

Raising compliance with G20 commitments

Two evidence-based instruments

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The G20 Research Group is a global network of scholars, students and professionals in the academic, research, business, non-governmental and other communities who follow the work of the G20 leaders, finance ministers and central bank governors, and other G20 institutions. It is directed from Trinity College and the Munk School of Global Affairs and Public Policy at the University of Toronto.

ABSTRACT

G20 leaders can enhance compliance with their collective G20 summit commitments through the informed use of two instruments over which they have direct control. By hosting same-subject ministerial meetings and using highly binding language in their commitments, G20 leaders may increase the probability of those commitments being realized. These instruments have significant effects on G20 compliance even when gross domestic product (GDP), GDP per capita, change in GDP per capita, and year effects are controlled for.

INTRODUCTION

A major criticism of G20 summit governance is the failure of members to comply with the summit commitments that their leaders collectively make, possibly compromising the effectiveness of the institution.¹ It is thus important to know the degree to which members comply with their commitments and, above all, how such compliance can be improved to better address the issues that the G20 seeks to resolve.² This study attempts to answer this question using the latest data assembled by the G20 Research Group.

It finds that G20 members generally comply with their summit commitments. Furthermore, seven instruments appear to have significant effects on compliance rates. These instruments are: the number of total commitments produced at the summit, the number of official documents released at the summit, the inclusion of a specific date in the commitment, the hosting of a same-subject ministerial meeting, the binding level of the commitment, mention of developing countries in the commitment, and the number of commitments on the same subject produced at the summit.

Of these instruments, the hosting of a same-subject ministerial meeting and the binding level of the commitment have the most plausible causal relationship with compliance. Same-subject ministerial meetings – that is, meetings of G20 ministers on a specific subject relevant to a commitment (e.g. macroeconomic policy) – may enhance information sharing and policy coordination, while using more binding language in commitments could foster a shared sense of urgency for collective and coordinated actions.³ Thus, by hosting same-subject ministerial meetings and using highly binding language, the G20 may be able to increase compliance.

METHODOLOGY

For each G20 summit, the G20 Research Group, led by teams from the University of Toronto and the Russian Academy of National Economy and Public Administration (RANEPA), identify the official summit documents issued by the G20 leaders and extract the passages that contain commitments.⁴ Within these documents, the passages that constitute commitments are

extracted. Commitments are defined as discrete, specific, politically binding, publicly expressed, and collectively agreed to statements of intent; they are promises by summit members to undertake future action to move toward, meet, or adjust to reach a welfare target. They must also be measurable.

»G20 members generally comply with their summit commitments.«

The team then selects a subset of priority commitments that best represent the central priorities and overall achievements of the summit including those from both its built-in and innovative agendas. They code the commitments for the presence of particular compliance catalysts or constraints – elements thought by summit analysts and practitioners to raise or lower compliance.

Compliance for each commitment is then measured on a three-point scale, where each member is awarded +1 for full compliance, 0 for a work in progress, or -1 for non-compliance. Analysts assess each member's compliance with the priority commitments according to a standardized method outlined in the compliance coding manual.⁵

Since 2008, the G20 Research Group and RANEPA have produced compliance

reports on the progress made by each G20 member in meeting the priority commitments made at each summit. They have also published an interim compliance report, timed to assess progress at the half-way point between summits.

The data analyzed in this study came from 5,407 individual G20 member assessments of compliance with 277 commitments made at summits from 2008 to 2018. The effects of eight instrumental variables on these compliance scores were assessed using a polynomial regression model, controlling for possibly confounding effects of GDP and year.

RESULTS

Commitments

The 14 summits that have taken place between November 2008 in Washington, DC, and June 2019 in Osaka, Japan, have produced a total of 2,725 commitments. These commitments cover a broad range of subjects including macroeconomic policy with 476 commitments; financial regulation with 350; trade with 175; energy with 157; labor and employment with 153; financial institutional reform with 144; crime and corruption with 128; food and agriculture with 123; technology with 94; and climate change with 91. Over time, the number of commitments made at each summit has generally risen, with a peak of 529 commitments made at the Hamburg Summit in July 2017.

