CFGS/CIGI REPORT:

"THE G-20 AT LEADERS' LEVEL?"

FEBRUARY 29TH, 2004 IDRC, OTTAWA

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Introduction

The Centre for International Governance Innovation (CIGI) and the Centre for Global Studies (CFGS) are engaged in a project entitled "The G-20 Architecture in 2020 – Securing a Legitimate Role for the G-20". As part of this project a meeting was held on February 29th, 2004 in Ottawa to discuss the possibility of a *G-20 at the leader's level*. A series of papers and scenarios were commissioned for this meeting to analyze the challenges surrounding the establishment of a G-20 Leaders'. The authors and their papers are listed in Appendix A.

The primary objective of the Ottawa meeting was to discuss the issues and agenda a G-20 Leaders' should first address and the mechanics for establishing the G-20 Leaders' forum. Below is a summary of the discussions from the February 29th Ottawa meeting. In addition to this, two reports are attached which were presented to Prime Minister Martin at the DFAIT hosted dinner where discussions on the G-20 Leaders' ensued. Dr. Barry Carin (Associate Director, CFGS) presented a report from the first half of the meeting addressing the question of the G-20 Leaders' agenda and Mr. Paul Heinbecker (Senior Research Fellow, CIGI) presented a report on the proceedings for the second half of the meeting dealing with the establishment process of the G-20 Leaders'.

Due to the ambitious agenda for the meeting no definitive conclusions were made. However, based on the interests of the participants and the current trends in multilateral governance CIGI in partnership with CFGS plan to further investigate seven themes, which the G-20 Leaders' could potentially adopt for its initial agenda. These themes are: agricultural subsidies and the WTO, HIV-Aids, Terrorism & WMD, the post Kyoto Protocol regime, global financial crises, access to water, and the responsibility to protect.

Prospects for a G-20 at the Leaders' LevelSummary of the discussion hosted by the IDRC, CFGS and CIGI

Andrew Thompson

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Introduction

On 29 February 2004, scholars, experts and practitioners from around the world gathered in the IDRC building in Ottawa to discuss the feasibility of a G-20 at the leaders' level. The discussions looked at two big questions (as well as a number of smaller ones): "Would a G-20 at the leaders' level make a difference in solving global affairs?" and "How do we get there from here?" In preparation for the meeting, several of the participants were asked to draft background papers that explored some of the regional challenges that a G-20 Leaders' of this sort might encounter. Also up for discussion were a series of scenarios that examined the potential for six particular issues that the G-20 Leaders' might adopt once it is established. At the end of the day, the results of the discussions were presented to The Right Honourable Paul Martin at a dinner that was hosted by the Canadian Department of Foreign Affairs.

Given the limited time for discussion and the ambitiousness of the agenda, the group did not come to many definitive conclusions. This was to be expected. Determining the scope and mandate of the G-20 Leaders' was not the ultimate aim of the meeting. The

¹ For more critical examinations of these questions, see Barry Carin's paper "If you build it, they will come: A summary of the discussion on the potential impact of a G-20 meeting at the Leaders' Level", and Paul Heinbecker's paper "How do we get there from here? A summary of the discussion of the feasibility of a G-20 meeting at the Leaders' Level".

purpose was to explore various paths that it could take, to establish whether such a forum could indeed offer new and innovative possibilities for the global community.

Like any other international body, the G-20 Leaders' would be part of a world in which the gulf between expectations and results can be very deep. Establishing the forum will not be easy. There will be a number of technical and political challenges that will take a great deal of time and energy to overcome. Nonetheless, most agreed that it was an idea worth pursuing. While at times there was little consensus, overall the group believed that yes, it could work. If this meeting was indicative of the support for the idea of a G-20 Leaders', then its prospects of succeeding are quite good.

The Issues

The discussion began with an examination of the benefits and drawbacks associated with six different issues that could in time make their way onto a G-20 agenda. They included: agricultural subsidies and the Doha Round deadlock; global financial crises; the post Kyoto Protocol regime; global public health; conflict prevention and post-conflict reconciliation; and global finance problems.

On the issue of agricultural subsidies, Diane Tussie suggested that a G-20 could be an appropriate forum for finding solutions to the global problem of agricultural protectionism.² A counter-point was argued that the world is not ready for a G-20 at the leaders' level on agriculture. National interests are too dominant on this issue; nations with strong rural identities, such as the United States, will be reluctant to sacrifice this way of life for the greater global good. Many participants disagreed with this sceptical

² Diane Tussie is the Director for the International Financial Institutions Program, FLACSO Argentina. For more on this topic, please see her paper in this collection, "Agriculture Subsidies and the Doha Round: A Role for the G-20".

perspective. Still, most conceded that, despite a pressing need for a solution, the odds of moving forward on this issue were not that favourable.

Financial crises were another area of great concern. Given that the G-20 Finance was first established to deal with such events, Ngaire Woods argued that a G-20 Leaders' could offer a useful place to discuss the need to manage both globalization and financial governance.³ Despite a few reservations about the United States' enthusiasm for such a meeting, participants were generally supportive of the idea. It was suggested that it could allow for the development of a broader financial vision, one that would allow the South to shift the debate away from the perspectives of the sovereign debt creditor nations.⁴ Generally, the group agreed. Many felt that finance ministers were not making significant progress on this issue, and that, because of past failures to anticipate problems before they become crises, the need to engage in preventative measures was very great.

Climate change was a third hot-button issue. David Victor advocated that a G-20 Leaders' should meet on this subject because the existing climate-change structures have two major shortcomings: they fail to deal with reluctant countries or to provide complex solutions to complex issues.⁵ There were some participants who were doubtful of this argument. They had misgivings about whether the U.S. would be on board. Washington would avoid any meeting where it believed that it could be "shamed or ganged-up on".

There was also a concern about duplication with existing international architecture, and cautioned that the relevance of a G-20 Leaders' will be judged by its ability to deal with

³ Ngaire Woods is the Director of the Global Economic Governance Program and Fellow in Politics and International Relations at University College, Oxford. For more on the potential role for the G-20 leaders' meeting in dealing with financial crises, see her paper "The Orderly Resolution of Financial Crises".

