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A partnership of convenience. The OECD and the G20 as control rooms for global policy

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A partnership of convenience. The OECD and the G20 as control rooms for global policy

Abstract: The objective of this paper is to examine the relationship between the Organization for Economic Co-operation and Development (OECD), as an international economic organization, and the G20, which in 2009, after the summits in London and Pittsburgh, was proclaimed the main forum for regulation of international economic and financial policies. The first section will provide an overview of their development and examine the main features of the OECD as a 'Cinderella' organization, which since the late 1990s has found its niche, and the G20, referred to by its critics as a 'talk shop,' transforming itself from an anti-crisis facility to a global steering committee. The next part will investigate the asymmetric but mutually beneficial relationship between the OECD and the G20, and explain the rationale for the growing interdependence between these bodies using the tripartite bonds model. The last part will contain concluding remarks and draw an overall picture of this 'partnership of convenience'.
Keywords: OECD, G20, global governance, cooperation, international organization

Introduction

Since the 1970s, numerous scholars have accentuated the growing number of non-state actors playing an increasingly important role in world politics, and more specifically affecting the nature and structure of the international system. This situation was described as a "Global Polyarchy" (Brown, 2003). Its essence was the need for cooperation between governments and a number of non-territorial entities, in particular international organizations and groupings of interstate cooperation. As cogwheels of the global machinery, they all fell under a set of regularities labelled "complex interdependence" (Keohane and Nye, 2011), namely: (1) existence of different channels of interaction (intergovernmental, transnational, non-governmental) that occur between actors of international relations; (2) lack of hierarchical positioning of problems in world politics, thus blurring distinction between 'low' and 'high' as well as 'internal' and 'external' policy; (3) changing roles of international organizations, which from entities of minor importance after World War II, have been transformed into 'control rooms' or 'catalysts' of interdependence based on a normative base (principles, standards, procedures, shared values and collectively achieved goals), and, finally, (global) governance, which, according to James Rosenau, "is conceived to include systems of rule at all levels of human activity – from the family to the international organization – in which the pursuit of goals through the exercise of control has transnational repercussions" (Rosenau, 1995: 13).

Actors of global governance, among which a special role is played by international organizations (e.g. the Organization for Economic Co-operation and Development, OECD) and the global fora/clubs of cooperation bringing high officials to the table – prime ministers, heads of state, central bank governors or ministers (e.g. G7/8, G20) – have been arranged in a certain pattern resembling a network of equilibrium points, set under certain conditions in order to meet the emerging needs of time and reflecting the balance of power and interests. Over time, a change in the conditions in which international institutions operate causes a mismatch between their resources and declared objectives, and the new environment in which they operate. As a result, they may become more or less effective, or in more metaphoric words – more or less plugged into the grid. The emergence of a crisis may lead to a weakening of them (as shown by the example of the G7), their disappearance (The Council for Mutual Economic Assistance, COMECON), finding new roles (the OECD), or rising to unprecedented prominence (the G20), but without any guarantee of preserving their special position.

The objective of this paper is to examine the relationship between the OECD, as an international economic organization functioning in the economic domain, and the G20, which in 2009, after the summits in London and Pittsburgh, was proclaimed the main forum for the regulation of international economic and financial policies (Rewizorski, 2014: 17). Tracing the rationale behind the OECD's openness toward working with the G20, and the latter's increasing reliance on the analytical support offered by the organization, it is worth stressing a common feature of both structures. Decision-makers – both policy-makers and stakeholders – consider the G20 and the OECD as 'safe' places for frank discussion and sharing of cross-national ideas on key policy matters (Pal, 2012: 16). In what follows, this paper will provide an overview of their development and examine the main features of the OECD as a 'Cinderella' organization, which since the late 1990s has found its niche, and the G20 referred to by its critics as a 'talking shop,' transforming itself from an anti-crisis facility to a global steering committee. The next part will investigate the asymmetric but mutually beneficial relationship between the OECD and the G20, and explain the rationale for the growing interdependence between these bodies. The last part will contain concluding remarks and draw an overall picture of this 'partnership of convenience.'

1. The OECD and G20 – from international organization to global steering committee

The OECD has enjoyed a high profile in world affairs for more than 50 years, with its origins dating back to the original Bretton Woods system of institutions. It emerged as the successor organization to the Organization for European Economic Co-operation (OEEC), which was created in 1948 in order to administer the Marshall Plan for the reconstruction of Europe. The OEEC, by forging and developing the disciplines of cooperation and networks of officials, laid the basis for subsequent efforts at European integration. Specific examples are the early 1950 codes and procedures for European trade liberalization devoted to intra-European commercial conduct, capital movement, shipping and international transactions. Each of them was supervised by committees specifically set up for each of industry and bonded together in the OEEC headquarters, a vibrant and forward-looking, post-war intra-European hub for consultation and collaboration on economic matters (Plumptre, 1977). This 'commitocracy' later became a distinctive feature of the OECD, which with its enlargement and expanded engagement into cooperation between members and non-member participants, became home to over 250 committees and sub-groups (Woodward, 2009: 52).

