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Getting the Context Right: Essential to Assuring G20's Success

Series: [Prescriptions for the G20: The Cannes Summit and Beyond](#)

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The summer of 2011 was not a time when key players in the international economic arena could relax on the beach. With the world facing an international economic crisis, one might have expected that the world's "premier forum for international economic cooperation" — the G20 — would have been centre stage. Indeed, former UK Prime Minister Gordon Brown called for a special meeting of the G20. It did not happen.

Not only was there little mention in the media of the G20's engagement, but Tiff Macklem, the senior deputy governor at the Bank of Canada, stated that the G20 had "fallen short in correcting the imbalances that are plaguing the global economy."

The G7 grouping of advanced economies was more engaged. When the G20 was formed, the understanding was that the G7 at the finance ministers' and deputies' levels would be continued, but with a very low profile. Over the summer, however, G7 ministers and officials met and purported to speak as a crisis management committee in an attempt to calm financial markets.

When the G7 meets instead of, or even at the same time as, the G20, what are the excluded 13 countries to think? Consider China, with its huge and growing economy, including its substantial holdings of US treasuries. Is it reasonable to expect the Chinese to not participate in multilateral discussions among North Americans, Europeans and the Japanese, when their interests are also vitally at stake, and when G7 countries subsequently want China to do, or not to do, certain things?

The G20 was all about abolishing antechambers. Nonetheless, by its recent actions, the G7 perpetuates antechambers (and implicitly slights the "G13") with no clear explanation as to why. What is at stake is the future of global governance writ large — institutions, leaders and the balance between sovereignty and managing global interdependence.

When government leaders of the G20 meet in Cannes in November, it is important that they look ahead to the following summit in 2012. They must think about the broader architecture and environment as well as dealing with the crisis du jour.

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Video Trailer

US President Barack Obama has stated that he will host the G8 (the G7 plus Russia) and NATO summits back-to-back less than a month before the G20 convenes in Mexico next June. To the extent the G8 and NATO meetings deal with political and security issues, there is no problem in their proximity. To the extent there is an overlap of agendas between the G8 (and residual G7) and the G20, however, there will be a problem, and the future of the G20 will be imperilled.

If the G8 discusses issues that will also be on the G20 agenda meeting only weeks later, there will inevitably be a feeling among non-G8 members of the G20 that the G8 is being used as an inner group to “prepare” the G20. Part of the reason the G20 has not simply replaced the G8 is that it is clear that G8 leaders are more comfortable with the smaller and relatively informal arrangement of only government leaders around the table, with the use of first names the norm. Leaders have only one adviser — the Sherpa — a distance behind them, instead of a room full of advisers.

There are, of course, other important factors that explain the survival of the G7. The G7 countries are at a different point in their economic development than the rest of the G20, and there is greater political and cultural proximity among them. The G20, by contrast, has upwards of 50 seats at the table and several hundred people in the room. Meetings are shorter than is the case for the G7 or G8. Leaders often read speeches, then leave the room or chat with neighbours.

Summits are, or at least ought to be, very much about developing empathy. Knowing each other on a personal basis helps key leaders resolve global deadlocks. It is important that leaders engage informally, without the restrictions imposed by detailed agendas and set-piece speeches.

Having 20 countries around the table has worked when G20 finance ministers meet — they have their central bank governor alongside them and their finance deputy behind. There are only three people from each country. Ministers, central bank governors and the deputies eat one or more meals separately, continuing their substantive discussions in a more informal context. In most cases, they develop first-name relationships.

Politically interesting subjects should be on the leaders' agenda. Subjects of a technical nature should be returned to finance ministers, with oversight by leaders in the event agreement cannot be reached. Efforts should be expended to cut down on the number of people who remain in the room when leaders talk.

The process of refining the G20's procedures may take time. There must be consensus for it to succeed. The acid test is that the G8 stay out of any issues destined for the G20. This includes the Internet and nuclear safety — what conceivable rationale is there for discussing these subjects in a forum that includes Russia, but excludes China and India (unless, of course, the

latter do not want to participate)? Nor is it clear why development should remain on the G8 agenda, except perhaps to deal with the legacy of the earlier G8 African initiative.

Eventually, we must hope that the full range of subjects, including those with a security or broadly political character, will be discussed by G20 leaders. Meanwhile, it is important to assure the success of the G20; in practice, this means avoiding the impression that the G7 or G8 are “pre-discussing” matters that will eventually appear “pre-resolved” on the G20 agenda.

Work Cited:

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About the Author

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Topics: [G20 Cannes \(2011\)](#), [G8/G20](#)

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As leaders of the G20 nations prepare for their summit at Cannes, France on November 3-4, CIGI experts offer policy analysis and prescriptions on the most critical issues amid growing uncertainty about the global economy and the G20's effectiveness as an international policy forum.

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