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CANADA, THE G8, AND THE G20: A Canadian Approach to Shaping Global Governance in a Shifting International Environment

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ABSTRACT

This paper reviews the history of the Group of Eight (G8) and the subsequent establishment of the Group of Twenty (G20). It summarizes and analyzes the outcome of the most recent G8 and G20 Summits held in 2010 at Huntsville and Toronto respectively. It takes stock of the G8/G20 summit processes, noting the emerging trends with respect to the role of Government Leaders, summit management and summit effectiveness. The paper concludes with a series of recommendations for a Canadian approach to influencing the rapid changes in international decision-making manifested by recent G8 and G20 experience. Chief among these suggestions is that Canada should lead work on resolving the relationship between the G8 and the G20 with a view to consolidating the G20 as a fully functioning instrument of global governance.

HISTORICAL BACKGROUND

In the 1990s, the noted international political theorist James Rosenau discussed global governance in a way that captured the breadth of a concept which continues to evolve today. In a 1995 article, he observed:

Global governance refers to more than the formal institutions and organizations through which the management of international affairs is or is not sustained ... It 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.¹

The usefulness of this approach lies in its recognition that, at this stage (and probably for the foreseeable future), no single institution or organization has responsibility for managing issues that affect people and their governments everywhere. World government is no more likely now than it has ever been, notwithstanding the impact of a globalized economy and the growing threats to the global environment, notably the effects of climate change.²

On a number of occasions over the past 200 years, however, government leaders have sought to work together to address challenges that were both broadly significant and difficult to resolve through unilateral action. The track record of these joint efforts is mixed. After initial displays of enthusiasm, the tendency has been for new ways of doing business and for their attendant institutions to decline, often leaving little in the way of legacy.

The usual trigger for cooperation at the supra-regional scale has been disaster. The devastating Napoleonic Wars ended in 1814 and 1815 with the Congress of Vienna, at which the victorious powers established the Concert of Europe, arguably “the first peacetime multilateral crisis management forum.”³ Scholarly judgment about the efficacy of the Concert in promoting peace in Europe is divided, but by mid-century Great Power solidarity was clearly breaking down — as illustrated by the Crimean War of 1854-56 and the Franco-Prussian War of 1870-71, to name two major examples.⁴

¹ James N. Rosenau, “Governance in the Twenty-first Century,” *Global Governance* 1 (1, 1995): 13-14.

² Indeed, Rosenau suggests that the phenomenon of globalization brings with it simultaneous pressures toward both integration and fragmentation, a paradox he encapsulates in the term “fragemigration” (ibid.).

³ Dan Lindley, “Avoiding Tragedy in Power Politics: The Concept of Europe, Transparency, and Crisis Management,” *Security Studies* 13 (2, 2003/2004): 195.

⁴ Lindley emphasizes the benefits attached to increased transparency encouraged by the Concert system (as opposed to any normative transformation the Concert might have brought about). More generally, he concludes, “When communications are increased, incidents can sometimes be resolved with greater ease. There will still be hard bargaining during crises, but increased transparency clarifies bargaining positions, stakes, and relative power, and this can reduce miscalculation, and spur agreement, successful coercion, or acceptance of deadlock. Simply put, forums facilitate power politics.” (Ibid., 229.)

The European balance of power supposedly enshrined in the Concert shattered definitively in the bloody cauldron of World War I, and in its aftermath came the next effort to manage issues across national boundaries: Paris 1919. The year-long peace conference in Paris eventually generated five treaties that imposed terms on the defeated states, presided over the break-up of the Austro-Hungarian, German, and Ottoman Empires, and established a new international forum, the League of Nations.⁵ In the end, the Paris Conference, with its collection of vivid personalities, simply provided a breathing space before the next episode in Great Power rivalry triggered World War II, a scant eighteen years later.

Politically, planning for the postwar world began as early as August 1941, when Prime Minister Churchill and President Roosevelt met off Newfoundland on the British battleship *Prince of Wales* and the US heavy cruiser *Augusta*. Even at this stage in the war, before the outcome was certain and before Pearl Harbor brought in Japan as an enemy, the concern of the two leaders was the shape of things to come. The eight principles embodied in the Atlantic Charter laid the foundation both for the North Atlantic Treaty Organization (NATO) and the United Nations (UN), organizations which reflected two different, but related, mechanisms of collective security. In the event, the UN, as the successor to the League of Nations, came into existence on 24 October 1945, following the San Francisco Conference in April that year. NATO followed on 4 April 1949 as a military alliance to counter the Soviet thrust into eastern and central Europe.

On the economic side, the main effort was aimed at preventing a recurrence of the lost years of the Great Depression, with its self-defeating protectionism and collapse of international liquidity. Building on the intellectual leadership of John Maynard Keynes, the Allies began to put into place a framework of new international institutions. Launched at the Bretton Woods conference in July 1944, this collection of bodies included the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade.

Although both World Wars were followed by a spate of international institution-building, the aftermath of the Second was distinguished by the refusal of the Americans to step aside as they had earlier. After World War II, the United States remained dominant and engaged, rebuilding Europe and Japan in the face of Soviet and Chinese ambitions, and extending its nuclear umbrella on a global scale. The decades-long Cold War ensued, locking the national flag-bearers of capitalism and communism into a pattern of conflict across several continents until the fall of the Berlin Wall in 1989.⁶

Developments since the financial crisis of 2007-2008 suggest the arrival of a major inflection point similar to those symbolized by events in Westphalia, Vienna, Paris, San Francisco, and Berlin. It remains to be seen whether the establishment of the G20 summit represents incremental change or a step-function improvement in the ability of states to work together effectively to maintain peace, stability, and prosperity.⁷

⁵ See the now-standard account of the conference in Margaret MacMillan, *Paris 1919: Six Months that Changed the World* (New York: Random House, 2002).

⁶ For a compelling and comprehensive account of the European experience in this period, see Tony Judt, *Postwar: A History of Europe since 1945* (New York: Penguin Press).

⁷ Note the sensible warnings about asserting too much parallelism between the events of 1944 (Bretton Woods) and 2007-2008 (an alleged second Bretton Woods moment) in Eric Helleiner, "A Bretton Woods Moment? The 2007-08 Crisis and the Future of Global Finance," *International Affairs* 86 (3, 2010): 619-636.

THE RISE OF GLOBALIZATION

The most recent attempts to devise more effective mechanisms of global governance have occurred in the context of a major increase in globalism and its companion phenomenon, globalization. For the purposes of this discussion, we have adopted the definitions suggested by Keohane and Nye:

Globalism is a state of the world involving networks of interdependence at multi-continental distances. These networks can be linked through flows and influences of capital and goods, information and ideas, people and force, as well as environmentally and biologically relevant substances (such as acid rain or pathogens). Globalization and deglobalization refer to the increase or decline of globalism.⁸

Keohane and Nye point out that globalism and globalization are multidimensional in nature, operating across economic, military, environmental, social, and cultural networks. They observe that, at any given time in history, the intensity of the linkages in a particular dimension of globalism varies in “thickness,” and that globalization can be characterized as the process whereby globalism “becomes increasingly thick” — that is, the density of networks of interdependence increases.⁹ A corollary of this appreciation of the effects of globalization is the recognition that these interconnections likely will be complex and difficult to predict. Thus, an era of rapid globalization such as the current one brings with it a significant degree of uncertainty. Not surprisingly, the people directly affected, even when impacts of globalization bring benefits to many in their society, often feel disoriented by the rapid pace of change and alienated from political systems that seem incapable of managing or explaining change satisfactorily.

The positive effects of the current round of globalization are undeniable. In the case of China alone, the fuller integration of that economy into the international trading and investment system has lifted hundreds of million of people out of abject poverty in an unprecedented short time.¹⁰ Similarly, the movement of many Western corporate “back office” functions to South Asia has hastened the growth of the Indian middle class. The darker side of economic globalization, however, emerges in the distribution of this upsurge in wealth, both within and among countries. This ongoing divergence in opportunity and result is placing democratic structures under mounting pressure, just when liberal market democracy seemed to be the clear “winner” in the philosophy-of-governance sweepstakes.¹¹ As recently noted by Chrystia

⁸ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 3rd ed. (New York: Longman, 2000), p. 2; see, generally, their useful Introduction to their collection of essays, pp. 1-41.

