

# **Progress through Partnership: Prospects for the 2010 Muskoka-Toronto Summits**

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## **Introduction**

The 2010 G8 and G20 summits, taking place respectively on 25–26 June in Muskoka and 26–27 June in Toronto, Canada, are unusually significant events. For the first and probably the last time these two steering groups for global governance will occur in tandem — in time, in place and in the hosting, chairing and careful coordination that lies behind. For the first time the G20 will embark on its new mission, proclaimed at its last summit in Pittsburgh in September 2009, to serve as the world's premier, permanent forum for international economic cooperation. The twin summits will provide the expanded capacity for global governance to address the world's many pressing issues across the financial and economic, social and developmental, and political and security domains.

At present, the prospects are that each summit will succeed in its own right by producing its priorities and by pushing forward across a broad but bounded front. Together they will confirm that each group has value as an ongoing institution, and that each can work with the other and outsiders for the greater global good. They will thus set a path for the way they develop individually and together as stronger centres of global governance for a changing, complex world. The Muskoka-Toronto twin summits will thus prove to be a success in managing the immediate issues and shaping global governance institutions for the years ahead.

These achievements are driven in the first instance by the many shocks, starting with the European financial crisis and the Korean security crisis, that show the vulnerability of each member and the need for all for help from others in the two clubs. With the established multilateral organizations failing to respond adequately, the predominant and equalizing capabilities of these two clubs become the world's first line of defence. Their coherence and commitment is reinforced by the common democratic convictions of their Canadian and Korean chairs, G20 steering group and almost all members, and by the political control, capital and continuity their key members have back home. And compared to their immediate predecessors they will have more of the constricted and controlled participation need to leave leaders alone to be leaders to meet collectively the great global demands of the time.

## **Progress at the Muskoka G8**

At the G8's Muskoka summit, the leaders of the United States, Japan, Germany, Britain, France, Italy, Canada, Russia and the European Union, will assemble at about noon on

Friday, June 25 for discussions on development and finance until about early afternoon the next day. Leaders will likely meet alone on Friday evening for an intimate discussion of the most pressing security concerns. They will also gather for a session with the invited leaders of a few African countries, and perhaps at least one other from a region beyond. No heads of international organizations have been invited there.

### **Child and Maternal Health**

The G8 leaders' first focus is on development, above all the host's "top priority" of maternal, newborn and children's health. Here the G8 will adopt those two of the eight Millennium Development Goals (MDGs), set by the United Nations in 2000, that are now furthest behind, and will provide the critical push to achieve them by their due date of 2015. Each G8 member is likely to add, in the way it prefers, new funding through existing mechanisms to scale up simple, proven instruments such as trained healthcare workers, vaccination, nutrition and clean water and to strengthen the healthcare systems that these interventions need to succeed. Canada's contribution will probably be about one billion dollars with much more coming from the other G8 members, other countries starting with partners in the G20, international organizations and civil society from the foundation, professional and NGO world. If these contributions are implemented in an accountable, effective fashion by all G8 members and many others, including recipient partners in a spirit of mutual accountability, in the five years ahead, the G8 will have done much to enable MDGs 4 and 5 to be reached,

### **Food Security**

The second priority is food security. Here the core challenge is also accountable, effective implementation, above all to deliver and use wisely the \$20 billion promised as the central achievement of the G8 summit in L'Aquila, Italy last year. Host Canada delivered its contribution of \$600,000 fast and in full. In May 2010 the US took its first major step by asking Congress to spend US\$1.3 billion on the administration's "Feed the Future" initiative. Serious action by several others now will probably come.

### **Research and Innovation for Development**

The third priority is research and innovation for development, including in health. Here host Canada has led with a federal government contribution of \$225 million for its new Grand Challenges Canada initiative to bring researchers in developed and developing countries together for the common cause. Prospects for progress are enhanced by the session that the G8 leaders will hold at the summit with key colleagues from Africa itself.

### **Haitian Reconstruction and Natural Disasters**

The fourth priority is the long-term reconstruction of a re-designed Haiti, a country close to key G8 countries such as Canada, the United States and France. In that troubled country, many chronic conditions and crises have long come together in particularly destructive and deadly ways. While the first tranche of needed money had already been pledged at a UN hosted conference, accountability and effectiveness are needed to ensure the money is delivered, and spent in the intended way with the intended results.

## **Accountability and Effectiveness**

The fifth priority is improving accountability and effectiveness, in general, across all G8 and G20 commitments, and on official development assistance in particular within the G8. Advances here could well serve as the defining feature of both summits. Canada and those partners that have fulfilled the G8's 2005 commitment to double aid to Africa and overall will push the laggards to do so, with some success. A critical component is making the new money mobilised by the summits more accountable and effective, in part through recipient country and community partnership, ownership and a spirit of mutual accountability. A comprehensive accountability report on development according to a common, credible and comparable framework is due to be released for the first time.

## **Climate Change and Energy**

Other development issues will be dealt with, including climate adaptation for vulnerable states. But treatment of and advances on climate change, clean energy and energy security in general are likely to be modest.

## **Nuclear Security**

Beyond development stand several severe interconnected challenges in the security domain. The first concerns nuclear weapons, where G8 leaders will seek to build on the 2002 Kananaskis summit's Global Partnership against Weapons and Material of Mass Destruction and the more recent Nuclear Security Summit hosted by U.S. president Barack Obama in Washington in April. They will also seek to destroy obsolete weapons held by the established nuclear powers to contain the threats from North Korea and Iran, to strengthen the United Nations non-proliferation regime and, above all, to keep nuclear and other weapons of mass destruction out of terrorists' hands.

## **Afghanistan-Pakistan**

The second security priority is the ongoing war against terrorists and insurgents in Afghanistan, where victory depends not only on broadly shared military investments but also those in diplomacy, development and trade, especially along Afghanistan's long, troubled border with Pakistan.

## **Terrorism**

The third security priority is terrorism, in new and old forms. The narrowly thwarted terrorist attacks in New York City and now Detroit, along with the deadly one on the Moscow subway over the past six months have reminded the former superpowers of their continuing vulnerability to non-state enemies that they cannot completely control. At Muskoka the leaders will want to give attention, not only to the threats delivered within in member by plans, trains and subways, but now by cars and their bombs too.

