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## INNOVATION IN INTERNATIONAL GOVERNANCE

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#### **G8 SYSTEM**

## **CARINA STEGAROIU**

LECTURER PHD, "CONSTANTIN BRÂNCUŞI" UNIVERSITY, TÂRGU JIU, ROMANIA <u>carinastegaroiu@yahoo.com</u>

## STEGAROIU VALENTIN

LECTURER PHD, "TITU MAIORESCU" UNIVERSITY, BUCURESTI, ROMANIA valentinstegaroiu@gmail.com

#### Abstract

Political globalization can be broadly defined as a phenomenon of global expansion and uniformisation of ideas, values, norms, types of institutions and political practices – e.g. check and balance, a set of universal human rights, the legitimacy of humanitarian interventions etc. – and also, as an instance of perceiving such problems as global and thus requiring global institutions and procedures to regulate the above mentioned. Following the acceleration of interdependence processes at a global scale, the term of global governance is used in correlation with the instruments used in organizing human societies at a global level. A particular type of institution, specific to global governance is the G8 summit.

The G8 has become a key player in developing global governance, with an increasing agenda and role in to — creation of network of statal and non-statal partners. The new reality of different countries and regions in the world in a changing economic and demographic balance requires new measures of involving players on the international scene and new ways of taking action, which are different than those of the industrially developed Western countries.

Key words: globalization, global governance, G8, EU

JEL classification: F60, F61. F62, F63

# 1. Introduction

The terminology of political science is often prone to controversies, as there are many terms which cannot be precisely defined or universally accepted. Such a term is *globalization*, which has lend itself to intense debates, following these focal points: how to conceptualize the reality encompassed by this term; its normative evaluation; the adequate instruments and methods of measuring this phenomenon; its temporal classification; its impact on states and finally its academic usefulness and ability to accurately describe the current international realities. This last perspective will be dealt with in the present paper, where we will isolate one dimension of the vast phenomenon of globalization – the political one – and try to define the practical and conceptual reality it provokes.

Political globalization can be broadly defined as a phenomenon of global expansion and uniformisation of ideas, values, norms, types of institutions and political practices – e.g. check and balance, a set of universal human rights, the legitimacy of humanitarian interventions etc. – and also, as an instance of perceiving such problems as global and thus requiring global institutions and procedures to regulate the above mentioned. Therefore, for supporters of this perspective on political globalization, problems such as climate change, energy, security, commercial transactions etc. can no longer be effectively managed by states alone, as states are considered not to have the necessary organizational efficiency and institutional legitimacy. Consequently, it becomes necessary to include non-statal actors in the process of formulating and implementing policies in so-called *global governance*. Following the acceleration of interdependence processes at a global scale, the term of global governance is used in correlation with the instruments used in organizing human societies at a global level. This is why, we must separate our understanding of "governance" from that of "governing": the latter is laden with the traditional values of authority and political control; it encompasses the apparatus of formal political institutions that coordinate and control social relations and have the power to implement any taken decision. At the level of the international system, where there is no higher political authority, we will use the term of governance to refer to the means of regulating interdependence relations between states. As a result, global governance can be defined as *the apparatus of formal and informal institutions, of the mechanisms*,

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relations and processes that occur between states, markets and organizations – both governmental and non-governmental – through which collective interests are met, rights and obligations are set and global differences are mediated, in the absence of a world government.

This definition brings into focus the topic of *international cooperation*, which Robert Keohane understands as the "process through which the policies followed by governments are seen by their partners as facilitating their own objectives, as a result of coordination at the level of policy making" [1]. The deliberate nature of adjustment at a policy level must be put in the context of the relationship between state players: cooperation requires each state to view the adjustments of its partner state as serving its own interests. International cooperation is facilitated by the existence of a permanent and interconnected set of practices and rules that enforce roles delineate the activity and shape the expectations of every player. Likewise, global governance operates with organizations, bureaucratic agencies, treaties and agreements and informal practices which are accepted as compelling by the states. A particular type of institution, specific to global governance is the G8 summit.

The group comprised of the first eight economies of the free world began with a series of informal high level meetings in 1975 in a G6 formula, when the president of France, Giscard d'Estaing, invited the leaders of Japan, the USA, Germany, Great Britain and Italy in Paris, at Rambouillet, to discuss the economic problems of the time. Among the most noteworthy crises of the day was the oil shock of 1973, when the Organization of Petrol Exporting Countries (OPEC) set an embargo on oil supplies, following the Yom Kipper War between Israel and the coalition of Arab states supporting Egypt and Syria (October 1973). The western states could not agree on a measure to ameliorate the situation, so that in 1974 they had to deal with elevated rates of unemployment and inflation. In this context, it was decided that the traditional organs of international cooperation were not enough to reconcile the divergent objectives of the great western powers [2] and the need was felt for a more flexible and less formal working environment, which would not be stifled by the bureaucracy of intergovernmental agreements and permanent offices.

The group of the six most industrially developed countries in the world was enlarged by including Canada in 1976 (G7) and Russia in 1998 (G8). Unlike other international entities, the G8 does not have a fixed structure or a permanent administration, as it is the task of the country holding the current presidency of the group to set the agenda and organize the annual summit. This specific structure has allowed the leaders of the member countries to develop beneficial personal relations and to deepen the understanding of the internal policies and the economic conditions and constraints inherent to each member state. Therefore, during the summit, the member states try to reach informal agreements on measures that can be taken individually regarding the problems which are discussed on the work table, but in a cooperative manner, in order to achieve objectives more efficiently. Once the leaders agree on certain initiatives, monitoring the commitments agreed upon is the subject of the *follow-up* meetings that take place all year round. Both in the G7 and G8 formula, the summits do not claim to institute a global "governing", but a review of the global challenges to the international system and crystallization of certain attitudes.