4 Joseph Stiglitz is a Nobel Prize winning economist and a professor of Economics and Finance at Columbia University. He is also the former Senior Vice President and Chief Economist of the World Bank.

5 David Victor is Director of the Program on Energy and Sustainable Development at Stanford University. See his paper, "Roles for a G-20 in Addressing the Threats of Climate Change?".

issues that are not being looked at elsewhere, or where the deadlocks are political and not technical. Several participants shared this concern. Although the G-20 Leaders' could provide an alternate forum outside of the Kyoto framework, some questioned whether the solution to climate change lay not with political structures but rather with industry and the private sector. There is also the problem of diverging views between the North and South to contend with. Many cautioned that any discussion must take into account the different histories and development trajectories of the nations at the table.

A fourth topic up for discussion was that of global public health. The current international health architecture is lagging behind in the scale and speed of its responses. Given this unfortunate reality, Tim Evans made a case for the benefits of a G-20 Leaders' that would use its political and economic influence to aid the sick and malnourished. Among others things, it could address "errors of omission" and provide "scale efficiencies" for medications and vaccines. Despite these advantages, some expressed uncertainty on the G-20's ability to exact change in this area. While it is feasible that a G-20 Leaders' could pledge money, there was a sense of reservation on whether it had the authority to make decisions for the rest of the world, particularly if the countries most affected by these decisions were not at the table. Moreover, the task of carrying out the decision would undoubtedly fall to another organization, which raises a number of questions about the relationship that the G-20 Leaders' will have with other international bodies. Nonetheless, the majority of the participants felt that global health presented some tangible opportunities, particularly if the solution – such as using their collective influence to pressure Nigeria into allowing the WHO to administer polio vaccinations did not require huge commitments.

⁶ Tim Evans is Assistant Director-General of the World Health Organization. See is paper, "The G-20 and Global Public Health".

Of the six issues, perhaps none was more controversial than that of conflict prevention and post-conflict reconstruction. In light of the international community's inadequate responses to genocide, ethnic cleansing and mass human rights abuses, Paul James argued that a leaders' level summit could initiate a discussion on the meaning of good international citizenship, focusing on the responsibilities and challenges involved in promoting human security. Predictably, there were realists within the group who were suspicious of this possibility. Some participants questioned whether anything had been learned from the genocide in Rwanda given that the P5 nations had so far shown little willingness to stop a potential genocide that is haunting Burundi. And even though more attention is being given to these issues, it was felt that on this issue leaders will only look out for their national interests, as they are only accountable to their respective electorates. It was also posed, whether the G-20 Leaders' would be able to react in time to an emergency, and whether "security" – human or otherwise – was too abstract a concept for leaders to deal with. Still others feared that any discussion of this sort would ultimately undermine the authority of the United Nations. Nonetheless, others conceded that the G-20 Leaders' could, at the very least, help to rebuild the "shattered normative consensus" on how to deal with conflict.

The last of the six topics discussed was global financial problems. Ariel Buira⁸ explained that one of the glaring problems of the G7 is that the majority of the world is not at the table. The G-20 Leaders' could allow for a more efficient managing of the global economy. It could focus on any number of issues, some of which include

⁷ Paul James is a professor of Globalization at RMIT University in Australia. See his paper, "The G-20 as a Summit Process: Including New Agenda Issues such as 'Human Security'".

⁸ Ariel Buira is Director of the G24 Secretariat in Mexico. See his paper, "Would the Outcomes of a G-20 Process Differ from those of the G7?".

addressing global payments imbalances, counter-cyclical policies, managing financial market volatility, international liquidity and SDR allocations, and commodity shocks. Countering this scenario was the question of whether these issues could succeed at a G-20 leaders' level meeting, given the imbalances of the IMF system. If the agenda is largely one that is palatable to the North, the result could be a "greater polarization between developed and developing economies". Others disagreed, seeing the G-20 Leaders' as a viable opportunity for developing nations to have the issues most important to them on the table. Many even suggested that a G-20 Leaders' could play a significant role in reinforcing accountability within the IMF and other international financial bodies.

By no stretch of the imagination do these six topics make up an exhaustive list of possibilities. Other potential topics include: poverty and development; global public goods and the financing of global public goods; World Bank lending capacity; global governance and global leadership; technology and knowledge; measurable efficiency, such as developing standardized accounting systems; terrorism and security; migration and refugees; the Law of the Seas; biotechnology; HIV/Aids; human resource development in the developing world; and water and how it is financed. Of course, choosing the issue or issues for the G-20 Leader's would rest with the leaders themselves.

Above all, a G-20 Leaders' must be functional; its agenda must be one that allows for the possibility of early success.

Some Cautionary Notes

Regardless of what is ultimately discussed, many noted that there will be some procedural difficulties to overcome. First, some nations will be new to this type of diplomacy;

mutual learning will have to take place if common solutions are to be found. Second, its functions are not yet clear: it could be a forum for new agenda items or simply a consensus builder; it could set directions for a particular course of action or it could actually be a decision-making body. Third, it would have to find the right balance between an abstract discussion and technical negotiating. Last, given its limited composition, it would have to finds way to gain legitimacy with the rest of the world.

Regional and Country Concerns

Each region will have a unique reaction to the concept of a G-20 at the leaders' level. The prospects for success will inevitably depend in large part upon its ability to accommodate many of these responses.

According to Jose Angel Gurria, if a G-20 at the leaders' level is to be accepted in the Americas it must gain its legitimacy through its membership. There must be a least three representatives from the Americas; moreover, they must be willing to speak on behalf of those in their region who are not at the table. Otherwise, the G-20 will not be seen to be a relevant forum for addressing problems that are important to them.⁹

The potential for Russian participation is debatable. Russia is very protective of its sovereignty. Many of the issues, such as security and terrorism, would make it uncomfortable for Russia in such a forum given the situation in Chechnya.

A G-20 could also be a hard sell for much of the Middle East. According to Abdel Moneim Said, the agenda would need to be well-defined, and truly global. Furthermore, a

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⁹ Jose Angel Gurria is the Chair of the External Advisory Group Inter-American Development Bank and the former Mexican Minister of Finance and Foreign Affairs. See his paper, "The G-20 at the Leaders' Level?"