## **Security Vulnerabilities**

The fourth security priority is the new multi-faceted, non-state security challenge coming from vulnerable states, often with fragile or failed states. They include terrorism and their training grounds, but extend to piracy off the shores of Africa, and the drug trafficking and transnational crime that is proliferating in Mexico and infecting the Caribbean, North America, Africa and even distant Europe itself.

## **Regional Conflict**

The fifth security priority is regional conflict, focused on the acute outbreaks of violence at the time. For Muskoka these include tensions on the Korean peninsula, following the deadly North Korean sinking of the Republic of Korea's warship, the Cheonan. The Middle East will also receive attention, given fresh incidents that fuel the chronic conflict and tensions throughout that regional as a whole. It is possible that leaders here will want to consider how they can effectively support the embryonic democratic and human rights revolution in Iran.

## **Progress at the Toronto G20**

The G8 leaders will come down to downtown Toronto to join their G20 colleagues for dinner discussions at the Royal York Hotel on the evening of 26 June and working sessions at the Metro Toronto Convention centre the following day. At the G20 they will turn to the critical issues of economics and finance. The G20 leaders will be joined by their invited guests from Spain, the Netherlands, Malawi, Ethiopia and Vietnam. They will also be joined by the heads of several invited multilateral organizations, starting with those from the UN, IMF and World Bank.

## **From Stimulus to Exit Strategies and Fiscal Sustainability**

The G20 leaders' first task is to construct a three-dimensional balance on macroeconomic policy. They must first agree to stay the course on stimulus until private sector-led recovery is assured. Equally, they must simultaneously design and implement smart exit strategies and contain the unilateral uncoordinated competitive rush to cutbacks that has broken out in Europe over the past month. They must further convince nervous markets that the European members, Britain and the United States, have credible medium- and long-term plans for fiscal sustainability, so that they will not go the way of Greece and so that they have the credit to help other countries that might.

## **Framework for Strong, Sustainable and Balanced Growth**

A second, closely related challenge is implementing and improving the Framework for Strong, Sustainable and Balanced Growth that they invented in Pittsburgh. Here the task is to ensure that all members produce their promised national plans with precise numbers, so that a proper analysis can be made of how those plans fit together to achieve shared global objectives and of what options are available for the adjustments that must be made. Only then can the leaders credibly signal their determination to make the balanced

and broadly shared changes in exchange rate, fiscal, microeconomic and social policy required to put a durable recovery in place.

### **Financial Regulation and Supervision**

The third task is to modernise G20 members' domestic financial regulations and supervision in a more comprehensive, forward-looking and internationally coordinated way. Here the priorities, which leaders will likely achieve, are to tighten consensus on the higher quality and quantity of bank capital and liquidity and the lower leverage ratios they need. To do so they must avoid getting bogged down by divisive, politically driven debates over new taxes or levies on banks, and advance stronger, shared standards on accounting, derivatives and other important issues that concern all. With both chambers of the US Congress now having past comprehensive financial reform passages, there is the prospect of a clear referent from the leading player around which others countries policies and the G20's collective position can cohere.

### **International Financial Institution Reform**

The fourth task is reform of international financial institutions. This starts with shifting five per cent of the voting share at the International Monetary Fund (IMF) from the relatively shrinking established economies to rapidly rising emerging ones, and doing so in ways that help legislatures in all member countries readily ratify the change. Also important is expanding resources and improving governance at the IMF and the World Bank, as well as considering their role in any future large financial safety nets and support packages that countries beyond embattled Europe might need.

### **Trade and Investment**

The fifth task is to liberalise trade and investment, in order to fuel private sector-led growth and development, especially in the emerging and developing economies upon which future global prosperity increasingly depends. The G20 leaders will again dutifully promise to avoid and redress protectionism and get the overdue Doha Development Agenda of multilateral trade negotiations done. They might also, following the lead of their Canadian co-chair, try to unilaterally cut tariffs, negotiate ambitious bilateral and plurilateral trade, investment and regulatory agreements, and forge regimes to contain financial protectionism, eliminate nuisance tariffs, foster freer trade in environmentally enhancing services and goods, and reduce subsidies for fossil fuels and agriculture that damage the environment and much else.

### **Development**

The sixth task is to deal with development, still afflicted by the recent American-incubated crisis and now endangered by the European-initiated one. The key task here is ensuring that the multilateral and regional development banks have the renewed and expanding funding they need, to combat the economic recession and meet the Millennium Development Goals due in 2015.

## **Climate Change and Energy**

The seventh task of controlling climate change, and enhancing clean energy and energy security will centre on forwarding the American-invented Pittsburgh initiative to reduce inefficient fossil fuel subsidies, in part by expanding their coverage to embrace producer subsidies as well as consumer ones. G20 members may also start to offer their share of the “fast start” financing for developing countries to combat climate change, as was promised at the Copenhagen Conference in December. They may also prepare for mainstreaming “green growth” as the G20's November Seoul summit and the UNFCCC COP/MOP in Cancun, Mexico in December.

## **Employment and Training**

Outside this financial and economic core lies an array of micro-economic and social issues that the G20 will again wish to advance. Here jobs and training for the new economy head the list, driven by members such as the US where unemployment remains high. Leaders will also want to follow up on the first G20 labour ministers' meeting in Washington in the spring.

## **Tax Havens and Terrorist Finance**

Other issues leaders will touch on are tax havens and terrorist finance. As the latter suggests, G20 leaders will want to act on all seemingly economic issues in ways that support their larger political-security goals.

## **Strengthening the G8-G20 Partnership**

Beyond the challenges of managing these individual, tightly interconnected issues stand the institutional ones of defining the shape of the G8 and G20 summits and their relationship with each other and outside bodies in the years ahead. This requires strengthening the distinctive role and added value of each summit system and the active cooperation between the two, to ensure comprehensive, coherent global governance as a whole. These tasks begin by making both summits events where leaders are free to be leaders, and thus able to provide the integrated, innovative initiatives, in the accountable and effective way that a more open global economy, society and political community wants and needs.

## **Causes of G8-G20 Progress**

Propelling this performance is the strength of many of the forces highlighted by the proven concert equality model of G8 governance and the newer systemic club model of G20 governance.