The development of the OEEC ended abruptly when it became clear that this organization would not manage to carry on playing its role as the main promoter of European integration, and would have to compete with other institutions over governing economic issues. In the late 1950s, there was no rationale for the OEEC to take on such tasks, especially as the European Economic Community (EEC) liberalized quantitative restrictions and their currencies became convertible. The OEEC Council gathered for the last time in 1958, amidst stark differences between France and the UK (back then a non-EEC country) over the plan for a free trade area. The beginning of a new round of trade negotiations announced in November 1958 by Douglas Dillon, then U.S. Under-Secretary of State for Economic Affairs, focused not only on trade liberalization but was also devoted to staving off discrimination and releasing political tensions in Western Europe. The rejuvenation of trade negotiations gave rise to the process of high-level meetings which, on December 14, 1960 led to the signing of the OECD Convention (OECD, 1960).[1] The OECD was therefore brought to life as an 'anti-war economic facility,' as the western leaders believed that the dense institutionalization of the economic domain, by creating network equilibrium points as the GATT (1944), the IMF (1944) and finally the OECD (1960), would serve as the first line of defence against regional conflicts that could have grave consequences for the coherence of the bloc of industrialized economies.

According to the founding convention, the OECD's formal aim was to promote policies designed to "achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy; (b) to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and (c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations" (OECD, 1960, par. 1). It is noteworthy that the aim and action plan, as well as the mission of the OECD has always been one of the least well defined among international economic institutions. However, the absence of such a precisely defined mission has contributed to the OECD's resilience. According to G. Ohlin (1968: 242), the OECD was never designed to become organization charged with specific tasks, which it accomplishes with greater or lesser efficiency. Its role was rather boiled down to stimulating, creating a structure of communication and exchange of experiences between member states to enhance their comprehension of the issues they face, at best leading them to greater agreement.

Over the years of service, the OECD's work moved from examination of each policy area within each member country to the analyses of how various policy areas interact with each other and across countries. Early proposals to change the OECD into an executive agency were opposed by its members from the very beginning. OECD member countries chose to focus on its consultative character and rejected a more 'operational' mode of action. Today, the OECD plays a prominent role in fostering good governance in the public service and in corporate activity "by deciphering emerging issues and identifying policies that work, it helps policy-makers adopt strategic orientations" (Martens and Jacobi, 2010: 4). Indirectly shaping the architecture of global governance by utilizing "soft means of influence" (Nakonieczna, 2015: 141) and "palliative governance" (Woodward, 2008: 269), the OECD, over years of practice, elaborated unique 'mechanisms of governance' used to distribute its policies and influence policy-making in member states (cf. Pachocka, 2016).

The almost exclusive reliance on 'soft law,' or mechanisms of regulation operating in the absence of overarching authority or sanctions (Mahon and McBride, 2008: 5), resulted in the OECD being labelled a "talking shop," "toothless tiger," "debating society," "idea merchant," "idea authority" (Marcussen, 2004a: 17; Aubrey, 1967: 29; Marcussen, 2002). Despite the message of ambivalence, all these descriptions captured a central feature of the organization's role, which Martens and Jacobi (2010: 1-25) identified as "mechanisms of OECD governance." They distinguished three main ways in which the OECD proceeds, namely: (1) idea generation – a central activity by which the OECD stimulates political debates and develops new policy aims and goals; (2) policy evaluation (peer reviewing) – a mechanism of development and diffusion of knowledge between member states on the success or failure of specific national policies, and (3) data production – peer reviewing-propelled production and analysis of large quantitative and comparative data sets and indicators, as well as publishing them on an annual basis in the *OECD Factbook*, *OECD Economic Surveys*, *OECD*

Insights and *OECD Observer*. These governance mechanisms were related to the outcome (effects) that the OECD produces: (1) policy change – the result of the OECD's influence on the selection, orientation, or implementation of a specific national policy; (2) policy coordination – increased exchange among countries in an OECD-related policy field; (3) policy convergence – increased similarity of the countries in a specific area of interest (Martens and Jacobi, 2010: 14-15). In contrast to coercive instruments of such organizations as the IMF or WTO, the OECD's specialty has been hidden in a skilful combination of technical expertise (providing socially relevant policy knowledge) and technocratic feedback by policy experts from member states.

The support provided by the OECD for its member countries and international institutions (such as the G20) in specialized areas such as international taxation and macroeconomic policy, has been called "palliative care" (Woodward, 2009: 75-80). Since the 1960s the OECD as an 'international carer' focused on competition, foreign direct investment (FDI), and taxation. Despite this, results have varied, sometimes initiatives failed, as shown by the example of the Multilateral Agreement on Investment (MAI), in the case of taxation the OECD's efforts have led to international policy coordination. In particular, *The OECD model Convention on Double Taxation of Income and Capital* (OECD, 1963) became the starting point for more than two thousand bilateral treaties, and it is regarded by many observers as the OECD's most important contribution to international economic relations (Kudrle, 2012: 712). Also worth noting, the UN model tax treaty signed in 1980 incorporated most of the OECD model. Further work conducted in the late 1990s by the OECD on bilateral tax treaties, which attempted to extend previous tax principles to new issues such as the classification of income from electronic commerce, inspired claims that the OECD had become "an informal world tax organization" (Cockfield, 2006). Moreover, since the 1970s, the OECD mitigated the collapse of the fixed exchange rate system and the fallout of both the oil crises by adding energy to its agenda. To give an example, in the aftermath of the oil shocks, energy-importing members of the OECD created emergency sharing mechanisms, and combined forces to establish the International Energy Agency (IEA), which proved highly successful as an international oil market stabilizer.

