

The G20, the G8, the G5 and the Role of Ascending Powers

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Abstract

In the twenty-first century, ascending powers have become increasingly involved and influential in the centre of global governance through their contribution, in turn, to the summits of the Group of Eight (G8) major market democracies since 2003, its Group of Five (G5) partners of China, India, Brazil, Mexico and South Africa since 2005, and the Group of Twenty (G20) systemically significant states at the ministerial level since 1999 and the leaders’ level since 2008. Ascending powers have moved from being second-tier, selective, discretionary participants in the G8 to equal, full, founding members in the G20. Their involvement and influence have increasingly moved toward equality with the established, advanced powers, most recently in the G20’s institutional leadership and its agreements on reform of international financial institutions (IFIs), development, trade and macroeconomic policy. This equalization of ascending power involvement and influence has been driven by the G8’s reluctance to accord equality to the ascending, democratic powers willing and able to assist the G8 cope with its new vulnerabilities, and the choice of a G20 that had done so as the permanent, premier summit forum to respond to the great American-turned-global financial and economic crisis of 2007–10. A further advance in ascending power institutional and issue leadership will come when Mexico becomes the first G5 ascending power to host and chair the G20 summit in 2012.

Introduction

“The G20, as a broad forum that includes developed and developing countries from all regions of the world, represents an opportunity to foster the level of international coordination needed in an increasingly complex and interconnected global economy” (Calderón 2010, 18). So wrote Mexican president Felipe Calderón Hinojosa on the eve of the most recent G20 summit, which was hosted for the first time by an ascending power, Korea in its capital of Seoul on November 11–12, 2010.

In this passage Calderón accurately identified the fundamental change in the global system of the twenty-first century — the advent of a complex, interconnected globalized world. Second, he saw accurately that the Group of Twenty (G20) was an appropriate forum to govern this globalized world, due to its breadth of members from all global regions, with developed and developing countries as equal members of the club. Third, he cautioned, again accurately, that such G20 governance was contingent on the club seizing

the “opportunity to foster the level of international cooperation” required to reap the global governance reward.

The G20 summit of which he wrote is the culmination of an expansion of the centre of global governance to include ascending powers alongside advanced ones, and to give each equal, institutionalized involvement and influence in the central club. Since its start in 1999, the G20 has largely seized its opportunities to do so, while its predecessors and present competitors and colleagues, the old Group of Eight (G8) and newer G8 plus Group of Five (G5) have failed this test.

To be sure, the G8, the G5 and the G20 have each given the ascending powers in the twenty-first century increasing involvement and influence at the centre of global governance. This has come through the contribution of ascending powers, in turn, to the summits of the G8 major market democracies since 2003, its G5 partners of China, India, Brazil, Mexico and South Africa since 2005, and the G20 systemically significant states at the ministerial level since 1999 and the leaders’ level since 2008. Through these phases the ascending powers have moved from being second-class, selective, discretionary participants in the G8 to equal, full, founding members in the G20. Their involvement and influence have increasingly moved toward equality with the established, advanced powers, most recently in the G20’s institutional leadership and its agreements on reform of international financial institutions (IFIs), development, trade and macroeconomic policy. This dynamic has been driven by the G8’s reluctance to accord equality to the ascending, democratic powers willing and able to assist the G8 cope with its new vulnerabilities, and the choice of a G20 that had done so for a decade as the permanent, premier summit forum to respond to the great American-turned-global financial and economic crisis of 2007–10.

Yet in a post-crisis period full equality will come only through the G20, when it meets the tests that lie ahead, above all to become completely a personal club devoted to the core values of political openness, as the more compact G8 has long been. Here the responsibility largely lies not with France, the advanced country that will host both the G8 and G20 in 2011, but with Mexico, which will become only the second ascending power and the first G5 one to host the G20 summit in 2012.

To explore this cadence of increasing influence of the ascending powers at the core of global governance, the causes that lie behind that influence and its prospects for the future, this paper examines the progression in five phases: first the G8’s slow, specialized, issue-specific experimental outreach from 1989 to 2004; second, the surge to create the consolidated G5 and then the 17-member Major Economies Meeting/Forum (MEM/MEF) from 2005 to 2009; third, the course of G20 finance ministers’ governance from 1999 to 2008; fourth, G20 summitry from 2008 to the end of 2010; and fifth, the future of the G20 when France in 2011 and Mexico in 2012 host and chair the G20 club.

The G8's Experimental Outreach to Ascending Powers, 1989–2004

The ascending powers first became involved in G7/8 governance at the start of the latter's outreach to invite others to its summits in 1989. This involvement continued through to the G8's expansion of outreach by 2004. Yet the G7/8 in this early phase of experimentation made ever-changing choices about appropriate partners and gave actors beyond the ascending powers pride of place. Thus ascending power interaction, institutionalized involvement and influence were minimal indeed. Only at the ministerial and official levels were there early signs of what would later come.