G-20 could work if it is made up of a middle class of nations, not necessarily the most powerful ones. And as with the Americas, "legitimacy" is the key concern. There cannot be the perception that the fate of the world is being decided by interest groups in Washington.¹⁰

China is another questionable participant. Presently, there is a duality to the Chinese perspective, one that is flexible yet pragmatic. China has become comfortable with its place at the UN, yet has taken a low-key approach to IFIs and APEC, and even the G7/8. As such, it could have major reservations about a G-20 Leaders'. Also, it is particularly sensitive to its sovereignty and its human rights record and will not participate in a forum where these could be raised. Consequently, it is likely that it will see a leaders' summit as being premature.¹¹

India, on the other hand, is a different story. Yoginder Alagh believes that a G-20 Leaders' could work if the issues and structures for dealing with them are properly defined, and if it supplements existing national architectures in areas such as the protection of water systems. Another benefit is that a G-20 Leaders' could also facilitate discussions on the technical, intellectual and legal sides of certain issues, such as accounting reforms.¹²

The last item up for discussion in this section did not involve a country or region *per se*, but rather the notion of international networks as vehicles of governance. Anne-

¹⁰ Abdel Moneim Said is Director of Al Ahram Center for Political and Strategic Studies.

¹¹ The ideas about China's potential reservations were based on the paper by Yu Yongding entitled, "The G-20 and China: A Chinese Perspective".

¹² Yoginder Alagh is Chancellor of Central University at Nagaland and Vice-Chairman of the Sardar Patel Institute of Economic and Social Research in Ahmedabad India. He is also a Fellow at the Centre for International Governance Innovation. See his paper, "On Sherpas and Coolies: The G-20 and Non-Brahmanical Futures".

Marie Slaughter talked about the importance of networks that include judges associations, parliamentarian associations, etc. Their appeal is that they contain considerable expertise, while being flexible and diverse. States are the aggregators of these networks. A G-20 Leaders', which is itself a network, could coordinate these groupings, acting as the "network of networks".¹³

How do we get there from here?

The second half of the day examined the questioned "How do we get there from here?" Up for discussion were United States participation, the membership as well as its composition, and the possible roles for civil society.

U.S. Engagement in a G-20

U.S. participation in the G-20 Leaders' is not a *fait accompli*. On the issue of whether or not Washington would participate, the feeling within the room was mixed. The sceptics argued that the G-20 at a leaders' level must be able to hammer out collective solutions that are more attractive than one-on-one bilateral agreements or "à la carte multilateralism". The G-20 Leaders' must not be seen to be a "talkfest", but it must also be informal. Last, it cannot feel as though it is being hemmed-in.

Still, many were more confident that a G-20 at the leaders' level could potentially be very appealing to the United States. A G-20 Leaders' offers a forum in which the South is at the table, but the table is not at the UN. Also, it would not require a large conceptual jump since the G7/8 has already invited African and non-state leaders to attend its

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¹³ Anne-Marie Slaughter is Dean of the Woodrow Wilson School of Public and International Affairs at Princeton University. For more on the concept of international networks, see her paper, "Government Networks, World Order, and the G-20".

meetings. Understandably, much will also depend on the issue being discussed. Nonetheless, any marketing of the G-20 Leaders' must transcend personalities; it cannot work if it its fate is linked to whether there is a Democratic or Republican administration in office.

Membership: Accretion vs. "The Big Bang"

There was also considerable uncertainty about the question of whether the G-20 Leaders' should be formed slowly or all at once. Some favoured incremental growth in the membership of the G7/8, fearing that members would be added before the criteria for membership was determined. They suggested that a larger group would run the risk of compromising the informality of the meeting, turning it into a "speech-reading session". Others preferred a "Big Bang" approach. They argued that accretion is not innovative enough, and it does not diverge enough from the rich club stigma that haunts the G7/8. Some even suggested that the G-20 Leaders' should move away from the "G" label altogether, and take on a name such as the "Global Summit". Many favoured keeping all options available. There will always be controversies surrounding the inclusiveness of a club of this kind, as there are any number of directions that it can go in depending on the issue and the level of involvement that leaders want to take on themselves or delegate to their ministers.

Composition

The composition of the membership is another tricky issue that the architects of the G-20 Leaders' will have to sort out. It was argued that its legitimacy would be tied, in large part, to who is at the table. Deciding who can and cannot be there will always be an imperfect process, and setting the criteria will always "involve political games within games". Those who are currently there will want to remain; those who are on the outside looking in will want a place at the table. Moreover, to be effective, the club cannot just be made up of the like-minded. Spoilers must also be given a voice, even if their message is one that is seen as being threatening. Also, there must be mechanisms that allow for the composition to evolve. One option was to set 5-year terms with revolving regional memberships. Another was to invite only the regional heavy-weights (however, some felt that the poorest nations should also be present and that Europe's disproportionately loud voice was a concern). A third was to stick with the status quo since it is already in place.

Obviously much will also depend on the issue. Realistically, there will always be a core group of countries. But countries have different strengths; there is any number of combinations that might make sense. If the topic is sustainable provisions for drugs and vaccines, it makes sense to have the drug manufacturing nations at the table. If the issue is climate change, have the largest emissions emitters at the table. Also, there was the question of what to do about international organizations like the IMF and UN. One possibility is to grant them observer status, but not formal decision-making power. Still, this too is imperfect. The simplest solution may simply be to grant the host country the prerogative to invite those non-members whom it believes are part of any solution.

Civil Society

A highly divisive issue within the group was the potential roles for civil society within the G-20 process. Much of the G-20's acceptance will depend on how much it is seen to be a legitimate and accountable body. Jan Aart Scholte warned that "civil society will unavoidably be part of the G-20 process". As such, the G-20 should not be afraid of it. Instead, it should welcome civil society's participation and input while keeping in mind that civil society struggles with its own questions of legitimacy and is not universally seen as being a positive force. Nonetheless, civil society is an important pillar of good governance. By including it, the G-20 will be, in effect, bridging the international democratic deficit. It will be building constituencies of support, while bettering current practices of global citizenship.

