

Compared to other international organisations, the G20 would seem to be one of the weakest.

It has no formal mandate like the United Nations. It has no permanent staff or buildings like the World Bank. It certainly has no funds like the International Monetary Fund. It has no power to make formal rules that members must follow, nor to take action against states that fail to comply, like the World Trade Organisation.

So how does the G20 get anything done?

What has made it [influential in tackling problems](#) like the global financial crisis? Why is it tasked with addressing some of the most pressing global problems, such as climate change?

A big part of the answer is the sheer power of its members. But also vital is the G20's informal structure, which provides members with significant flexibility, and its close working relationship with other international organisations that also have a seat at the G20 table.

Economic muscle

The members of G20 pack enormous punch.

The group comprises 18 of the 21 nations with the biggest economies by gross domestic product, plus South Africa and the European Union.

This means there are effectively 43 countries with a stake in the G20. Together they account for about 85% of global gross domestic product, and about 65% of the world's people.

So when they agree to coordinate their national policies in a particular policy domain they can transform the global landscape.

In the wake of the global financial crisis in 2008, for example, G20 leaders agreed to coordinate their economic policies to ameliorate the worst impacts of the crash. Compared to previous crises of similar magnitude, the global economy recovered much more quickly than many anticipated. This is credited [in large part to the G20's role](#) in expediting a coordinated response.

Seats at the table

Although the G20 does not have its own permanent staff and resources, it is adept at enlisting the commitment and resources of other international organisations when it needs to.

Bodies such the International Monetary Fund and the Organisation for Economic Cooperation and Development are well-integrated into the G20's negotiation processes.

Read more: [***Explainer: who gets invited to the G20 summit, and why***](#)

These organisations often prove willing partners because they depend, to varying degrees, on the material and political support of G20 member states for their existence.

Take, for example, the [**Financial Stability Board**](#) , established by the G20 at its 2009 London summit in London.

The board works to promote the stability of the global financial markets by coordinating the work of national and international financial authorities. The G20 has relied on the board to take the lead on making large financial institutions less vulnerable to collapse, such as by forcing them to

hold more capital, implementing tougher transparency standards, and monitoring their progress.

Similarly, the G20 has enlisted the OECD to help to make [multinational companies pay tax](#) ; the United Nations Environment Programme [to boost green finance](#) ; and the International Energy Agency to help address the problem of [fossil-fuel subsidies](#) .

Where there's a will

That is not to say the G20 always delivers.

G20 leaders announced as far back as 2009 that they would phase out fossil-fuel subsidies. In ten years there has been limited progress.

Nevertheless, because global problems like climate change must be solved by collective action, the G20 remains a vital multilateral forum.

Particularly given G20 members account for [80% of the world's primary energy demand](#) , and about the same percentage of human-caused carbon emissions.

Read more: [***We have so many ways to pursue a healthy climate – it's insane to wait any longer***](#)

As a result, accelerated G20 cooperation could dramatically improve the prospects for a clean energy transition

What makes the G20 a force for global good – when its members agree they want it to be

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Should they wish to do so, G20's leaders have the capacity to achieve much more than talking. At their best they have the power to transform the rules that govern the globe.

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