Ascending Power Institutional Involvement, 1981, 1989, 1996, 2000–04

At its start in 1975, the G7 summit dealt with many of today's ascending powers as adversaries, competitors in coexistence or opponents with which to negotiate a deal across the East-West and North-South divides that defined global politics at the time (Hajnal 2007). When Canada hosted its first G7 summit, at Montebello in 1981, the great achievement of Prime Minister Pierre Trudeau was to convince Ronald Reagan, the newly elected U.S. right-wing Republican president, and François Mitterrand, the new socialist president of France with communists in his cabinet, to set aside their differences and agree to go to the North-South Summit at Cancun a few months later to pave the way for fully global negotiations to create a new deal and a new international economic order (NIEO) as a result. The G7 succeeded in Canada in getting the group to Cancun, although the North-South Summit failed to get the global deal done in the end.

Simultaneously, the G7 succeeded in defeating the second oil shock that had come from Iran in 1979, as Britain's Margaret Thatcher and America's Ronald Reagan put the advanced economies into a severe recession that wrestled inflation to the ground. The cost was paid by the oil-abundant, commodity-rich ascending powers of the 1970s, including Iran, the Soviet Union (which had just invaded Afghanistan) and Canada, but above all by Mexico, which defaulted on its loans when the International Monetary Fund (IMF) met for its semi-annual meetings in Toronto in September 1982. There followed the lost decade of the 1980s, ending with the G7's "Toronto Terms" on debt relief for the poorest countries at Reagan's last summit, in Toronto in 1988. Only afterward did the first glimmer of the conclusion of the Cold War come. This inspired the G7's initial moves to forge a new relationship with Russia and, before that, with the outside powers ascending from their long devotion to the closed polities and economies of old.

The first such move came when François Mitterrand hosted his second G7 summit in Paris in July 1989. He invited, for the first time in G7 history, a large array of leaders from all around the world. George H. Bush, Reagan's long-time vice-president who had now succeeded him as president, was firmly opposed to any collective contact at the G7 summits between the two groups. Canada unsuccessfully sought a compromise whereby the leader of the outsiders could join the G7 for a short time. With the Americans adamant in their opposition, the two groups were left to dine somewhat simultaneously but separately, in the culinary equivalent of proximity talks. Only Mitterrand met both groups to carry the message of the outsiders into the G7.

On the last day of the Paris Summit, a letter to the G7 arrived from Soviet president Mikhail Gorbachev, saying in effect, that he knew his economic system was not working and that he wanted into the West. Thus started the post–Cold War era and the long, slow process of incrementally incorporating the democratically devoted post-Soviet Russia as a virtually full member of the new G8, to end the old East-West divide. With outreach focused on this single state, there was little room in G7 governance to reach out to anyone else. Yet when France hosted the G7 again, in 1996, its new president Jacques Chirac held a collective post-G7 summit lunch with the executive heads of four major multilateral organizations for the first time, to forward the reforms of the international institutional architecture that the G7 had started at its summit in Halifax the year before.

Four years later, at the dawn of the new century and a new millennium, and with Russia now added to the new G8 summit club, many more voices urged the G8 to expand its outreach and even membership to include an array of global powers on the rise (Kirton 2001a, 2001b). German chancellor Gerhard Schroeder, host of the G7/8 in 1999, agreed, as did Japanese prime minister Keizo Obuchi as host in Okinawa in 2000. Obuchi tried but failed to secure G8 consensus to have the leaders of the four or five ascending powers of Asia, led by China, join the G8 ones there. All Japan secured for outreach was a few leaders of outside countries and the executive heads of multilateral organizations meeting with a few G7 leaders arriving early on the G8 summit’s eve. One major result was a further focus on development in Africa and, in 2001, the birth of the Global Fund to Fight AIDS, Tuberculosis and Malaria — new vulnerabilities where Africa was on the front lines.

At the 2001 G8 summit in Genoa, Italy, another step forward was taken. The leaders of outside countries along with the heads of a few multilateral organizations were invited to the summit, as they have continuously been even since. But in this era of experimentation, the G8 made an ever-changing array of choices, where the privileged place always went to the poorest regions and countries in the world. In 2001 the countries of choice were the now democratic South Africa, Nigeria, Senegal and Algeria, arguably the ascending powers of the new Africa but not of the world as a whole. At the G8’s Kananaskis Summit, hosted by Canada in 2002, this choice of African countries continued, with United Nations secretary general Kofi Annan, a native of Ghana, the only other guest, invited to represent the rest of the world.

In 2003, when France again hosted to begin a new now eight-year cycle of G8 summitry, the first successful move to involve today’s globally ascending powers took place. France invited the leaders of many of the acknowledged ascending powers of today for a summit session with the leaders of the G8. Hu Jintao, China’s new president, eagerly accepted the invitation, as did all the other ascending power leaders who received one. But they were joined by many others from persistently poor countries, in an effort to keep the focus on traditionally defined development and to increase global “representativeness” defined in a traditional geographic way. And not all of the G20 powers, the globally acknowledged and increasingly accepted set of ascending powers today, were included on the invitation list.

The following year, 2004, the Republican U.S. president George W. Bush hosted his first G8 summit in Sea Island, Georgia (Kirton et al. 2005). Having led the invasion of Iraq the year before, he dedicated his summit to a Broader Middle East and North Africa initiative and invited the allied leaders from that region to play their appropriate part. Due to the insistence of Britain, backed by Canada and France, in the end the four familiar African leaders were invited to return as well, but now without the UN's Kofi Annan. No ascending powers from Africa or elsewhere were added to the G8's invitation list. It appears that George W. Bush did not even consider inviting Mexico, America's next-door neighbour and partner in the North American Free Trade Agreement (NAFTA) and in the new institutionalized annual regional Security and Prosperity Partnership summit that Bush hosted in Waco, Texas, the following year.