Yet there were considerable reservations about giving civil society too prominent a role in the G-20 process. Some participants warned that the NGO world is dominated by the North, and that voices in the South are too often muted. Detractors feared that too much engagement with civil society could erode the informality of the proceedings, undermine democratic structures, and open the proceedings up to a "cacophony of millions of voices". The bureaucratic challenges involved are formidable as well. Deciding whom to consult can be a costly administrative enterprise.

Consultation is really at the heart of the matter. One possibility is to introduce new government officials, such as parliamentarians or congressmen, to the process. Another is to invite the heads of the different legislative bodies. A third is to rely on global think tanks to meet with relevant groups well in advance of the meetings. In any event, the type of engagement will depend in large part on the structure, and whether civil

¹⁴ Jan Aart Scholte is a professor in Politics and International Studies at Warwick University.

society sees the proceedings as being legitimate and relevant. Any process for interaction with civil society must reflect the diversity of the planet's population.

Conclusion: Prime Minister Martin's Vision

The events of the day ended with an informal dinner between participants and Canadian Prime Minister Paul Martin. After brief presentations from Barry Carin and Paul Heinbecker¹⁵ and a few words by The Honourable Bill Graham, Prime Minister Martin explained his vision of the G-20 to the rest of the group. In his mind, it was comparable to the British Commonwealth; its members had no real reason for meeting, yet its influence was profound as was seen with its handling of apartheid in South Africa.

On the greater issue of membership, he found it hard to conceive of a world in which China and India are absent from the G-20. Mexico, Brazil, South Africa, Nigeria and Egypt would also be strong candidates. Civil society should also be included, but at the national rather than international level. He proposed that the issues a G-20 Leaders' should address include trade, terrorism, health, and finance.

Ultimately, he believed that the most important ingredient will be leadership. A G-20 Leaders' will only be meaningful if its participants are committed to taking risk, to taking leaps of faith. What will be needed is a country that is prepared to run with this idea, to sell it to sceptics. This will not be easy, yet it is absolutely necessary if the state of the world is to be bettered. Canada and Prime Minister Martin are well-position to take this lead.

15 Barry Carin is the Associate Director of the Centre for Global Studies, and the former High Commissioner of Canada to Singapore; Paul Heinbecker is Director of the Centre for Global Relations, Governance and Policy at Wilfrid Laurier University, Senior Research Fellow at CIGI, and former Canadian Ambassador to the United Nations; The Honourable Bill Graham is Canada's Minister of Foreign

Affairs.

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If you build it, they will come Summary Session 1

Barry Carin

Centre for Global Studies

Introduction

Despite a few reservations, the general consensus with respect to the prospects for a G-20 meeting at leaders' level was that it could work, provided, of course, that the issue being discussed was one that could capture the imagination of the participants while at the same time allow for the possibility of tangible and viable solutions. The morning session focused on whether G-20 leaders could make a real difference in the world – a difference that was more substantive than either of the current G-20 Finance Ministers or G7/G8 Leaders' Summits. The group looked at six problems that might be suitable for the agenda of a G-20 Leaders Meeting. For each one, a scenario was presented, followed by a general discussion of its feasibility. The six topics were:

- 1. Agricultural subsidies and the Doha Round deadlock;
- 2. The post Kyoto Protocol regime;
- 3. Global public health;
- 4. Conflict prevention and post-conflict reconciliation;
- 5. Global Financial Crises; and
- 6. Global Finance Problems.

The general consensus was that there were three "good" prospects for the agenda. One was a global health issue, such as HIV/Aids or the eradication of polio. Another was the post-Kyoto Protocol regime. The third, which was raised in the general discussion, was water, and how water infrastructure was financed.

Interestingly, many of the participants saw a number of advantages – both direct and indirect – that could arise from a G-20 Leaders' Summit that chose to tackle any one of these topics. The most obvious is that simply by virtue of being on the agenda, the issue would take on a new prominence within the international community. But this is not all that a meeting of this nature could do. There was a sense that, as an indirect consequence, global governance issues would also come under examination. For example, as a consequence of progress on health and water issues, leaders could reach a consensus that would result in a better coordination and more effective monitoring of bilateral aid programmes, the IMF, the World Bank, the WTO, and UN agencies. In essence, the result would in effect be a "soft" initiative in global governance, with the G-20 acting as an oversight and review body for specific multilateral institutions.

Given these potential impacts, most felt that a medium of this kind could make a positive difference on the global stage. Indeed, it was this promise of change that was perhaps most appealing. The general feeling was that, if established, the world's leaders would not shy away from it; if done properly, they, along with the rest of the world, would come to see it as a legitimate forum for finding solutions to common problems. In fact, one participant even borrowed a phrase from the popular Hollywood movie *Field of Dreams* when describing the potential of the G-20 at the leaders' level: "If you build it, they will come".

The Discussion

Nonetheless, it would be unfair to minimize the challenges that would be involved in setting up a gathering of this kind. For all of the prospective gains, there could be equally powerful pitfalls as well. Undoubtedly, the cost of failure is quite high. Caution is paramount when proceeding. This is why choosing the right items for the agenda is so crucial to the ultimate success of the initiative.

Predictably there are compelling reasons for and against the adoption of any of the six scenarios. For instance, the appeal of tackling climate change is that the Kyoto Protocol is considered by many in the United States to be a "radioactive" issue; moving it to a forum in which Washington does not believe that it will be ganged-up on or shamed may allow for meaningful solutions to be found. Similarly, a G-20 that looks at financial and trade issues would also have its attractions. One participant suggested that it may be the only forum that can hope to add "safety nets to the trade liberalization table". Another pressing reason to look at financial and trade issues is that debtor nations are "running amok" with their spending. G-20 leaders could help pressure their peers to control spending, thereby offering some protection against future financial crises. Also, one incentive for choosing global health is that there is arguably the most at stake with this issue, as well as the most potential for noticeable progress. Africa currently has a "net out-migration of health professionals"; the movement of health professionals from the developing world to the developed could easily be a topic for study. Moreover, the vast majority of child and most maternal deaths are preventable; this too could change if the G-20 leaders set their minds on finding a common solution. Regardless of the issue that is ultimately decided upon, the lesson is that it must be one that plays to the strengths of the G-20's structure and composition. This is easier said than done. As will be shown in the following section, there are several factors that could potentially hamper its success.