⁹ The Silk Road is an example of a thin globalization; contemporary financial markets are an example of thick globalization.

¹⁰ Overall in Asia, the number of people living on less than \$1 a day dropped by nearly a quarter of a billion from 1990 to 2001; United Nations, *The Millennium Development Goals Report, 2005* (New York: United Nations, Department of Public Information, 2005), p. 6.

¹¹ See, in particular, the triumphalist “end of history” thesis suggested by Francis Fukuyama, which triggered years of debate in public policy circles: “The End of History?” *The National Interest* 16 (Summer 1989): 3-18.

Freeland, the US managing editor of the *Financial Times* (hardly an organ of the radical left), “the internal logic of global capitalism is making us richer overall, but also more unequal; the internal logic of technology-enabled democracy is already being strained by the growing gap between the very rich and everyone else.”¹²

Further, although the globalization of the economy may be clear, the rights and responsibilities that might be attached to a potential globalized citizenship are much less so. If the classical challenge to building a “just society” within liberal democracies has been the equitable distribution of goods and services among a national population with diverse aspirations, opportunities, and capacities, the analogous goal of crafting global distributive justice may simply be unreachable. As the philosopher Mark Kingwell points out, the political willingness to accept significant resource transfers from developed to developing countries does not exist. Perhaps most important, he notes that at the heart of successful liberal democracy lies a combination of a constant, rules-based negotiation of differences between competing groups informed by a sense of shared enterprise: “a commitment to ends that do not reduce to transactions.”¹³

For the moment, that sense of shared enterprise does not exist internationally. Although some observers have argued for the growth of a novel degree of cosmopolitanism that ultimately might erode the basis for traditional popular support of the nation-state, that trend seems uncertain even in Europe, where the advent of the European Union might have been expected to herald the decline of standard nationalism in favour of regional supra-national institutions.¹⁴ A sobering thought in this regard concerns the extremely cosmopolitan European aristocracy at the turn of the twentieth century. Despite the many social and intellectual linkages that bound together the rulers of Europe in an earlier time of triumphant globalization, those bonds rapidly evaporated in the welter of two World Wars. And even the recent, much less disastrous, economic downturn seems to have sent many Europeans scurrying back to the safety of the homeland. For the moment the euro remains intact, but nationalism lives on, albeit in post-modern dress.

Indeed, reports of the breakdown of the Westphalian world are probably premature.¹⁵ The nation-state undoubtedly is coming under pressure from above (as multilateral arrangements and institutions gain ground) and from below (as non-state actors such as transnational corporations and non-governmental organizations act to influence public policy), but the state is likely to remain the dominant player internationally for the foreseeable future. That being said, the problems that states now face run well past national boundaries, and external factors (for example, international rules-making in a range of fields) play a major role in reshaping national policies.

¹² Chrystia Freeland, “Plutocrats and the Coming Order,” *Global Brief*, 19 February 2010; available online at <http://globalbrief.ca/blog/2010/02/19/plutocrats-and-the-coming-order/>.

¹³ Mark Kingwell, “The Many Faces of 21st Century Integration,” *Global Brief*, 14 June 2010; available online <http://globalbrief.ca/blog/2010/06/14/the-many-faces-of-21st-century-integration/>.

¹⁴ For a review of public opinion data on this subject, see Pippa Norris, “Global Governance and Cosmopolitan Citizens,” in *Governance in a Globalizing World*, edited by Joseph S. Nye and John D. Donahue (Washington, DC: Brookings Institution, 2000). Norris notes that the younger generation brought up in the postwar era is less nationalistic than its parents, but reserves judgment on whether this trend will continue (p. 175). See also works on cosmopolitanism and citizenship by David Held — for example, *Globalization Theory: Approaches and Controversies*, edited by David Held and Anthony McGrew (Cambridge, UK: Polity Press, 2007); and James Tully, *Public Philosophy in a New Key*, 2 vols. (Cambridge: Cambridge University Press, 2009).

¹⁵ The term derives from the Peace of Westphalia in 1648, which confirmed the sovereignty of individual European rulers (and their ability to prescribe the religion to be practised within their domains) and effectively dismantled the Holy Roman Empire.

Another good example of the latter relates to the issues of global inequality mentioned earlier. The movement of people from poorer developing countries to richer developed countries continues to generate social tensions in receiving countries as adaptation of recent immigrants and their children to their new surroundings proceeds unevenly, or not at all. Kingwell observes, “Integration has emerged as the central justice challenge within nations because of the external conditions posed by inequality between nations.”¹⁶ Since 9/11, integration has moved from being a “simple” social issue to a much more complex security setting, especially as regards the evolution of Islamic minorities within Western societies. And in the United States, the ongoing immigration (legal and illegal) from Latin America in general and Mexico in particular is reshaping American economics and politics in real time, especially as it alters the balance of the US electoral system. The US Census Bureau expects the Hispanic population of the United States to move from 12.5% of the total population in 2000 to 24.4% in 2050. The regional impact in states such as California, Florida, and Texas is, of course, even higher.¹⁷

In addition to outside forces driving domestic change, states must deal with problems whose management solutions necessarily involve international cooperation.¹⁸ The most obvious of these is climate change, but nuclear proliferation, infectious disease, and the recent financial meltdown qualify as well. Moreover, these issues must be addressed at a time when the old certainties about who “counts” in international relations are being called into question. The conceptually tidy, if dangerous, clash of the two superpowers has been replaced, after a relatively short unipolar moment in which the United States blotted out the sun, by a much more complicated multipolar world. A number of emerging regional powers, notably China, India, and Brazil, are in a position to deny forward progress on global deadlocks unless their interests are taken into account. The institutional framework that might allow states to manage the new global challenges effectively must be adapted to meet these new conditions.¹⁹

With past being prologue, the story leads to the G8 and the G20, the latest in a line of efforts to bring global order out of (potential) global chaos.

¹⁶ Kingwell, “The Many Faces of 21st Century Integration.”

¹⁷ See United States, Census Bureau, “Topics About the Hispanic Population” (Powerpoint presentation, Washington, DC); available online at http://www.census.gov/population/www/socdemo/hispanic/files/Internet_Hispanic_in_US_2006.ppt#449,2,Topics About the Hispanic Population.

¹⁸ Note Margaret MacMillan’s reference to the Concert of Europe, emphasizing how different were the four main powers involved (France, Britain, Russia, Austria-Hungary); Margaret MacMillan, “What Kind of Order?” Global Brief, 19 February 2010; available online at <http://globalbrief.ca/blog/2010/01/19/what-kind-of-order/>.

¹⁹ The United Nations might seem the logical place to start this task, but although the UN benefits from its universal membership, its practices and organizational forms have proven to be famously resistant to change. Arguably only an outside stimulus will be able to jump-start UN reform.

G8 TO G20

The origins of the G8 are well known and can be briefly rehearsed.²⁰ In the uncertain years following the 1971 collapse of the Bretton Woods system of fixed international exchange rates tied to the price of gold and the 1973 oil crisis, the need for coordination of economic and financial policy at the highest level became evident. Following informal meetings of senior Western finance officials in 1974, French president Valéry Giscard d'Estaing invited the heads of government from the United States, Britain, West Germany, Japan, and Italy to a summit the next year at Rambouillet. In 1976 the group was expanded to seven with the addition of Canada (seen as a North American counterbalance to the Italians), and has met 36 times in all. Beginning in 1994, Russia began meeting separately with G7 leaders during their summits, and at the invitation of the United States and Britain formally joined the group in 1997 — hence the label G8.

