieving Sustainability for All.

Cluster of SDGs (#)	Type of Sustainability
Poverty (1), Food security and nutrition (2), Health (3), Education (4), Gender Equality (5), Access to Water and Sanitation (6), Energy (7), Decent work (8), Access, fairness and equality (10)	Social Sustainability
Employment (8), Innovation and infrastructure (9), esp. cities (11), Inclusive, sustainable growth (12)	Economic Sustainability
Climate change (13), Oceans (14), Marine resources (14), Forests, deserts, land and biodiversity (15)	Environmental Sustainability
Effective, accountable and inclusive institutions (16)	Political Sustainability
Global partnership (17)	Global Sustainability

Source: Compiled by the author. The SDG goal number is in parentheses.

priority of achieving sustainability. Therefore, it is not true that 17 priorities mean that there are no priorities; on the contrary, the details in the 17 SDGs actually support and substantiate that sustainability has meaning on the ground in the details of societal life. Another conclusion is, by the fact that the SDGs align logically with sustainability, the linkage of the SDGs with systemic threats to survival becomes clear. Sustainability is a higher order of priority than the title “sustainable development” goals might otherwise imply. By making clear that sustainability is the primordial issue underlying the SDGs, sustainability has been given specific meaning and actionable programmatic content and the SDGs have been elevated from development policy to high policy. These seem to be sufficiently important conclusions to merit changing the public discourse around the “sustainable development agenda” to become more reflective of the fact that today’s sustainability agenda is different from the one 25 years ago, because it addresses directly the survival threats of our times.

Strategic leadership is impossible without clear understanding about the strategic, survival interests of the public and without specific goals defining numerically how transformative trends must diverge from current trends to achieve them. In a relatively simple format above, there is a consistent alignment between the 17 SDGs grouped into five clusters for identifying pathways toward economic, social, political, environmental, and systemic sustainability. The SDGs are an answer to systemic threats and a means of addressing them in concrete terms. Social intelligence of leaders and effective institutional arrangements are the crucial elements of governance needed to launch the UN 2030 Agenda and continuously orchestrate oversight and implementation of them in the years ahead. In this light, the G20 should play a vital role in guaranteeing systemic transformation to achieve systemic sustainability.

The G20 has already established itself since 2008 as a steering committee for the global system of international institutions. Due to their ability to decide outcomes across the spectrum of global challenges, G20 countries assume a role in support of the efforts by other countries to achieve sustainability. Neither the climate change nor the social, economic and environmental sustainability objectives in the UN 2030 Agenda can be achieved unless the G20 countries are involved in the domestic implementation of SDGs and the *Paris Climate Agreement*. Efforts by the 173 non-G20 countries that make up roughly 20 percent of world trade, GDP and population to

implement these two global consensuses would be an uphill climb, at best, and more likely, a futile quest without commitments and real actions by G20 countries to achieve sustainability domestically by 2030.

After their bilateral meeting in Washington on September 25, 2015, U.S. President Barack Obama and Chinese President Xi Jinping issued a joint statement, detailing broad agreement on international economic issues and modes of cooperation within the existing system of international institutions, defusing earlier tensions. According to the statement, "the United States supports China's presidency of the G20 in 2016. . . and the two sides support the G20's important role. . . and are committed to working closely with other G20 members. . . to implement the 2030 Agenda for Sustainable Development."⁴ Among the other G20 members who might find support for implementing the UN 2030 Agenda as echoing their own domestic priorities are the eight new G20 leaders who have assumed office in the last two years, namely Matteo Renzi in Italy, Narendra Modi in India, Joko Widodo in Indonesia, European Commission (EC) president Jean Claude Juncker, Saudi Arabian King Salman, Malcolm Turnbull in Australia, Justin Trudeau in Canada, and Mauricio Marci in Argentina. All these leaders have strong political reasons to provide domestic leadership for their own people in addressing economic, financial, social, political, and environmental systemic threats in an integrated way, as articulated in the three components of the UN 2030 Agenda. This is the first time since the G20 began to meet at leaders' level that such a large cohort of new leaders have emerged in such a short time frame. This shift provides new momentum that could strengthen the G20 as a forum for global leadership under China's presidency in 2016.

Gathering the largest cohort of new national leaders, the Hangzhou Summit brings new hopes for revitalizing the G20's global leadership.

⁴Office of the Press Secretary, "FACT SHEET: U.S.-China Economic Relations," White House, September 25, 2015, <https://www.whitehouse.gov/the-press-office/2015/09/25/fact-sheet-us-china-economic-relations>; and Ministry of Foreign Affairs of the Peoples' Republic of China, "Outcome List of President Xi Jinping's State Visit to the United States," September 26, 2015, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1300771.shtml.