During this period, many individual G8 members recognized that today's ascending powers had become of more than merely restricted regional relevance and reach. They thus created several plurilateral summit institutions (PSIs) of trans-regional reach, with many G8 and ascending power countries integrally involved. This list includes the annual meeting of the leaders of the Asia Pacific Economic Cooperation (APEC) forum since 1993, the Summit of the Americas since Miami in 1994 and the biennial Asia-Europe Meeting (ASEM) since 1996, along with more frequent summits of the North Atlantic Treaty Organization (NATO), those of la Francophonie since 1985 and of the Commonwealth, which had pioneered the genre a century before. But not a single one of these ascending powers joined the central global governance club that the G8 had become in the post-Cold War and post-NIEO years (Kirton 2010a).

Ascending Power Influence

With such limited interaction, an absence of institutionalized involvement, an ever-changing choice of invitees, and only the four African democracies having a continuous place, ascending powers had only minimal influence in the G8 summit club. The G8, with Russia a full member, increasingly focused its agenda on political-security subjects, and on development in Africa and other poor places, rather than on finance and economics where the rise of the ascending powers was most rapid and recognized. Even in the field of trade, where the global export engines of China, Korea and Mexico were most evident, the G8's focus was now on development, in the form of the Doha Development Agenda of the World Trade Organization (WTO) that was launched, with G8 assistance, in the autumn of 2001.

The Ministerial Move, 2001

Within G8 governance the one major exception, which foretold the future, came at the ministerial level. It took the form of the Global Health Security Initiative (GHSI) created in Ottawa in late 2001. Here an Bush-led America was now suddenly and surprisingly under deadly attack at home from non-state actors headquartered half a world away. America rationally recognized it needed help from its closest friends to respond to September 11 and the anthrax attacks from an unknown source that continued to kill

innocent Americans in the autumn aftermath. They chose the old G7 with only one addition: not their new G8 member Russia, but neighbouring Mexico.

Beyond the functional logic followed by the Americans and accepted by the other G7 members, the first half of this choice was not surprising. After all, a Russia soon fully involved at the G8's summit peak remained excluded from the G7 ministerial clubs for finance and trade where other globally ascending powers had a far greater lead. The more surprisingly second half of the choice — to admit only Mexico as an equal into a new “G8” club — showed that subsequent deadly shocks had awakened America to its new vulnerability to deadly non-state threats in a more globalized world. The number-one advanced power had now become, by some key measures, the number-one vulnerable country in the intensely interconnected international system that has now arrived. Almost a decade later, the GHSI remains a “G8” with the G7 and only Mexico as members, even as its agenda and action have expanded to deal with naturally occurring pathogens, such as the severe acute respiratory syndrome (SARS) that struck Canada in 2003 and the “swine” influenza that erupted in Mexico in 2009 (Kirton and Guebert 2010).

The G8's Solidified Partnership with the G5, 2005–09

The second phase, from 2005 to 2009, saw a sharp spike in a short period in the interaction, institutionalized involvement and influence of today's ascending powers in the G8 club. Indeed, this phase swiftly produced new PSIs, notably the G5 and then the MEF/MEM, that gave the ascending powers full, equal membership, if not influence, from the start. Yet during this time, the privileged position in the G8 went only to the top-tier ascending powers of the G5. It left the rising, second-tier countries of Korea and Indonesia outside all but the forums for climate change and clean energy, and left Saudi Arabia and Turkey out of even these. Moreover, it became increasingly clear that the G8 would not move to admit any ascending powers or any other country as full members, either through the one-at-a-time approach it had used since the G7 started, or through bringing in the new G5 as a group to create an expanded Group of Thirteen (G13) or, with Egypt, a Group of Fourteen (G14) (Kirton 2010a). The present and prospective second class status of the G5/MEM-institutionalized ascending powers and their influence became more evident as well.

Ascending Power Institutional Involvement

In this second phase, the first step was to invite to the G8's Gleneagles Summit in 2005 the ascending powers of the “BICSAM” — Brazil, India, China, South Africa and Mexico. Despite initial Russian reluctance, these outreach partners returned in 2006 when Russia hosted its first summit, in St. Petersburg. They came again to Heiligendamm, Germany, in 2007, Toyako-Hokkaido, Japan, in 2008 and L'Aquila, Italy, in 2009. Each year during this half decade they became increasingly confident of their continuing involvement. They thus institutionalized as a G5 and sought and got an expanded number of sessions and subjects to discuss with the G8.

These processes expanded even more rapidly at the ministerial and official levels below. The 2005 summit established the Gleneagles Dialogue on clean energy and climate

change, where all G8 and G5 members were equally involved at the ministerial and official levels as equals in a subject-specific “G13.”

Through a different direction came expanded involvement on the same subject with the advent of the MEM. It started under George Bush as an American initiative at the official level among the G13 and now included Korea, Indonesia and Australia. It then moved upward to the ministerial level and then the leaders level to become an integral part of the G8 summits in 2008 and 2009.

