Challenges in Global Governance: Opportunities for G-x Leadership

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“Multilateralism in the 21st century is, like the century itself, likely to be more fluid and, at times, mess[ier] than what we are used to.”1—Richard Haass

The Shape of Global Governance

As the first decade of the 21st century drew to a close, a new global governance institution was born. At the conclusion of the G-20 Leaders Summit in Pittsburgh, they declared that this group, and no longer the G-8, was now “the premier forum for our international economic cooperation.” In cementing the place of yet another leaders’ summit on the annual calendar, they only reinforced the view that global governance is a confusing jumble of institutions. One of America’s leading foreign policy experts, Richard Haass, head of the Council of Foreign Relations, calls this “messy multilateralism.”

The rise of the new institutionalism in global governance, has thus, in no way created a sense of order. More pointedly, global governance has increasingly spawned institutions that are far more informal and unstaffed than the UN and Bretton Woods institutions that preceded them. The rise of the G-x process—the G-5, the G-7/8, and the G-20—is structurally and procedurally in sharp contrast with the earlier treaty-based organizations of the postwar world. Many officials and commentators have found it hard to accept such an institutional transformation with equanimity. Critics have attacked the informal structures; argued that the membership, being less than universal, fails any test of representativeness and legitimacy; and questioned the G-x process, accountability, and ability to reach the critical decisions that meet the contemporary global governance challenges.

Beyond the emergence of these new G-x forums, contemporary geopolitical realities have expanded the great power club quite significantly since the end of the Cold War. There is a sense that an enlarged and more diverse global leadership consists not just of the United States and its traditional allies but, as the G-20 demonstrates, the new rising states—Brazil, India and especially China—and then an additional ring of influential middle-income states such as Indonesia, South Korea, and Turkey.

Along with the question of new countries assuming more prominence as international leaders, it remains unclear what role will be played by the still acknowledged hegemonic leader—the United States. Following the demise of the Soviet Union, the United States emerged as the sole superpower and hegemon. Yet this moment of unipolar ascendance ultimately devolved into a pell-mell series of unilateral actions.2 The Bush administration expressed a deep-rooted skepticism toward the multilateral system of which the United States had historically been the chief architect and proponent. While the Bush administration “reawakened” to the advantages of multilateralism following Iraq, many countries and their publics had already acquired a distaste for American exceptionalism.

After these rifts and suspicion toward American leadership, the arrival of the Obama administration, with its expressed desire to reengage and commit to multilateralism, boosted international hopes for cooperation. That hardly settled the matter, though. Secretary of State Hillary Clinton’s talk of “a multi-partner world”...
at its inception in 1975—with the first summit at Rambouillet included France, the United States, the United Kingdom, Germany, Japan, and Italy. By the time of its next meeting in Puerto Rico, a seventh leader was added: the Canadian prime minister. Once this grouping, and its pattern of annual summit meetings, was established, it continued uninterrupted until the 1998 enlargement to the G-8 with the inclusion of Russia.

The emergence of a prominent role for the G-x has been propelled by broader forces of contemporary global affairs. As the formal permanent mechanisms of the Bretton Woods and UN institutions have been increasingly deadlocked and unable to marshal collective action on the international agenda at hand, the G-x offered an alternative outlet. In its initial agenda in the 1970s, the leading industrial powers of the late-20th century actually had the combined economic heft to mount an effective response to challenges such as:

- The collapse of the fixed exchange rate system of Bretton Woods.
- The first enlargement of the European Community in 1972 where the United Kingdom, Denmark, and Ireland joined the original six.
- The 1973 oil crisis.
- The consequent 1974 economic recession.

Though at the outset the G-7 leaders and their governments regarded these annual gatherings as temporary and ad hoc, over time the gathering took root in the leaders’ annual calendars, a sequence was set for the rotation of its presidency, and the forum became a fixture in global governance.