The membership and working methods of the G8 are instructive. Clearly, the initial composition of the group represented the dominant economic powers of the day, and these shared the additional characteristics of being democratic, largely “Atlantic-oriented” and militarily allied to the United States. The club was relatively small, and the heads of government knew each other well “from other movies.” The opportunity to talk informally and directly to counterparts was viewed as valuable, as was the political profile afforded by the regular summits. In retrospect, the addition of Russia seems anomalous but, at the time, efforts were being made to encourage that former adversary to become a standard free market liberal democracy with a commitment to the international processes and norms that the seven considered acceptable. This attempt to secure good behaviour through co-optation has been only a partial success — Russia remains stubbornly Russian.²¹

The group's working methods reflect the seven's prior established habits of close consultation. Each country appoints a personal representative of the government leader, known in the trade as a “sherpa.” This official is a critical cog in the summit machine, and to be effective must have direct access to and the confidence of their leader. The sherpas meet repeatedly in the run-up to the summit to broker agenda items, communiqué language, and physical arrangements, although by custom the leader who serves as host chair for a given year proposes the main subject matter focus for that session as well as the meeting site. Sherpas tend to be appointed for more than one year — the practice varies from country to country — and provide both an institutional memory and an aid to ensuring follow-up to previous commitments.

²⁰ The literature on the G8 and the G20 has become extensive in recent years. For a historical summary of G8 development, see Peter I. Hajnal, *The G8 System and the G20: Evolution, Role and Documentation* (Aldershot, UK: Ashgate, 2007). A useful bibliography can be found on the website of the University of Toronto, Munk School for Global Affairs, G20 Information Centre, available at <http://www.g20.utoronto.ca/biblio/index.html>. Canadian work on these subjects can be found at the websites of the University of Victoria, Centre for Global Studies (CFGs), available at <http://www.globalcentres.org>; the Centre for International Governance Innovation (CIGI), available at <http://www.cigionline.org/>; and the Canadian Defence and Foreign Affairs Institute, available at <http://www.cdfai.org/>.

²¹ For an account of this period from the perspective of the Clinton administration, see Strobe Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (New York: Random House, 2002).

Over the years, the G8 summits have left less and less room for direct personal interaction, and on occasion the events have taken on a ceremonial stiffness. To a degree, of course, the intimacy of the meetings depends on the extent to which the leaders have been at the table previously. Rapid government turnover militates against a leader's effectiveness in a small group setting (as, in some cases, has lack of language facility). In terms of agendas, the main emphasis remained on economic and financial issues, but increasingly leaders took on a broader range of topics, from security matters to development to climate change. The overriding reality facing senior officials was that once leaders were gathered together they talked about what seemed most important to them at the time — whatever the pre-cooked communiqués said. By and large, the G8 had evolved by the turn of the century into a comfortable club, an established feature of the international landscape that guaranteed a good photo-op for leaders and conveyed a sense of importance to their respective domestic political audiences.

By the late 1990s, however, a series of financial crises centred largely in Latin America and Asia²² convinced the G7 finance ministers that key emerging economies were insufficiently included in global economic management efforts. Those finance ministers had been meeting together with their central bank governor counterparts in parallel to the G7 summits since 1986. Their mandate had been to focus on fairly technical matters related to economic and financial growth and stability, inflation, and currency developments.²³ Now, led by Canadian finance minister Paul Martin and US treasury secretary Lawrence Summers, discussions were expanded to include a range of new players. After four initial meetings in 1998 and 1999 involving larger groups of countries (the G22 and G33), in December 1999 a set grouping of twenty was established, consisting of the G8 plus key regional powers plus the European Union.²⁴

In the years that followed, the G20 finance ministers group proved its worth as a way of opening up and rationalizing the international dialogue. Martin, in particular, was struck by its effectiveness. In a key article in *Foreign Affairs* in 2005, he pointed to the lessons he maintained could be drawn from the experience of this expanded representation.

First, some decisions — no matter how technical — can only be made at the political level. Second, despite the many differences that exist within the group, there are also surprisingly large areas of commonality; all the countries are wrestling with similar issues and have drawn similar lessons from past failures. Third, when national decision-makers discuss issues openly and frankly, it is remarkable how much can be accomplished (never underestimate the value of peer pressure in getting to yes). The G20 has also allowed world leaders to move from a focus on crisis management to a focus on steady improvement in international economic stability and predictability.²⁵

²² Mexico 1994, Indonesia/South Korea/Thailand 1997-1998, Russia 1998, Brazil 1998-2002, Turkey 1999-2002, Argentina 2000-2001.

²³ Interestingly, this grouping has been so useful to participants that it continues to meet separately (and generally without Russia) despite the arrival of the G20.

²⁴ The additional countries are Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea, and Turkey.

²⁵ Paul Martin, "A Global Answer to Global Problems," *Foreign Affairs*, May/June 2005.

Based on the experience of finance ministers and central bank governors, Martin became convinced that this group should meet at the heads of government level as well. During his term as Canadian prime minister (2003 to 2006), he campaigned actively for the idea with his counterparts, and driven in part through a network of think tanks around the world, the approach developed currency.²⁶

In the meantime, the practical disadvantages occasioned by the unrepresentative nature of G8 membership were becoming clearer. The chair of the 2005 summit, UK prime minister Tony Blair, responded by inviting five key developing countries — Brazil, China, India, Mexico, and South Africa — to the Gleneagles meeting. The 2007 Heiligendamm summit regularized the relationship among the “G8+5,” establishing a schedule for regular ministerial meetings among the 13 countries to cover four areas.²⁷ The Heiligendamm Process was scheduled for review at the G8 summit in 2009, but well before then the approach of inviting the heads of government of important countries to the occasional meal during summits dominated by developed countries had become bankrupt — and indeed insulting to developing countries and their leaders.²⁸

The Process was only a transitional step in the direction of inclusiveness. It reflected the view of many leaders, including the then-new UK prime minister Gordon Brown and French president Nicolas Sarkozy, that expansion at the summit level was inevitable. What was lacking was the crisis to make significant institutional change seem necessary — and in 2008, the crisis arrived.

By the fall of that year, the US economy was in free fall, triggered initially by bank failures and a housing market collapse. Stock markets around the world plunged. At the end of October, just prior to the presidential election, a lame-duck President George W. Bush called together the leaders of the G20 countries to “review progress being made to address the current financial crisis, advance a common understanding of its causes and, in order to avoid a repetition, agree on a common set of principles for reform of the regulatory and institutional regimes for the world’s financial sectors.”²⁹ The 14-15 November 2008 meetings were not small, including as they did the leaders of the IMF and the World Bank, as well UN secretary-general Ban Ki-moon and the chair of the Financial Stability Forum. In addition, Spain and the Netherlands insisted on being present and were supported in this effort by the French president.

²⁶ In 2003 Martin had encouraged the CFGS and CIGI to combine their efforts to flesh out the concept of a leaders’ G20. Those think tanks worked with an array of international partners to produce a collection of research that addressed the many real-world obstacles and opportunities related to establish this new process. See, in particular, the CFGS website, available at <http://www.i20.org/>; and the accounts of the research project by Peter Heap, *Globalization and Summit Reform: An Experiment in International Governance* (Ottawa: Springer/International Development Research Centre, 2008); and idem, “Breaking Global Deadlocks: A Canadian Track 1.5 Success” (Calgary: Canadian Defence & Foreign Affairs Institute, September 2009).

²⁷ “Promoting and protecting innovation; enhancing freedom of investment by means of an open investment climate including strengthening the principles of corporate social responsibility; defining joint responsibilities for development focusing specifically on Africa; and joint access to know-how to improve energy efficiency and technology cooperation with the aim of contributing to reducing CO2 emissions.” See Heiligendamm Process declaration, available online at http://www.g-8.de/Content/EN/Artikel/_g8-summit/2007-06-08-heiligendamm-prozess_en.html. Starting in 2000, G8 hosts began to invite a variable collection of leaders from developing countries in Africa and Asia to meetings on the margins of the summits.

²⁸ The +5 approach had the additional unwelcome consequence (from the G8 perspective) of generating what was, in essence, a new competing group, the G5, complete with secretariat and summit schedule of its own. So much for the efficacy of half-measures.