At the official level, the range of relevant subjects was expanded, and full equality accorded, with the birth of the Heiligendamm Dialogue Process (HDP) at the summit in 2007, later revised and renamed the Heiligendamm-L’Aquila Process (HAP) at the summit in 2009 (Cooper and Antkiewicz 2008; Kirton 2008; Freytag et al. 2011). This process of structured, issue-specific dialogue on the designated subjects of climate change and clean energy, development, investment and innovation was designed to find common areas of agreement where the G13 and the global community could together move ahead. Yet the dialogue remained limited to the G13, was a combination of two coalitions as much as it was one of 13 equal individual countries and was deliberately not intended to pave the way to the creation of a summit-level G13.

At the level of the leaders, the culmination of this phase came at the L’Aquila Summit in 2009 (Kirton 2011; Kirton and Koch 2009). The G8 reached even further outward in the number of subjects in which the invited ascending powers were involved and in the number that were invited to discuss them. Egypt, an occasional invitee and usually an attendee came — some thought to starting making the old G13 a new G14. On the final session of the final day, no fewer than 40 heads of countries and international organizations gathered to discuss food security.

Yet neither Egypt nor many of the other additions to the “Food Security G40” were widely recognized ascending powers. Their invitations remained at the sole discretion of the G8 and its host. Their involvement was subject-specific, focused on the food security crisis of the day. By then it was too late to make this invited pyramid of outreach the winning formula for the future. In the fall of 2008, the compelling crisis and concern became global finance and economics. To cope, the long institutionalized G20 of equal advanced and ascending powers dedicated to these subjects had just been elevated to the leaders level with a summit in November 2008 and another in April 2009.

Ascending Power Influence

This increasing involvement on many dimensions for an expanding number of ascending powers brought them growing influence on the few subjects where they were included most. Yet, on the whole, the ascending powers adjusted to the advanced countries more than the advanced countries accommodated most of them.

The issue in which the ascending powers were most involved was climate change and clean energy. Here the G8+G5 and then the MEM moved to accept the revolutionary principle, antithetical to the UN’s 1992 architecture, that all major carbon-producing

powers, advanced and ascending communities alike, must control their carbon if the global problem was to be solved. This was a core demand of the United States, backed by Canada since 2006, as well as Russia and Japan. It was also increasingly accepted by the climate change leaders from the ascending powers, with Mexico and Korea at the head. Against this “all-in” coalition combining advanced and ascending powers stood a similarly, cross-cutting but Kyoto-devoted coalition from Europe with China, India and Brazil. Such combinations were an important advance toward equality among all individual countries as a result rather than two fixed, closed blocs. Yet little financing, technology or adaptation flowed from advanced to ascending powers as a result. And some felt that the moves toward consensus came too slowly to solve the compounding climate change problem that the full global community faced as one.

On the issue of food security culminating at L’Aquila, the pattern of influence largely flowed again from the advanced powers but now reached to those beyond the ascending ones. The L’Aquila Food Security Initiative was led less by Brazilian president Lula da Silva, the natural leader among the broader group, than by Silvio Berlusconi as the G8 host and, ultimately, by U.S. president Barack Obama, who rode to the rescue at the last moment by raising the new money mobilized for the cause from \$15 billion to \$20 billion. The initiative was catalyzed by — and the money largely raised for — the poorest developing countries, such as Haiti, where deadly and destructive food riots had recently broken out.

The key cause of this flow of influence was ultimately neither the selected subject nor even the kind of crisis that lay behind. Climate change contained no acute outbreak or globally contagious crisis from 2005 to 2009. Food security, on the grounds of issue-specific relative capability, domestic policy innovation and international leadership, was a natural subject, where ascending powers such as Brazil’s Lula could take the lead. Moreover, the issue that had brought the G8 and G5 leaders closest together, standing shoulder to shoulder in a deeply personal show of solidarity, was terrorism, in response the second September 11–like security shock that struck Britain while the G8 plus G5 were meeting at Gleneagles on July 7, 2005. Yet such security subjects remained the *domaine réservé* of the G8 alone, beyond the scope of the expanding agenda of the dialogue between the G8 and the ascending powers. By way of contrast, they had not done so five years earlier, when focus of the G20 finance ministers forum created in 1999 suddenly shifted to terrorism in November 2001.

The G20 Finance Ministers’ Forum, 1999–2008

The third, overlapping phase of the incorporation of ascending powers into the centre of global governance came in 1999, when the G7 finance ministers and G8 leaders created the group of finance ministers and central banker governors from 20 advanced and ascending countries (Kirton forthcoming; Kirton 2010b; Kirton 2005; Kirton 2001a, 2001b, 2001c). They did so in response to the Asian-turned-global financial crisis that had spread to so many countries and regions, from Thailand, Indonesia and Korea in 1997 to Russia, the U.S. and Brazil in 1998. That crisis showed even more clearly than North America’s peso crisis in Mexico did in December 1994 that the old Westphalian world of territorially fixed, interstate, intermittent interactions among exclusive

sovereigns sporting relative capability from their territory and population had given way to fast-flowing, fluid, continuous transactions along many actors at all levels, in the complex adaptive system that the intensely interconnected, uncertain world had become. While classic relative capability and thus ascending and declining powers still counted, a new premium was placed on “systemically significant” countries, whether they be producers or consumers of global security or moved from one category to another over time, as both middle power Korea and the mighty United States both did from 1997 to 2008.