## **Shock-Activated Vulnerability**

The shock activated vulnerability that produces a surge in demand for G8/G20 governance and equalizes the vulnerability-capability combination across all group members has arisen in several substantial ways.

In the older security sphere, the ongoing war in Afghanistan has had added the unprovoked deadly North Korean attack on the Republic of Korea's warship, the Cheonan. In the new security sphere, the narrowly thwarted attacks on New York City on December 25, on Detroit, and in New York City again, as well as the deadly assault on the Moscow subway has reminded all of how vulnerable both former superpowers continue to be.

In the energy-environment sphere, the Haitian and Chilean earthquake, and the Icelandic volcano that grounded transatlantic flights have reinforced memories from the last summit in earthquake devastated L'Aquila last year. Moreover, the great, deadly uncontrolled oil spill in the Gulf of Mexico erupting on April 20 shows how vulnerable many countries, even an America at home, are to sudden deadly and destructive disasters, both natural and man-made. The Gulf oil spill, with its immediate reduction of America's recent initiative to allow more offshore oil drilling, compounds its energy-security vulnerability, and enhances the relevance of neighbouring Canada and Russia as the first ranked, full strength energy superpowers in the world.

In the finance-economic sphere, the unprecedented American-turned-global crisis of 2007-9 lives on in G8/G20 governors' memories, and in the still struggling job and housing markets in America, the balance sheets of financial institutions in Europe, and in the soaring fiscal deficits and debt burdens of both. Among the G8 powers only Canada, Japan and to some extent Italy escaped the direct, if not the indirect effects, as did almost all the rising powers in the broader G20. As soon as G20 governors had started to get control of that crisis, through massive fiscal and monetary stimulus and direct financial support, a second one struck in the form of sovereign debt and fears of rescheduling and default. Starting in Greece and moving to Spain and Portugal, this European-turned-global financial crisis of spring 2010 spread globally and from government debt to private financial markets and the real economy with unprecedented, indeed almost instant speed, scale, interconnectedness, complexity and uncertainty. Close behind lay the historically high peacetime fiscal deficits in Britain and America's - vulnerabilities that had not yet become an additional shock.

The challenge in confronting this second shock was compounded by the fact that the cure for the first –government spending – was the cause of the second, and it was unclear how private firms and the economy could now bail crisis-affected G8 governments out. This was despite the fact that the second crisis brought G7 finance ministers quickly back into the global financial governance game, intensified ad hoc G20 finance ministers flexible governance and led the EU and G7 controlled IMF to promise a \$1 trillion support package – the second such large scale springtime package in two years.

The European-turned-global crisis added a new political dimension – the eruption of deadly protest in Greece and prospectively in Spain and Portugal along Europe's southern tier. There erupted in Europe's 1970s generation democracies that the G8 had been created in 1975 to help defend. The threat that they would attack the G8's core mission of promoting open democracy and individual liberty was muted by the fact that these arose

in the few G8 polities governed by socialists, as elsewhere in Europe, notably in Britain, voters moved to the democratic right. And a Russia whose democratic credentials some still doubted stood with its new European and G8 partners, rather than seek to lure the troubled southern tier countries into the sphere of influence, as the long gone Soviet Union once had.

The one area where shocks were absent was in the health and development domain. The swine flu outbreak that erupted in April 2009 and instantly spread to the US, Canada, and elsewhere had faded by the summer and no new one had arisen to take its place, let alone in the particular field of maternal and child health. Indeed, figures released by The Lancet in April-May 24 2010 suddenly suggested the death toll and thus threat here was significantly less than the WHO had long claimed. To be sure, the financial and economic crisis compounded the chronic challenges of food, nutrition, water, good governance, and vulnerable and insecure states. But in no visible case did they provoke political changes that set back the global democratic revolution. Indeed those threats arose only in oil, gas, and lithium rich Venezuela and Bolivia.

These shocks came with sufficient strength, speedy sequencing, scope, and equalizing effect to propel the summits to substantial performance across a broad range. But their impact was somewhat skewed. There were no targeted shocks on the priorities of health and accountability and few on security vulnerabilities, Afghanistan and Iran. The most proximate and politically problematic arose in the finance-economic field. This suggested G8 governors dedicated to defending democracy would want to discuss the European debt crisis at their G8 summit, that a closer G8-G20 relationship would be forged beyond the old formula based on a sharp division of subject labour, and that the G20 would have an incentive to adopt the principles of political openness cherished by the G8.

### **Multilateral Organizational Failure**

The second cause of substantial summit performance was the continuing, compounding failure of the established multilateral organization to cope with these crises and chronic challenges in the world. The UNSC, with its prospective Chinese veto, offered only a delayed and diluted sanctionist response to Iran and North Korea, did little to help in Afghanistan, and nothing of consequence to help America and Russia prevent or cope with their new terrorist threats. The UN's NPT review conference offered a useful action forcing deadline and form to secure universal hard law legitimacy but still relied primarily for progress on President Obama's Nuclear Security Summit in April, its Korean hosted successor in 2011, and the Canadian-Korean chaired G8 and G20 summits in between.

In the energy-environment-natural disaster sphere, the UN system did well on humanitarian relief in Haiti, even if it relied heavily on G8 members, the US and Canada, for leadership here. ICAO was not visibly leading the response to the Icelandic volcano. And the UN's energy and environment organization was mission in action on the Gulf oil spill. On climate change, the failure of the COP/MOP at Copenhagen left it to the Copenhagen Accords ad hoc G5, and ultimately the G8/G20 summits to come up with the

\$30 billion in fast start money from 2010-2012 that the CA-5 had promised all alone to produce in December 2009.

Nowhere has the failure of the established multilateral organizations been greater than in the inability of the UN as a whole to advance toward securing the eight Millennium Development goals that the leader of all its members collectively proclaimed in September 2000 that they would achieve by 2015. With two thirds of the time already gone, the two that are furthest behind are those for child and maternal health, the very ones that the Muskoka G8 has adopted, as its “top priority” for the summit, to get back on track.

### **Predominant Equalizing Capability**

The G8 and G20’s strong, shock-intensified moves toward collectively predominant and internally equal capability among members also strongly propelled the G8 and G20’s substantial performance.