Why G-20 meeting at Leaders Level would not work

Of course, there are a number of legitimate reasons why a G-20 at the leaders' level would not work. Domestic politics is a big one. Despite a desire among many leaders to act in the interests of global community, most do not have the luxury of divorcing themselves from their constituents. Elections cannot be ignored; the past has shown that national interests have time and time again trumped the global public good. There is little reason to believe that a G-20 at the leaders' level will be any different. One participant even compared heads of state to passengers onboard a vessel at sea – content to take care of their individual cabins yet unwilling to ensure that the boat as a whole is properly maintained.

Another important reason why the G-20 would not work at the leaders' level is that the participants are not like-minded. Unlike in the G7/8, there is no common ground within a G-20, regardless of its ultimate composition. In fact, there was speculation that neither China nor Russia would be keen on participating in such a forum, the former believing that its involvement would be "premature", while the latter expressing reluctance to join another "G" club when it already does not feel as though it is a part of the G7/8.

A third obstacle would be that there is little basis for the assumption that leaders are more rational or moral than their ministers. To continue with the naval metaphor, they are not necessarily any more able to steer the ship than are those in their cabinets with particular expertise on the issue in question.

A fourth disadvantage is that bigger is not necessarily better, despite the potential

benefits of a forum that is more inclusive. It would be more difficult to find consensus within a group of 20 than with 8 or 10 or even 15. In many cases, twenty may simply be too large to be effective.

But there would be other external challenges to overcome as well. Any issue that is chosen will require complex solutions; many leaders are simply unwilling to become engaged in detailed and technical negotiations. Also, there will be charges of illegitimacy, particularly given that the poorest nations are not at the table. Unfortunately, the current G-20 is already weighted down by its historical baggage. Its original purpose was to destroy Japan's push for an Asia Monetary Fund. There is a perception among many nations that a leaders' level meeting would also be the tool of the United States.

Ironically, there was also a feeling that the U.S. would not go for the idea, and that it would prefer instead to work at the bilateral as opposed to multilateral, level. Still, a number of participants felt as though the possibility of American abstentions was a relatively short-term problem. They speculated that eventually any administration in Washington – Republican or Democrat – would come to see the value of the G-20 at the leaders' level.

But on a more practical level, the risk of summit fatigue is very real, especially if there are concurrent G7/8 meetings. Also, deciding on the agenda will never be without its controversies. Each member will come with different expectations; convincing them to agree to sit down in the first place is a formidable challenge unto itself. Of course, as mentioned above, the risk of failure is tremendous. The G-20 at the leaders' level cannot work if it is seen to lack legitimacy because of lingering perceptions that it is too

16 On the issue of whether or not the United States will support a G-20 at the Leaders' Level, see Paul Heinbecker's paper "How do we get there from here? A summary of the discussion of the feasibility of a G-20 meeting at the Leaders' Level"

exclusive, closed-off and disconnected from the world's problems.

Why it could work

Just because the journey is laden with hurdles to overcome, does not mean that it is not worth pursuing. Luckily, for every reason why a G-20 at the leaders' level would not work, there is an equally compelling reason for why it could. Many felt that these obstacles were either fallacious or relatively easy to overcome. In fact, many even believed that they simply proved that there was an urgent need for the G-20 to move towards the leaders' level. Their reasons were as follows:

One, leaders are different. These are not weak individuals. They are betterpositioned than anyone else in their governments to take a long-term view of the public
good. They do not have to conform to what their advisors tell them, and their personal
views can often transcend bureaucratic advice and even national interests, and there are
plenty of examples to prove this point such as the creation and activities of ASEAN,
ASEAN+3, and APEC. Also, many leaders are conscience of their places in history, and
are thus more likely to express their own sense of responsibility and personal morality.
Besides, one participant explained that "the glue provided by the G-20 will be a political
commitment, not a legal commitment". The feeling was that leaders are far more likely to
live up to the promises that they have made, especially when it is their peers who will be
holding them to account.

Two, the agenda would be different. Currently, there are substantive gaps in the agendas of the G7 and G-20 Finance Ministers. They tend to shy away from items like burden-sharing, international governance and the role of regional institutions. The G-20 at the leaders' level could address these coordination problems, and focus on seeking win-

win solutions for all stakeholders.

Third, a G-20 at the leaders' level could address coherence among multilateral institutions. As it stands now, for many key issues, such as development aid, there is not any forum that ensures coordination across the international architecture so as to clarify, allocate and monitor each one's respective responsibilities. Some have compared this reality to a "perfect storm" in which there is no rational or conceptual framework of aid programs at the country level. Leaders are better-positioned to look at the bigger picture. For example, G7 finance policy makers often call for fiscal initiatives that are inconsistent with many health goals of equivalent priority. This is a problem. Quite simply, ministers cannot make the necessary trade-offs within the existing system that will allow for more effective forms of global governance.

Four, more views can often result in better outcomes. Although finding consensus will be challenging, there will be more information and more resources around the table, which in turn may lead to better-designed programs and initiatives, and thus more solutions that work for all who are involved. Although a counterfactual argument, some suggested that the world's reaction to the genocide in Rwanda in the mid-1990s may have been different had there been a G-20 at the leaders' level that was prepared to take a hard look at the need for humanitarian interventions.

Five, complexity is all the more reason why leaders need to become involved in these issues. One participant said rather bluntly that "financial crises are too important to be left to finance Ministers". Similarly, in the context the linking of cross-sectoral trade and environment issues another suggested that "only leaders can deal with apples and oranges". The same holds true for many of these issues. A forum that would allow leaders to intervene where negotiations in other multilateral organizations have become bogged down can offer an important tool for breaking deadlock, especially on such controversial issues as climate change and security.

Questions of legitimacy and the role of civil society

If the UN's ECOSOC met occasionally at leaders' level, then a comparable G-20 would not be saddled with questions about its legitimacy. Foreshadowing one of the afternoon's discussions, several participants made a case for civil society participation. They felt that civil society could assist in building constituencies of support for intractable issues. Civil society could also be part of the answer for the need for a network of information and intellectual input. Whatever their eventual role, many felt that, despite some pitfalls, there was a great deal that civil society could offer to the G-20 process.