The IEA is an institution that functions as the pinnacle of energy regimes[2]. Made in the image of its mother organization, the IEA was assigned the role of a 'backup utility' in case of any market failures within 'the OECD world'. Operating in the oil sector as an 'idea generator' and 'policy coordinator,' the IEA introduced certain rules for two specific mechanisms of short-term supply management.[3] The IEA, in the spirit of the OECD mechanisms of governance, focused on enhancing mutual understanding and promoting informal dialogue and deliberation of long-term issues between energy producers and consumers (Goldthau and Witte, 2010: 8). As 'data producer' the IEA virtually copied OECD solutions, focusing on providing knowledge about various energy issues, including world energy statistics, the restructuring of natural gas and electricity markets, transportation, technologies, energy efficiency and climate change.[4]

Over the years, the OECD become entangled in a number of discourses by producing, legitimizing and diffusing economic ideas, outlining main directions of economic and social policies, projecting analytic frameworks for key issues, diagnosing their sources and establishing their hierarchy. Since the 1960s this organization has become (1) a promoter of the transnational growth paradigm as a key objective of economic policy in developed countries (Schmelzer, 2016); (2) disseminator of a "four-speed world" (OECD, 2010) – a narrative where the global economy consists of not two (global South – poor and global North – rich), but four speeds (affluent, converging, struggling and poor countries); (3) supporter of human capital theory; (4) designer of reforms of public services in OECD member countries based on the concept of new public management (NPM), rooted in a neoliberal philosophy of the state (OECD, 2005).[5]

However, the broad range of activities, accompanied by a poorly defined mission, which rendered the OECD very flexible and contributed to the resilience of this organization, has also made the OECD vulnerable to the duplication, or acquisition of its functions by other institutions. After participating in the success story of the former members of the Eastern Bloc's accession to the European Union (2004 and 2007), the OECD faced the threat of becoming irrelevant, or even replaced by more specialized IOs operating within the economic domain. Its position in the institutional sphere of global economic governance was also weakened by the absence of emerging economic powers, such as China, India, and Russia from OECD membership (see Lachowicz, 2016). It fuelled the claim that the OECD is unable to deal with complex global issues, as it is an old-fashioned club of industrialized countries committed to market based economies, sometimes referred as a "rich man's club" (Clifton and Díaz-Fuentes, 2011: 300). The chance of restoring the OECD to its position, and shaking off the image of the 'idea broker for the affluent' appeared gradually with the evolution of the Gx structures (G7/8 and G20), which from clubs of international cooperation have been promoted into global steering committees in economics and finance.

The older sibling of the Gx family – G7/8[6] – was formed in the second half of the 1970s. Since its foundation, the group functioned as a club for multilateral international cooperation. A characteristic feature of this 'club model' was that it constituted a consultative forum at the highest level, with uniform themes of negotiation, to be accessed by quite a small number of rich countries. John Kirton, pointing to the concept of clubs developed by James Buchanan (1965), noted that

> [t]he G7 is a concert – a very particular kind of club (...) a continuing coalition of convenience (...) a small elite group often gathering in isolated or resort settings with time for spontaneous personal encounter where everyone at the working meals and sessions is seated around the table close enough to touch a colleague's shoulder, whisper to a neighbour, and engage in personal and informal collective conversation (Kirton, 2013: 33-34).

Its main weakness was the lack of transparency of procedures, brokerage and decision-making processes to the public. Such weakness, emphasized by parties not directly involved in the activities of the G7/8 was, however, the key to its political effectiveness. In practice, the ministers of finance and leaders of the 'magnificent seven,' protected by the lack of transparency of procedures, entered into complex arrangements between themselves, in many cases difficult to separate into their component parts. The small number of participants in the group facilitated the development of personal, informal contacts between the leaders. Initially, G7/8 dealt exclusively with monetary issues. At the turn of the 1970s and 1980s it came to deal with a wider range of problems. The leaders took discussions on political and military issues (terrorism, security, euro missiles, nuclear power, the situation in Afghanistan, institutional cooperation, the future of Central and Eastern Europe, reform of the UN and the IMF), social (sustainable development, protection of human rights, debt reduction, support for developing countries), environmental (climate change, greenhouse gas emissions) and economic ones (international trade, debt crisis, economic assistance, coordination of macroeconomic policies). The main difficulty in organizing summits was the necessity to adjust the G7/8 agenda to changing international conditions. Thus the group, despite early distrust (in the second half of the 1970s), began to use the OECD as a *de facto* secretariat, the intellectual foundation and keeper of agenda development between G7/8 summits. To put it bluntly, the OECD offered experience and knowledge, whereas the G7/8 provided a high level of political commitment to the OECD's agenda, thereby increasing the relevance of the OECD within the architecture of global economic governance.