In 2009, in overall capability, the G8 continued to command a majority of many of the relevant capabilities in the world, starting with those in the military realm. In the economic sphere, an IMF report released on May 18, 2010 showed that the G8 members (absent to remaining EU) commanded a predominant \$32.2 trillion or 72% of the G20’s GDP in 2009 (Kim 2010). The broader G20 contained an overwhelming 85% of the world’s GDP, a similar share of its trade and 66% of the world’s population.

Within the two clubs capability among countries was equalizing strongly as well. The G8’s share of global GDP had dropped 10.3% points from a decade earlier to its 72% level now. The GDP of four major emerging Asian, G20 only members – China, India, Korea, Indonesia – now was \$8.5 trillion or 19% of G20 GDP, nearly double its 10% share a decade before. This surge was led by China, which had globally ranked 7<sup>th</sup> in GDP in 1999, fourth in 2006 (overtaking Italy, France and the UK), third in 2007 (ahead of Germany) and heading for second ahead of Japan in 2010.

Within the G8 alone, in the year leading up to the Muskoka Summit, the least capable member Canada led in present and projected growth, with 6.1% growth in the first quarter of 2010. This was more than twice the rate of growth in the largest member, the US. Meanwhile, a rebounding Japan remained well behind and a sluggish Europe was newly handicapped by the sovereign debt crisis that erupted in May. Outside the G8, the other G20 members were largely performing like Canada within.

Six weeks before the summit these underlying GDP trends were offset by strong sudden currency changes in response to the European-turned-global debt crisis erupting then. The immediate safe haven seeking flight to quality saw the US dollar spike, while the Euro, Canadian dollar and other commodity currencies declined.

In all, these changes in overall capability meant that the G8 was still large enough to lead, as a club of increasing material equals in underlying annual economic strength. But it could lead more effectively on economic issues within and through the G20, where the

19% addition of the four emerging Asian economies could be added to give the unified G20 an overwhelming global share.

### **Common Principles**

Their coherence and commitment of the G8 and even G20 clubs is reinforced by the common democratic convictions of their Canadian and Korean chairs, the G20 steering group pentarchy which added the US, Britain and France, and almost all members, and especially the country participants invited to come. There was a growing consensus on the importance of financial stability and sustainable growth through economic openness, including transparency, accountability, good corporate and public governance and the rule of law. The new emphasis at the G8 and even the G20 on the accountability that enhanced effectiveness and legitimacy was one result of consensus on political openness pervading the clubs

### **Political Control**

The fifth cause of summit performance, the domestic political control, capital and continuity of the leaders performance presented a substantial constraint on performance. Host Stephen Harper had a minority government, personal and party approvals that could prevent a majority if an election were held now, and a Supreme Court that had to rule on his proposal for a single national securities regulators that two leading provinces opposed. He was however now a G8 veteran and G20 founding father, with Muskoka being his fifth G8 summit in a row, and Toronto his fourth G20 in less than two years. Harpers G20 co-chair at Toronto, Korean President Lee Myung-Bak was in a secure and newly popular position at home, the latter due to his firm response to the shock of the North Korean naval attack.

Elsewhere in the G8, the domestic political position of leaders was less secure. In the U.S. President Obama and his party barely controlled both houses of Congress, had recent victories on healthcare and prospectively financial reform blackened by the continuing shock of the oil spill in the Gulf. With sagging popularity, Tea Party anger at America's soaring deficit, and mid term congressional elections looming in November, he had to keep one eye on his voters back home when he worked at his second G8 summit and third G20 one in Ontario right next door.

In the world's second most powerful country, the political situation was much worse. Less than a month before the summit started, Japanese Prime Minister Hatoyama resigned, due to plummeting popularity from his failure to agree with his American ally over its bases in Okinawa – a key issue of Asian security now that the prospected war on the nearby Korean peninsula rose. While the new leader selected on June 3, should it be finance Minister Kan, could provide some short term continuity, Japan's Prime Minister would arrive in Ontario with virtually no G8 and G20 summit experience, with an upper house election looming a few weeks after they return to Japan,

Elsewhere in the G8, political weakness prevailed. Angela Merkel's popularity was plummeting due to her handling of the Euro crisis, and leading her to unilateralism over

naked short selling and similarly populist things. French President Sarkozy was in a similar position, and also key regional elections as well. With these and G8 and G20 veterans so domestically handicapped, internationally flexible leadership from Europe would have to come from Britain novice Prime Minister David Cameron backed by his novel minority government, and from the ultimate G8 and G20 veteran, Italy's Silvio Berlusconi, who had hosted the G8 with some success in L'Aquila, Italy last year.

The balance of power in domestic political control, capital and continuity thus lay with the emerging, non G8 powers of the G20. China's Hu Jintao was in firm control back home and had been coming to the G8 summits as a guest since 2003 and G20 ones since the start, even if he was due to retire in 2012 and the prospect of domestic insurrection and civil strife remained large. India's Manmohan Singh, recently re-elected with a surprisingly strong plurality, was equally a G8 and G20 veteran, but one who could keep coming to the summits as long as his aging health allowed. He also led all the G20 leaders in his economic expertise and experience as a finance minister now that Britain's Gordon Brown was gone. Brazil's President Lula was like Hu Jintao in all respects, save an earlier retirement date and deep populist popularity in his durable democratic policy at home.

### **Constricted, Controlled Participation**

On the sixth propeller of performance - the constricted, controlled participation that leaves leaders alone to be leaders with their only peers and desired partners- the G8 and G20 summits will see a substantial advance on those in the recent past.

Compared to the 40 leaders in the military barracks at L'Aquila last year, there will only be 15 in the Deerhurst Hotel in the remote resort town of Huntsville in Muskoka- strikingly scenic for its timeless natural beauty rather than its recent destruction. In contrast to the 57 leaders at the Pittsburg G20, in Toronto there will be about 30, with most staying in hotels with a block and easy walk to their meeting place. Moreover, a full seat at the summit table will be reserved for only the 20 members and a few invited guests, with a virtually all the attending heads of multilateral organizations sitting in the back row in case they are asked for technical advice, just as civil servants are in the member governments at home. Although almost no G20 only leaders will join the G8 ones in Muskoka, the tight proximity of the two summits in time, place, preparation and coordination should make for three days of seamless summitry delivered by leaders acting as a single global governance team.

