

Broadening Participation in G-7 Summits¹

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When they began in 1975, the purpose of summits was to develop the basis for collective action on issues of common concern. Over the years, serious observers have come to see the G-7 as a club of like-minded and of the world's major economies that can act as the world's "executive committee" if and when necessary. The G-7 is a construct of cold war leadership for a divided world, however. Including Russia in 1997 in the Summit of the Eight in Denver was an expedient move to reconcile Russia to the expansion of NATO membership. The resulting process is awkward, but it is not unworkable. Since 1998, leaders have insisted on changes to the format of their meetings to provide them with more time to meet alone, without officials, for less structured and unscripted discussion among themselves.

A quarter of a century after summits began, the central challenge for leaders has changed. Today the challenge is to provide the leadership to manage an integrated world. One in which cross-border flows of trade, capital, technology and ideas are growing; in which market competition is intensifying; in which inequality of wealth and opportunity among nations is increasing. It is also one in which the nuclear non-proliferation regime is eroding and in which security and economic issues are closely linked. These changes associated with integration are the source of popular unease and questioning of the adequacy and legitimacy of existing governance frameworks.

Meeting today's challenges requires different leadership and structures. A G-3 or G-7 "directorate" is no longer acceptable. The new leadership must be collective. Collective leadership does not mean less leadership. It means different leadership, requiring consensus among a wider group. The locus of world economic activity is multi-polar, including Europe and Asia. Some of the most serious economic challenges lie in the

¹ This paper draws on contributions by Renato Ruggiero, Yoichi Funabashi and Sergei Karaganov.

developing countries, many of which are in Africa. The central global security problem is the erosion of the nuclear nonproliferation regime as new challengers and new threats emerge. Ways also need to be found to improve relationships between governments and genuine and legitimate representatives of civil society. The alternative is leadership paralysis and lack of vision in the face of the challenges of increasing interdependence.

Basic principles for a blueprint for change

A blue print for change should recognize several principles:

- Stronger global cooperation, strong and focused international institutions, and consensus-based multilateral rules should provide the basis of the global system. They are also the means to extend national sovereignty beyond national borders.
- Collective leadership reflects the reality of the multi-polar world and the increasing influence of the developing nations. The advanced economies can no longer provide international leadership by themselves.
- This new leadership should operate by consensus in order to respect the emergence of new values, new interests, and to define commonly agreed goals.
- Policy issues are increasingly interconnected. The expanding web of international agreements and international institutions needs to be harmonized and integrated. Consider the linkages among economic and security issues. Inequalities in income and access to information, financial crises and environmental degradation are all potential threats to world stability and peace.
- Improved global governance begins at home. The nation state is still the basis of governance and the source of order. National leaders and governments should involve representatives of the private sector and civil society in order to improve both the benefits of integration and to address the challenges. The responsibilities of collective leadership should be debated and channels created for communication and consensus among diverse national interests.

Alternative mechanisms to broaden participation

In the 1970s, summits were intended to be one-off meetings at the highest levels of government to address problems that only leaders could solve. These meetings were among the few opportunities leaders had to meet each other. Since then, G-7 summits have become regular annual events involving large bureaucracies and set agendas that seem to proliferate as leaders monitor incremental progress on persistent problems and as new issues are added. Their impacts on these problems and issues have also varied.

More recently, representatives of interest groups have demanded to become included in the processes of summits. Summit hosts now make increasing efforts to provide transparency and access to members of civil society as well as to the media. Other innovations have included invitations by summit hosts to business leaders. Japan organized a CEO forum prior to the Okinawa summit.

Such initiatives are important precedents for broadening participation to the major non-governmental actors on the international scene. They could be institutionalized without radical change:

- CEO forums should become regular adjuncts to summits. Fora of this kind already exist; for example, the United Nations Secretary General has established a business advisory council. APEC organizes a CEO forum as an adjunct to its leaders' meetings. Of course, one of APEC's purposes is to promote business facilitation within the region. The CEO forum organized by Japan as G-7 summit host established the potentially useful precedent of a functional orientation with its focus on information technology.
- NGO forums? An appropriate mechanism is also desirable for pre- or post-summit meetings with representatives of civil society. Again, the United Nations has already established a precedent with the Millennium NGO Forum. Individuals representing international civil society groups were invited. One of the outcomes was a decision to establish a permanent assembly of civil society organizations that will meet at two or three year intervals. NGO forums linked to summits might have a functional or

problem-solving focus and invite relevant expert voluntary sector groups to participate.

Looking to the future, the central issue for leaders is to include leaders of other nations in the inter-governmental processes established over the years by the G-7. Recently, G-7 summits have developed *ad hoc* mechanisms for consulting the leaders of other groups. For example, the Japanese chair in 2000 met with leaders of a number of development forums such as the G-77 and others prior to the summit. Before Russia became a regular G-8 member, the Russian president met with leaders after their meetings. What are reasonable objective criteria to apply to further expansion on a systematic basis? Should those who are most likely to generate crises be involved? Or should those who have the means to resolve crises be involved? The most reasonable criterion for adding other leaders has already been identified. It is the criterion of “systemic significance” used to organize the G-20 finance ministers and central bank governors. That is, the criteria for inclusion should relate to the size, influence and potential for contributing both to negative as well as positive spillovers from these countries to their neighbors. These criteria are also forward-looking ones: the obvious candidates are those who, in the long run, will play integral roles in generating and resolving global economic and security problems.

G-20 finance ministers and central bank governors meet on a regular basis. The group was created in the wake of the 1997-98 financial and economic crises when collective action was required by governments of countries of systemic significance to draw common lessons and carry out cooperative remedial action. Twenty such economies are included: the G-7 plus Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey and the European Union.²

There are two ways to build upon the G-20 precedent:

² The heads of the IMF and World Bank also attend. So do the Chairs of the International Monetary and Financial Committee and the Development Committee.