Over time, this summit diplomacy has shown an adaptability that helped it evolve along with the international environment and agenda. G-x agendas began with a rather tight focus on political and economic issues and the relationship between the two. As governments and their leaders concluded that market forces and multinationals were driving global policy, the agenda broadened to the environment, infectious diseases, international crime, Africa, and development. Nor were international security questions

So these two facts demand a different global architecture, one in which states have clear incentives to cooperate and live up to their responsibilities, as well as strong disincentives to sit on the sidelines or sow discord and division. ... We’ll work through institutions and reform them, but we’ll go further. We’ll use our power to convene, our ability to connect countries around the world, and sound foreign policy strategies to create partnerships aimed at solving problems. ... In short, we will lead by inducing greater cooperation among a greater number of actors and reducing competition, tilting the balance away from a multi-polar world and toward a multi-partner world.³

The analysis presented here explores leadership in the context of contemporary global governance. More particularly, it focuses on the G-x process as a forum for international leadership, especially in comparison and combination with the formal institutions of the UN—Bretton Woods system, and offers a frame to evaluate the effectiveness of the G-x process. To begin with, the scope of the G-x process is significantly larger than the annual summitry that draws the most attention. But the ultimate test for any global governance innovation is the same: Does it offer the prospect for greater deliberation and collaboration in the international system, particularly in the face of a growing set of challenges? As the informal G-x process incorporates emerging powers and tries to spread leadership beyond the United States as a hegemon, will this help to overcome the obstacles to collective action? Or, will this enlarged leadership club, with all its diversity and its attempt to diminish the hegemonic leadership of the past decades, actually pose insurmountable problems to decision making?

**The Emergence of G-x Leadership**

The G-x process traces its history to the early 1970s. The creation of the G-7—actually the G-6
As early as 1983, the G-7 turned its attention to missiles in Europe (though in protest, the French president refused to attend) and as the Cold War came to an end, attention turned to the question of Central Europe and then to Russia. Indeed, by the 1998 Birmingham summit, Russia became a permanent member. Also at this summit, the agenda included employment and crime, and it appeared that the G-7/8 seemed to be tackling domestic governance issues. With the global financial crisis, of course the summits returned (the 1995 Halifax summit had taken up institutional reform of the International Monetary Fund and indeed of the United Nations) to the reform of global financial regulatory institutional reform. The range of issues placed on the agenda has been broad indeed.

Despite becoming a fixture of high-level diplomacy, there is scant agreement on the purpose or expectations of outcomes for these summits. At the optimistic end of the spectrum, John Kirton, the director of the G-8 Research Group at the University of Toronto, sees these summits as filling “core functions of forging co-operative agreements, inducing national compliance with those collective commitments, and responding to regional cries before they endanger systemic stability.” A somewhat more modest view suggests that the summits serve primarily deliberative functions. In this view, the summit performs the core functions of stability maintenance through ongoing communication, consensus formation, and crisis response. Leaders have the opportunity for frank face-to-face discussions and information on national policy action. The summit becomes more an information-sharing venue for leaders, but not much else. While the deliberative function may encourage broad direction setting, possibly a convergence of some national policies, and occasional collective agreements, true collective action will be rare. Finally, for skeptics, the summits are really no more than a consultative forum at which leaders get to know each other and better understand one another’s domestic pressures. According to this view, the summit communiqués are generally aspirational and deliberately vague to hide differences of view.

The Impact of the G-x Process

The specialist discourse on the nature of cooperation within the G-x is complemented by another debate over its impact on the global political order. Some scholars have highlighted the summits’ inability to fashion major agreements on economic policy or take leadership on a major basket of issues such as macroeconomics, trade, or energy, leading them to conclude that the summits are, at best, reactive policy instruments. Another critique questions the very relevance of the G-x process: the chorus of frustration with the G-7 in the 1990s for its failure to adjust and respond to the host of new post-Cold War political, security, and economic issues attests to legitimacy questions that long predate the recent debate.

And then with the rise of the emerging powers, the G-x has come under sharp attack for the presumptuousness of being a closed circle of traditional powers claiming to deal with the global economy and, increasingly, a wider range of security, development, and other transnational issues. The criticism has only been partly stilled by creation of the G-20 Leaders Summit, regarded by some as just a larger exclusive club.