### **Conclusion**

The Muskoka-Toronto summits are unlikely to go down as big spending, signature successes, the way the British-Hosted Gleneagles G8 in 2005 and the London G20 in 2009 did. Especially if mobilizing massive new money is the measurement, Muskoka will also struggle to surpass the Canada's last summit at Kananaskis in 2002, which produced multibillion packages, for development in general, replenishment of the International Development Association in particular, and the new Global Partnership on Weapons and Materials of Mass Destruction, as well bringing Africans to the table in a new partnership

and letting Russia host the summit in 2006. But Kananaskis did little to help win the war against terrorists, lawlessness and poverty in Afghanistan and govern the global economy and financial system, which is the compelling crisis, challenge and centerpiece for the G20 and global community now. Taken all together, the across-the-board advances should enable Muskoka-Toronto to match and even surpass the Kananaskis legacy with ease.

The Muskoka-Toronto twins will be an amalgam of the greatest achievements from all Canadian hosted summits in the past. Through its achievements on child and maternal health, food security, research and innovation for development, security vulnerabilities, the G20's architecture and its development and IFI reform agendas, it will do more for development and north-south partnership than Montebello in 1981 did, even if the latter had a greater direct shock to drive it than the summits today have. Through its accountability report for the G8, its strengthening of the G20 and its relationship with the G8, and the G20's IFI reform advances, it will do more to modernize global governance than the 1995 Halifax summit with its UN-Bretton Woods focus did.

Above all, Canada's June summits will most resemble the 1988 Toronto G7 one, held in exactly the same place then as the G20 will be on June 27<sup>th</sup>. In both cases a Conservative Canadian prime minister unpopular in down Toronto offered free trade and investment as a key instrument of Canadian and Global growth, securing endorsement of this approach from his fellow leaders and initiating a process that changed global economic governance with the creation of the World Trade Organization in 1995. There the "Toronto Terms" for debt relief began a process that culminated at Gleneagles and that arguably did more for self-directed development in poor countries than the provision of ODA did. And Toronto advanced the Canadian-led crusade against apartheid in South Africa, to a happy conclusion in a now democratic country that is a full founding member of an enlarged and overwhelming democratic G8. The legacy of Toronto 1988 will live on in Toronto 2010 and its Muskoka twin, and enable the now twin summits to go well beyond.

## Appendix A: G8 Performance from 1975 to 2009

Year	Grade <sup>a</sup>	Domestic Political Management <sup>b</sup>		Deliberative			Directional <sup>c</sup>	Decisional	Delivery	Dev Global Governance <sup>e</sup>	Attendees <sup>f</sup>	
		% Mem	Ave # Refs	# Days	# State-ments	# of Words	# Refs to Core Values	# Cmts	Compliance	# Bodies	Min/Off	# Par C/IO
1975	A-	33%	0.33	3	1	1,129	5	14	0.571	0/1	4/6	0/0
1976	D	33%	1.00	2	1	1,624	0	7	0.089	0/0	7	0/0
1977	B-	50%	1.50	2	6	2,669	0	29	0.084	0/1	8	0/0
1978	A	75%	3.25	2	2	2,999	0	35	0.363	0/0	8	0/0
1979	B+	67%	3.33	2	2	2,102	0	34	0.823	1/2	8	0/0
1980	C+	20%	0.40	2	5	3,996	3	55	0.076	0/1	8	0/0
1981	C	50%	3.75	2	3	3,165	0	40	0.266	1/0	8	0/0
1982	C	75%	1.75	3	2	1,796	0	23	0.84	0/3	9	0/0
1983	B	60%	3.00	3	2	2,156	7	38	-0.109	0/0	8	0/0
1984	C-	25%	0.50	3	5	3,261	0	31	0.488	1/0	8	0/0
1985	E	33%	1.00	3	2	3,127	1	24	0.01	0/2	8	0/0
1986	B+	80%	4.40	3	4	3,582	1	39	0.583	1/1	9	0/0
1987	D	25%	6.00	3	7	5,064	0	53	0.933	0/2	9	0/0
1988	C-	25%	0.50	3	3	4,872	0	27	-0.478	0/0	8	0/0
1989	B+	50%	1.00	3	11	7,125	1	61	0.078	0/1	8	0/0
1990	D	33%	0.67	3	3	7,601	10	78	-0.14	0/3	8	0/0
1991	B-	20%	2.80	3	3	8,099	8	53	0.000	0/0	9	1/0
1992	D	33%	1.33	3	4	7,528	5	41	0.64	1/1	8	0/0
1993	C+	33%	1.00	3	2	3,398	2	29	0.75	0/2	8	1/0
1994	C	40%	1.80	3	2	4,123	5	53	1.0	1/0	8	1/0
1995	B+	25%	0.25	3	3	7,250	0	78	1.0	2/2	8	1/0
1996	B	40%	0.40	3	5	15,289	6	128	0.41	0/3	8	¼
1997	C-	40%	0.40	3	4	12,994	6	145	0.128	1/3	9	1/0
1998	B+	60%	1.00	3	4	6,092	5	73	0.318	0/0	9	0/0
1999	B+	80%	1.60	3	4	10,019	4	46	0.382	1/5	9	0/0
2000	B	25%	9.50	3	5	13,596	6	105	0.814	0/4	9	4/3
2001	B	40%	1.20	3	7	6,214	3	58	0.55	1/2	9	0
2002	B+	17%	0.17	2	18	11,959	10	187	0.35	1/8	10	0
2003	C	75%	1.25	3	14	16,889	17	206	0.658	0/5	10	12/5
2004	C+	33%	0.67	3	16	38,517	11	245	0.54	0/15	10	12/0
2005	A-	50%	0.50	3	16	22,286	29	212	0.65	0/5	9	11/6
2006		25%	0.25	3	15	30,695	256	317	0.47	0/4	10	5/9
2007		75%	1.25	3	8	25,857	651	329	0.51	0/4	9	9/9
2008	B+	33%	1.33	3	6	16,842	TBC	296	0.48	1/4	9	15/6
2009	B	NA	NA	3	10	31,167	62	254	0.33 <sup>g</sup>	TBD	10	28/10
Total				98	206	345,082	1,105	3,369	14.127	13/92	289	74/43
Ave. all	B-	43%	1.74	2.8	5				0.404	0.38/2.71	8.5	2.17/1.26
Av. cycle 1	B-	47%	1.94	2.1	2.9	2,526	1.1	29	0.3246	0.14/0.71	7.43	0/0
Av. cycle 2	C-	46%	2.45	3	3.3	3,408	1.3	34	0.3239	0.29/1.14	8.43	0/0
Av. cycle 3	C+	33%	1.26	3	4	6,446	4.4	56	0.4754	0.58/1.29	8.14	0.57/0
Av. cycle 4	B	43%	2.04	2.9	6.7	10,880	5.7	106	0.4217	0.58/3.57	9.00	0.86/1.00
Av. cycle 5	B-	49%	0.88	3	12.5	25,181	177	255.67	0.5197	0.17/6.16	9.50	10.67/6.0