²⁹ Statement by White House spokesperson Dana Perino, quoted in the *Washington Post*, 22 October 2008.

The litmus test of this first G20 summit's success at a time of high financial peril was the simple commitment to meet again. In London in April 2009 and Pittsburgh in September the same year, leaders subsequently hammered out a common approach that included coordinating economic stimulus packages (and eventually steps to extricate themselves from them), avoiding protectionism, addressing global imbalances, tripling the financial resources of the IMF (thereby re-invigorating a moribund institution), and working out stricter rules for banks, hedge funds, and other financial players. The general view is that the first three G20 summits can be counted as successes, especially when the potential alternatives are considered.³⁰ In the wake of the fourth summit, the outlook is a little less clear, perhaps because the immediate pressure of impending financial doom has been relieved.

TORONTO/HUNTSVILLE OUTCOMES

An assessment of the dual outcomes of the Huntsville G8 and the Toronto G20 depends on the perspective taken. From a domestic political viewpoint, Prime Minister Harper seems to have gained a measure of credibility in some quarters as a leader with a specific, if limited, agenda, which he pursued more or less successfully through the two summits.

The G8 adopted the Canadian-led Muskoka Initiative, aimed at accelerating progress on the UN's Millennium Development Goals (MDGs) 4 (reducing child mortality) and 5 (improving maternal health),³¹ but in the process the Canadian government enmeshed itself in a controversy over funding abortion in developing countries. Although this subject area is undoubtedly important in its own right, the choice of initiative seems to have been essentially a political call related to improving the government's standing with domestic constituencies. The G20 focus was more negative in impulse, centred on the Canadian campaign to block agreement on an international bank tax (and to put forward an alternative, embedded contingent capital). In the event, the G20 Toronto Summit Declaration contented itself with stating, "Some countries are pursuing a financial levy. Other countries are pursuing different approaches."³² While this modest outcome had the effect of permitting Canada to continue regulating its financial sector on its own terms, the prolonged wrangle over the bank tax called into question the consensual approach that had been successfully developed at earlier G20 summits in the face of the financial meltdown.

³⁰ For a rather contrary view, see Katinka Barysch, "Whatever Happened to the G20?" (London: Centre for European Reform, 14 April 2010); available online at <http://centreforeuropeanreform.blogspot.com/2010/04/whatever-happened-to-g20.html>. Barysch emphasizes the need for G20 leaders to concentrate on unfinished business and resist the temptation of broadening the agenda. She also suggests that leaders focus on the task of integrating the G20 into the existing systems of global governance.

³¹ "The Initiative is related to MDGs 4 and 5, as well as elements of MDGs 1 (nutrition) and 6 (HIV/AIDS, malaria). It focuses on achieving significant progress on strengthening health systems in developing countries that face high burdens of maternal and under-five child mortality and an unmet need for family planning. Improving maternal and under-five child health requires comprehensive, high-impact, and integrated interventions at the community level, across the continuum of care — that is, pre-pregnancy, pregnancy, childbirth, infancy, and early childhood." For the full text of the Muskoka Declaration, of which the Initiative was a part, see online at <http://g8.gc.ca/g8-summit/summit-documents/g8-muskoka-declaration-recovery-and-new-beginnings/>.

³² See the full text of the Declaration online at <http://g20.gc.ca/toronto-summit/summit-documents/the-g-20-toronto-summit-declaration/>.

More broadly, the Canadian strategy towards the two summits reflected uncertainty about objectives and institutions. The prime minister continued to support a separate role for the G8, notwithstanding the growing influence of the more inclusive G20. The notion seemed to be that, although the G20 was the self-proclaimed “premier forum for our international economic cooperation,”³³ a fairly hard line could be drawn between economic and financial questions and all the other subjects of global discussion. In fact, the Huntsville/Toronto experience suggests strongly that a distinction of this sort may be very difficult to sustain, and indeed is probably less than useful. A few examples illustrate the point.

The Muskoka Declaration covered development issues extensively, and they were also referenced in the Toronto document. Given that the G20 contains a number of critical developing countries, the emphasis on development in the G8 context continues the mindset of seeing development issues as a set of solutions to be imposed on or gifted to less-developed societies by the wise people of the West. Moreover, artificial sectoral divisions make little sense in a globalized world. In the words of the Muskoka Declaration itself, “Prosperity, development and security are inextricably linked, and the economic well being and security of our own countries and those around the world are therefore interdependent.”

The Declaration goes on to opine about several subjects — notably international trade and investment, climate change, and some individual security issues — where the key players are in fact G20 members (for example, China, India, Brazil) and not part of the G8. With the two meetings being so close, the juxtaposition seems odd. One would think a more productive discussion of these subjects would be more likely to occur in the more inclusive forum (the next day).

As a final example, even the signature Canadian initiative on child and maternal health fitted a bit uncomfortably within the restrictive G8 rubric. Noting that support from the G8 is intended to be “catalytic,” the Declaration welcomed the support of a somewhat motley assortment of “outside” donors — the Netherlands, New Zealand, Norway, South Korea, Spain, and Switzerland, as well as the UN Foundation and the Gates Foundation. South Korea is a G20 member, but the other five countries share the characteristic of feeling “left out” of the top table, so presumably would welcome inclusion wherever possible. Support for the Millennium Development Goals is included in the G20 Declaration (which also refers to establishment of a G20 Working Group on Development), but the crosswalks between the two summits in this important area were left quite unclear.

Perhaps this was the way in which the Canadian hosting effort was the least satisfying, because it represented a lost opportunity. Being the first country to host G8 and G20 summits back-to-back afforded Canada a chance to shape the international debate over effective global governance (especially as regards the renovation of international financial institutions). The eventual outcome of the two events did not illuminate the respective roles of the two gatherings so much as it demonstrated the confusion over them. It could be argued that Toronto (as opposed to Huntsville) by its very existence served to “cement” key developing countries

³³ For the text of the Pittsburgh Summit Leaders’ Declaration containing this phrase, see online at <http://g20.gc.ca/toronto-summit/summit-documents/the-g-20-toronto-summit-declaration/>.

into global decision-making but, equally, a case could be made that the G20 needed more time to work through the ambitious work program set in motion by the two G20 meetings (London and Pittsburgh) held in 2009, and that a more complete response could be expected by the time of the Seoul G20 in November 2010. Although France will host both a G8 and a G20 in 2011 (at different times of the year), it can be expected that President Sarkozy will not be shy to take up the challenge of making a lasting impact in the run-up to his next presidential election (2014). His past statements might have suggested that an amalgamated G13 could emerge after the 2011 meetings,³⁴ but more recent speeches suggest a commitment to the existing G20.³⁵ Either way, Canada will not lead the debate for a long time; our next G20 chairmanship will occur in 20 years.

The lost opportunity does not simply rest on matters of organizational form. The financial collapse of 2008-2009 has occasioned a series of substantive disagreements, whether over specific measures to extricate the world economy from its current mess (centred on the need to control debt and deficit levels versus the need for continued fiscal stimulus) or more fundamentally (after the fall of the Berlin Wall) over the nature of capitalism itself.³⁶

On 28 January 2010, at the World Economic Forum, Prime Minister Harper spoke about the approach he would be taking to the upcoming G8 and G20 summits.³⁷ He reflected on the “fellowship of the lifeboat” that had brought together states at the height of the global economic crisis, initially at the 2008 G20 summit and subsequently in London and Pittsburgh. He stressed the need for the G20 to develop and sustain a sense of shared responsibility for the health of the global economy. He discerned “an important role of the Group of Eight in non-economic matters, in promoting democracy, development, peace, and security,” and he pointed to the health concerns of children and women as a field where the G8 could take the lead. In short, the prime minister prefigured the approach he would take at Huntsville and Toronto. What he did not do, however, was to fit these individual institutional mandates and project initiatives into a larger pattern that would explain both the relationship among complex issues and the ways states could work together to manage the impacts of globalization more effectively. And it was this intellectual void, more than the extraordinary cost of security arrangements or the back and forth around abortion or bank taxes, which caused the two summits to be regarded as somewhat empty exercises, competently presented, but lacking in substance at a critical juncture.