Looking at it through the lens of history, 'the partnership of convenience' was rooted in the early 1980s implicit exchange of expertise (the OECD) and way of operation (the G7/8). It worked relatively well until both structures were confronted with new challenges which came from the power ambitions of emerging economies, multiplication of economic institutions in the 1990s, finally eroding the Westphalian, state-centric world. The G7/8 long used the OECD as an 'expert arm' looking at ways to sustain its relevance by inclusion of the so-called G5 emerging countries (Brazil, India, China, Mexico, and South Africa) in what was coined the 'Heiligendamm process' and discussed at the G7/8 summits in Heiligendamm (2007) and L'Aquila (2009). The OECD alongside the G7/8 was involved in constructing a *de facto* alternative to the G20, which at the time was operating at the ministerial level. The inclusion of the 'outreach five' in the G7/8, and thus creating G13, G8 plus and G8 plus 5, was strongly supported from 2005 by the Prime Minister of the United Kingdom, Tony Blair. Hajnal (2007: 47-48) argues that the Heiligendamm process was a gesture toward dynamically developing emerging countries which, despite having been invited to G7/8 summits since 1989, played the role of extras there. Sadly, from the summit in Gleneagles (2005) to the summit in Heiligendamm (2007), the G13 countries met before the G7/8 meetings, but the additional 5 were never treated as equal partners of the G7/8 members. This propelled the development of the G20, which offered patronage to the OECD in exchange for expertise in many agenda items of this group.

The G20, from 1999 until 2008, functioned solely at ministerial level, on the basis of procedural solutions developed by the G7/8. It represented a reaction to the outbreak of the financial crisis in April 1997 in Thailand, the lack of efficiency of the IMF and the World Bank in mitigating its effects, as well as the demands raised by emerging economies. This latter issue has become, in time, one of the essential differences between the G7/8 and the G20. Since the meeting in Rambouillet (1975), the G7/8, acting then in a party of six was a coalition of convenience. The situation is different in the case of the G20. This group compared to the G7/8 is much more heterogeneous in terms of economics, politics and culture. In an interesting account, John Kirton (2013: 33) remarks that in contrast to G7/8 being a concert,

> [t]he G20, with its many non-major power members, including a few non-democratic ones, is not [a concert – M.R.] (...). But it is still compact, continuing, clear, and consciously constructed enough to constitute (...) a club with known members with well-understood collective responsibilities and rights. Moreover (...) it is a club that has not expelled or seen any of its members leave.

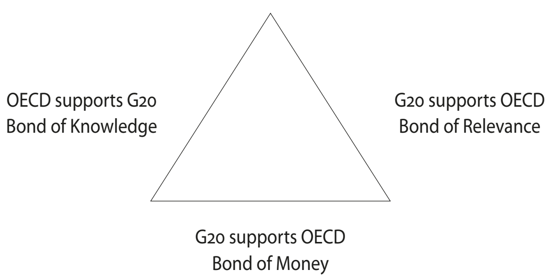
This account seems to be highly accurate in the light of the abovementioned 'Ukrainian case' and the problematic participation of Russia in G7/8. The group of twenty was appointed the role of an informal forum in the search for consensus. Unlike the other institutions of global governance, such as the IMF or the World Bank, it has not been given a statute, a fixed establishment, secretarial or clerical staff. The elevation of the G20 to the role of the centre of global governance took place in 2008-2009 after the summits in Washington (2008), London (2009) and Pittsburgh (2009). The meeting of the G20 in Washington was entirely devoted to risks associated with the outbreak and spread of the global financial crisis. For the first time it was attended by leaders of the group, which contributed to the adoption of important provisions on reforms and fiscal policy coordination, as well as to raising a crisis alert. The success of the G20 was determined by the emerging countries, too. Expecting a big advantage, they supported this formula of cooperation at the expense of the IMF, which they had lost confidence in after the 'Asian' financial crisis. Asian countries remembered very well the high price they had to pay for IMF support, expressed through imposing painful fiscal and monetary policies on them. Not being able to increase the strength of their voices in the organization, and deal with the traditional dominance of the USA and Europe in the Fund, they decided to support the G20 as a new forum for debate on financial and economic issues.

In late 2008 and early 2009, the excessively hermetic and unrepresentative G7/8 yielded to the G20 composed of leaders. Having 'top-notch' decisive power and resources, the new structure has been hailed as a 'global steering committee' able to exercise several leadership functions (Van de Graaf and Westphal, 2011: 19). First, the G-countries can provide unilateral leadership by simply deliberating or by coordinating their own domestic policies (the internal dimension). Second, in a more relational form of leadership, the group can use its power to set the international agenda, agree on global norms, steer existing multilateral institutions and create new ones.

2. The OECD and G20: the triangle of cooperation

Historically forged and growing in importance, the partnership of convenience between the G20 and the OECD rests on specific exchange, where the OECD has offered experience and knowledge, whereas the G20 provides a high level of political commitment to the OECD's agenda, thereby increasing the relevance of the OECD within the architecture of global economic governance. This cooperation is underpinned by the economic dependency of the OECD on G20 members (Figure 1).