Conclusion: Where do we go from here?

With respect to the agenda, there needs to be a game plan on what issue to consider first. Health is the least controversial of the global problem issues. U.S. President George W. Bush is not only comfortable with the issue, but is open to the notion of giving it priority attention. Despite some obstacles, building capacity for global health, early detection, and prevention could all be profitably discussed. So too could a post-Kyoto regime. It is

particularly attractive to the U.S. because a G-20 at the Leaders' level could offer them a place to go without reconsidering the Kyoto Protocol. The third is water. Although not discussed formally in the session, participants agreed that looking at water, and how it is financed, could offer a dynamic start to this nascent organization.

But the agenda is only half of the equation; the process is of equal salience. Although it will likely be the issue up for discussion that determines the level of participation among members, leaders may find that it is the process that leads to results. They may find that sharing their experiences, rather than seeking immediate solutions, will pay the greatest dividends. Their coming together may in time lead to such offshoots as a review of the existing multilateral architecture, from the current state of IMF governance, to international tax coordination, to perhaps even the United Nations Security Council. Nonetheless, how the G-20 could come into being is the topic of a future discussion.¹⁷ But for the time being, it is enough to have faith that "if you build it, they will come".

¹⁷ Again, please see Heinbecker, "How do we get there from here?"

How do we get there from here? Summary Session II

Paul Heinbecker

Centre for International Governance Innovation

Introduction

Considerable agreement on the idea of a G-20 at the Leaders' Level by participants in the roundtable discussion in Ottawa in late February 2004 notwithstanding, there was a diversity of views on how best to bring this new forum into being. All agreed that if this prospective international organization were to have an impact on international governance, it would have to attract the support of key players, particularly the United States in the first instance but others, too. Success would be measured not only by the "what" that appeared on the initial and subsequent agenda, but also by the "who" were seated around the table. The purpose of the new body would be to diminish political and policy differences among its members. It would have to transcend the exclusivity of the G7/8 without, also, becoming cumbersome and inefficient. And while it would not be seen as legitimate in the sense of universal membership, its legitimacy in the eyes of both its members and others not formally part of the group would derive from its effectiveness in bringing about change.

Engagement with the United States

Views were divided within the group whether the current U.S. administration would find the idea attractive. Some thought that given that Washington had generally favoured a unilateralism and "à la carte" multilateral cooperation, a G-20 that was inherently constraining and not controllable would be seen with scepticism. Others thought that much would depend on the utility of the agenda to Washington, and to others, and whether Washington believed that the creation of a G-20 would serve or subvert its larger foreign policy interests.

Some believed that it would be wise to begin with an issue that was of particular interest to Washington and that offered the chance of an early success. This approach would build confidence and facilitate moving ultimately to more complex and controversial problems. Yet others argued that there would be little advantage in shying away from the major contentious issues that warranted the attention of a G-20 at the leaders' level. Their capability to solve problems others could not was the raison d'être of a leaders forum. Further, Washington (like others) would not be attracted by meeting for the sake of meeting. Any new institution would have to be significantly different from the G8 if it were to interest them. Also, a new institution would need to develop its own "brand", perhaps by avoiding the "G" acronym altogether.

There was considerable speculation about the impact of the Presidential election in November, 2004 on the G-20 idea. Most believed that the G-20 leaders' level idea could not work if it was dependent on which party was in office in Washington. Above all else, the G-20 must not be seen in Washington as a forum for others to gang-up on the U.S. If it were so seen, the chances of the idea's taking flight were slim. Some believed that a second term Bush Administration might welcome a G-20 in legacy terms.

President Bush, in any case, was interested in subjects that could work in a G-20 format, e.g. HIV-AIDS. Were the Democrats to be elected to the White House, their rhetoric suggested that they would be open to multilateral innovations, such as the G-20.

Accretion of Members versus the "Big Bang" Approach to Membership

Attracting U.S. involvement was not the only challenge. Determining both the membership and structure of a G-20 at the Leaders' Level was wrought with all sorts of conceptual and technical issues. Some saw the creation of a standing group as critical. Others preferred an evolutionary or incremental route. The latter cited historical precedents for accretion, particularly Russia's inclusion in the G7, which had been slow and gradual. Others disagreed, partly because it seemed unlikely that the most logical addition, China, would agree to be part of a G9, although it might well acquiesce in being part of a significantly larger number. Caution was expressed that invitations should be on the basis of competence, not just representation.

Proponents of the "Big Bang" approach believed that certain global issues could be advanced only by reconciling the very real differences that existed between the leading developed and developing countries. This reality required the latter's membership. An argument was made for a hybrid – a G-20 meeting on a specific issue on the margins of a G8 meeting; others argued that that had been tried without sufficient success to warrant being a model. An advantage of a larger group was that greater numbers would stand a better chance of being able to influence (though not gang-up on) Washington. One participant argued, somewhat contrarily, that if Washington were, for example, resisting curbing the levels of climate changing emissions, the rest of the G-20 could argue that pollution was an implicit subsidy subject to WTO review.

If part of the reason for an expanded membership was to respond to the perceptions of "illegitimacy" of the G8, then moving gradually towards a G9 or G10 was not viable. Similarly, if the purpose were to move beyond a forum for economic and financial issues into other areas such as political and security challenges, there would be advantages to a larger group, which could broaden the consensus on contentious issues and in turn marshal broader support for any solutions that may be brokered. With respect to the Security Council, for example, reaching a general agreement at the level of the leaders of 20 major countries would significantly facilitate the resolution or management of contentious issues.