Notes:

N/A=Not Available; TBC=to be calculated.

a. Grades up to and including 2005 are given by Nicholas Bayne; from 2006 on are given by John Kirton, generated according to a different framework and method.

b. Domestic Political Management (National Policy Addresses): % Mem is the percentage of measured G8 countries that referred to the G7/8 at least once that year in their national policy addresses. Ave # refs = the average number of references for the measured countries.

c. Directional: number of references in the communiqué's chapeau or chair's summary to the G8's core values of democracy, social advance and individual liberty.

d. Delivery: Compliance scores from 1990 to 1995 measure compliance with commitments selected by Ella Kokotsis. Compliance scores from 1996 to 2008 measure compliance with G8 Research Group's selected commitments.

e. Development of Global Governance: Bodies Min/Off is the number of new G7/8-countries institutions created at the ministerial (min) and official (off) level at or by the summit, or during the hosting year, at least in the form of having one meeting take place. The first number represents ministerials created. The second number represents official level bodies created.

f. Attendees refers to the number of leaders of full members, including those representing the European Community from the start, and the number of invited participants of countries and/or of international organizations at the G8 leaders' session. Russia started as a participant in 1991 and became a full member in 1998. In 1975, the G4 met without Japan and Italy; later that year the G6 met. C=Countries; IO=International Organizations. The first number represents non-G8 countries who participated. The second number represents International Organizations who participated.

g. Score is based on the 2009 L'Aquila Interim Compliance Report

## Appendix B: G20 Performance, 1999–2010

### G20 Finance Ministers

Year	Deliberation			Decisional	Development of G20 Governance				Development of Global Governance													
	Words	Doc	Days		G20	G20B	Dep Mtgs	Workshops	Other Institutions Noted at Meetings													
									BWI	IMF	WB	WTO	FSF	FATF	UN	BCBS	OECD	IFI	IEF	IOSCO	FSB	Other
1999	402	1	2	4	2	1	1	0	2	1	1	1	0	0	0	0	0	0	0	0	0	1
2000	2455	1	2	8	0	0	2	0	0	12	4	1	2	0	0	0	0	0	0	0	0	2
2001	2479	2	2	24	0	1	2	1	0	4	3	2	3	8	6	1	0	2	0	0	0	2
2002	958	1	2	2	0	1	2	1	0	1	0	0	0	0	0	0	0	3	0	0	0	2
2003	1185	1	2	6	1	2	2	1	0	6	3	1	0	2	1	0	1	2	0	0	0	1
2004	3937	4	2	10	2	0	2	3	0	4	4	0	0	5	1	0	2	0	0	0	0	0
2005	3,420	4	2	8	0	0	2	3	15	8	4	2	0	0	2	0	1	0	1	0	0	0
2006	3483	2	2	10	1	0	2	3	1	13	10	1	0	2	0	0	0	0	0	0	0	3
2007	3856	2	2	20	1	0	2	3	3	10	5	0	0	0	0	0	0	0	0	0	0	1
2008*	259	1	2	4	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
2008	1744	1	2	27	5	0	2	3	3	8	3	0	1	0	0	0	0	1	0	0	0	2
2009H*	1669	3	1	18	0	0	2	1	0	5	2	0	3	0	0	0	0	3	0	1	0	2
2009L*	1368	2	2	TBC	3	0	0	2	0	5	1	0	0	0	0	1	0	1	0	0	7	2
2009S	1270	1	2	TBC	3	1	0	0	0	8	4	1	0	1	2	1	2	1	0	0	9	4
2010	2078	1	2	TBC	13	0	1	0	0	7	5	1	0	1	1	2	2	3	1	0	7	6
Total	27143	27	29	141	31	6	22	21	24	94	49	10	9	19	13	5	8					

### G20 Leaders

Year	Deliberation			Decisional	Delivery : Compliance	Dev't of G20 Governance		Development of Global Governance														
	Words	Doc	Days			G20B	Working Groups	Other Institutions Noted at Meetings														
								BWI	IMF	WB	WTO	FSF	FATF	UN	BCBS	OECD	IFI	IEF	IOSCO	FSB	Other	
2008	3656	1	2	95	0.58	2	4	2	12	6	2	6	1	2	1	1	4	0	0	0	0	0
2009	6247	3	2	88	TBC	1	1	0	35	8	2	5	3	2	8	2	12	0	3	20	5	5
2009	9327	1	2	128	0.23	0	0	0	4	17	4	0	3	3	0	5	3	2	2	11	5	5
Total	19230	4	6	311	TBC	3	5	2	51	31	8	11	5	7	9	8	19	2	55	31	10	10

Source:

G20 Research Group, University of Toronto, International Organizations Research Institute of the State University Higher School of Economics in cooperation with the National Training Foundation of the Russian Federation.

Notes:

Includes only meetings at which communiqués were issued.

\*Emergency or special meeting held outside regular annual schedule.