Compliance

Members' compliance with their leaders' priority commitments has generally risen over time. Overall, average compliance is 71%. The highest compliance was 79% at Buenos Aires in November 2018. By sub-

ject, compliance is highest for commitments on macroeconomic policy at 80%, followed by financial regulation at 77%, energy at 73%, climate change at 69%, development at 67%, and trade at 67%. By member, compliance is highest for the European Union and United Kingdom at 85%, followed by Germany at 84%, Canada at 84%, Australia at 83%, Korea at 75%, Japan and the United States at 74%, China at 71%, Brazil at 69%, Italy at 68%, Mexico and Russia at 65%, South Africa at 62%, Argentina and Indonesia at 60%, Turkey at 57%, and, lastly, Saudi Arabia at 56%.

Variables affecting compliance

The study assessed the effects of eight instruments: the number of total commitments produced at the summit, the number of official documents released at the summit, the inclusion of a specific date in the commitment, the hosting of a same-subject ministerial meeting, the binding level of the commitment, mention of developing countries in the commitment, the number of commitments in the same subject produced at the summit, and the number of words in official documents. When controlling for these variables and the effects of GDP and year, the number of words in official documents released at summits had no significant effect on compliance. The seven remaining significant instruments are discussed below.

Number of total commitments

The relationship between the total number of commitments produced at a given summit and a G20 member's compliance with any specific commitment from that summit is convex (Figure 1). On average and holding all other variables constant, as

Figure 1: Effect of total number of commitments on G20 compliance

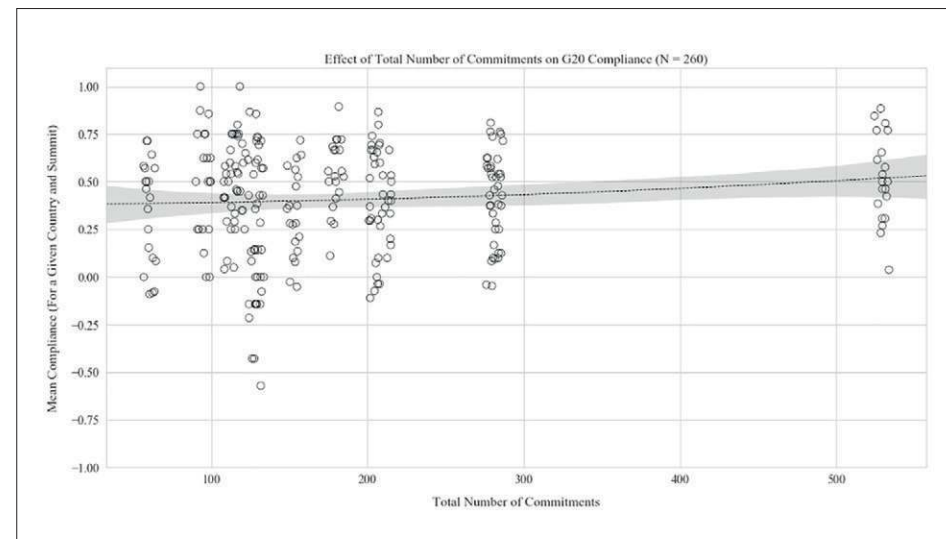
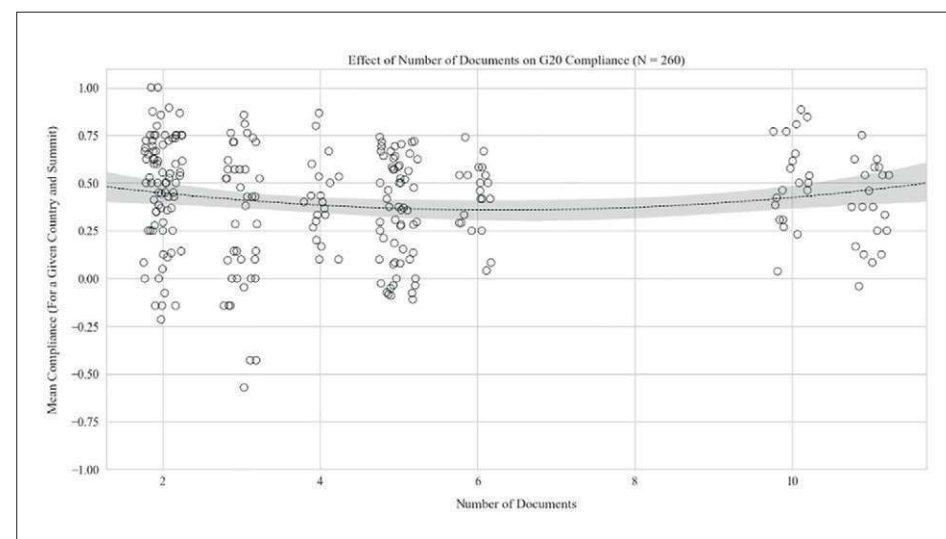


