



209 Iowa Avenue
Muscatine, IA 52761 USA
563-264-1500
563-264-0864 fax
stanley@stanleyfoundation.org
www.stanleyfoundation.org
Richard H. Stanley, Chair
Vladimir P. Sambaiew, President

Policy Memo

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SUBJECT: Evolution of the G Groupings—A Progress Check

The Stanley Foundation convened about 20 governmental and nongovernmental officials from a number of countries on October 14–16, 2010, near Washington, DC, to examine the practical evolution of the G summits and related processes. This discussion was one of three roundtables at the 51st annual Strategy for Peace Conference.

The main observations and recommendations stemming from the roundtable were:

- The main challenges for the Seoul summit are to defuse (if not resolve) the currency dispute, respond to any other crises that erupt (European debt, North Korean military), carry the stimulus-austerity debate forward, push toward resolution of IMF-World Bank governance reform, and progress on the elimination of fossil fuel subsidies.
- In the intermediate term, the G-20 should consider a major push on climate change financing.
- The exemplary consultations by the South Korean hosts should be captured and solidified as a planning template for future summits, and the involvement of parliamentarians should be expanded.
- Coordination and consultation with the United Nations should continue to be built, but with added emphasis on harmonizing the two forums' agendas (particularly development and the Millennium Development Goals) and identifying interlocutors who will connect UN and G-20 efforts.
- In scheduling future summits, every effort should be made to organize three-day gatherings—the perceived outer limit—to give maximum opportunity for building personal relationships among leaders and thorough deliberation of the issues.

Participants discussed the evolution of the G-8 and G-20 now that the two groupings have coexisted for two years. The emergence of the G-20 as a summit-level forum for established and rising powers has been dramatic—forged in the midst of the financial meltdown and convening in rapid succession five times.

It has proven difficult, though, for G-20 leaders to preserve a sense of momentum and decisive action, as well as clarity about its future direction. Faced with myriad complex and difficult issues, they have struggled to repeat their initial success in jointly mounting a response to the 2008 economic downturn.

Looking toward the fifth G-20 summit in Seoul on November 11–12, tensions have been building over currency valuations, which could make for a highly contentious meeting. A major challenge for Seoul will be to prevent a currency dispute from deadlocking the entire event, thereby undermining the legitimacy of the process.

For some experts at the Stanley Foundation roundtable, the issue is also evidence the G-20 should not be viewed as transitioning from crisis-response mode because the crisis has not fully passed.

The discussion voiced significant concern about the G-20 falling short of the expectations that are set for it. In that spirit, participants tried to clarify the proper function, focus, and operating mode for this still-young multilateral forum. A set of G-20 distinguishing characteristics were identified: that it convenes heads of state, brings together countries that are key players in global affairs (as well as nations from a second tier), and functions with a degree of informality.

Actually the G-20 is informal in two senses of the word. At the summit meetings themselves, the hosts and planners try to create a setting in which world leaders can connect with one another personally, hopefully with a policy pay-off. And then in terms of the international system, the G-20 (like the G-8) lacks the treaty basis or decision rules of a traditional multilateral organization. Strictly speaking, the G-20 is merely a series of meetings, with preparatory consultations in between summits.

At a base level of expectations, participants focused on the need for the G-20 to deliver substantive steps with clear real-world value. That said, cautionary notes were made against devaluing the basic benefit of building trust and good relations among leaders. For instance, the G-20 puts relations between rising powers and traditional powers on a new footing simply by treating all 20 countries as peers. Likewise, the outcome measures that emerge from the process will be different sorts of actions depending on the nature of the agenda item.

Even among participants who are sympathetic to the G-20, there was some impatience toward some of the perennial rhetorical statements that have been issued time and again. One participant lamented the repeated calls for the conclusion of the Doha Round trade talks, with the world leaders failing to offer any substantive new guidelines that would help negotiators move forward.

Given the contrast between the exclusive old-line Group of Eight and the more inclusive G-20, the discussion took stock of how well the two coexist. There was no clear consensus about whether the two G groupings are complementary or competing but, as a practical matter, they will both continue to meet for at least the next few years. In relation to the rest of the multilateral system, participants saw the G-20's relationship to other key intergovernmental organizations as absolutely complementary—though work is still needed to “optimize” the links between the G-20 and other IGOs.

There have been considerable efforts to consult with United Nations member nations that are not part of the G-20. What is most important, however, is to carefully synchronize the G-20 and UN agendas in areas of common concern. Not only should the substance be aligned, but clear diplomatic and consultative channels are needed for good G-20/UN coordination, especially on development issues.

The Global Governance Group (or “3G”) is an informal group of 27 countries that cooperate within the United Nations to promote good inter-IGO coordination; they will be represented at the Seoul summit by the leader of Singapore. Other invitations to the summit indicate that the composition and semi-expansion of the G-20 is solidifying. Spain is now expected to be regularly invited as a de facto 21st member. In addition to the 3G group, the leaders of the nations currently chairing ASEAN (Vietnam), the African Union (Malawi), and the New Partnership for Africa’s Development (Ethiopia) will also be invited to Seoul.

The South Korean hosts drew high marks for its extensive consultations, not only with other governments but with civil society, academic, and business leaders. Given the importance of domestic political considerations for many key issues, participants stressed the need for greater involvement of parliamentarians in the consultations that surround the G-20.

Participants addressed the idea of establishing a secretariat office to support the G-20 process, but there was no consensus on this proposal. According to one view, a secretariat would be a mismatch for the G-20, given its free-form nature. A compromise “non-secretariat secretariat”—merely enhancing support and coordination within the troika of rotating host nations—was offered and viewed as more fitting.

A major focus of the discussion was the question of what items belong on the G-20 agenda. As a general matter, participants thought the comparative advantage of the G-20 as a forum for leaders of pivotal powers calls for a focus on “big ticket” policy issues that are compellingly urgent. There was disagreement over whether the G-20 should be restricted to the global economy.

As some saw it, the major challenges confronting leaders are not restricted to international economic policy, and many items on the economic agenda do not need the attention of the top-level leaders. It was also noted that the agenda is subject to the whims and interests of the leaders themselves, which will not be completely hemmed in by the established preparatory processes.

The topic of climate change financing was viewed as an opportune agenda item that straddles the economic and environmental agenda. Participants also emphasized that, whether the G-20 focus is widened or not, it would be invaluable to make the summit meetings themselves as long as possible in duration. This would contribute toward the personal bonding opportunity for the leaders (“informality”) and optimal deliberation of the issues to be decided.

The analysis and recommendations included in this Policy Memo do not necessarily reflect the view of the Stanley Foundation or any of the roundtable participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions.

For further information, please contact Keith Porter at the Stanley Foundation, 563-264-1500.

About The Stanley Foundation

The Stanley Foundation seeks a secure peace with freedom and justice, built on world citizenship and effective global governance. It brings fresh voices, original ideas, and lasting solutions to debates on global and regional problems. The foundation is a nonpartisan, private operating foundation, located in Muscatine, Iowa, that focuses on peace and security issues and advocates principled multilateralism. The foundation frequently collaborates with other organizations. It does not make grants. Online at www.stanleyfoundation.org.