³⁴ Sarkozy was quoted in September 2008 as saying, “The twenty-first-century world cannot be governed with the institutions of the twentieth century.” He argued that inclusion of today’s emerging powers is not just “a matter of fairness” but a necessary condition for “being able to act effectively.” He cautioned, “We cannot wait any longer to enlarge the Security Council. We cannot wait any longer to turn the G8 into the G13 or G14 and to bring in China, India, South Africa, Mexico, and Brazil.” Quoted in James Joyner, “Sarkozy Calls for Security Council and G* Expansion,” *Atlantic Update*, 25 September 2008; available online at http://www.acus.org/atlantic_update/sarkozy-calls-security-council-and-g8-expansion. Now that a G20 exists, a reduction in summit numbers would be extremely difficult to push through.

³⁵ Nicolas Sarkozy, Speech to the 40th World Economic Forum, Davos, Switzerland, 27 January 2010; available online at http://www.weforum.org/pdf/Sarkozy_en.pdf.

³⁶ David Brooks, “The Larger Struggle,” *New York Times*, 14 June 2010; available online at <http://www.nytimes.com/2010/06/15/opinion/15.Brooks.html?emc+eta1ooks>. Brooks draws attention to the struggle between democratic capitalism and state capitalism as described in Ian Bremmer’s *The End of the Free Market: Who Wins the War between States and Corporations?* (New York: Portfolio, 2010).

³⁷ Stephen Harper, Address to the 40th World Economic Forum, Davos, Switzerland, 28 January 2010; available online at <http://pm.gc.ca/eng/media.asp?category=2&pageId=46&id=3101>.

LESSONS LEARNED AND WAYS FORWARD AFTER TORONTO

In the wake of the fourth G20 summit (and the thirty-sixth G8), a stock-taking is in order. A significant attempt has been made to rework international decision-making machinery to take better account of the contemporary distribution of power among nation-states, especially in the economic field. More specifically, the ways in which government leaders can intervene have been enhanced and the number of key players has been multiplied. Paradoxically, the top table has been expanded but, arguably, now that such major powers as the Chinese, the Indians, and the Brazilians are safely “inside the tent,” those previously left out have even less clout now. The resulting changes can be analyzed from a number of perspectives.

The Role of Leaders

The multi-country summit format is unlikely to disappear in the short term because it reflects the move away from a world dominated by a small number of countries (although, realistically, while all summit countries are equal, some countries are more equal than others). The summits also answer to the evidence that many serious international problems are interrelated and only government leaders can act to resolve cross-sectoral deadlocks. Specifically, only they are in a position to make the necessary large political tradeoffs, especially as summit agendas move away from technical financial issues and towards sensitive and multi-dimensional areas such as climate change.

A major activity at summits is for leaders to promise collective action in other established international forums. The track record in this regard is uneven, to say the least. With respect to the recent and ongoing financial crisis, the G20's agreements at London and Pittsburgh probably headed off a depression — although much work remains. By contrast, calls at successive G8 and G20 summits to move the Doha trade round forward have resulted in little meaningful progress, and leaders' pledges to deal with the impact of climate change did not prevent the recent debacle in Copenhagen.

On a year-to-year basis, the personal relationships established at summits remain as critical now as they were in the days of Lloyd George, Clemenceau, and Wilson in Paris, or Roosevelt and Churchill on *Prince of Wales*. Perhaps as valuable as any summit outcome is the empathy that leaders can develop for each other's situations (especially politically). The experience of coming to understand and share the choices and dilemmas only leaders face can be transformative.³⁸ As always, a compelling personality can cause a country to have more influence than might be otherwise expected. Brazil's growing weight under President Luiz Inácio Lula da Silva provides a case in point, and it will be interesting to see how that country fares after Lula's term expires at the end of this year.

³⁸ For a recent insightful exploration of the role of empathy, see Jeremy Rifkin, *The Empathic Civilization: The Race to Global Consciousness in a World in Crisis* (New York: Tarcher/Penguin, 2009).

Summits force detailed preparation and compromise because leaders cannot afford public failures. For officials and ministers, summit dates provide often useful deadlines by which work is to be completed. Conversely, if the G20 turns out to be ineffective, leaders will abandon it as a mechanism. In the end, it is likely to be an un sentimental political imperative that causes leaders to recognize that the G8 has outlived its usefulness — although the grouping may live on (below the level of leaders) as a caucus of like-minded democracies (a category into which Russia fits somewhat uncomfortably). Finally, notwithstanding the press coverage surrounding summits and their outcomes, leaders probably have the clearest understanding that these meetings are a far cry from world government. Prime Minister Harper is characteristic of most leaders in noting the continued primacy of sovereign states but seeing the possibility for a natural extension of national self-interest through cooperation, which, over time, could produce what he calls “enlightened sovereignty.”³⁹

Summit Mandates

Globalization is proceeding along many dimensions of networked interdependence, few of which come to the personal attention of government leaders, either acting alone or in groups (of whatever number). Anne-Marie Slaughter, who has pioneered academic work in this area and now heads the Policy Planning unit in Hillary Clinton’s State Department, believes that “The emerging networked world of the twenty-first century...exists above the state, below the state, and through the state.”⁴⁰ From this perspective, summits such as the G8 and the G20 amount to an effort by the heads of government to bring together the various threads that run through the fabric of international relations and to make sense of the pattern of events, both for their own decision-making purposes and to reassure electorates who tend to see the world increasingly as random and unpredictable. The summits are a demonstration of control, evidence that the heads of government are fully “plugged in” or connected. Slaughter has a cautionary word, however, about the ability of even the best “connected” leader to direct events: “The power that flows from this type of connectivity is not the power to impose outcomes. Networks are not directed and controlled as much as they are managed and orchestrated.”⁴¹

In the end, the ability of leaders to control events is probably as illusory as the general’s battle plan — once the fighting begins, improvisation is all.

Summits are not purely symbolic, of course. They often provoke decisions or, at least, movement on specific issues. Politicians are usually pragmatic people, however, and the likelihood does not seem high that they will allow two high-level coordinating bodies such as the G8 and the G20 to co-exist indefinitely with mandates which seem to overlap.

³⁹ Harper, Address to the 40th World Economic Forum.

⁴⁰ Anne-Marie Slaughter, “America’s Edge: Power in the Networked Century,” *Foreign Affairs*, January/February 2009; available online at <http://www.foreignaffairs.com/print/63722>.

⁴¹ *Ibid.*

The G20 was originally called into existence to deal with the international financial crisis and, for the moment, this continues to be its focus. Certainly Prime Minister Harper's view is that the G20 should concern itself with "financial sector reform, stimulus programs and global trade and growth strategies"; by contrast, the G8 should deal with "non-economic matters, in promoting democracy, development, peace and security." Under this latter heading he would place discussion of terrorism, piracy, climate change, and nuclear proliferation.⁴²

British prime minister David Cameron has a similar view about the G8, seeing it as becoming less formal, focused on strategic security issues, and perhaps scheduled on the sidelines of UN or NATO meetings to save money. "I don't think the G8 will die out," Cameron said. "The wealthiest democracies coming together for a strategic discussion, to hammer out a common view on things like Afghanistan, Iran and Middle East peace process is still a really important thing to do."⁴³

In 2009, Italian prime minister Silvio Berlusconi listed his priorities for the G8 summit at L'Aquila as financial regulation, climate change, and international trade, a grab-bag of topics that mirrored the chaotic meeting, held in the midst of an earthquake-torn city. The division of labour between the G8 and the G20 was left unclear.

French president Nicolas Sarkozy is now a strong G20 supporter. In a recent speech in Davos, he stated, "we cannot govern globalization while relegating half of Humanity to the sidelines, without India, Africa or Latin America." He went on to claim rather portentously, "The G20 foreshadows the planetary governance of the 21st century. It symbolizes the return of politics whose legitimacy was denied by unregulated globalization."⁴⁴ These comments suggest a much more limited role for the G8, but France retains its chairmanship of that group in 2011 (albeit not at the same time as the G20 meeting it is also chairing), and shows no inclination so far to disestablish the smaller summit it originated in 1975.