TBC = to be calculated. Catalysts: 1Y = one-year time table; CIO = delegation to core international organization; OIO = delegation to other international organization; BCBS = Basel Committee of Banking Supervisors; BWI = Bretton Woods institutions; FATF = Financial Action Task Force; FSB = Financial Stability Board; FSF = Financial Stability Forum; IEF = International Energy Forum; IFIs = international financial institutions; IMF = International Monetary; OECD = Organisation for Economic Co-operation and Development; UN = United Nations; WB = World Bank; WTO = World Trade Organization. *Deliberation*: Words is the number of words in documents issued at the annual meeting. Doc is the number of documents issued at the annual meeting. Days is the duration of the meeting. *Decisional*: Number of total commitments made for the year in question, including commitments as they relate to the G20 as a whole and excluding country-specific commitments. *Delivery*: Total number of compliance catalysts embedded in commitments for the year in question. Catalysts highlighted in parentheses affect compliance either positively (+) or negatively (-). *Development of G20 Governance*: Documents issued for the year in question, excluding titles and subtitles. One unit of analysis is one sentence. G20I is the number of references to G20 as an institution; G20B is the number of references to G20 official-level bodies, including seminars; Dep Mtgs refers to the number of deputies meetings. *Development of Global Governance*: Number of times an international institution is mentioned in the documents for the year in question, excluding titles and subtitles. One unit of analysis is one sentence. If more than one institution is mentioned within a sentence, each institution is accounted for; if one institution is mentioned more than once in a sentence, it is only counted once.

## Appendix C: G20 Leaders Communiqué Conclusions, 2008–09

### Financial Crises

Summit	# Words	% Total Words	# Paragraphs	% Total Paragraphs	# Documents	% Documents	Total Dedicated Documents
Washington 2008	1865	50.9	25	35.2	1	100	1
London 2009	2135	34.1	30	32.6	3	100	3
Pittsburgh 2009	3118	33.4	33	30.2	1	100	1
Average	2372	39.4	29.3	32.6	1.6	100	1.6

### Trade

Summit	# Words	% Total Words	# Paragraphs	% Total Paragraphs	# Documents	% Documents	Total Dedicated Documents
Washington 2008	439	12	4	5.6	1	100	0
London 2009	1009	16.1	17	18.4	2	66.6	0
Pittsburgh 2009	906	9.7	9	8.2	1	100	0
Average	784.6	12.6	10	10.7	1.3	88.8	0

### Development

Summit	# Words	% Total Words	# Paragraphs	% Total Paragraphs	# Documents	% Documents	Total Dedicated Documents
Washington 2008	651	17.8	9	12.6	1	100	0
London 2009	1726	27.6	28	30.4	3	100	1
Pittsburgh 2009	2292	24.5	20	18.3	1	100	0
Average	1556	23.3	19	20.4	1.6	100	0.33

### Climate Change

Summit	# Words	% Total Words	# Paragraphs	% Total Paragraphs	# Documents	% Documents	Total Dedicated Documents
Washington 2008	64	1.7	2	2.8	1	100	0
London 2009	64	1	2	2.1	1	100	0
Pittsburgh 2009	911	9.7	10	11.7	3	100	0
Average	247.3	4.1	4.6	5.5	1.3	100	0

### Energy

Summit	# Words	% Total Words	# Paragraphs	% Total Paragraphs	# Documents	% Documents	Total Dedicated Documents
Washington 2008	29	0.79	1	1.4	1	100	0
London 2009	0	0	0	0	3	0	0
Pittsburgh 2009	1259	13.4	12	11	1	100	0
Average	419	4.7	4.3	4.1	1.6	66.6	0

#### Notes:

Data are drawn from all official English-language documents released by the G20 leaders as a group. Charts are excluded.

*# of Words*: Number of issue-specific subjects for the year indicated, excluding titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis. *% of Total Words*: Total number of words in all documents for the year indicated. *# of Paragraphs*: Number of paragraphs containing issue-specific references for the year indicated. Each point is recorded as a separate paragraph. *% of Total Paragraphs*: Total number of paragraphs in all documents for the year indicated. *# of Documents*: Number of documents that contain issue-specific subjects and excludes dedicated documents. *% of Total Documents*: Total number of documents for the year indicated. *# of Dedicated Documents*: Number of documents for the year that refer to the specified issue in the title.

## Appendix D: G20 Compliance, London Summit 2009

Member	Sept 2008	April 2009	September 2009	
	N=1	N = 5	N =	CCN =
<b>Germany</b>	+1	+1		
<b>United Kingdom</b>	+1	+1		
<b>France</b>	0	+1		
<b>Canada</b>	+1	+0.8		
<b>European Union</b>	+1	+0.8		
Australia	+1	+0.8		
<b>Russia</b>	0	+0.4		
<b>United States</b>	0	+0.4		
Brazil	+1	+0.2		
<b>Japan</b>	+1	+0.2		
Saudi Arabia		+0.2		
Turkey		+0.2		
<b>Italy</b>	+1	0		
Mexico	+1	0		
South Africa	+1	0		
South Korea		0		
China	0	-0.4		
India	0	-0.4		
Indonesia	0	-0.4		
Argentina	0	-0.6		
All Average	+0.58	+0.23		
G8 Average (9)	+0.75	+0.62		
Non-G8 Average (11)	+0.50 <sup>a</sup>	-0.03		

Note: G8 members are in bold.

<sup>a</sup> Saudi Arabia, Turkey, and South Korea were excluded from this calculation due to lack of compliance data.

## Appendix E: Shocks 2009-2010

	Subject	Status	Source	Spread	Speed	Scale: Deaths	Scale: Destruction	Democracy in Doubt
<b>Political Security</b>								
Afghanistan	War	Old-New	BMENA (Afghanistan)	Bilateral Border (Pakistan) Regional (BMENA)				Yes
Korea – Cheonan	War	Old	Asia (North Korea)	Bilateral Border		49		
NYC	Terrorism	New	Yemen-USA	Africa-America		0	0	
Detroit (Dec 12/09)	Terrorism	New	USA			0	0	
New York City (May 2/10)	Terrorism	New	USA			0	0	
Moscow (Mar 29/10)	Terrorism	New	Russia	N/A		38		Yes
<b>Energy-Environment</b>								
Haiti	Environment	New Natural Disaster	Americas	(Dominican Republic)		30,000-50,000		
Chilean Earthquake	Environment	New Natural Disaster	Americas	N/A	N/A	300		
Icelandic Volcano	Environment	New Natural Disaster	Europe (Iceland)	Europe-North America	1 day	0		
Gulf of Mexico	Environment-Energy	New – human accident	USA	America-Mexico	April 20-ongoing	11		
<b>Finance-Economy</b>								
2007-9 American-Atlantic	Banking-Finance	New	USA-Britain-Germany	Global	18 months	0		No
Greece Debt	Sovereign Debt	Old	Greece	Europe	Weeks	3		Yes
European Debt	Sovereign Debt (Bank)	Old (New)	Europe	Global	1 day	0		Yes