In contrast, enthusiasts such as John Kirton likened the G-7 to the Concert of Europe and its diplomatic success as a framework for a largely peaceful 19th century. Kirton also viewed the G-7 as an optimal and influential structure to deal with today’s multileveled policy challenges:

Increasingly, the G-7 is coming to resemble the inner cabinet of the global polity, compactly including all globally-oriented countries, embracing the full public policy agenda, and engaging the multilateral international bureaucracies, and most departments of national government at the ministerial and official level. It is thus uniquely tailored to deal with the intensifying linkages across the global agenda and between processes at the international and domestic levels.

Multilateral Improvisation

The prevailing American view toward multilateralism is an opportunistic “let a hundred flowers bloom” flexibility, welcoming whatever the G-x process and informal institutions have to offer as complements to other multilateral instruments. A useful picture of the recent evolution in thinking is presented by Richard Haass, formerly a director of policy planning in the Bush State Department. Shortly after the 9/11 terrorist attack, Haass described the Bush administration’s
foreign policy—particularly its selective abandonment of a number of international agreements and its refusal to sign on to new ones—as “à la carte multilateralism.” In the blossoming of that US unilateralist moment, the Bush administration eschewed those organizations and agreements viewed as impediments to their agenda and built transactional coalitions around challenges and specific tasks where it saw need. As Stewart Patrick, now at the Council on Foreign Relations, chronicled the evolution of US post 9/11 policy:

Unlike large, formal bodies that constrained US options, empowered spoilers, and forced the United States to strive for bland consensus, these selective arrangements would be restricted to capable, like-minded countries, permitting decisive action in the service of US priorities.10

Recent commentary by Haass captures the recent shift in American foreign policy conventional wisdom, with Haass now calling not for “à la carte multilateralism,” but instead a “messy multilateralism” of heterogeneous institutions and arrangements. This new conception of American policy no longer focuses on opting in or out of arrangements as the Bush policy did. Nor is it about unilateralism or the creation of ad hoc coalitions of the willing. Rather, global governance, as Haass now sees it, consists of a variety of platforms that seek to provide “the collective effort” that not even the United States can face alone. Thus we see that multilateralism consists of democratic multilateralism (universalist institutions, Copenhagen Conference, United Nations General Assembly), elite multilateralism (G-7 Leaders Summit and now G-20), functional multilateralism (coalitions of the willing and relevant to the specific policy subject), informal multilateralism (financial and standard setting reforms), and even regionalism (bilateral and regional trade and investment regimes).

Similarly measured and flexible is the assessment presented by Stewart Patrick of the Council on Foreign Relations in his own Stanley Foundation policy analysis brief.11 While acknowledging the greater reliance of the nascent Obama administration foreign policy strategy on multilateralism and international institutions, he also stresses the administration’s sensitivity to the rising powers and the efforts to enlarge the global leadership. This prompts an interest in the potential of the G-x process, particularly a “more legitimate” G-20 leaders summit, as unveiled at the Pittsburgh Summit in September 2009. Concerning the effectiveness of these G-x processes, Patrick also notes the dangers of overemphasis on informal multilateralism:

Regardless of which format emerges [in the G-x process], the Obama administration should be wary of indulging in unrealistic expectations. It is implausible that any annual summit can morph into a true decision-making (much less decision-implementation) body that could substitute for the authority, legitimacy or capacity of formal institutions like the United Nations, World Trade Organization (WTO), International Monetary Fund (IMF), or The World Bank. Going forward, a priority for the Obama administration and its counterparts abroad will be to design systematic procedures for linking the initiatives launched and commitments made in these consultative forums with the ongoing work streams and reform agendas within the world’s formal organizations.12

But is the skepticism and criticism of the G-x process institutions warranted? Is it indeed “implausible” that these annual summits can be no more than a consultative forum—generating merely aspirational statements and hosting deliberations, with little or no capacity to engineer and implement significant collaborative decision making?

**Underlying Motivation for G-x Process Cooperation**

If any significant hopes for international leadership are to be placed in the G-x process, it is important to ask about the factors that might push policymakers in that direction. In international relations it is well accepted that the provision of public goods at the international level poses great challenges. Overcoming the collective action problem and joining national governments for collective decision making is achieved only with difficulty.