Figure 2: Effect of number of documents on G20 compliance



the number of overall commitments made increases, compliance decreases until it reaches a minimum at 236 commitments, and then increases. This is significant at the 5% level ($p = 0.014$).

For the first 236 commitments, on average and holding all other variables constant, each additional 10 commitments decrease G20 compliance by 0.95%. This slope decreases by 0.002% per additional 10 commitments until compliance is minimized at 236 commitments. After this point, each additional 10 commitments increase G20 compliance by 0.95% with an increasing slope of 0.002% per 10 commitments.

Number of documents

The relationship between the total number of official documents produced at a given summit and a G20 member’s compliance for any specific commitment from that summit is convex (Figure 2). On average and holding all other variables constant, as the number of official documents produced increases, compliance decreases until a minimum at six documents, and then increases. This is significant at the 5% level ($p = 0.012$).

For the first six documents produced, on average and holding all other variables constant, each additional document de-

creases G20 compliance by 5.15%. This slope decreases by 0.4% per additional document until compliance is minimized at six documents. After this point, each additional document increases G20 compliance by 5.15% with an increasing slope of 0.4% per document.

Specific date

Compliance was significantly lower for commitments that contained a specific date (Figure 3). On average and holding all other variables constant, commitments with a specific date had 15.12% lower compliance that those without a specific

date. This is significant at the 1% level ($p = 0.000$).

Same-subject ministerial meeting

Compliance was significantly higher for commitments on the same subject as a ministerial meeting (Figure 4). On average and holding all other variables constant, commitments on the same subject as such a ministerial meeting had 4.4% higher compliance than those without. This is significant at the 1% level ($p = 0.000$).