Figure 1. The OECD-G20 triangle of cooperation



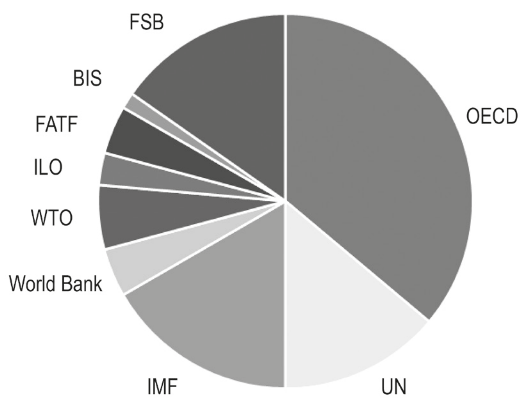
Source: Author's own elaboration.

These 'family bonds' are not surprizing, as the G20 mandate, which encompasses coordination of policies and making globalization a more harmonious and sustainable process, meets the analogous mandate of the OECD (Ramos, 2011: 334).

The first bond between the OECD and the G20 is expressed in the group of twenty striving for the development of highly professional working groups, and thus looking for an expert community able to provide expertise and administrative support in this area. It is worth noting that with the unfolding of the global agenda after the 2008 Washington summit, the G20 has become a hub of multiple epistemic communities, working groups and technical committees. During the summit in Toronto (2010) the G20 agreed to establish a Working Group on Development and mandate it to elaborate a development agenda and multi-year action plans to be adopted at the Seoul Summit. This 'body,' co-chaired by Korea and South Africa, was adopted by the G20 leaders as part of the so called 'Seoul Development Consensus for Shared Growth' and the 'Multi-Year Action Plan', which had been developed for the purpose of narrowing the development gap between poor and rich countries, and also reducing poverty in developing countries.[7] Building on the G20 agreement reached in Toronto, the G20 leaders agreed to establish a G20 Working Group on Anti-Corruption, co-chaired by Indonesia and the United Kingdom (Rewizorski, 2014: 104). These examples showcase the input of the OECD, which as an international organization supports the G20 with specialist information, policy advice and technical analysis. The OECD contributes to all stages of preparation of G20 Summits. At the highest political level, the OECD Secretary General participates in the Leaders' Summit. The Global Governance and Sherpa Unit, under the supervision of the OECD Chief of Staff and Sherpa to the G20, coordinates all the contributions to the G20. These take various forms depending on the deliverables and tasks assigned by the G20 members. Contributions cover a broad range of issues, such as: (1) Framework for Strong, Sustainable and Balanced Growth; (2) SMEs and Corporate Governance; (3) Financial Education and Financial Consumer Protection; (4) Taxation; (5) International Financial Architecture & Long-term Investment; (6) Investment and Trade; (7) Disaster Risk Management; (8) Energy Architecture, Energy Efficiency and Fossil Fuels; (9) Green Growth; (10) Green Finance; (11) Climate Finance; (12) Food Security and Agriculture; (13) Employment and Social Policies; (14) Development; (15) Anti-corruption; (16) Co-operation among International Organizations (OECD, 2016). It is worth noting that the OECD contributions emerged from obligations expressed in the G20 communiqués and declarations. A summary of the latest G20 commitments and the OECD's impact on their implementation is presented in the Table 1.

This relationship between G20-OECD is not unidirectional. The OECD, as an international organization also benefits from the G20 process, which helps to coordinate its work, provide leverage to it, and where necessary injects the political momentum needed to break deadlocks. Hence the second bond between these two institutions is expressed in the already mentioned high level of political commitment to the OECD's agenda by the G20, thereby increasing the relevance of the OECD within the architecture of global economic governance. As shown in the G20 communiqués and declarations, the OECD is placed amongst the elite global governance institutions, alongside the UN, the IMF, the World Bank Group, the WTO, the ILO, the FSB, the FATF and the BIS, "providing valuable inputs to the G20 process" (G20, 2015). A quantitative analysis of the Antalya communiqué reveals that the UN (including UNCTAD and UNFCCC) was referred to 10 times, the IMF –12, the World Bank – 3, the OECD – 26, the WTO – 4, the ILO – 2, the FSB – 11, the FATF – 3, the BIS – 1 (Figure 2).

Figure 2. The relevance of selected IOs within global economic governance architecture in the Antalya G20 Leaders' Communiqué (2015)



Source: Author's own elaboration.