A promising constellation of forces could converge in 2016 based on China's initiative, the U.S.'s and German support, new energy from the eight new G20 leaders and others to transform G20 summits from technical, jargon-driven economic meetings into a forum showing global leadership, in which people-centered issues from the UN 2030 Agenda provide a strategic vision for the future that links leaders with the hurt and hopes of their people. This eventuality could provide a critical transition for the G20 to become more than an economic forum and a political platform to fill what many perceive to be a leadership vacuum in the world. And implementing the SDGs could be a major opportunity for the G20 to take the lead in addressing systemic threats which constitute real and present dangers for both the planet and its people, assuring that the SDGs are universal and raising the probability that meaningful changes might occur.

What is needed now is the full engagement of G20 members in the implementation of the UN 2030 Agenda in their own countries, setting an example for the rest of the world, managing their spillover impacts, and steering the international institutions. G20 leaders actively engaging each other and their populations in designing implementation plans for the UN 2030 Agenda would universalize it, making clear that this is not the old North-South development cooperation agenda of the 20th century, but rather a transformative process to achieve global systemic sustainability in the 21st century. In other words, the Hangzhou summit provides a prime opportunity to have leaders lead on the people-centered issues to achieve sustainability involved in implementing the UN 2030 Agenda, thereby demonstrating global leadership connecting with their public. Needless to say, China should seize the moment and employ its G20 presidency to support the implementation of the SDGs, the UN 2030 agenda, and the *Paris Climate Agreement*.

The G20's Ways Forward

Conceiving of the UN 2030 Agenda and the *Paris Climate Agreement* together as an ambitious agenda addressing systemic threats that inexorably lead to the need for integrated strategies, whole-of-government approaches, mobilization of entire societies, and marshaling massive resources for infrastructure investment to achieve systemic sustainability may appear to some governments, institutions, and leaders as overreaching the limits of

the possible. A reasonable case can be made that more modest steps and lower ambitions are more feasible and hence less vulnerable to criticism for failure to implement. One could argue that it is better to tone down the rhetoric, because the world could get further than it would by having high ambitions which inevitably would run into realistic limitations of resources and policy constraints. In addition, the argument could easily be made that governments naturally behave in silos, with each ministry or agency or department responsible for its individual piece of the puzzle, and that efforts to create coordinated holistic, whole-of-government approaches are doomed to failure since, in the end, the whole is only the sum of the parts, and moving specifics is more feasible than moving the whole as a whole. Even if one fully accepts this line of reasoning, it is of great significance for G20 leaders and governments to commit to domestic actions to push the implementation of the UN 2030 Agenda and the *Paris Climate Agreement* without overreach.

In the first place, there are indeed serious systemic threats which are now undeniable and actually demand something more than business-as-usual and specific, piece-by-piece, and goal-by-goal approaches. Climate change is the clearest, while not the only example, of an issue for which the evidence is now clear. Political events and trends in the United States and Europe reveal systemic threats to democracy. There is evidence that the relationship of productivity change to growth has shifted in ways that are more labor-displacing than labor-absorbing. Growth in real incomes is too slow in relation to workers' expectations. Social support systems for the poor and vulnerable are inadequate in most societies. Whereas growth in some economies is more robust, there is a broad sense of economic uncertainty and insecurity affecting consumers, investors, workers, and ordinary people in most countries. The key political element here is that it is in the interests of G20 leaders with respect to their own public to address these fundamental concerns in a proactive way which is both realistic and hopeful.

Second, from the IDGs in the 1990s and the MDGs in the 2000s, we learned that there are positive sum yields which accrue from simultaneous and related actions on, for example, health, gender, education, water and sanitation, the environment, and poverty, that exceed separately conceived and executed actions in each sectoral silo. This accrual of higher yield outcomes from exploiting synergies is a proven result that can only be realized by consciously focusing on the linkages, externalities, and

synergies that generate them. Market forces alone will neither locate nor exploit these latent linkages. Governments do not have to be the only intelligent instrument of human agency that identifies these high yield relationships; governments can facilitate that work by societal actors, including private sector market-based entities.