The adjustments that may be made to the focus of the G8 are difficult to predict, and there are no guarantees that the G20 will simply subsume it. That being said, the host countries for the next three summits (France, the United States, and Britain) are likely to want to put their own stamp on the machinery of global governance, so the possibility of institutional change seems fairly high.

Summit Participation

Earlier discussions of the need for a more representative body than the G8 model tended to treat with circumspection the question of who would qualify for inclusion. There were the obvious candidates (China, India, Brazil), and then there were "the rest," a group difficult to define precisely, beyond notions of regional importance. In the event, the existence of the G20 finance ministers group provided a helpful template, and the Americans simply adopted that roster for the first G20 summit.

⁴² Harper, Address to the 40th World Economic Forum.

⁴³ Quoted in "Cameron sees role for G8 despite rise of G20," *IBTimes*, 28 June 2010; available online at <http://uk.ibtimes.com/articles/20100628/cameron-sees-role-for-g8-despite-rise-of-g20.htm>.

⁴⁴ Sarkozy, Speech to the 40th World Economic Forum.

The question arises, of course, whether the addition of new states to the summit table will make a substantive differences to the decisions reached around it. As expressed by Andrew Cooper and Paola Subacchi, “the fundamental question that must be asked in this case...is whether the current change process attempts to integrate emerging powers into the established system or accepts differences (non-likemindedness) and focuses on problem-solving.”⁴⁵ These are early days in the G20’s existence, and a judgment on this basic issue must be suspended, but at least two observations can be made.

First, the simple addition of developing/”southern” countries may alter the agenda items leaders consider but in no way assures greater effectiveness in generating agreement. Experience in the WTO, for example, suggests rather the contrary.⁴⁶ Nonetheless, altering the international discourse in the direction of the concerns and aspirations of developing countries is worthwhile in itself, even if in the short term there is a lag in also altering the sensibilities of partner countries in the developed world.

Second, the process of building the southern networks that will bring new ideas to the table is well under way, whether through the ASEAN input to the G20’s Asian 6 or through the Committee of 10, created during the November 2008 meeting of African finance ministers and central bank governors.⁴⁷

Finally, there are the many countries left out of the G20 and resentful of the fact. In an interview with *Spiegel/Online* immediately before the Toronto summit, Jonas Gahr Store, the Norwegian foreign minister, voiced the feelings of many of those on the outside. He characterized the G20 “in terms of international cooperation, (as) one of the greatest setbacks since World War II.” He questioned the group’s legitimacy, adding,

The G-20 is a self-appointed group. Its composition is determined by the major countries and powers. It may be more representative than the G-7 or the G-8, in which only the richest countries are represented, but it is still arbitrary. We no longer live in the 19th century, a time when the major powers met and redrew the map of the world. No one needs a new Congress of Vienna.⁴⁸

⁴⁶ “No good deed goes unpunished: the WTO’s timely responsiveness in accommodating the new powers at the heart of its decision-making has produced new inefficiencies, has heightened its proclivity to deadlock, and has exacerbated disengagement and disillusionment among all its stakeholders”; Amrita Narlikar, “New Powers in the Club: The Challenges of Global Trade Governance,” *International Affairs* 86 (3, 2010): 724.

⁴⁷ See the useful post by Leonardo Martinez-Diaz and Ngaire Woods, “The G20 and the Developing World,” Global Brief, 19 February 2010, available online at <http://globalbrief.ca/blog/2010/02/19/the-g20-and-the-developing-world/>, in which they discuss their recent study, *Networks of Influence? Developing Countries in a Networked Global Order* (Oxford: Oxford University Press, 2010). For the ASEAN activities, see Wendy Dobson, “The Financial Crisis and East Asia,” *East Asia Forum*, 26 July 2009; available online at <http://www.eastasiaforum.org/2009/07/26/the-financial-crisis-and-east-asia/>. For a report on the Committee of 10, see the African Development Bank’s website at <http://www.afdb.org/en/news-events/article/committee-of-ten-meeting-cape-town-21-february-2010/>.

⁴⁸ For the interview, see “Norway Takes Aim at G-20,” *Spiegel Online*, 22 June 2010; available at <http://www.spiegel.de/international/europe/0,1518,druck-702104,00.html>.

The G20 may be generally acceptable as a temporary expedient to meet a specific crisis, but in some quarters resistance remains to its becoming a permanent “steering committee” for the world.⁴⁹

Summit Agendas

As a practical matter, the agendas of both the G8 and the G20 are largely based on the activities of previous summits. The G20 in particular has a considerable work program to complete, and much effort is being expended to ensure that the momentum for reform is not lost as the financial crisis eases. If the global economy continues to recover and avoids a double-dip recession, there may be room to consider other topics for the G20 to address. In this regard, both agendas (those of the G8 and the G20) are subject to direction from the chair for a given meeting.

For all the inertia built in to summit agendas, the subjects to be covered by the G20 will act as a “canary in the mineshaft,” signifying the purchase that ideas generated from the newly arrived “twelve” gain on the attention of the leaders as a whole. The current G20 agenda reflects issues of particular interest to the financial communities in the United States and Britain, Wall Street and the City, their government regulators in the two countries, and the massive array of ancillary lobbyists and hangers-on.⁵⁰ The emerging economy countries now on the G20 recognize the need to regularize international markets but feel strongly that issues in such areas as development, social equity, and climate change deserve attention as well.

South Korea’s determination to place development (and possibly cyber security) on the agenda of the G20 meeting it will host in November 2010 is an early indication of changes that may flow from a more inclusive summit membership.

Summit Management

A simple but important implication of moving to the G20 format is that the sherpa-led preparations become much more complex. Trying to develop summit agendas that work for twenty, rather than eight, heads of government is exponentially more difficult. Sherpa operations (especially in host countries) therefore are likely to grow (and cost more). If G20 agendas begin to shift away from financial matters, the role of finance ministers and their deputies, however, will decrease — indeed, they may prefer to take these questions back from the heads of governments’ table to the safer confines of financial boardrooms.

⁴⁹ For a discussion of the possible institutional development of the G20 in these two directions, see Andrew F. Cooper, “The G20 as an Improvised Crisis Committee and/or a Contested ‘Steering Committee’ for the World,” *International Affairs* 86 (3, 2010): 741-757.

⁵⁰ For a useful description of the Anglo-American financial crisis and the role regulatory capture has played (and may continue to play in the G20 context), see Andrew Baker, “Restraining Regulatory Capture? Anglo-America, Crisis Politics, and Trajectories of Change in Global Financial Governance,” *International Affairs* 86 (3, 2010): 647-663.

Based on past experience with the G8, G20 leaders are quite likely to want to expand their horizons beyond the financial and economic fields. This may leave more room for a role for G20 foreign ministers. That being said, a noteworthy phenomenon in this regard is the inevitable political rivalry between heads of government on the one hand and ministers on the other. When left alone in the room, leaders can be extraordinarily dismissive of the talents of even the most prominent of their cabinet colleagues, and generally have absolutely no interest in sharing the limelight.⁵¹ More inclusive or not, the need for leaders to express their primacy will not change, so again, the key management figures are likely to remain the personal representatives of the leaders.

The dynamics of a twenty-way conversation are daunting — especially since as a practical matter many more than twenty people often end up being at the table. In Pittsburgh, for example, the number was around 55 (this included finance ministers on an exceptional basis). More thought must be given to cutting back on the number of people in the room to make the exchanges between leaders as personal and informal as possible. Meals are useful in fostering direct contacts, and other formats (perhaps breaking into smaller groups) should be explored to generate exchanges that are not completely scripted by bureaucrats.

A final management note. If the Huntsville/Toronto events proved anything, it was that having back-to-back summits was a poor idea. Certainly, the security and administrative costs seemed to climb in these circumstances. More important, holding the G8 immediately before the G20 simply reinforced the impression that the latter body was operating off the agenda of a more select (more Western) group. Perhaps the Cameron suggestion of informal meetings around UN or NATO meetings might be a way of eventually giving the G8 a decent burial.