Binding level

Each commitment was categorized by

Figure 3: Effect of specific date on G20 compliance

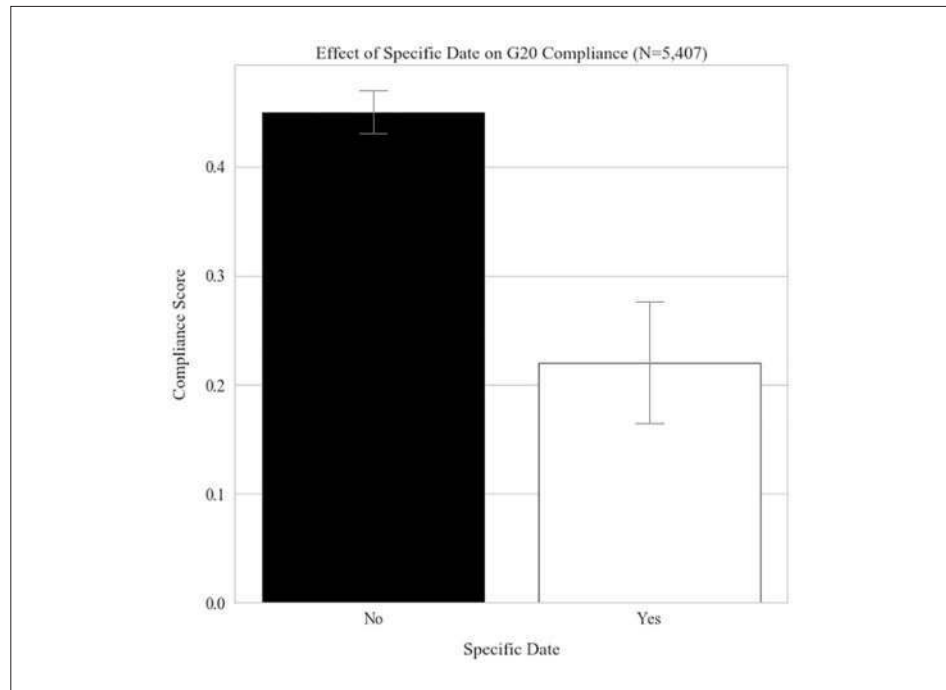


Figure 4: Effect of same-subject ministerial meeting on G20 compliance

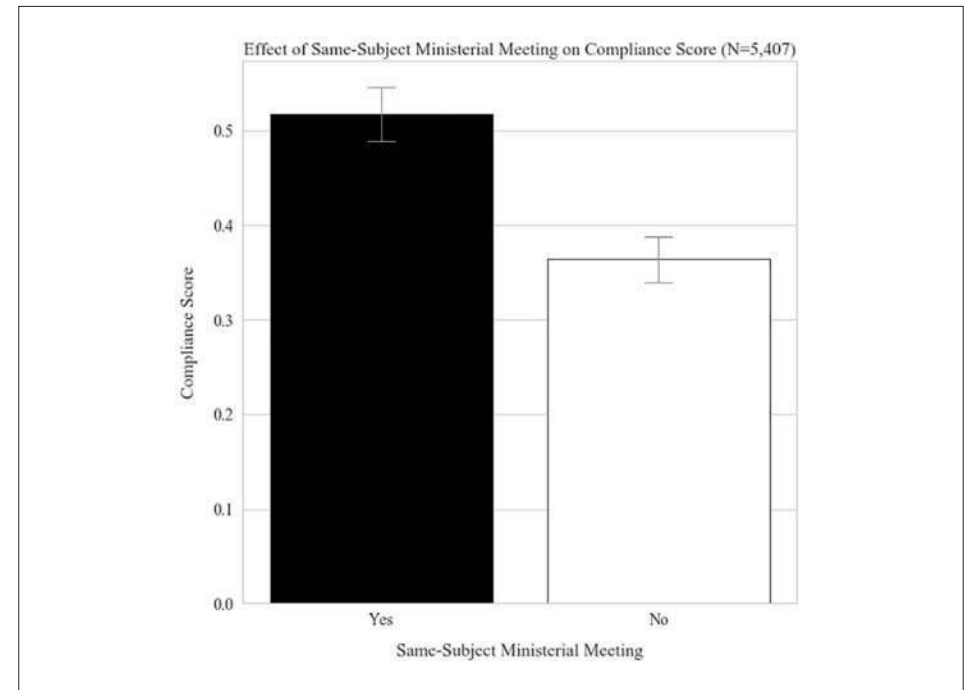


Figure 5: Effect of binding level on G20 compliance

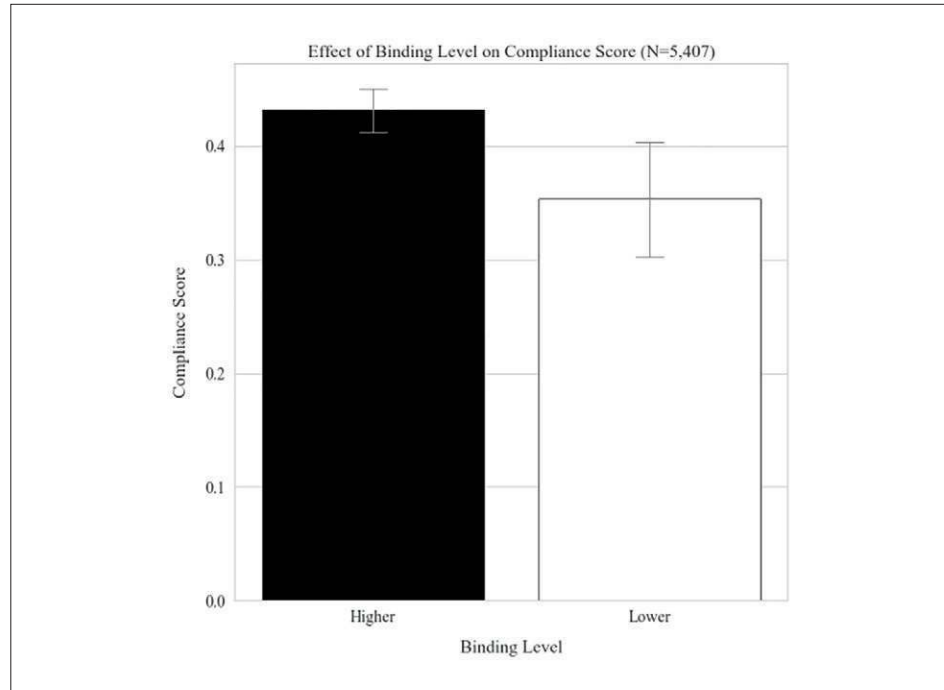
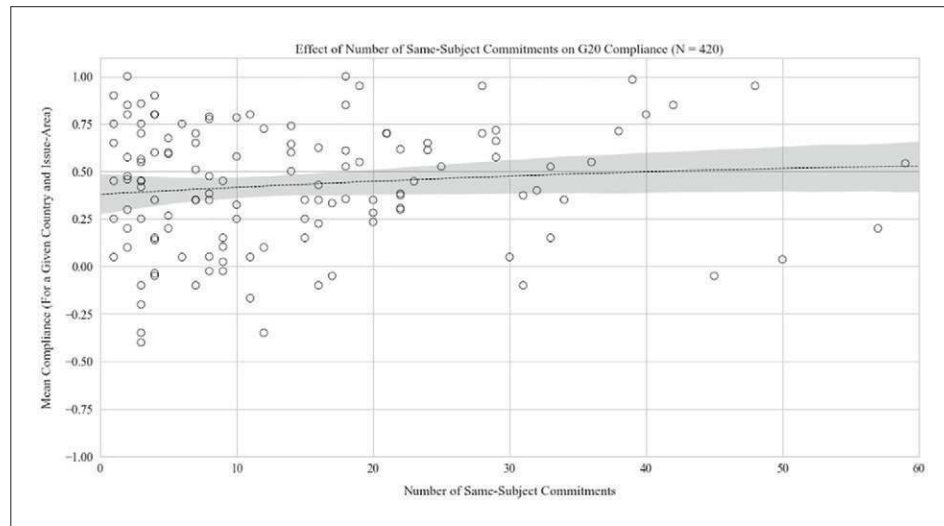


Figure 6: Effect of same-subject commitments on G20 compliance



whether it used words that indicated a higher or a lower degree of binding, as defined in the Compliance Coding Manual.⁶ For example, the words “promise,” “are determined to,” and “pledge” indicate a high degree of binding, while “support,” “should,” and “urge” indicate a low degree of binding.

Compliance was significantly higher for commitments that contained words indicating a higher binding level (Figure 5). On average and holding all other variables constant, commitments with a higher binding level had 12.33% higher compliance than those that contained words indicating a lower binding level. This is significant at the 1% level ($p = 0.000$).