Third, there are groups forming that have focused on systemic threats and are raising public awareness of the need for more ambitious actions to manage them. One that has surfaced in the United States recently is “The Next System Project,” which has been launched by Gar Alperovitz and Gus Speth, supported by Herman Daly, Christopher Jencks, Bill McKibben, Robert Reich, and Jeff Sachs, among others. They argue that

[I]t is time for Americans to think boldly about what is required to deal with the systemic difficulties facing the United States. It is time to explore genuine alternatives and new models — ‘the next system.’ And also it is time to debate what it will take to move our country to a very different place, one where outcomes that are truly sustainable, equitable, and democratic are commonplace.⁵

The emergence of this group and others illustrate that for some, the more careful, cautious, practical, and feasible approach is not enough and will not generate the transformational change that is needed. Groups like this

G20 countries should adopt a low-key, incremental approach to foster the necessary policy environment for long-term systemic reform.

translate a conceptual argument into a political case to “explore genuine alternatives and new models” and to move to a higher plane of thought, consciousness, and awareness that anticipates alternative futures, in order to create the one chosen by societies — not the one imposed on them — by the current policies, practices, and pathways. The debate they open up could be a healthy one in which there is both a greater appreciation of practical constraints and a greater awareness of more innovative approaches.

⁵See New York Review of Books, May 12, 2016, p. 9, www.thenextsystem.org.

Fourth, as Dirk Messner and Silke Weinlich point out in their new book, “the complexity and time scale of current individual, as well as societal, challenges severely challenges the human ability for cooperative and proactive problem solving” and that there is a need to consider “how the decision environments can be changed in order to take advantage of and increase the chances for sustainable cooperative decisions.”⁶ At this moment, in the transition from vertical specialization of the 20th century to horizontal, integrated dynamics and decisions of our times, it is not clear that conventional wisdom, current practices and business-as-usual approaches are going to be sufficient for the complexity, the scale, the newness, and the inter-relatedness of the challenges that humanity faces.

Finally, even if one accepts the need to be careful and to hew to the feasible as a decision-making criteria rather than risk the dangers of utopianism, there are still ways to move forward ambitiously with the UN 2030 Agenda and the *Paris Climate Agreement*. One action that could be taken by G20 leaders would be to enlist the active involvement of think tanks and academic experts within their countries in the analysis of forward-looking trajectories in each society which address potential systemic risks and identify possible turning points and potential catastrophic outcomes. Analytical work, strategic thinking and holistic approaches are more congenial to these knowledge-generating institutions than to governments. There would be no necessary governmental association with these initial forward-looking trajectories which are generated by independent analysts. This effort could be at arms’ length, in which governments play a catalytic role but not yet a leadership role. However, experts should work closely with government statistical agencies in helping to generate the data necessary for developing illustrative pathways forward, for tracking trends and reporting on progress toward specific goals and indicators for the UN 2030 Agenda and the *Paris Climate Agreement*. These would be the ways for think tanks and research centers to reduce the burden and visibility of governments in the initial phases of implementing these agendas without implicating them directly in the results.

⁶Dirk Messner and Silke Weinlich, eds., *Global Cooperation and the Human Factor in International Relations* (London: Routledge, 2016), p. xvi.

As such work progresses, governments could in varying degrees adopt scenarios and trajectories which are congenial to their political preferences and profile, taking a national leadership role that is tailored to the priorities, profiles, and politics of the government itself. This step-by-step process would avoid the resistance governments might well feel about being strapped into what they perceive to be a rigid agenda of, for example, the 17 SDGs. In fact, the UN 2030 Agenda and the *Paris Climate Agreement* are flexible frameworks which are open to national interpretation and adaptation before adoption, a quality which does indeed entail keeping sovereign governments in the driver's seat of articulating national visions for the future, alternative pathways for getting there, and alternative modes of implementation.

There is no reason why even an ambitious, transformative agenda has to be articulated as such, with its implied criticism of the status quo, which may be unacceptable to some governments. It is the art of politics to figure out how to lead societies from where they are today to where they need to be in the future without necessarily sounding alarm bells that their world is about to go over the cliff. As a matter of fact, the opposite could be true, especially given the fact that monetary, fiscal, and exchange rate policies have run out of policy space in many G20 countries. Lifting the sights of societies toward the long-term future and working back to the present may actually reveal more options and more initiatives that can be taken in relation to realizing hopes for the future than realistically getting immediate significant results at present.

For the Hangzhou Summit, G20 leaders and their closest advisers should be able to forge language which commits G20 governments to domestic actions for implementing the UN Agenda 2030, consistent with and in coordination with the voluntary climate actions suggested in the *Paris Climate Agreement*, as a way to lift the gaze of G20 societies toward the world in 2030 and involve the relevant actors in innovative actions in the short term that can lead to better outcomes in the longer run. Specific approaches need to be developed so that the global agendas move forward in ways consistent with domestic priorities, without appearing to strap governments into a strait jacket and without giving the impression that the government is in any way sacrificing its sovereignty by adhering to an

international agenda not of its own making. As a first step, G20 leaders should develop a whole set of narratives that provide the guidance for the future and allow individual country ownership of initiatives, innovations, adaptations, new ideas and social processes in addressing the critical people-centered and planet-centered problems facing the world today.