Table 1. The latest G20 commitments and the OECD impact on their implementation

Commitment Area	Latest Commitment Source	OECD Contribution
Framework for Strong, Sustainable and Balanced Growth	Communiqué, G20 Leaders, Antalya, November 2015, par. 27 and par. 5.	The OECD as a member of the G20 Framework Working Group (FWG) has been actively involved in the implementation of the G20 Mutual Assessment Process (MAP) in the structural policy area since 2009. The OECD is responsible for monitoring the implementation of the G20 National Growth Strategies aimed at lifting the global GDP by 2% above the baseline by 2018.
Small and Medium Enterprises (SMEs) and Corporate Governance	Communiqué, G20 Leaders, Antalya, November 2015, par. 10.	The OECD has provided expertise to the G20 Presidency in the areas of SME access to finance, participation in global value chains (GVCs), corporate governance and SME taxation rules. The Organization drafted the G20/OECD High Level Principles on SME financing and G20/OECD Principles of Corporate Governance, both of which were endorsed by the G20 leaders.
Financial Education and Financial Consumer Protection	Communiqué, G20 Leaders, Antalya, November 2015, par. 21. Communiqué, G20 Leaders, St Petersburg, September 2013, par. 80.	The OECD supports the G20's efforts to promote financial inclusion by strengthening financial consumer protection and financial education. In particular, the OECD strives for developing a framework on financial literacy for youth and completing the policy options and effective approaches for the Implementation of National Strategies for Financial Education.
Taxation	Communiqué, G20 Leaders, Antalya, November 2015, par. 15.	The OECD contributes to the G20 on tax by reshaping international taxation by modernizing its mechanisms and contributes to G20/OECD Base Erosion and Profit Shifting (BEPS) project. The OECD presented the final package of measures for a comprehensive, coherent and coordinated reform of the international tax rules in Lima on October 25, 2015.
International Financial Architecture & Long-term Investment	Communiqué, G20 Leaders Summit, Antalya, November 2015, par. 9. Communiqué, G20 Leaders Summit, Antalya, November 2015, Issues for Further Action.	The OECD as participant in the G20 Infrastructure and Investment Working Group (IIWG) assists in the design of the G20 Country Investment Strategies (CIS) using its expertise in this arena, as well as by quantifying their impact on lifting the aggregate G20 investment to GDP ratio by 2018.
Investment and Trade	Communiqué, G20 Leaders, Antalya, November 2015, par. 11.	The OECD has monitored trade and investment policy developments and related protectionist measures in cooperation with WTO and UNCTAD and publicly reported on its findings since 2009. The OECD, jointly with the WTO and UNCTAD also examines the implications of the emergence of regional and global value chains in international trade.
Disaster Risk Management	Communiqué, G20 Finance Ministers, Mexico City, November 2012, par. 31.	On November 4, 2012 and at the request of the G20 (Mexican Presidency), the OECD launched a methodological framework on disaster risk assessment and financing to strengthen national Disaster Risk Management (DRM) plans. The framework was designed as a voluntary, flexible and non-prescriptive tool that countries may use as a means of self-assessment of their progress towards targeted and focused approach to best practices in managing disasters.
Energy Architecture, Energy Efficiency and Fossil Fuels	Communiqué, G20 Leaders, Antalya 2015, par. 22 and par. 23.	The OECD in 2015 contributed to the work of the Energy Efficiency Finance Task Group, chaired by Mexico and France and provided inputs for the design of the G20 Toolkit of Voluntary Options for Renewable Energy Deployment. Collaborating with the IEA, the OECD was the main contributor to the Summary of Progress Reports on the Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies. Earlier, in 2013 the OECD contributed to developing a flexible, country-led methodology to undertake voluntary peer reviews useful for the G20 in preparing transitional policies for the phasing-out of fossil fuel subsidies

Green Growth	Declaration, G20 Leaders, Los Cabos, June 2012, par. 73.	In 2012, the OECD, collaborating with the G20 Development Working Group (DWG), B20 Task Force, World Bank, the United Nations, the African Development Bank and non-state actors such as Green Growth Action Alliance (G2A2) and the Global Green Growth Institute (GGGI), delivered reports devoted to green growth and sustainable development policies and established the Green Growth Knowledge Platform (GGKP), which was recognized in the G20 Los Cabos Communiqué.
Green Finance	G20 Leaders Communiqué, Antalya, November 2015, par. 24.	The G20 Chinese Presidency established a new Green Finance Study Group (GFSG) to identify institutional and market barriers to green finance. The OECD is already involved as a lead contributor and knowledge partner to the GFSG. The main objective of this group is to identify institutional and market barriers to green finance and, based on country experiences and best practices, examine options on how to enhance the ability of the financial system to mobilize private green investment.
Climate Finance	G20 Leaders Communiqué, Antalya, November 2015, par. 24.	The OECD, jointly with other IOs, has actively contributed to shape the G20 agenda on climate change finance through delivering of reports such as a report entitled "Mobilizing Climate Finance" delivered to G20 Leaders at the Cannes Summit (2011).
Food Security and Agriculture	Communiqué, G20 Agriculture Ministers, May 2015, par. 6 and par. 10. G20 Action plan on Food Security and Sustainable Food Systems, par. 5.	The OECD, jointly with the UN Food and Agriculture Organization (FAO), contributed to a report that served as a basis for the G20 Action Plan on Food Price Volatility and Agriculture adopted by G20 Ministers of Agriculture in June 2011 and helped set up the *Agricultural Market Information System* (AMIS), of which it is an active member. In 2014 the OECD co-led with the FAO a "review of opportunities for economic growth and job creation in relation to food security and nutrition", which served as a basis for the development of the G20 Food Security and Nutrition Framework.
Employment and Social Policies	Communiqué, G20 Leaders, Antalya, November 2015, par. 7.	The OECD has provided extensive support to the G20 Task Force on Employment, especially on the subjects of youth unemployment, labour activation policies, and reducing the employment gender gap.
Development	Communiqué, G20 Leaders, Antalya, November 2015, par. 19.	The OECD has been a member of the G20 Development Working Group (DWG) since its inception in summer 2010. Alongside other IOs, the OECD provided analytical support to G20 member countries in order to design the G20 Multi-Year Action Plan (MYAP) on Development adopted at the Seoul Summit.
Anti-corruption	Communiqué, G20 Leaders, Antalya, November 2015, par. 16.	The OECD actively participated in the G20 Anti-corruption Working Group (AWG) which was created in 2010 to implement the G20 Anticorruption agenda, embodied in the two-year action plan focused on foreign bribery, whistleblower protection, public sector integrity and enhanced partnership with the private sector.
Co-operation among International Organizations	Communiqué, G20 Leaders, Cannes, November 2011, par. 31.	The OECD collaborated with other IOs such as the UN, WTO, the ILO, the WB, and the IMF in closing governance gaps in economic and financial policies.