Nevertheless, advocates for collective decision making point to a number of factors that exert a
gravitational pull toward multilateral cooperation. First among these is the framework provided by institutions, or what is often referred to as the “international regime.” According to this largely structural view, the continuous organization of intergovernmental relations and the widening policy breadth give a context that can engender cooperation. Institutional commitment would be encouraged with summit repetition. In the case of the G-x, iteration of the summits highlights matters of commitment and compliance as leaders anticipate future interaction and ongoing relationships. The associated flow of information and growth in transparency and mutual understanding impose constraints, or at least costs, for cheating or defection. As commitments gain support and adherence over time, social pressure on leaders would increase for them to undertake further commitments.

A related structural view focusing more on the “small group” character of the G-x process adds further dimensions to the analysis. A club or concert multilateral structure generates collaboration through concerted power—a particular dynamic of compliance built on restricted great power membership. As with broader regimes, the restricted participation lowers transaction costs, increases transparency, and reduces the potential for vetoes—only more so, given the close quarters of a small group. Finally, concert or club politics emphasizes the importance of similar values and normative orientations. According to this analysis, such congruence makes it easier to fashion collective policies (though shared values left room for frequent bickering within the G-7/8 over specific policy options). The degree to which values and norms are shared becomes highly relevant, of course, as we examine the G-7/8 enlargement to the G-20.

The focus of the recent global governance discourse has increasingly turned to the imperatives of cooperation that stem from growing shared interests among global leaders. From this perspective, inclusion in international leadership is as much about obligations and responsibilities as it is about rights. The Managing Global Insecurity (MGI) Project has pressed an especially pointed focus on responsibility. This Brookings Institution project was originally led by codirectors, Carlos Pascual, now US Ambassador to Mexico, Bruce Jones of New York University, and Stephen Stedman of Stanford University. In their resulting “Plan for Action” they argued that a new era of international cooperation “should be built on the principle of responsible sovereignty: the idea that states must take responsibility for the external effects of their domestic actions—that sovereignty entails obligation and duties toward other sovereign states as well as to one’s own citizens.”

Stewart Patrick has similarly emphasized the concept of “sovereignty as responsibility” as a basis for shared interests and collaborative behavior. From this perspective, basic national sovereignty itself not only confers rights but also imposes obligations upon, among other things, the wider international community. “In other words, all countries must follow the rules and shoulder the burdens of providing global collective goods, from controlling the spread of weapons of mass destruction to stemming the emissions of greenhouse gases, rather than ‘free-riding’ on goods supplied to others.”

Both of these approaches—building on the African statesman Francis Deng’s 1993 concept of sovereignty as responsibility—rely on some sort of balancing of national interest with global responsibility. Thus, the concept envisages that the price of membership among the community of nations involves a normative public responsibility to show leadership. Beyond this conception of sovereignty and the international order, though, the need remains to marshal evidence showing how such duties are taken up by the individuals or governing parties who make national policy decisions.

Ultimately, the most realistic depiction of global governance would be that collective decisions are driven in part by structure as well as cognition and behavior—all of which are built on a strong base of national interest. And in identifying these dimensions underlying collective action, it is indeed reasonable to suggest that interdependence, especially among the powers, has had a strong impact on global governance. The transmission of the recent global financial storm system outward from the United States through the global economic system rendered meaningless any contention that the rising states were decoupled from traditional states. Strong interdependence in finance and beyond has both transmitted the consequences of the crisis and spurred the international response. The Great Recession...
of the leaders,” as John Kirton has pointed out, “is now supplemented by a year-round sequence of ad hoc meetings of the leaders and their finance and foreign ministers, regular forums collectively embracing a majority of the ministries of government, and a subterranean web of working groups that even the leaders’ personal representatives find it difficult to monitor and control.”16 These personal representatives—known as sherpas and sous sherpas (two for each leader)—provide important connective tissue between the various consultations and the summit agendas, about which they themselves meet several times a year.

