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# Policy Memo

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**SUBJECT:** Honing the Summit Process

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On June 6-8, 2011, the Stanley Foundation, the China Institutes of Contemporary International Relations (CICIR), and the Centre for International Governance Innovation (CIGI) held their third in a series of conferences on the prospects for key influential nations to cooperate—particularly in the G-groupings and summit diplomacy. A group of experts mainly from the United States, China, and Canada gathered at Airlie Center in Warrenton, Virginia, to pinpoint the multilateral frameworks best able to achieve progress for different areas of policy.

## **Honing the Summit Process**

The discussion yielded ideas for how to improve the G-20 summit process:

- For any policy question under consideration for a summit agenda, its “degree of difficulty” depends on a variety of factors—political sensitivity, convergence or divergence of interests, available tools with leverage over the problem, ripeness of the debate—that determine what is needed to achieve progress. This suggests a particular sort of cost-benefit analysis for G-20 agenda candidate topics: a calculation of the requisite diplomatic attention and effort versus the progress it is expected to yield.
- Recognizing this variety in what different issues demand, participants discussed the implications for G-20 leaders’ summit plenary sessions and communiqués. An argument can be made for classifying topics according to whether those demands are substantial or modest. Leaders might spend one summit working session, for instance, going through relatively noncontroversial items that do not require any diplomatic heavy lifting from them.
- Given that the communiqué is the documented record of a summit, leaders and sherpas should heed the principle that less is more. They must be much more rigorous in making every paragraph count. To ensure that the G-20 spurs meaningful progress (in whatever form) on the agenda topics, each meeting’s communiqué should be written with the aim that every section represents a step forward for its policy subject. Indeed, as demands grow louder for increased accountability, analysts inside governments and out are scrutinizing the commitments spelled out in communiqués ever more closely.

- Now that G-20 summits are becoming regularized, there may well be a disconnect between a truly strategic approach and the host government's prerogative over the agenda. As the pattern has emerged, hosts believe that they make their mark by adding a major new set of issues to the G-20 agenda. This is not to say that adding agenda items is necessarily misguided, but nor is it always best way to meet pressing global challenges. Absent practical checks, this pattern can quickly contribute to an unwieldy workload.

## Conference Overview

The conference agenda divided up the issue areas according to how well they fit with the traditional portfolio of the G-20. Each session thus represented a concentric circle, beginning with the G-20's core responsibility for the global economy and moving outward to the limits of what this forum could realistically tackle.

While the participants discussed the issue of G-20 legitimacy, they gave the question less time than it has received at earlier conferences. As the summits have become more familiar and claimed a permanent place on the global diplomatic calendar, the legitimacy issue has faded, at least for now. Most key actors have been forging positive links with the G-20, rather than resisting it—for instance the Singapore-led Global Governance Group at the United Nations. If anything, diplomatic resistance of the G-20's role has been notable for its relative absence.

To be sure, the G-20 is based on a clear premise: the importance of the world's largest economies for the health of the global economy as a whole. Exclusivity is inherent in its very structure, and those who criticize it as an in-group must contend with that premise. At the same time, nations that are in the club have studiously avoided speaking for anyone other than themselves. A participant reminded the group that the Pittsburgh communiqué designates the G-20 as the “premier forum for our international economic cooperation” (emphasis added).

Conference participants expected the G-8 to endure as a forum while the architecture of global leadership sorts itself out, and saw value in preserving it. For one thing, it is probably better to have an archaic informal multilateral forum dealing with political and security matters such as Arab spring, rather than not have one at all. (While the American hosts of the conference [and some participants] favor a G-20 role in political and security affairs, other participants felt strongly that the G-20 should be restricted to economic policy.)

Indeed, as participants viewed informal multilateralism amidst the current shifts in global power, they sought synergy between the key nodes of the international political order. The bilateral US-China relationship will benefit from embedding some of its issues in a broader multilateral setting, and likewise cooperation between the China and the United States will provide a positive example for other nations. A participant offered a similar view of the G-8 and BRICS group, saying they should focus both on their internally shared interests as well as possibilities for harmony between the two groups.

## Taking Stock of the Issues

The Stanley Foundation-CICIR-CIGI conference went through a variety of subjects in order of their centrality (or lack thereof) to the G-20's core competence—listed below in the same order—yet the

discussion identified other factors to consider when evaluating issues as potential items for the G-20 agenda. Looking at a multilateral problem's "degree of difficulty," for instance, the strongest candidate issues for world leaders to tackle would be those topics sufficiently complex and diplomatically sensitive that only top-level policymakers can resolve them. Even so, there can also be issues for which a modest push from a summit meeting could yield significant progress.

As a broad matter, participants noted three general considerations for topics that might be added to the G-20 agenda:

- Bandwidth – what the diplomatic traffic of summit meetings and preparations will bear.
- Capacity – how the G-20 relates to the subject matter and the expertise it requires.
- Reputation – the need to build a track record of success (and avoid failure) for the sake of the body's credibility and momentum.

The latter consideration is essentially political, and elicited interesting reactions from policy expert participants. Beyond the oft-cited truism that world leaders will discuss whatever they want, participants acknowledged the raw credibility value of success, almost irrespective of the subject matter. Even experts deeply involved in international economic policy said they understood leaders' impulse to rack up a "win" to burnish their image—and thus preserve their ability to resolve other matters.

### **Core Global Economic Agenda**

**Macroeconomic rebalancing and mutual assessment.** The G-20 needs to press ahead with its effort to trace the causes of global imbalances and spur steps by the major economies to get into better balance. As mandated by G-20 leaders, their finance ministers have developed indicative guidelines as the basis for IMF mutual assessment. At the Cannes summit, the leaders should present a detailed plan for assessments to be carried out, in order to move toward rebalancing measures.