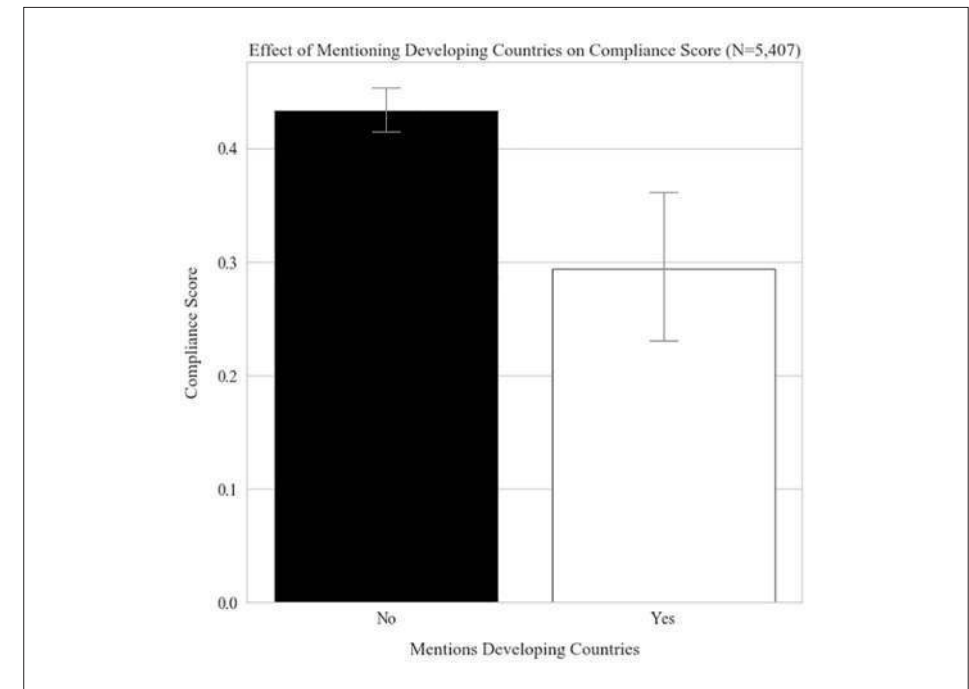
Mention of developing countries

Compliance was significantly higher for commitments that did not mention developing countries (Figure 6). On average and holding all other variables constant, commitments that did not mention developing countries had 9.53% higher compliance than those that mentioned developing countries. This is significant at the 1% level ($p = 0.000$).

Number of same-subject commitments

The relationship between the number of same-subject commitments produced at a given summit and G20 member compliance for any specific commitment from that

Figure 7: Effect of mention of developing countries on G20 compliance



summit is positive (Figure 7). On average and holding all other variables constant, as the total number of same-subject commitments increases, compliance increases. This is significant at the 1% level ($p = 0.002$).

On average and holding all other variables constant, each additional 10 same-subject commitments increase G20 compliance by 2.6%.

DISCUSSION

Of the seven instruments found to significantly affect compliance, the hosting of a same-subject ministerial meeting and the binding level of the commitment text have the most plausible potential for a causal relationship with compliance. Specifically, meetings of G20 ministers on a specific subject relevant to a commitment may enhance information sharing and policy coordination, and using more binding language in commitments could foster a shared sense of urgency for collective and coordinated actions.⁷ Caution should be taken, however, in concluding that the effects found in this study are definitely causal.

The remaining instruments have a substantially more dubious relationship with compliance, making it difficult to determine any causal connection. For example, the number of commitments made at a summit might be the result of uniquely synergistic collaboration among the leaders that produces both high compliance and a high number of commitments.

Further, some instruments might have an effect on compliance but might not be desirable for leaders to change. For instance, including a specific date is associated with lower compliance as it makes compliance more difficult, yet G20 leaders

may nonetheless wish to include specific deadlines in their commitments.

The low percentage of variance ex-

»It is recommended that G20 leaders host same-subject ministerial meetings.«

plained by the variables included in this study (approximately 7%) should also be noted. This value may indicate that compliance is determined mostly by factors outside the control of the G20 and actions of leaders are, to a large degree, independent of commitments made at G20 summits.

Finally, there are potential issues with the categorical coding mechanism used by the G20 Research Group. The categorical codes used may not correspond to the continuous values they were given in this study. For example, a score of 0 indicates partial compliance, which was treated as 50% compliance in the study, but the true degree of compliance could be much higher. This could make the effect of the variables examined on compliance in terms of percentages very different, and possibly higher.

RECOMMENDATIONS

Despite potential confounds and the seemingly low explanatory power of the model, there nonetheless remains evidence to suggest that the two instruments with the highest potential for a causal mechanism for compliance also are significantly correlated with compliance. These are, as previously mentioned, the hosting of a same-subject ministerial summit and the binding level of the commitment text. Although the benefits of these two instruments may seem obvious, the analysis in this study now offers empirical evidence to confirm

that these two strategies have an effect on G20 compliance, even when economic factors and the effects of other instruments are controlled for. Specifically, on average, compliance is 4.4% higher when a same-subject ministerial meeting is held and 12.33% higher when a higher level of binding language is used.

It is thus recommended that G20 leaders host same-subject ministerial meetings and use strong language for high-priority commitments to enhance compliance and implementation of their collective G20 summit commitments.

¹ Kokotsis, 194.

² Kirton and Larionova, 3-4.

³ Slaughter, 37; Larionova, Rakhmangulov, and Shelepov, 211.

⁴ Kirton and Larionova, 264.

⁵ Global Governance Program, 23.

⁶ Global Governance Program, 5-6.

⁷ Slaughter, 37; Larionova, Rakhmangulov, and Shelepov, 211.

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Kokotsis, E. "G20 and BRICS: Enhancing Delivery Legitimacy." *International Organisations Research Journal* 12, no. 2 (2017): 195-207.

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