Beyond these ministerial networks, regular and ad hoc task forces and working groups have also become part of the G-x process. An Africa Forum serves as a major venue for the discussion and monitoring of policies, strategies, and priorities to support Africa’s development. The G-8 in 2001 at Genoa launched the Global Fund to Fight AIDS, Tuberculosis, and Malaria. A Counter-terrorism Action Group was set up as early as 2002. In the area of finance, the Financial Action Task Force (FATF) was created in 1989 to coordinate efforts to fight drug-related money laundering. The purpose of the FATF is to develop and promote national and international policies to combat money laundering and terrorist financing. An expert group on financial crime was set up by the 1997 Denver Summit.

In response to the threat of nuclear terrorism, the Global Initiative to Counter Nuclear Terrorism is another such network. This group brings together government experts to foster best practices to: safeguard nuclear material, strengthen governmental capacities for detection and disruption of nuclear materials trafficking, enhance information sharing and law enforcement cooperation, establish legal and regulatory frameworks, deny terrorists the safe haven and financial resources they need, and prepare responses to a terrorist attack.

In the financial area, the G-20 finance ministers group arguably rivals the summits in policy significance and has accrued its own supporting structure. Hard on the heels of the Asian financial crisis, the G-7 created this forum in 1999.17 This highly active network of policymakers, the precursor to the G-20 Leaders Summit, was established to coordinate national political man-
agement of policy as well as collective deliberation and direction setting. On domestic political management, the G-20 finance group was used to reassure publics that collective leadership was responding decisively to the financial crises of the late 1990s. More recently in the Great Recession, the G-20 finance group has added a distinct track of meetings in support of the new forum/format of the G-20 Leaders Summits. At the most recent meetings in November 2009 at St. Andrews, Scotland, the ministers tackled such subjects as unemployment, sustainable growth, development, and poverty reduction.

Though the G-20 was established as a deliberative and direction-setting network, the global financial crisis has propelled it—in conjunction with other G-x forums and the Bretton Woods institutions—to involve itself in the more detailed task of providing policy guidance and/or monitoring policy compliance with the commitments made by G-20 leaders. Thus, in the St. Andrews meeting in November 2009, the finance ministers issued a lengthy communiqué appendix that tracked progress in the implementation of the leaders’ commitments. The finance group also set up a new consultative mechanism for peer assessment.

A prominent new economic and regulatory institution, the Financial Stability Board, (FSB) was another significant governance response to the global financial recession. The board’s roots stretch back to the Financial Stability Forum created by G-7 finance ministers and central bankers in 1999, which was designed to improve the function of financial markets and reduce systemic risk. The G-20 enlarged it, changed its name to the Financial Stability Board and gave it a lead role in crafting international regulatory reform measures. In addition, the FSB tasks extend to the promotion of global financial stability (international supervisory colleges, early warning mechanisms, and research). In January 2010, the FSB launched a peer review process on the implementation of the FSB Principles for Sound Compensation Practices, Implementation Standards. The inquiry includes a template for distribution to national capitals for governments to provide input for the thematic review.

The UN-Bretton Woods System and the G-x Process

To fully grasp the role of the G-x, it is crucial to have an accurate picture of its relationship to the UN system and the Bretton Woods institutions. While much is made of the supposedly zero-sum competition between formal and informal multilateral forums, the relationship between the G-x and the international financial institutions refutes that perception. To the contrary, John Kirton and his colleagues have described these different types of global governance institutions as “two great galaxies.”

For Kirton and his colleagues, the central feature of this two-system global governance universe is that the institution building of the G-x process was clearly an adjunct to, rather than a replacement for, the existing system. As multilateralism adjusted to the demise of the Cold War system in 1989, “[t]he institutions and ideals of a new and old order thus had to compete, converge and cooperate with each other as they sought to govern this ever more demanding and globalizing system.”18 The Bretton Woods-UN system had been built on a formal “hard law” of heavily organized bodies. Over the decades this formal system was joined by “softer” organizations with more limited membership, less bureaucracy, and more flexible organizations. Nor was the G-x the only manifestation of this heterogeneity, which also included the Organisation for Economic Co-operation and Development, the International Energy Agency, and the Bank for International Settlements.