Source: The G20 communiqués and declarations and the OECD reports.

This dominant position was also occupied by the OECD in the Antalya G20 Summit communiqué annex, consisting of agreed documents, ministerial statements, working group documents, supporting documents and issues for further action. This organization has co-produced with the G20 a series of documents in pivotal areas, such as: (1) G20/OECD Report on G20 Investment Strategies; (2) G20/OECD Principles of Corporate Governance; (3) G20/OECD High-Level Principles on SME Financing; (4) Quantifying the Implementation of G-20 Members' Growth Strategies (IMF-OECD Note); (5) OECD/INFE Core Competencies Framework on Financial Literacy for Youth; (6) OECD/INFE Policy Handbook on the Implementation of National Strategies for Financial Education; (7) Financial Education for Migrants and Their Families: OECD/INFE Policy Analysis and Practical Tools; (8) OECD/INFE Progress Report on Financial Education for MSMEs and Potential Entrepreneurs; (9) Toolkit to Enhance Access to Adaptation Finance for Developing Countries that are Vulnerable to the Adverse Effects of Climate Change Including LIDCs, Small Island Developing States and African States; (10) OECD in Collaboration with the Global Environment Facility; (11) Climate Funds Inventory; (12) OECD Secretary-General Report to the G20 Leaders; (13) Effective Approaches to Support Implementation of the G20/OECD High-Level Principles on Long Term Financing by Institutional Investors; (14) OECD Secretary-General Report to G20 Finance Ministers with Its Annexes ("Reports on Possible Tougher Incentives for the Countries that Fail to Comply with the Global Forum Standards on Exchange of Information on Request" and "SMEs and Taxation") (G20, 2015: 8-11). The third strong incentive for growing cooperation stems from the dependency of the OECD on G20 members for its budgets (see Table 2).

Table 2. G20 member countries' percentage shares in the OECD budget contribution (2015)

The G20 participants and OECD member countries from the EU	Percentage share in the OECD budget (EUR 383 mln = 100%)
United States	21.07
Japan	11.92
Germany	7.57
France	5.53
United Kingdom	5.21
Italy	4.35
Canada	3.87
Australia	3.28
South Korea	2.82
Mexico	2.71
Turkey	1.79
The rest of European OECD member countries participating in the EU*	21.69

* OECD members participating in the EU except for the E4 (Germany, France, United Kingdom and Italy) include: Spain (3.11%), Netherlands (2.18%), Belgium (1.56%), Sweden (1.55%), Estonia (1.43%), Poland (1.43%), Slovenia (1.43%), Austria (1.36%), Denmark (1.21%), Finland (1.08%), Greece (1.06%), Portugal (0.99%), Czech Republic (0.96%), Ireland (0.95%), Hungary (0.81%), Slovak Republic (0.58%).

Source: OECD (2016) 'Member Countries' Budget Contributions', *Budget*, www.oecd.org/about/budget/member-countries-budget-contributions.htm (accessed 2016-07-02).

The G20 members' financial contributions to the OECD budget (EUR 383 mln), including that of the E4 countries (Germany, France, United Kingdom, Italy), accounted for 70.12% in 2015. However, if calculated with contributions to the OECD budget from non-E4 European OECD member states participating in the EU (21.69%), it amounts to 91.81% (EUR 351.6 mln). This high financial dependence on G20 countries (even indirectly represented in this forum) suggests that OECD support is offered according to a 'pay as you go' model, which explains why its attention is mainly focused on Europe.