## 2. The evolution of the G8 system. Relationships with the EU and Russia

The club of the first economies of the free world is an unorthodox international institution. Traditionally, international governmental organizations have a founding document as basis — either an international treaty or an agreement between the founding states. Also, such organizations have an administrative office, which deals with the implementation of the decisions taken in the forum. The G8 system is different from such an organization. The arrangement of this institution is less structured: the Group was not founded following the signing of a treaty and does not have a permanent office. This *modus operandi* has proven useful as a framework for coordinating policies, for launching common initiatives, but also for facilitating the interaction with other players, both statal and non-statal.

The most known component of the G8 system is represented by the annual meetings of the leaders of the member states. Summits usually take place in the first part of the year, in June-July, and take place in the country that holds the G8 presidency that year – this role is played calendaristically by member states for a year in the following order: France, USA, Great Britain, Russia, Germany, Japan, Italy, and Canada. These high level meetings are not exclusively economic in nature. Over the years, a series of political debates and problems with a global impact have been discussed. As a result, this event has evolved from a gathering of political leaders to a debate forum for NGOs, activists and other entities of the civil society.

Before 1998, it wasn't exclusively summit of the seven. The first summit had 6 participants (France, Great Britain, Germany, the USA, Japan and Italy), and the second one (Puerto Rico, 1976) marked the entrance of Canada in the club of the world's most industrially developed countries. The following reunions took place in the 7+1 formula, once the European Union – then the European Community – was invited to take part in the summits. This decision was made in 1977, as the Union became prominent in the world economy. Since then, the EU has been represented in the G8 by the President of the European Commission and the President of the Council. As it is not a sovereign member state, but a supranational entity, the EU cannot hold the presidency and cannot be called a member state – hence the G8 formula, the Group of 8 nations, and not G9. Nevertheless, the EU enjoys all the privileges and obligations of a

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member state. The decisions taken in the G8 summits have no legal power for the EU member states, but can serve as political statements with a big influence.

Since 1994, when the Naples summit took place, Russia has been involved in the political aspects of the Group, which created a new appellation for this reunion - P8 – *Political 8* [3]. Three years later, Russia's relations with the G7 strengthened with the creation of the *Summit of the 8* in the political area – leaving financial and economic problems to the attributions of the G7 core. This initial configuration of the G7 continued after Russia became an official member state during the Birmingham summit in 1998, when the Group changed to G8. The G7 finance minister forum continues to function in the financial and economic areas to this day. Although Russia is an euro-pacific power, with considerable energetic and nuclear resources, who is part of the UN Security Council, was of a strategic importance for attracting this state to the Group, there are more and more claims stating that Russia internal standards – still beneath those of western democracies – and the low level of adjustment to the annual standards of the G8 are enough reason to exclude Russia from the G8. Russia's aggressive and non-cooperative attitude on the political scene has been pitted against three fundamental reasons why continuing the collaboration between Russia and the Group is preferable to Russia's exclusion.

Firstly, its exclusion would fuel ultra-nationalistic opinions that suggest that the West prefers a politically and economically weak Russia. Secondly, it can be argued that the annual G8 standards are not legally binding, but are merely performance indicators for the G8, that are not totally met by all of the member states. Moreover, Russia has reached high levels on other levels, such as non-proliferation of weapons of mass destruction and counterterrorism, areas with a great significance in international cooperation. Thirdly, the reports on the activity and impact of the G8 done by the University of Toronto [4] have indicated that the inclusion of Russia in the G7 has had positive, noteworthy effects. Its G8 membership has improved the situation of NGOs in Russia. During the Russian presidency of 2006, a new mechanism was created – *Civil 8* – which allowed the representatives of the civil society to sound out their opinions on global and local interest problems, even if they had no effective influence on the decisions taken during the high level meetings. In these conditions, the issue of Russia's continuing G8 membership is far from being concluded.

#### 3. Conclusions

The G8 has become a key player in developing global governance, with an increasing agenda and role in to – creation of network of statal and non-statal partners. Despite all this, the G8 is faced with a triple challenge: a legitimacy crisis, because it can be argued that the real balance of power is not adequately represented; a crisis of confidence, seeing as the decisions of the G8 have been met with a strong internal opposition; an efficiency crisis, seeing as some of the current global issues – e.g. the global economic crisis – has proven the need for coordination with an increasing number of players [5].

This new reality of different countries and regions in the world in a changing economic and demographic balance requires new measures of involving players on the international scene and new ways of taking action, which are different than those of the industrially developed Western countries. Consequently, there are tendencies within the political representatives of the G8 to create a G20 – a forum that would reunite the great developed economies and the emergent economies – that can debate matters of world economy and other aspects, thus allowing for a more productive dialogue dealing with strategic issues, such as climate change, migration, world health or security. In conclusion, we can say that there is a dire need to reform the concept of global governance in order to reflect the new political, economic, demographical realities and to efficiently meet the global challenges of the current days.

## 4. Resources

- [1] Robert Keohane, After Hegemony. Cooperation and Discord in the World Political Economy, Princeton University Press, Princeton, 1984, p. 63
- [2] Peter I. Hajnal, *The G8 system and the G20: evolution, role and documentation*, Ashgate Publishing Limited, Hampshire, 2007, p.12.
- [3] http://www.g8.utoronto.ca/evaluations/index.html
- [4] http://www.globaldiscussions.net/Archives1.html
- $[5]\ http://www.opendemocracy.net/russia/article/should-russia-be-expelled-from-G8$