Again, the recent financial crisis—a crucible for such a flurry of multilateral innovation—helps show the working connections between the informal G-x process and the permanent structures of global governance. In the context of the crisis, and given its consultations at the highest levels of government, the G-x has indeed been a vital source of political will. The recent G-20 Leaders Summits, particularly the Washington Communiqué, tasked the IMF with carrying out a number of leaders’ commitments. As described above, institutions from the G-x process (G-20 finance, Basel Committee, and especially the FSB) have increasingly undertaken compliance and administration of G-20 commitments. It would seem that the relationship between formal and informal institutions is one where there is a “pulling together” with “support flowing both ways,” as suggested by Kirton. International organizations from both systems weave together their combined capacities in expertise, policy-making, and compliance monitoring.
Examining the Key Dimensions of the G-x Process

While experts have offered widely varying views of the import and constructiveness of leadership club multilateralism, the global governance discourse has been strikingly consistent when it comes to choosing criteria to assess the G-x. A fairly common list of factors comes up in specialist discussions of the G-x:

- legitimacy
- informality
- effectiveness
- equality and
- like-mindedness

Legitimacy

Critiques of the G-7 and G-8 as a “club of the rich” appointing themselves as global leaders have been prominent for many years. As early as the 2003 Evian Summit—and then consistently from the 2005 Gleneagles Summit onward—the G-8 pulled the G-5 rising powers of Brazil, China, India, South Africa, and Mexico into consultation and attendance, but not full membership. Beginning at the 2007 Heiligendamm meeting, the G-8 and the G-5 initiated a so-called “structured dialogue” that worked for collective policy in selected issue areas. But the Heiligendamm Process was never a negotiating process, nor did the G-8 countries commit to enlarging their group. Though this structured dialogue was extended at the L’Aquila Summit in 2008, fueling expectations of enlargement to a G-13, those expectations were eclipsed by the September 2009 Pittsburgh decision to crystallize the G-20 as the principal economic leaders summit. In the aggregate, the G-20 member nations today account for more than 85 percent of global GDP, 80 percent of international trade, and approximately 66 percent of the planet’s population. These dimensions certainly reflect a greater global representation than was true of the G-8.

But it is also clear that for many experts and officials—especially from those officials that represent the so-called “uninvited,” (the “172”)—legitimacy is in the eye of the beholder. The legitimacy discussion is largely an unwinnable exercise. For those outside the club an element of illegitimacy will remain, but the G-x process is consciously a club structure, through which influential nations give themselves an alternative to the universalism and the “committee of the whole” sluggishness evident in many of the Bretton Woods-UN institutions.

Equality and Informality

The informality of the G-x process, and the summits in particular, is often overlooked by experts. But the same cannot be said of participants. Leaders and others emphasize the value of this dimension and the opportunity of the small group setting to get to know each other personally. Over time, leaders become familiar with one another personally as well as the respective problems they face back home. The summits also offer a chance to speak more directly and forthrightly than in other diplomatic settings.

The G-x process also has a leveling effect, in terms of the relative stature of the leaders. The G-x process is notably nonhierarchical and built on a basis of equality. The leaders are accorded the same strength of voice in the discussions. This obviously contrasts with the United Nations, where the key forum for international peace and security, the Security Council, is a two-tiered system of permanent (veto-holding) and rotating members. In the Bretton Woods institutions, differing quota shares also distinguish the clout of the different member states. Yet even with the collegiality and openness of the G-x, power realities are bound to intrude; in truth the United States and, say, China probably carry greater voice and influence than others.

Effectiveness

The dimension of effectiveness is the most important in the analysis of global governance, assessing G-x process performance from at least two angles. First there are the commitments readily identified in the communiqués of the leaders and reflecting the agreed intentions and policies of those leaders.

But a multilateral body’s effectiveness cannot be evaluated just by the commitments made by its members. Commitments are only considered effective if followed through and implemented. A focus on implementation or compliance, in turn, draws attention toward the political and policy actions taking place principally in national capitals. Though there are commitments that can be implemented at the international level in, say, an international organization, most international
commitments are carried out at the national level. Global governance is not global when it comes to implementation. It is local.

The diverse methodologies of scholarly analysts have left scant consensus on precisely how to measure effectiveness—never mind advice for policymakers on how to achieve it. That said, the pioneering research led by Harvard's Robert Putnam and diplomat Nicholas Bayne (and more recently just Bayne) emphasizes multilateral challenges familiar to any diplomatic practitioner. Their work assessed how political leaders reconciled the tensions between their positions (and the associated domestic pressures), their degree of commitment to the resulting policy, the effect of that policy on the given problem, and its palatability to the rest of the world community.