Summit Accountability

Leaders understand the public impatience with successive expensive summits that seem long on rhetoric and short on accomplishments. At the G8 in L'Aquila, leaders therefore commissioned a report from officials “reviewing our achievements up to now.” In addition, the leaders stated, “We are determined to fully take on our responsibilities, and are committed to implementing our decisions and to adopting a full and comprehensive accountability mechanism by 2010 to monitor progress and strengthen the effectiveness of our actions.”

In due course, at Huntsville a first instalment of this sort of report was presented in the form of the Muskoka Accountability Report.⁵² Although it was limited to commitments related to development, the demand for more comprehensive reporting will be difficult to resist, whether related to the G8 or to the G20.⁵³ One way of dealing with accountability in the longer term might be to assign the reporting function to a network of G20 think tanks — which might take on this retrospective task in addition to any specific pieces of forward-looking research leaders might wish accomplished.

⁵¹ This was certainly the case at the G8 summits attended in the 1990s by one of the authors.

⁵² The report and its background are available online at <http://g8.gc.ca/g8-summit/accountability/>.

⁵³ For a listing of G20 compliance reports, see online at <http://www.g20.utoronto.ca/analysis/index.html#compliance>. For the latest of the very useful G8 compliance reports prepared by the G8 Research Group at the University of Toronto, see the 2009 L'Aquila G8 Summit Final Compliance Report, available online at <http://www.g7.utoronto.ca/evaluations/2009compliance-final/index.html>.

Summit Legitimacy

The question of legitimacy is liable to come up with respect to the G20, just as it did with respect to the G8. The G20 is as much a self-appointed club as the G8, but the addition of key (very large) developing countries gives the more inclusive summit some of the “feel” of credible global governance. If the main measure of legitimacy is full representativeness, of course, then the G20 is no more legitimate than its predecessor. G20 membership is based, not very precisely, on economic weight and regional importance. More immediately, the G8 states were prepared to accept the G20’s coming into being because the major emerging economies needed to be included if the financial crisis of 2007-2008 was to be managed effectively.⁵⁴ In the end, the legitimacy of the G20 will be judged by its effectiveness in prompting constructive actions in other, legally constituted, bodies. Powerful though the G20 members may be, if their activities are seen as arbitrary and completely self-serving, the group will lose the ability to influence other states, and its usefulness (and existence) will come to an end.

The G20’s Impact on Other Organizations and Processes

Although concerns have been expressed that the G20 may supersede or override existing international institutions, there seems little basis for this anxiety. In fact, the G20 has breathed fresh life into the IMF and prompted a productive debate on the ways in which the Bretton Woods institutions more generally are governed. For organizations with serious deadlock issues (notably the WTO), the G20 may offer the only possibility for generating forward motion. There is even an outside possibility that G20 success might make Security Council reform somewhat easier to contemplate since many of the key players are part of the twenty.⁵⁵ More generally, the experience so far suggests that an effective G20 does not mean the end of the UN’s usefulness, it contributes to it.

A final cautionary observation is in order. The intention here is not to presuppose that the G20 will eventually be counted a “success,” whether in terms of the limited (but nonetheless important) context of the recent global financial crisis, or in terms of a longer-term existence as an international forum. As mentioned at the beginning of this piece, the historical record of attempts to manage events at a global scale is not encouraging. For the moment, however, the G20 offers the most practical mechanism available for addressing a complex threat to the world economy. Whether the grouping evolves into something more (for example, a more permanent instrument of global governance) remains to be seen.

A CANADIAN APPROACH

The way the international community makes collective decisions is rapidly evolving. In this regard, a number of factors apply specifically to Canada. Some of these will require Canada to adjust its tactics to meet national objectives, but many are solid advantages.

⁵⁴ For a discussion of G20 legitimacy and the impact on the “marginal majority” of states left out of this new body, see Anthony Payne, “How Many Gs Are There in ‘Global Governance’ after the Crisis? The Perspectives of the ‘Marginal Majority’ of the World’s States,” *International Affairs* 86 (3, 2010): 729-740, esp. 738-740.

⁵⁵ Although the entrenched positions of the current P5 cast doubt on the likelihood of meaningful reform any time soon.

After World War II, at the time of the last major realignment of international institutions, Canada had significant comparative advantages, including consequential armed forces, an undamaged homeland, and a burgeoning economy. Accordingly, as one of the senior Allies, Canada played a major role in crafting new bodies such as the IMF, the World Bank, the United Nations, and NATO. This circumstance no longer applies; Canada's comparative international weight has diminished.

It should be recalled that Canada was only added to the G6 in 1976 because the Americans and Germans wanted a North American country to balance Italy. Since then, Canada's relative international standing has eroded further. In the trade field, for example, the Quad countries that worked together to broker breakthroughs in trade talks consisted originally of the United States, the EC/EU, Japan, and Canada. With the advent of the new century and the Doha round, that inner group has grown to five or six — the United States, the EU, Japan, Australia, Brazil, and India, but no longer Canada, which is now part of the “alternative” Oslo Group that includes Norway, New Zealand, Kenya, Indonesia, and Chile.⁵⁶ The point here is that Canada's place at international “top tables” is by no means guaranteed.

One positive aspect of Canada's geopolitical positioning, however, remains in place. Especially since World War II, its privileged relationship with the United States has been an ongoing advantage, and this close connection with the single most militarily powerful country in the world will continue to be a strategic plus. While on the economic side, the era of US dominance may be coming an end, close, tariff-free ties to this large, dynamic market will be extremely valuable for the foreseeable future. Nonetheless, this key bilateral relationship cannot be taken for granted; as many experts and former practitioners have commented, its care and feeding will require additional resources.⁵⁷

Turning to what might be termed structural advantages, Canada has a stable, democratic political system supported by one of the most effective legal systems in the world. It has an open market economy governed by a fair, predictable regulatory system. Canada is an ethnically diverse country, with long experience integrating disparate groups with differing cultures, and a history (at least for the past 60 years) of tolerance and respect for human rights. A special national advantage is the significant representation in its population from two of the key rising powers, China and India.

Canada has a solid regulatory framework in the financial field; its economy has emerged in generally healthy condition from the recent financial crisis. In part this reflects the balanced approach that successive Canadian governments have adopted — they have supported the free market but developed a functioning social safety net to complement it.

⁵⁶ See the description and history of the Quad and other trade negotiation groups on the WTO website at http://www.wto.org/english/thew_e/whatis_e/tif_e/org3_e.htm.

⁵⁷ See, for example, the call for Canada to become “America's indispensable ally” while diversifying its relationships with the emerging powers; Canadian International Council, *Open Canada: A Global Positioning Strategy for a Networked Age* (Toronto: CIC, 2010), p. 20; available online at <http://www.onlinecic.org/opencanada>.

In terms of other underlying economic strengths, Canada has a privileged geographic position (which among other things makes it less vulnerable to uncontrolled migration), a full range of key raw materials, abundant fresh water and arable land, a good mix of energy sources, well-developed internal and external transportation and communications linkages, and, perhaps most important, a highly educated population (which continued openness to immigration will keep from aging too rapidly).

By comparison with these positives, Canada's prospects in the new G20 world are decidedly more mixed. In the wake of the Huntsville and Toronto summits, Canada will not chair the G8 for eight years (if the forum lasts that long) or the G20 for nineteen. The next chairs will take initiatives of their own, and leaders such as Sarkozy, Obama, and Cameron will not be shy to push their personal priorities. If the United States and China reach a strategic *modus vivendi*, this central "G2" could well drive the G20's development, perhaps joined by India and the EU (if the former can deal effectively with poverty and the latter with disunity). The impact of South Korea as the next G20 chair (the first Asian mid-size country to take on this leadership role) may also be considerable in changing the trajectory of summit agendas. In retrospect, Canada may have this year missed a critical opportunity to shape the G20's future. Canada must now find a way of ensuring its interests are recognized and taken account of in this increasingly crowded setting.