Since the finance G20’s start in 1999 through to 2008, the ascending powers moved from discretionary, issue-specific partnership with the G8 outside to guaranteed, comprehensive parity with the G8 advanced members within the new G20 forum. This equalization was evident in interaction, institutionalized involvement and increasingly in influence, as the dynamics of the new globalized system of the twenty-first century took hold.

Ascending Power Institutional Involvement in the G20 Finance

The G7 leaders first recognized the need for a group such as the G20 at their Toronto Summit in 1988. There they identified in their communiqué a new process they called “globalization,” which had intensifying global economic interdependence at its core. In response to this economic globalization and the changing balance of powers in the world, they called for a new forum for dialogue. In their highly prescient conception,

Certain newly industrializing economies (NIEs) in the Asia-Pacific region have become increasingly important in world trade ... With increased economic importance come greater international responsibilities and a strong mutual interest in improved constructive dialogue and cooperative efforts in the near term between the industrialized countries and the Asian NIEs, as well as the other outward-oriented countries in the region. The dialogue and cooperative efforts could center on such policy areas as macroeconomic, currency, structural and trade to achieve the international adjustment necessary for sustained, balanced growth of the world economy. We encourage the development of informal processes which would facilitate multilateral discussions of issues of mutual concern and foster the necessary cooperation (G7 1988).

The initial realization of this vision came a year later, with the creation of APEC among finance and foreign ministers in 1989. APEC was elevated to the leaders’ level in 1993 at the initiative of the new U.S. president, Bill Clinton. Four years later, the annual APEC leaders’ meeting took place in Canada, to cope with the Asian financial crisis erupting in 1997, and to serve as the nest for creating new international institutions.

The process started with the New Arrangement to Borrow (NAB), then an ad hoc G22 and next an ad hoc G33. By 1999 there emerged three new institutionalized bodies, born more as competitors than colleagues: the International Monetary and Finance Committee (IMFC) embedded in the IMF from 1944, the new Financial Stability Forum (FSF) of the G7 and four other small “states,” and the G20 systemically significant countries from the

advanced, ascending and, in the case of Korea, Indonesia, Russia and Brazil at the time, declining ones. The first proved to have too many, too mixed members moving too slowly. The second body proved to have too few, too mixed and too selectively focused ones. But the G20 contained only systemically significant countries that could and did move swiftly to cope with the wider array of shocks and vulnerabilities bred by a globalizing world.

The G20 emerged as a response to the Asian-turned-global financial crisis of 1997–99, after America alone had pioneered informal, ad hoc groupings and Europeans had added more formal ones, all in an effort to give emerging, if crisis-afflicted, powers a greater place and voice. The G20 was largely conceived by Canada's finance minister at the time, Paul Martin, who worked equally with American treasury secretary Larry Summers to design, define, create and choose the members of the new group. In its first three years, from 1999 to 2001, the G20 established itself as an effective group of equal members, led largely by Canada, the U.S. and other G7 members, governing to produce financial stability, globalization that worked for all and the suppression of terrorist finance.

As the group began its operation as an annual autumn meeting of finance ministers and central bank governors, institutional leadership increasingly passed from Germany as host and Canada as chair in 1999, to Canada as chair and host in Montreal in 2000 and again, as an unexpected replacement for India, in Ottawa in 2001. In the latter instance, due to the initiative of Canada, the least powerful member of the established G7, the G20 worked when its international institutional competitors and colleagues could not, and even enabled a G7 meeting to take place in Ottawa, after the G20 one.

During its next six years, from 2002 to 2007, the G20 became a more genuine group of equals in two institutional ways. The first was the equalization in hosting and chairing, and in the rights, responsibilities, learning and socialization such institutional leadership brought. Hosting moved almost entirely to the non-G8 members — India in 2002, Mexico in 2003, China in 2005, Australia in 2006, South Africa in 2007 and Brazil in 2008, with the G8's Germany hosting in 2004. This made the G20 a global group guided by the mainstream middle powers of the moment and the day's ascending powers. In its first decade the finance G20 was notably never hosted by the most powerful members of the G8 and the world — the U.S. and Japan — nor by the most vigorous promoters and practitioners of free market capitalism and capital market-centred financial systems — the U.S. and UK. The leading non-G8 ascending powers of India and China became early hosts, with Mexico among their ranks as number two. The non-G8 outliers in relative capability and political and economic systems — Saudi Arabia, Argentina and Turkey — never did. This preference for mainstream middle powers still made the hosting more global, as the Atlantic powers of the first phase expanded to embrace Asia with India, China and Australia, the Americas with Mexico and Brazil, and Africa with South Africa, while continuing with Europe through Germany and leaving out only the Middle East through Turkey and Saudi Arabia.

The second institutional equalization came with the G20's adopted of the "troika" system of the present, past and future hosts and the advent of the "bucket" system for rotating

hosts. With the particular choice of more global, largely non-G8 hosts, this helped ensure that the ascending powers would have their influence as hosts built in for a longer time and in a more guaranteed, predictable way.

Ascending Power Influence

Increasing institutionalization brought increasing equalization in the influence among the advanced and ascending states. With Canada continuously in the chair, the G20's mission and agenda broadened enormously in its first three years. Its mission moved from the global public good of promoting financial stability, whose absence had afflicted largely non-G7 countries, to the distributional desire to make globalization work for all, including the poorest in the world, to the security imperative of stopping terrorist finance to protect an America itself under direct, deadly attack from a new, non-state threat from one of the poorest parts of the world. The G20's focus expanded from reforming international financial regulations and thus those within emerging states, through guiding the many dimensions and impacts of globalization, to focusing on the primary security threat of the twenty-first century world.