Conclusions

It should be noted that the OECD and the G20 as international organizations and clubs of intergovernmental cooperation have quite a long and successful relationship which dates back to 1999. Despite the initial mistrust in their relationship, generally both institutions get on well with one another. The G20, often labelled 'talk shop' benefit from the support of the 'Cinderella' doing the necessary, but less noticeable expert work. The OECD uses this opportunity to sail on the waters of international politics, which is possible thanks to the patronage of the group of twenty. In exchange, the G20 relies on the expertise and administrative support of this 'idea authority,' skilfully combining technical expertise (providing socially relevant policy knowledge) with feedback provided by policy experts from member states. This cooperation is underpinned by the economic dependency of the OECD on G20 members. Focusing on the three, above-mentioned bonds of the G20-OECD partnership, namely: knowledge, relevance and money, should be complemented by reflections of a general nature. After the several years that have elapsed since the initiation of cooperation between these institutions, one can observe a deepening of its asymmetric character. In this partnership of convenience, the OECD, as a weaker party, is rolling in dependency and is overloaded with a number of complex, new tasks which for an organization short in staff and resources may be difficult to digest. At the same time, the increasing specialization of the G20, resulting from the creation of new working structures such as groups dealing with gender equality (Women-20, W20) announced at the Antalya summit, the multiplication of various entities operating in the economic and financial domains, and the unfavourable geo-economic climate undermining the 'mechanisms of OECD governance,' give rise to doubts if the OECD can maintain its relevance in global economic governance. Referring to one of the most influential essays on global economic governance (GEG) in recent years, which was written by Miles Kahler and David A. Lake (2009), the OECD fits into the supranational mode of GEG, which involves delegation of state powers to supranational institutions. Delegation of rights and powers should be interpreted as a consequence of the limited efficiency of regulatory mechanisms at the national level. It results in a conditional rise of powers of the entity (institution) aiming at completing its goals. The OECD as an international economic organization, can be regarded as a specific 'supranational agent.' Having limited formal authority, the OECD is capable of developing recommendations for its member states that are imposed by means of a peer pressure mechanism. Moreover, its decision-making process is based on consensus. However, as a supranational delegation of power this proves counterproductive and increasingly ineffective for the regulation of global trade and finance, and there arises the question of whether the OECD is flexible enough to find a place in the network mode of GEG, where states, private actors, or both share regulatory authority through coordinated and repeated interaction, or in the hierarchical mode, where states transfer regulatory authority to dominant states for certain limited purposes. The answer to this dilemma is still very tentative and needs further research.

Endnotes

1 The convention was signed by the governments of the Republic of Austria, the Kingdom of Belgium, Canada, the Kingdom of Denmark, the French Republic, the Federal Republic of Germany, the Kingdom of Greece, the Republic of Iceland, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Kingdom of Norway, the Portuguese Republic, Spain, the Kingdom of Sweden, the Swiss Confederation, the Turkish Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

2 Regimes should be distinguished frm the broader concept of 'institutions.' All regimes are institutions but not every institution is a regime. The essential feature of regimes is "the conjunction of convergent expectations and patterns of behavior or practice." Regimes aid the 'institutionalization' of portions of international life by regularizing expectations, but some international institutions, such as the balance of power, are not bound to explicit rights and rules. See Oran Young, 1979: 16.

3 The International Energy Program (I.E.P. Agreement) founded in 1974 established the system of emergency oil reserves among IEA members. The IEP requires IEA member states to hold oil stocks equivalent to at least 90 days of net oil imports and – in the event of a major oil supply disruption – to release stocks, restrain demand, switch to other fuels, increase domestic production or share available oil, if necessary. The second mechanism was the Coordinated Emergency Response Mechanism (CERM), founded in 1979. The IEA, like some other institutions, was designed to lower transaction costs (such as sharing and disseminating information).

4 There is also semblance between *OECD Economic Surveys* and *The World Energy Outlook* – flagship annual publications for both organizations, which provide not only statistics and scenarios but also policy advice and long-term projections.

5 The idea of new public management developed by the OECD was linked to three market-type mechanisms used for public service provision, namely: outsourcing (contracting out), public-private partnerships (PPPs) and vouchers. Cf. OECD, 2005: 131-155.

6 In 1998 at the G7 summit in Birmingham, the group of seven (G7) was upgraded to the G8 format due to opening the door to Russia, which became a participant in political matters (but which, however, was excluded from the debate on economic and financial issues). The question of Russia's involvement in G8 bounced back in 2014, when this country was widely perceived as an 'unwelcome guest' in the G8. Western leaders publicly condemned Moscow over its annexation of the Crimeanpeninsula, declared extending the use of restrictive measures (sanctions) toward Russia and urged this country to find a diplomatic solution to the conflict in eastern Ukraine. It is worth noting that the 'Ukrainian case' was a crucial issue at the G7 summit held in Schloss Elmau (June 7-8, 2015). Such conduct is in line with group's values and principles, which emphasize the importance of freedom, peace and territorial integrity, as well as respect for international law and respect for human rights. Breaching of these values by Russia puts into question the G7+Russia trajectory as G8, therefore making it rational to speak rather in terms of G7/8 than G8. Cf. M. Rewizorski, 2015: 38-39.

7 The G20 High-Level Development Working Group meetings were held in Seoul, July 19-22, 2010. They brought together approximately 100 people, including the Sherpas of the G20 member

countries, as well as representatives from international organizations. The Sherpas' meeting was co-chaired by Korea and South Africa, who prepared the Terms of Reference of the Working Group and then laid out its action plans to move forward on the key pillars, key issues and plans for the Seoul Summit. Cf. Wordpress, 2011.

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