A collection of "new" international actors is refusing to "play by the rules." The most obvious recent example was the *démarche* by the leaders of Turkey and Brazil with respect to Iran's nuclear program. Jaswant Singh, former Indian foreign minister, suggests that the United States in particular had better get used to "these types of diplomatic cat's cradles." He points to a collection of countries in addition to Turkey and Brazil with global or regional policies of their own (he lists India, Indonesia, Japan, South Africa, Nigeria, Saudi Arabia, Egypt, and South Korea). He warns against an attempt to impose a United States/China condominium on the global order: "Too many powerful countries now feel able to flex their diplomatic muscles in defense of their interests. Mao's hundred flowers may have bloomed only briefly, but today's myriad species of *Weltpolitik* are certain to bloom perennially."⁵⁸

Despite the G20, the G8 continues to exist and, as Mr. Singh suggests, the Western powers will be tempted to try to foist their own agenda on the newcomers. The chief among those newcomers, China, has already made it clear that the only consequence of this would be the establishment of a competing "G12."⁵⁹ Something similar has already happened with the "outreach 5," invited to earlier G8 meetings in the 1990s. The effect of treating these five major states (China, India, Brazil, Mexico, and South Africa) as occasional dinner guests was to force them to establish a separate collective personality – in fact, the core of a new G12. It is entirely unclear that it would be in Canada's best interests for it to find itself in one of two competing "blocs" at the summit level, and it should work to remove the incentives for the new G20 members to form such a sub-group.

In light of this overall situation, Canada should consider the following directions.

⁵⁸ Jaswant Singh, "A hundred Weltpolitiks," *Japan Times*, 23 June 2010; available online at <http://search.japantimes.co.jp/print/ea20100623al.html>.

⁵⁹ Gordon S. Smith, "The last thing we need is a G12 competing with a G8," *Globe and Mail*, 26 July 2010; available online at <http://www.theglobeandmail.com/news/opinions/the-last-thing-we-need-is-a-g12-competing-with-a-g8/>.

Embrace a Realistic Assessment of Canadian Capabilities

Canada will have influence only if it can make itself useful and demonstrate competence (as it has in the field of financial regulation). Canada has many advantages in this regard, not least of which is a cadre of extremely competent officials dealing with international matters (now supplemented by a growing representation of Canadians in key positions in international organizations). The particular circumstances that led to Canada's having a disproportionate impact immediately after World War II and through the 1950s undoubtedly have changed, but the logical response to feelings of loss at the passage of the "Pearsonian moment" should not be paralysis but constructive action. Canadian leaders should keep in mind that electors often view performance in the international sphere as a surrogate indicator of general competence. Being seen as wilfully allowing Canada's international standing to diminish has domestic political consequences for those seeking to retain high elected office.

Build New Relationships

Canada needs to refine its networks and privileged relationships with the new players at and around the G20 table.⁶⁰ At a minimum, Canada should maintain its primordial relationship with the United States, devise a meaningful connection with the EU, work on developing multi-dimensional links with China, India, and Brazil, and fashion a leadership role with other second-level powers inside and outside the G20. Canada must learn to sustain multiple, interlinked relationships, and it should be inventive in determining the different kinds of common interests that make new international alliances possible. The key may be to build on the strengths and experiences of Canada's own diverse population. The days of relying on a single main partner (historically Britain, latterly the United States) are over.

Shape Renewed Global Institutions

Canada has a long-term interest in developing and maintaining effective international institutions. To meet its objectives, it needs to be among the rules-makers (as opposed to the rules-takers) of the international community. For Canada, issues of institutional architecture are not theoretical; they are matters on which it should take the lead as the G20 evolves. Similarly, Canada should work with others to ensure that the emerging economies are appropriately represented at the governance level in other global institutions, particularly the IMF and the World Bank.

Plan for Future G20 Agenda-building

The G20's first order of business should remain managing the aftermath of the recent financial crisis. The G20's ambitious work program in this area must be brought to completion. As that proceeds, however, Canada should plan for broadening the G20 agenda to include areas such as climate change, energy security, and nuclear non-proliferation, where the linkages with economic policy are clear and the shared vulnerability of states make them natural additions to G20 discussions.

⁶⁰ Such an effort would in any event be useful in the context of exercises such as Canada's current campaign for membership on the UN Security Council.

Make the G20 Work Substantively

To help shape a process that is still feeling its way, Canada should focus on setting the research agenda for the G20. For example, given the demonstrated ineffectiveness of command economies, tools are needed to manage a multi-polar, networked world where subsidiarity, freer individual decision-making, and more effective local responses to local conditions and aspirations make the most sense. Better use by governments of the new social media may be a useful building block in this regard. A systematic research agenda should be developed to provide support for future G20 work.

Mobilize G20 Intellectual Resources

A related Canadian initiative aimed at improving summit productivity would be to support the establishment of a G20 think tank network. The network would have responsibility for keeping track of G20 commitments and accomplishments as well as undertaking specific pieces of research at the request of leaders. The think tank network could help to develop the policy and research capacity of developing countries inside and outside the G20. In doing so, the network would act as a G20 outreach function, ensuring that G20 approaches are well understood elsewhere and providing the G20 with a window on views and concerns of non-G20 states, especially in the global South. This grouping of think tanks would also act as a mechanism for plugging the summit process into the growing parallel sets of international networks (inside and outside government) that are forming the world of ideas within which global decisions are taken.

Make the G20 Work Logistically

On the logistical side, Canada should push for the troika approach to summit management. This would mean that the past, current, and future sherpas would work as a team to ensure continuity, consistent fair treatment of participants, and meaningful follow-up on commitments. G20 summits will be productive only if the preparation/debriefing cycle is systematically maintained. Consideration could be given to offering to situate the revolving troika secretariat in Canada.⁶¹

Ensure the G20 Remains Open and Accountable

One of the characteristics of the otherwise quite successful “Anglo-American financial project” has been growing inequality both within and among nations. This inequality is a recipe for instability and unrest. Canada should take the lead in grappling with the practical implications of rebalancing the impacts of globalization. As part of this effort, Canada should work to ensure that states not at the G20 table are given adequate and appropriate voice and the means to influence that forum. Consultation with non-state actors should continue to be the responsibility of individual G20 states, but it should be recognized that, as a purely

⁶¹ See the recent suggestions along this line by the past and current heads of the North South Institute, Roy Culpeper and Joe Ingram, “Make Canada the G20’s permanent home,” *Globe and Mail*, 7 August 2010; available online at <http://www.theglobeandmail.com/news/opinions/make-canada-the-g20s-permanent-home/article1664535/>.

intergovernmental process, the G20 needs to take into account the “democratic deficit” concerns of civil society. G20 host states might choose to make special efforts in this regard to engage in advance with the business community and environmental or socially concerned non-governmental organizations.⁶² On the accountability side, documentation along the lines of the G8’s Muskoka Accountability Report should be encouraged.

Grasp the G8/G20 Nettle

Canada should lead work on resolving the relationship between the G8 and the G20, with a view to bringing the G8 summits to an end. One option for moving in this direction would be to use a new G20 foreign ministers’ forum to take on discussion of key security issues. This might be a natural progression after the financial crisis eases and the aftermath is re-absorbed into the G20 finance ministers’ agenda.

CONCLUDING REFLECTIONS

The shape of the world has changed. The nation-state now acts in a global environment characterized by vastly increased interdependence, a multiplication of governmental, non-governmental and personal networks, extreme rapidity of change, and almost total transparency. International processes and institutions have been slow to respond to these circumstances.

Heads of government have a critical role to play in overcoming this inertia, and the G20 provides a vehicle for them to bring their personal judgment to bear. The G20 might not be the perfect method of addressing this challenge, but its track record so far has been reasonably encouraging.

The G20 deals with issues of vital national importance to Canada. For the moment, the G20 remains a work in progress, the development of which Canada still has the opportunity to influence. The national interest demands that Canada make full use of that opportunity.

⁶² Canada has done this in the past, as have other summit hosts — South Korea is continuing with this approach.

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