In doing so the G20 became not merely a forum for open dialogue in search of a new consensus beyond the old "Washington" one but also a body that set innovative new principled directions as well. In 2001 it transformed itself into major action-oriented decision-making forum, whose commitments were quickly and reliably delivered by most of its members in the following months and years.

From the start there were signs that its emerging country members were increasingly influential in the new group. Canada joined with the emerging members to stop the majority G7's enthusiasm for capital account liberalization at the IMF and to add to the agenda the emerging members' priorities of development and globalization's dark sides. Yet on the whole, the outcomes of G20 governance during its first three years remained driven by the established G7 members, no more so than in November 2001 when the G20 in Canada took up terrorist finance in response to the September 11 attacks on America next door.

The outcomes of that 2001 Ottawa meeting helped a G20 that had begun as a project of a Democratic administration bond with the new Republican one of U.S. president George W. Bush, who had arrived in office unsympathetic to the informal, international institutions recently created by his now defeated political foe. Thus it made the group a bipartisan creation and continuation within the United States. It showed that the G20 was needed not only by its emerging members such as Indonesia and Korea under attack from anonymous markets in the autumn of 1997 but also now by its most powerful member, America, under direct deadly attack at home a mere four years later in the autumn of 2001. It also showed the skill and will of its Canadian visionary and co-founder, Paul Martin, still at the helm at that defining time.

After 2001, the first further equalization in influence came in the expanding agenda, as each host in particular and the ascending powers in general added their preferred issues to

the agenda in their year as host. India and Mexico brought a greater concern with development. China added trade and IFI reform.

The second equalization of influence came in the ability of emerging countries to take initiatives that succeeded in the G20 and in the larger architecture of global financial governance outside. Whereas earlier, the ascending powers with Canada had defensively stopped the American initiative to change the IMF's charter to approve capital account liberalization, now the ascending powers went on the offensive to take initiatives that were "constitutional" in character and that prevailed. The highlight here was the first stage of voice and vote reform at the IMF, pioneered by the G20 and agreed to by all in 2008. This was an initiative that by themselves the Bretton Wood bodies born in 1944, and the Euro-centric G7 countries that dominated them and tried to reform them in 1995, would not seriously mount and carry through to success.

With these equalizations, the G20 was well positioned to have George Bush pick it among the established and ad hoc alternatives and to have the ascending powers accept his choice, to leap to the leaders' level to combat the unprecedented global financial crisis that erupted in full force in the autumn of 2008.

The G20 Summit, 2008–10

In the fourth phase, in another three, short, crisis-filled years from 2008 to 2010, the G20 became a summit-level, central global governance club (Alexandroff and Kirton 2010; Kirton forthcoming). Its relatively unscathed, rapidly rising ascending power members rushed to the assistance of the now afflicted advanced American and Atlantic ones, and increasingly crafted an agenda and achievements that reflected the views of the ascending powers. Together they succeeded institutionally in making the G20 the permanent, premier forum for the world's global economic governance and a club they personally valued as their own. They also succeeded in policy substance in reducing and reversing the great American-turned-global economic crisis of 2007–09, in containing the European-going-global aftershock in the spring of 2010, in agreeing to balance global growth through mutual assessment and adjustment, in strengthening and converging their domestic financial regulation, in opening trade, in financing development, in eliminating fossil fuel subsidies and in advancing the second stage of IFI voice and vote reform. On both the institution and the issues, ascending power influence increased by the time of the Seoul Summit in November 2010, to achieve effective equality with the established, advanced powers. This was evident in the new rotation between advanced and ascending power hosts and the agreements on IMF reform, a new development program, the future financial regulation agenda, the Doha Development Agenda on trade and macroeconomic policy coordination to contain imbalances and the Framework for Strong, Sustainable and Balanced Growth.

Ascending Power Institutional Involvement

Institutionally, the crisis-catalyzed leap to the leaders' level was initially led by the G7 through five specific steps. The first was Canadian prime minister Paul Martin's campaign for a leaders' level G20 or "L20" in 2004–05 (English, Thakur and Cooper

2005). The second was French president Nicolas Sarkozy's public suggestion at the UN in New York on September 22, 2008, just after Lehman Brothers collapsed, of a summit of the G8 and perhaps the G5 or another small combination of outside powers to contain the global financial crisis at hand.

The third was the decision of a long-resistant George Bush to have a summit, a G20 one, and to design, host and chair it himself in Washington on November 14–15, 2008. Yet critical to the holding of this summit was the agreement of China and the other leading ascending powers to attend and do so at the highest level of their leaders, and the active effort of the ascending powers beyond the G5 to transform Sarkozy's concept of a G8 plus G5 into the full, existing G20 that Bush ultimately chose. At Washington, the G20 leaders agreed to hold second summit within half a year, rather than wait another full year as the G8 had almost always done since its start in 1975.