Still others argued that the issue was not a choice between accretion and a "Big Bang", but rather between "one-off" meetings and process. There were inherent advantages in working together on a series of issues, and effectively building better understanding of the constraints various leaders operated under, effectively creating relationships among people who may not otherwise develop them. Naturally, much would depend on the items that were selected for the agenda. Some saw the need for clear timelines with tangible benchmarks for measuring progress. Not surprisingly, others disagreed, believing that such rigidities would detract from the informality and flexibility of the meeting. There was little disagreement that the agenda should be sufficiently specific not to dilute the group's focus. Thus, for example, the environment would not be a suitable option but something more specific, such as climate change or fresh water could work. Global health would also be considered too ambitious, while HIV/AIDS or polio eradication would be more manageable options. Some argued that global summits should be event-driven and not calendar-driven; they should meet when there were issues to resolve. Others reminded the group of the difficulties inherent in ad hoc scheduling 20

Heads of Government.

There was also the issue of whether to create parallel ministerial groups. How much latitude Heads would wish to accord to ministers would differ from country to country, depending on their governance structures and cultures. As Ministers had considerable expertise in their particular areas of responsibility, their involvement could be of particular value prior to a leaders' meeting, in preparing complex issues for Heads' decisions. Some felt that ministerial level meetings should be a discrete option; certain issues were too complex to be left to Heads. Others felt that on the contrary, the value of Heads' meetings was that the principals could see the larger picture and had the power to trade off among issues. They were more able and willing than portfolio ministers to take political risks for the sake of the larger good. They all had history's judgement to consider. As for what ministers, themselves, might want, ministerial meetings would be most useful if they remained informal, as few ministers wanted the added task of ironing out technical language.

Civil Society Participation

Of all of the topics that were discussed, perhaps none was more divisive than that of civil society participation. Some argued that governance has traditionally been understood as the prerogative of governments and states. Others countered that even the most vibrant national democracies were not perfectly representative. Moreover, there was an acknowledged democratic deficit and that it was particularly pronounced at the international level. Also, most national elections did not accommodate global issues very well. Some felt that citizens were looking for new avenues for engaging in the political process, often finding their voice in civil society organizations (CSOs) and not elected

leaders, who some critics saw as distant and too removed from their concerns. If past G7/8 meetings were any indication of the reaction that could be expected from civil society, then it was safe to assume that they would want "in" with the G-20 and that they would show up to any meetings, regardless of whether or not there was a process in which they could participate.

Some felt that there would be clear advantages to bringing civil society into the G-20 process. CSOs, parliamentarians and civil society more generally could offer valuable policy advice, could assist with public education, and could help to build global constituencies for particular issues. The G-20 at the leaders' level could foster civil society networks that would feed into the summit process, before, during and/or after a meeting took place.

Many in the group were, nonetheless, deeply sceptical about the value that CSOs might add to the G-20 process. Many CSOs presumed to be more representative than they actually were. Further, some believed that Washington would be very reluctant to join an organization that encouraged high levels of CSO involvement. Also, at present, the CSO community was dominated by organizations from the North. There was a strong consensus that if there was to be a role for CSOs at the G-20 at Leaders' Level, governments should resist the "tyranny of the loudest", and not exclude voices from the South. Some had reservations about permanent participation by CSOs. Instead, they preferred a fluid CSO membership that would change depending on the contents of the agenda, which would allow a viable "exit strategy" for those no longer directly relevant to the agenda. Still others feared that the process of determining criteria for which groups would be allowed at the table could become a bureaucratic nightmare, a prospect that was a reality for much of the existing international architecture. There was little disagreement

with the proposition that there could be a role for Parliamentarians. A further idea was the creation of a network of think-tanks, which could contribute to the process without necessarily attending summits.

Composition

As expected, no consensus emerged on what the ideal composition of the G-20 would look like. No composition would ever satisfy everyone. Those who were currently "in" at the finance ministers' level would likely want to stay in if a leaders' G-20 were created. Those who were "out" may call for a seat at the table. There was general consensus that a strong emphasis needed to be placed on representation from the "South". Some called for a greater African presence, and for a limited number of Europeans. Others would opt for not "reinventing the wheel", suggesting instead that the leaders stick to the current membership of the G-20 Finance Ministers, since it was already in being and functioning reasonably well. This choice would be especially prudent if the focus remained on economic and financial issues. An argument was made for establishing membership criteria and then ascertaining which countries met them. Others thought G-20 should have variable membership and that issues should determine which countries participated in a given year.

It was generally agreed that, if the goal were to foster consensus on a broader range of issues than the economy and finance, then some changes in the membership would be necessary. One advantage of the "G" organizations was that the number of participants rarely corresponded with the number in the title. "Twenty" was a rough figure. It was an estimate of the appropriate size for an organization of this nature to be functional. If a "variable geometry" model were adopted, the appropriate number could

be more or less than 20. What was important was that it be seen to be a forum that was effective and inclusive, both by those who were there as well as those who were not.

Conclusion

"How to get there from here?" was not an easy question to answer. Much would depend on how the idea was perceived by Washington in the first place. For this initiative to succeed, vision and leadership were required. Someone, Canada, would need to champion the idea. Leaders should come to the table believing that this new forum could be a genuine source of innovative ideas. They would need to come believing that they could produce change. If they did not so believe, if they did not arrive ready to find common solutions, then creating a G-20 would have been a wasted effort. Above all, the G-20 must be able to make decisions. The world had real problems to address. One more talk shop would not solve them and would be counterproductive.

Appendix A

List of Commissioned Papers

- On Sherpas and Coolies: The G-20 and Non-Brahmanical Futures Yoginder
 K. Alagh
- Making Change Happen at the Global Level Barry Carin and Gordon Smith
- The G-20 at Leaders Level? Angel Gurria
- The G-20 and the Restructuring of the International Economic Order: An Egyptian Perspective -Abdel Moneim Said
- Government Networks, World Order, and the G-20 Anne-Marie Slaughter
- <u>G-20 and China: A Chinese Perspective</u> -Yu Yongding
- <u>Global Governance and Legitimacy Problems</u> Michael Zuern

List of Scenarios

- Would the Outcomes of a G-20 process Differ from those of the G7? Ariel Buira
- G-20 and Global Public Health Tim Evans
- The G-20 as a Summit Process: Including New Agenda Issues such as 'Human Security' Paul James
 - The orderly resolution of financial crises Ngaire Woods
- Agriculture Subsidies and the Doha Round: A Role for the G-20 Diana Tussie
- Roles for a G-20 in Addressing the Threats of Climate Change? David G. Victor