For others, though, the international monetary system—with its reliance on the dollar as the global reserve currency—is a greater concern than imbalances. While the contours of an alternative system are unclear, and any transition is likely to take many years, the 2011 French G-20 host has at least initiated a debate.

**Financial stability.** While considerable progress has been made in financial sector reform, including agreement on banking sector regulation through the Basel Committee, there remain risks and uncertainty regarding implementation of these policies. The relationship between the G-20 and the Financial Stability Board still remains to be clarified, as well as the role of the FSB itself as an international standard setting and monitoring body.

### **Recently Added Items**

**Economic development.** While global economic growth is a necessary foundation for prosperity, the G-20 added the Seoul Consensus to its agenda to help spread economic benefits more widely. A cautionary note was offered from a Chinese perspective: that outsiders cannot be sure of a country's path to development. Putting the issue in context, participants were surprised and interested to learn that a majority of those living in extreme poverty are actually in G-20 member countries, notably including China.

**Food security.** Given worries over a new spike in commodity prices, food security has been very prominent during the French G-20 presidency. With an upcoming meeting of G-20 agriculture ministers taking place later in June, items on this agenda include: agricultural production and productivity, transparency of reserve stocks, coordinated response to price hikes (including tapping into reserves), and comparing best practices on financial regulation. The question was raised about whether stronger regulations are needed in derivative markets.

**Anticorruption.** Reports from the anticorruption effort portrayed a significant G-20 success story—an example showing how major strides can be spurred by the summit process. The French and Indonesian governments serve as cochairs of the G-20's recently created Anti-Corruption Working Group, with an action plan emphasizing: ratification by parties to the UN Convention Against Corruption (UNCAC), adoption of antiforeign bribery legislation, clamping down on ill-gotten assets, cooperation with the OECD, whistleblower protection, and stronger national anticorruption agencies. The working group has been quite successful in helping prompt states to ratify the UNCAC and adopt national legislation.

Ripeness of the issue has been critical; until recently, corruption was a fraught subject, confronting resistance and difficult even to discuss. For the purposes of our conference, the key point is the degree of activity and progress generated with a modest investment of high-level time and attention.

**Nuclear energy safety.** The safety of nuclear power plants had been added to the G-20 agenda—though at the margins—prior to the earthquake and tsunami that hit Japan. (This was one of two issues participants identified as straddling two different categories on our conference agenda.) In the aftermath of the Fukushima crisis, a rich agenda has developed, including: power plant design flaws, handling of spent fuel, containment and cooling, and safe and secure shipping of nuclear material.

#### **Possible Added Items in the Future**

**Climate change and clean energy.** There is a wide range of options for dealing with climate change and green technology in the G-20, from the ambitious to the modest. One attraction is that heads of state/government have disengaged from the annual UN conferences of parties as well as the Major Economies Forum. It is hard to envision a discussion in the G-20 of the core post-Kyoto issues of targets and timelines for emissions reductions, and financing of low-carbon development and adaption may be too ambitious. More realistically, the G-20 might be able to help develop a peer review process for “consultation and analysis” or deal with the investment, lending, and trade issues associated with green technology.

**Nuclear security and counterterrorism.** Nuclear security seemed to merit consideration because the G-8 has been so active in the area—via its Global Partnership to Prevent the Spread of Weapons of Mass Destruction—and it's worth asking whether this initiative should be shifted to the larger group. (The French government has indeed broached the idea.) While the Global Partnership was launched with a ten-year timeline, G-8 leaders at the Deauville summit recently extended its mandate indefinitely. The partnership is already broadening its remit from an initial focus on destruction of Russian nuclear submarines and chemical weapons to add fissile material security, radiological and biological security, scientist engagement, export control, and border control (the latter particularly within the framework of UN Security Council Resolution 1540).

There has also been a push to widen the initiative's membership, which currently includes 11 countries in the G-20, especially to boost African, Asian, and Latin American nations. As a practical matter, this is a question of one-at-a-time versus wholesale expansion and whether the G-20 is the right set of countries. Some current targets for expansion are non-G20 states. Moreover, one of the Global Partnership's major areas of focus, nuclear security, is already the subject of its own global summit process. And there is particular sensitivity over the diplomatic role of India, with its status as a nuclear weapon state outside the NPT regime.

**Space exploration.** The second set of issues seen as straddling two categories of agenda items was space exploration. The possibility of dealing with space exploration in the G-20 was seen as remote, but not impossible.

### **The Limits of Expansion**

Three considerations were noted that make some issues highly unlikely to be taken up by the G-20. In colloquial terms, these disqualifying traits were identified as “the local, the fuzzy, and the prickly”—matters seen as either too particular to a region, lacking clarity over the proper policy response, or being too sensitive as a matter of geopolitics.

In connection with geopolitical sensitivities, the conference discussed US-China relations at length. In particular, participants discussed the extent to which friction between the two major powers is a result of misapprehensions about each other. As part of that discussion, participants focused on diverging conceptions of sovereign prerogatives and the duties of global leadership (i.e. “responsible stakeholdership”).

The conference did not, and could not, represent an exhaustive survey of issues in the G-20. There have been reports, for instance, that sherpas getting ready for the Cannes summit have revived the employment and labor agenda. But by taking stock of a wide range of global governance challenges, participants gained new insights into the evolution and potential of summit diplomacy.

The analysis and recommendations included in this Policy Memo do not necessarily reflect the view of the Stanley Foundation or any of the conference 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](http://www.stanleyfoundation.org).