- Convene *functional groups* of ministers from the G-20 nations to address common systemic problems. Environmental degradation and climate change is one obvious area where common understanding as the basis for wider action might usefully be generated. Similar groups could be convened to address some of the pressing north-south issues. Trade issues would be a leading candidate. Poverty alleviation is another. Access to information technology is yet another.
- *Expand leaders' meetings to include G-20 leaders.* This group (see Table) includes most of the world's largest economies (although populous countries with very small economies like Nigeria are not). It includes countries from all major regions.

Expanding the leaders' meetings provides a reasoned and proactive response to *ad hoc* pressures, such as those being brought to bear by certain African leaders to focus global attention on the pressing humanitarian and economic problems they face. It is a way to develop relationships across the growing north-south divide. It is also a way to resolve problems generated by *ad hoc* decisions, such as the partial inclusion of Russia which is an embarrassment to all. China is increasingly identified as too big to ignore, yet the *ad hoc* means to involve it have also generated embarrassment – and therefore rebuffs and indifference from Chinese leaders. In addition, it is a way to pre-empt strategic rapprochement along regional or other lines, such as between Russia and China, that could further undermine the nuclear nonproliferation regime and create new strategic threats.

There are, of course, a number of objections that can be raised. First, the UN Security Council is seen by many as the appropriate place to address security issues. Second, the G-20 is a diverse group. Expanding leaders' meetings could diffuse the focus that the G-7 leaders currently seek; adding developing country leaders would bring very different perspectives and objectives. Third, while most of the G-20 countries have market economies and democratically elected governments, China does not. China's differences have provided the rationale for its exclusion from other fora. Some also see China as a reluctant multilateral player with its own aspirations to be the representative of

developing country interests. On the other hand, China has been a responsible member of all international fora it has joined, including the United Nations, World Bank, International Monetary Fund, Asia Pacific Economic Cooperation forum. But for these and other reasons, expanding the G-7 club of the like minded could put at risk its ability to accomplish concrete change.

Associated with this question is a tradeoff between the desirability of broader participation and the need for efficient management of the process (which not all consider desirable if it is exclusive of some members). Can management of summits be beefed up? G-7 governments have been notably reluctant to permit an international bureaucracy. Organization of summits is up to the host government as summits migrate in a pre-determined order among the member countries. As long as G-20 involvement is limited to functional meetings of ministers, or to periodic meetings between the G-7 and the other thirteen leaders, this procedure is likely to persist. Should G-20 summits become regular features of global diplomacy, their management will become more of an issue. Resolving this issue does not have to be complex or difficult. Indeed, some examples exist of how such management might work. The Trilateral Commission is one example. It is a voluntary network of private sector and academic leaders from Asia, North America and Europe that meets on a regular basis to examine global problems and their resolution. It has an international steering committee made up of people from each region with knowledge and resources adequate to ensure the viability of the group, propose policy and program for its meetings, and to solve problems that arise. Its modest secretariat is based in each of the regions yet collaborates closely to advance the group's goals. The G-20 would need a steering committee. It could be constituted to include a few of the major countries with the leadership and resources necessary to monitor and address crises plus a revolving membership to ensure regional representation – and with flexibility to respond in future as the economic significance of non-G-7 countries grows. There are many models from which to choose in designing the leadership of a secretariat, but it should be a term appointment of, say 5-7 years, selected from the various regions on a revolving basis.

Conclusions

The G-7/G-8 leaders should respond to demands for broader participation in several ways. First, they should expand processes at home to consult and debate with groups demanding more say about the challenges of interdependence. Second, they should act in an incremental way by creating two fora around the G-20. One would expand the functional meetings of G-20 ministers, beyond that of finance ministers and central bank governors focused on the global economy, to other areas where progress is urgently required on common global problems. The other G-20 forum that should be created is a periodic-but-regular meeting, either before or after G-7 summits, with leaders of the G-20 countries. Initially the goal of these meetings should be to expand G-7 leaders' regular contact with and understanding of the aspirations and problems in the G-20. These discussions would be closely related to, but would not replace, G-7 leaders' discussions. The long-term agenda, however, should be to work towards full inclusion of the G-20 in leaders' meetings.

Other innovations are also desirable, such as creating regular CEO and NGO meetings linked to the summits. There is a significant tradeoff, however, between broadening and ensuring the process is efficiently managed. Thus, some sort of steering committee with revolving membership should be considered with resources and knowledge necessary to maintain momentum, anticipate challenges to be addressed, and head off or manage crises that arise.

These steps are ones leaders themselves should take to enhance the legitimacy of global governance and, implicitly, the legitimacy of the globalization process. The active participation of leaders in the G-20 as well as leaders of business and civil society in the summit process is essential if global leadership is to be both effective and legitimate in the future.

Table. Economic significance of the G-20 countries, 1998

Country	GDP (current billions US dollars)	Share of World Trade (percent of total world exports, 1997)
Argentina	340	<1
Australia	364	1.1
Brazil	775	1.0
China	960	3.2
India	430	<1
Indonesia	95	<1
Mexico	425	2.0
Russia	337	1.5
Saudi Arabia	130	1.0
South Africa	115	<1
South Korea	320	2.4
Turkey	190	<1
Canada	605	3.9
France	1,447	5.2
Germany	2,150	9.2
Italy	1,185	4.5
Japan	3,790	7.6
United Kingdom	1,412	5.1
United States	8,760	12.4
World	28,445	100.0

Source: World Bank. 2000. *Global Economic Prospects*. Washington, DC: World Bank.