The fourth step, still with G7 institutional leadership, was the decision at Washington that British prime minister Gordon Brown would host the second summit in London on April 1–2, 2009. This broadened the G20's institutional leadership from America to across the Atlantic, but kept it within the anglophone "imperial" powers of old. The London Summit did continue and thus establish the six-month frequency for such summits, with an agreement to meet again early in the autumn, again in America with its new Democratic president Barack Obama as host. Japan, the advanced Asian country that had offered to host since the start, saw its offer set aside again.

The fifth step was Obama's hosting of this third G20 summit in Pittsburgh on September 24–25, 2009. As with the third G20 finance ministers meeting in 2011, this third G20 summit bonded U.S. presidents on a bipartisan basis to the group. To be sure, the hosting and chairing moving from America to Britain and back to America appeared to entrench the institutional leadership of the advanced imperial powers of old. However, Pittsburgh's greatest institutional achievement, coming as the crisis that created G20 summitry began to fade, was to establish the group's full equality among advanced and ascending powers, by proclaiming its leaders' decision to make the G20 the permanent, priority forum for their international economic cooperation. In the important domain of finance and economics, the new G20 summit thus surpassed the old G7/8 one.

This institutional entrenchment of G20 summitry and the embedded equality of members within were immediately followed by equalization in hosting and chairing to give ascending powers their proper place. The first step came in regard to the next summit, again scheduled in about half a year's time. Largely because Canada had been long scheduled to host the G8 summit in June 2010, it was chosen to host the next G20 summit at almost the same time, in almost the same place, doing so in Toronto on June 26–27, 2010. Yet because Korea had been chosen as the host of the G20 finance ministers' forum for 2010, its institutional status was upgraded to become the co-chair with Canada of the June summit. The leaders of the two countries finally agreed face to face in December 2009 that this would be done.

The second step toward institutional equality came with the choice at Pittsburgh that Korea alone would host and chair the fifth G20 summit. It did so less than five months after Toronto, in Seoul, on November 11–12, 2010. Institutional leadership thus finally passed fully in 2010 to an ascending power, and to a non-G5, non-BRIC power but Asian and democratic one.

With the intense face-to-face interaction formed by five summits within two years, with the increase in ascending power influence and with the equalization of its institutional leadership, the G20 became not just a convenient club for advancing and combining national preferences, but a private club where leaders cared about their colleagues, their club and their responsibilities for global governance in a personal way. At Seoul the condolences offered to Argentinean president Cristina Kirchner on the recent death of her husband, and the several rounds of spontaneous applause for the well-loved founder President Lula for his frank interventions at his last G20 summit showed that the G20 summit had become a personal as well as a political club.

Institutional equality deepened elsewhere within the G20 system. The first meetings of the leaders' personal representatives — sherpas — to prepare the June 2010 summit was held on January 12, 2010, not in Canada as 2010 host and co-chair or Korea as a 2010 co-chair, chair and host but in Mexico. The G20 sherpas concluded that the HAP of the G8 plus G5 should finish, in favour of the full G20, which would take up its tasks. They also decided that the G20 summit needed to be a compact, leaders-driven gathering that efficiently reached out to major multilateral organizations and the poorer regions in the world. In 2010 the G20 confirmed that it wished to be a global governance group as well as a crisis-response group, and that with its success so far, it could relax the intensity of its summit schedule from twice to once a year by 2011.

Moreover, in 2010 G20 summitry moved to become the preserve not just of politicians and their governments but of their peoples too. The summits added serious forums to involve the big and small business communities, youth, legislators and academics. The Seoul communiqué confirmed the value of such civil society participation and promised to continue it in coming years.

Ascending Power Influence

The increasing institutional influence of the ascending powers helped create an equalization of issue-specific initiative and influence within the group. This phenomenon was first seen in the expansion of the agenda to embrace more fully the non-G7 members concerns. Thus the initial focus on domestic financial regulation and macroeconomic management at Washington quickly gave way to financial stimulus for development at London, to IMF reform at Pittsburgh and to Korea's two new initiatives, approved at Toronto, on stronger financial safety nets and approaches to development beyond the traditional official development assistance (Bradford and Lim 2010). The initial G7-driven focus on tax havens died as well, even as support for the Millennium Development Goals rose. These were offset only by G7-driven increases on climate change and the environment.

This increasing ascending power influence in agenda setting carried through into the defining achievements of the group. This was clearest in the case of IMF reform. The Pittsburgh G20 promised to transfer at least 5 percent of the quota share from the old established powers largely in Europe to the new, emerging ones largely in Asia.

The culmination of this trend came at Seoul, where the Korean-led G20 produced a summit of substantial success (Kirton 2010c; Lee 2010). Seoul proved that a democratic, Asian ascending power beyond the BRICs and G5 could design, chair and host a summit that delivered, by the now due deadlines, the G20's built-in initiatives central to its creational mission of financial stability and delivered on strengthening the central pillars of the banks and the IMF at both the domestic and international levels. It further delivered on the soon-added second mission of the "Montreal Consensus," by adding the "Seoul Consensus" on development to help make globalization through G20 governance work for all. Finally, Seoul's other new initiative of financial safety nets constituted a pre-emptive response to the classic financial crises coming not only from Asia and Korea a distant decade before, or from America in 2008, but now also from Europe out of Greece in the spring of 2010 and again from Europe out of Ireland on the eve of the Seoul Summit itself.