Bayne concluded that for the subject areas he focused on, the earliest years of the G-7 summits were quite successful, the summits of the 1990s declined in salience and then only late in the first decade of the 21st century, and only with the global financial crisis, did the summits again achieve some measure of success.

Since the mid-1990s the G-8 Research Group has, on an annual basis, evaluated G-8 performance. Kirton has summarized the findings of these years of performance and has concluded that the G-8 has continued to broaden the scope of the agenda and that G-8 performance has generally risen over the period of the summits. More pointedly, Kirton identifies that for the critical dimension of compliance, performance has also been rising for G-8 countries and doing so across most issue areas taken up by the G-8.

If We Grow, Can We Lead?—The Looming Challenges

Over many years the G-8 Research Group has emphasized the critical importance of the shared democratic character of the G-7 states. But while the initial rationale for integrating Russia with the G-7 was an effort to ensure Russia’s further turn away from authoritarian government, as the years passed it became increasingly difficult to argue the democratic character of Russia. Once the question of enlargement grew prominent, it was evident that the addition of key rising powers like China would be a further dilution of values-based solidarity.

But with just a measure of scrutiny it becomes apparent that democracies do not necessarily share the same norms and values, and it is certainly possible for authoritarian and democratic regimes to share norms and values in realms other than domestic governance. Thus, both India and Brazil, democracies for sure, disagree with traditional European states, the United States, and Canada over the principle of humanitarian intervention and the “responsibility to protect.” And in this case, China agrees with both India and Brazil.

Indeed, analysts reflecting back on the 19th-century concert—including monarchical and more democratic regimes, have suggested that what is required is “fundamentally compatible views of what constitutes a stable and acceptable international regime.” While in the world of great powers and great power rivalry such a minimum common denominator might have sufficed, in the more complex contemporary world of global governance it is very likely insufficient in the contemporary concert setting of today’s G-x process.

Enlargement may well pose serious challenges. The increase to a G-20 brings diversity and raises the challenge to collaborative decision making in global governance. While it is the case that traditional powers have often disagreed, their disagreements have been principally over particular policy alternatives and not fundamental differences regarding norms and values in the international system. The “values gulf” today between rising and traditional powers threatens to weaken, perhaps fundamentally, G-x global governance institutions just as it has eroded collaboration in the Bretton Woods-UN formal institutions. The most acute aspects of the values gulf among the enlarged leadership are described below.

National Sovereignty and Noninterference in the Domestic Affairs

In the enlarged leadership of G-x there are strong differences over contending concepts and priorities regarding national sovereignty—also known as noninterference in the domestic affairs of other states. China has long defended (going back to Bandung in 1955) the most traditional notions of national sovereignty. But China is not alone. Both India and Brazil also strongly support noninterference in such contexts as Responsibility to Protect and humanitarian intervention. The jealous defense of the state’s prerog-
atives has extended to other policy debates as well; for instance, China’s recent objections to international verification of carbon reductions.

Developmentalism
International political appeals to the development gap and attacks on the unfair advantages of the wealthy industrialized states are a staple of the trade and finance debates and of others as well. The rising states regularly point to the gulf between north and the Global South, demand greater equity and participation for the Global South, and insist on satisfaction for the interests of the Global South as the price of agreement. Bringing this north-south divide into the leadership club itself only raises the difficulties of reaching consensus and collective action.

Universalism and Hierarchy
Universalism versus hierarchy is a basic question for how multilateralism is organized—the sovereign equality of one-country, one-vote principle (sometimes, even further, arguably requiring consensus) as in the WTO, or stratified levels of status.Hierarchy allocates differences in influence levels, whether within larger universal settings as the UN Security Council or in smaller clubs that give some states greater sway than others. As has been pointed out above, universalism remains the operative principle in many organizations and is important for many G-172 states as a means of preserving influence. While the G-x process has been strongly attacked as being overly exclusive, universalist-style multilateralism has been shown too often—the Doha Round in the WTO or the Copenhagen Conference on climate change—as a recipe for paralysis.