Appendix B

List of Participants

- Yoginder Alagh, Chancellor, Central University at Nagaland and Vice-Chairman of the Sardar Patel Institute of Economic and Social Research in Ahmedabad India and Fellow, Centre for International Governance Innovation
- Tom Bernes, Executive Secretary of IMF- World Bank Joint Development Committee
- Ariel Buira, Director, G24 Secretariat (Mexico)
- Barry Carin, Associate Director of the Centre for Global Studies; Former High Commissioner of Canada to Singapore
- Mark J. Carney, G7 Deputy of Canada, Ministry of Finance
- Andrew F. Cooper, Associate Director of the Centre for International Governance Innovation
- John English, Executive Director of the Centre for International Governance Innovation
- Tim Evans, Assistant Director-General, World Health Organization
- **Boris Fedorov**, Former Finance Minister, Russia
- Jonathan T. Fried, Senior Foreign Policy Adviser to the Prime Minister
- **Jeffrey Goldstein,** Managing Director and Chief Financial Officer, World Bank
- The Honourable Bill Graham, Minister of Foreign Affairs, Canada
- Robert Greenhill, Senior Visiting Executive, IDRC
- Jose Angel Gurria, Chair of the External Advisory Group Inter-American Development Bank and Former Minister of Finance and of Foreign Affairs, Mexico
- Peter Harder, Deputy Minister, Foreign Affairs, Canada
- Paul Heinbecker, Director of the Centre for Global Relations, Governance and Policy at Wilfrid Laurier University, Senior Research Fellow at the Centre for International Governance and Innovation, Former Ambassador to the United Nations for Canada
- **John Helliwell,** Visiting Special Adviser for the Bank of Canada and Emeritus Professor of Economics, University of British Columbia
- **Brent Herbert-Copley,** International Development Research Centre (IDRC)

- Barry Herman, Senior Advisor for the Financing for Development Office, UN/DES
- Ross Hornby, Assistant Deputy Minister, Strategic Policy Branch, DFAIT
- Paul James, Professor of Globalization, RMIT University, Australia
- Rob MacRae, Director-General of Policy Planning, DFAIT
- Ambassador Kishore Mahbubani, Singapore's Permanent Representative to the United Nations, Singapore
- The Right Honourable Paul Martin, Prime Minister, Canada
- The Honourable Marcel Massé, Executive Director of the World Bank; Former Cabinet Minister, Canada
- Rohinton Medhora, Vice-President of the Program and Partnership Branch, International Development and Research Centre (IDRC)
- Marie Lucie Morin, Associate Deputy Minister, DFAIT and Ex-officio Board of Directors CIGI
- Maureen O'Neil, President of the International Development Research Centre (IDRC)
- Ambassador Andres Rozental, President, Rozental and Asociados Consultancy; Former Deputy Foreign Minister, Mexico and Former Ambassador to the United Nations
- Cyrus Rustomjee, Former Executive Director, IMF (South Africa)
- Abdel Moneim Said, Director of Al Ahram Center for Political and Strategic Studies
- Richard Samans, Director of Global Issues, World Economic Forum, Switzerland
- Jan Aart Scholte, Professor in Politics and International Studies, Warwick University
- Anne-Marie Slaughter, Dean, Woodrow Wilson School of Public and International Affairs at Princeton University
- Gordon Smith, Director, Centre for Global Studies; Former Deputy Minister of Foreign Affairs, Canada
- Sandra Smithey, Program Officer, Mott Foundation
- Joseph Stiglitz, Professor of Economics and Finance, Columbia University and Former World Bank Senior Vice President and Chief Economist
- The Honourable Maurice F. Strong, Special Advisor, UN (P.C., C.C., LL.D)
- Ramesh Thakur, Vice-Rector, United Nations University, Tokyo
- George A. Trone, Program Officer, Mott Foundation
- Diana Tussie, Director for the International Financial Institutions Program, FLACSO Argentina
- David Victor, Director, Program on Energy and Sustainable Development, Stranford University

- Vinita Watson, Assistant Deputy Minister, Finance and Ex. Officio Board of Directors CIGI
- Ngaire Woods, Director of the Global Economic Governance Program and Fellow in Politics and International Relations at University College, Oxford

Appendix C

Meeting Program

Papers on the questions surrounding the G-20 at Leaders Level have been prepared by Yoginder Alagh (India), Barry Carin and Gordon Smith (University of Victoria), Jose Angel Gurria (Former Finance Minister, Mexico), Abdel Moneim Said (Egypt), Anne Marie Slaughter (Princeton), Ngaire Woods (Oxford), Yu Yongding (China), and Michael Zuern (Germany).

Scenarios on the differential outcomes to be expected from the G-20 meeting at Leaders' level have been drafted on specific issues by Ariel Buira, (Mexico, G24 Secretariat Director), Tim Evans (WHO), Paul James (RMIT), Diana Tussie (Argentina), David Victor (Stanford), and Ngaire Woods (Oxford).

Feb 28 th	Sheraton Ottawa Hotel, 150 Albert Street
7:30 PM	Informal Dinner, Penthouse A – 17th Floor, Sheraton Hotel
Feb 29th	IDRC 14th Floor, 250 Albert St
8:30 AM	Coffee
9:00 AM	 Would a G-20 at Leaders' Level Make a Difference? Agricultural subsidies and the Doha Round (Tussie/Masse) Financial crises (Woods/ Stiglitz) Climate change(Victor/ Rozental) Global public health (Evans/ Herman) Conflict prevention/post conflict resolution (James/ Mahbubani) Global Financial Problems (Buira / Rustomjee)
11:00 AM	Views from China, India (Alagh), Mexico (Gurria), Egypt (Said), USA (Slaughter), & Germany
12:30 PM	Lunch
2:00 PM	 Getting from Here to There? US Engagement Slow Accretion: G9/G10/G11? Role of Ministerial Meetings The New Leaders G-20 Agenda Composition G8 – supplement or replacement? Civil Society – role, if any
6:00 PM	Depart for Pearson Building
6:30 PM	Cocktails at Pearson Building, 9th Floor
7: 00 PM	Working Dinner with Prime Minister Martin, 9th Floor