Facing the Future

What lies ahead for G20 governance and the influence of the ascending powers within especially when France hosts the next summit in Cannes in November 2011 and then Mexico hosts in 2012? Should current trends continue, as is likely in a complex world of continuing crises and compelling chronic challenges, the G20 should become even more fully the forum that the ascending powers will use to reform global governance as a whole in their own, ultimately democratic way.

Cannes, France, November 2011

The first step on this future path to ascending powers' increasing institutional and issue leadership will come in France in 2011. France faces the challenge of delivering its own, the G20's and the world's broad, highly ambitious agenda, and doing so in the face an escalating eurocrisis, with only one rather than two G20 summits a year for the first time. Moreover, hosting the G20 summit he helped found has, since the start, been central to the domestic political management of France's entrepreneurial but now deeply unpopular president Nicolas Sarkozy. He publicly set forth his objectives at an unusually early stage, in August 2010, well before the Seoul Summit itself was held (Sarkozy 2010). Those objectives were remarkably broad, ambitious and friendly to the ascending powers. No fewer than 12 new issues were added to the broadening built-in agenda that now includes Korea's two additions at Seoul.

France's further additions included the institutionalization of the G20 itself in the century-old way, by adding a fixed secretariat to improve accountability and the G20's relationship with other international organizations. France also moved to deepen and broaden G20 governance at the ministerial level, by scheduling the first meeting of G20 ministers of agriculture in the spring of 2011. France took up the Canadian challenge of

chairing and hosting both the G20 and G8 summit in a single year, and thus further defining the relationship between the two — now meeting at far more distant times and places than in 2010. And France will extend the G20's trend of having the host itself, as well as the full club, serve as the hub of a global governance network, through its central role in the regular summits of la Francophonie and ASEM as well as well as the Euro-Mediterranean Partnership (EuroMed).

On the issues, France's new initiatives include a transformation of the enduring 1944–45 order and the still hegemonic global financial and military capability of the U.S. that lay behind. In an initiative reminiscent of Charles de Gaulle, Sarkozy has called for a reform of the international monetary system to replace the unique status of the U.S. dollar as the international reserve currency by a new arrangement in which other currencies hold a consequential place, and is working with the real “G2” of the United States and France. Sarkozy has further proposed to reform the United Nations Security Council in its 1945 foundation itself. This initiative would finally take G20 governance into the classic, core, political-security realm, on a proactive institutionally architectural level, rather than a reactive, immediate, issue-specific one. In the realm of shaping a new world order, these two initiatives alone would constitute a “constitutional” change (Ikenberry 2001).

Mexico, 2012

In 2012 it is Mexico's turn. Institutionally, Calderón already seeks to have the G20 shift from “‘crisis mode’ and work with vision and determination to consolidate itself as the essential institution of the new global economic governance system” (Calderón 2010: 18). Its first contribution, already achieved, is becoming the first G5 ascending power to host and chair the G20 summit. Its second institutional contribution will come from repeating and thus entrenching the new tradition of rotating the summit chair and host between an advanced G8 member and an ascending non-G8 one. This is a core institutional expression of the equality among all countries and some key categories within the club. By doing so in the fifth year of G20 summitry, Mexico will repeat its contribution at the ministerial level, though its hosting of that forum's meeting in its fifth year in 2003. In doing so, Mexico will be the first ascending power to have hosted the G20 at both the ministerial and leader levels, thus benefiting from the experience that such a repetition brings. It will also point the way to a rotation among very broadly defined geographic regions, with the summit moving from the Americas and then Asia in 2010, to Europe in 2011 and back to the Americas for 2012.

Mexico will also host the G20 summit in tandem with a G8 one, this time on a regional rather than national basis, as the U.S. hosts the G8 in 2012 in the lead-up to Obama's presidential re-election bid. As a key member of APEC, the Summit of the Americas since its 1994 start and the North American Leaders' Summit since it began in 2005, Mexico will further enrich the “host as a hub” advantage of G20 governance as a whole.

In the realm of issues, an indication of Mexico's plans for its 2012 summit comes from Calderón's highly ascending power-friendly priorities for the Seoul Summit in November 2010 (Calderón 2010). These begin with broadening the agenda beyond economic topics to reflect the priorities of all the members, improved outreach to outside

countries and international organizations, and stronger emphasis on expanded actions for development. It includes financial regulatory reform that does not “increase the cost of capital or reduce the availability of credit for emerging economies,” that generates a level playing field globally and that avoids “unintended negative effects, particularly in emerging market economies.” It extends to stronger financial safety nets, further IFI reform to reinforce their financial capacity, legitimacy, transparency and accountability, and to opening trade and concluding the Doha Development Round, supporting UN efforts on climate change and G20 efforts to eliminate fossil fuel subsidies, fighting corruption and protecting the global marine environment.

Embedded in this vision are three outstanding architectural tasks. The first is to expand the length if not the frequency of G20 summit meetings, so leaders can deal seriously, in a personally committed and credible way with its broadening, more ambitious agenda and both the continuing crisis and post-crisis agenda at the same time. The second is to induce the accountability of G20 governance, through better mechanisms to monitor and thus improve members’ compliance with their leaders’ collective commitments and their effectiveness in delivering the intended results. And the third is to deepen democracy in many ways within the G20 club, to increase its internal cohesion and its international effectiveness and legitimacy as well.

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