The Domestic Political Challenge
Domestic politics have become a growing constraint on leaders. The essential structure of the US governance system, with its checks and balances, has constrained all US administrations’ freedom of action. But the American political culture—including an overarching suspicion of the international community and tradition of “exceptionalism”—has put an added brake on international cooperation. Stewart Patrick describes the constraint this way:

And yet it remains political suicide for any US aspirant to elective office to speak of moving “beyond sovereignty”—or indeed to speak the language of “global governance”—given the undercurrent of suspicion that international institutions are running roughshod over the US Constitution.22

But the US democratic system is hardly the only domestic constraint on an influential nation. Chinese leadership, too, is increasingly constrained. The premium it places on collective decision making and domestic political potency of nationalism severely limits the options of Chinese leaders. And for the Chinese leadership the lack of institutionalized accountability makes its policy prerogatives often quite brittle.23 Chinese public sentiment on issues is hard to define. Without elections as an arena for policy debate, the leadership is forced to troll through the blogs and portals of China’s Internet.

Canadian policy now is constrained by minority governments, ever vigilant to identify an issue that could bring partisan advantage. French President Sarkozy is under sharp criticism for his apparent aloofness from the public needs and wants. Overall, all governments seem to be inhibited by political sentiments and sensitivities that are at odds with the demands of the international agenda. Many leaders find it difficult to lead, and the public finds it unsatisfactory to consent. Domestic governance appears to pose as great a burden to effective global governance as ever before.

The Paradox of the Existential Challenges
This analysis has taken us on a bit of a voyage into the contemporary realm of informal global governance institutions and the ability of this G-x galaxy of global governance to organize collective decisions and meet the challenges facing the global economic and political system. The G-x system has been both harshly criticized and frequently dismissed as irrelevant. For proponents of traditional multilateralism, these G-x institutions could not possibly take the place of treaty-made and legally binding decisions by formal institutions. From a traditionalist perspective, and in the chaotic world of contemporary multilateralism, the G-x process represents “settling” for a lesser form of collective decisions.

I trust, however, that the above analysis has cast the G-x process in a different light. This system of G-x institutions—though informal—is an
influential world of summits and wider support structures that have promoted collective decision making in economics, finance, development, global health (most recently), and potentially climate change. But the possible future scope stretches even beyond these issues to include politics, institutional reform, and security. The G-x process should be seen as a significant element of global governance, with a solid record, over the decades, of forging commitments and following through—though in no way uniformly (but then the formal system does not either)—with implementation of collective decisions.

While the analysis paints an optimistic picture of the utility of the G-x process, it also identifies challenges that may slow or even cripple collective decision making. The enlargement from the G-8 to the G-20 and the diverse enlarged leadership has a strong “values gulf” that was absent from the earlier leaders summits. This values gulf could pose difficulty in forging collective policies at the G-20 leadership level. Further, it has become more obvious that domestic politics inhibits major states—certainly the United States, with a deep partisan divide that renders the legislative process complex and, at times, paralyzing. But China, too, suffers from the strictures of collective leadership and unpredictable politics. Overall the democratic deficit in global governance confronts many leaders with significant rear guard resistance.

With these various new challenges, does this mean that we have already seen the high water mark on successful G-x collaboration? With the continuing dissension among experts over what explains successful collective action, we cannot be sure what the most important factor in collective action is—though it would appear that structure, behavior, and contemporary context together provide favorable conditions. To be 21st century has brought tight international interdependence with heightened consequences for societies from the actions of others. As a paradox of interdependence, it may be that some of the most difficult issues—the existential problems of climate change and nonproliferation—could stir national interests enough to bring an auspicious collective decision-making moment. And once engaged, who knows where global governance may take us?

Endnotes
8 John Kirton, “The Diplomacy of Concert: Canada, the G7 and the Halifax Summit,” Canadian Foreign Policy, 3:1, pp. 64-65.
12 Ibid. page 11.
14 Stewart Patrick, Stanley Foundation Policy Analysis Brief.
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22 Stewart Patrick, Stanley Foundation Policy Analysis Brief.