## Appendix F: Leaders' Political Support in G8/G20 Countries

	Canada	France	Germany	Italy	Japan	Russia	UK	US	EU
Date	Harper	Sarkozy	Merkel	Berlusconi	Kan	Medvedev	Cameron	Obama	Barroso
January 2010			59%		45% <sup>a</sup>	75%			
February 2010						7%			
March 2010	29%	36%		44%		75%		53%	
April 2010	33%	34%	55%	44%	33% <sup>a</sup>	73%		54%	34%
May 2010	29%	27%	58%		24% <sup>a</sup>		54%	51%	
June 2010									

Notes: wording includes: "Do you have a positive or negative opinion of [leader]?"; "Do you have confidence in [leader] to face the country's problems?"; "Do you approve or disapprove of [leader's] performance?"; "Are you satisfied with the political work of [leader]?"; "Indicate whether you have a very good, somewhat good, somewhat poor or a very poor opinion of [leader]"; and "Do you have confidence in [leader]?"

a Polls reflect Hatoyama's political support as prime minister.

## Appendix G: Leader Continuity in G8/G20 Countries

G8	# of changes	Summit 1 (Nov 1975)	Summit 2 (Jun 1976)	Summit 3 (May 1977)	Summit 4 (Jul 1978)	Summit 5 (Jun 1979)	Summit 6 (Jun 1980)	# of summits for June 2010 Leader
France	0	d'Estaing	d'Estaing	d'Estaing	d'Estaing	d'Estaing	d'Estaing	Sarkozy = 4
United States	2	Ford	Ford	Carter	Carter	Carter	Carter	Obama = 2
Britain	2	Wilson	Callaghan	Callaghan	Callaghan	Thatcher	Thatcher	Cameron = 1
Germany	0	Schmidt	Schmidt	Schmidt	Schmidt	Schmidt	Schmidt	Merkel = 5
Japan	2	Miki	Miki	Fukuda	Fukuda	Ohira	Ministers <sup>h</sup>	Kan = 1
Italy	2	Moro	Moro	Andreotti	Andreotti	Andreotti	Cossiga	Berlusconi = 9
Canada	2	N/A	Trudeau	Trudeau	Trudeau	Clark	Trudeau	Harper = 5
Russia		N/A	N/A	N/A	N/A	N/A	N/A	Medvedev = 3
European Union	0	N/A	N/A	Jenkins	Jenkins	Jenkins	Jenkins	
<i>Total:</i>	<i>10</i>							
G20	# of changes	Summit 1 (Nov 2008)	Summit 2 (Apr 2009)	Summit 3 (Sep 2009)	Summit 4 (Jun 2010)	Summit 5 (Nov 2010)	Summit 6 (2011)	# of summits for June 2010 Leader
United States	1	Bush	Obama	Obama	Obama	Obama	Obama <sup>a</sup>	3
Britain	1	Brown	Brown	Brown	Cameron	Cameron	Cameron <sup>b</sup>	1
Canada	0	Harper	Harper	Harper	Harper	Harper	Harper <sup>c</sup>	4
Korea	0	Lee	Lee	Lee	Lee	Lee	Lee <sup>d</sup>	4
France	0	Sarkozy	Sarkozy	Sarkozy	Sarkozy	Sarkozy	Sarkozy	4
Argentina	0	Kirchner	Kirchner	Kirchner	Kirchner	Kirchner	Kirchner <sup>e</sup>	4
Australia	0	Rudd	Rudd	Rudd	Rudd	Rudd	Unknown	4
Brazil	0	da Silva	da Silva	da Silva	da Silva	Unknown	Unknown	4
China	0	Hu	Hu	Hu	Hu	Hu	Hu	4
Germany	0	Merkel	Merkel	Merkel	Merkel	Merkel	Merkel	4
India	0	Singh	Singh	Singh	Singh	Singh	Singh	4
Indonesia	0	Yudhoyono	Yudhoyono	Yudhoyono	Yudhoyono	Yudhoyono	Yudhoyono	4
Italy	0	Berlusconi	Berlusconi	Berlusconi	Berlusconi	Berlusconi	Berlusconi <sup>f</sup>	4
Japan	2	Aso	Aso	Hatoyama	Kan	Kan	Kan	1
Mexico	0	Calderón	Calderón	Calderón	Calderón	Calderón	Calderón	4
Russia	0	Medvedev	Medvedev	Medvedev	Medvedev	Medvedev	Medvedev	4
Saudi Arabia	0	Abdullah	Abdullah	Abdullah	Abdullah	Abdullah	Abdullah	4
South Africa	1	Motlanthe	Motlanthe	Zuma	Zuma	Zuma	Zuma	2
Turkey	0	Erdoğan	Erdoğan	Erdoğan	Erdoğan	Erdoğan	Erdoğan <sup>g</sup>	4
<i>Total:</i>	<i>5</i>							

**Notes:**

- a. Assumes Barack Obama completes his term as president.
- b. Assumes the coalition holds and no election is called.
- c. Assumes no Canadian election is called before 2012.
- d. Assumes Lee Myung-Bak completes his term as president.
- e. Assumes the 2011 Argentinian elections are not scheduled before the G20 summit.
- f. Assumes no change in government. Next election date is variable.
- g. Next election date is variable.
- h. Masayoshi Ohira died a few days before the 1980 G7 Venice Summit. Japan was represented by Saburo Okita, minister of foreign affairs, Noboru Takeshita, minister of finance, and Kiyooki Kikuchi, the prime minister's personal representative (sherpa).

## Appendix H: Previous Finance Experience of G20 Leaders in 2010

Country	Head	Ministerial Experience	Professional Experience	Education
United States	Bush	0	0	
United States	Obama	0	Lawyer	
Britain	Cameron	0	0	Economics
Canada	Harper	0	Accountant	MA Economics
Korea	Lee	0	Businessman	
France	Sarkozy	Budget, 1992 Interior, 2002, 2005 Economy, finance, and industry, 2004	Lawyer	
Argentina	Kirchner	0	Lawyer	
Australia	Rudd	0	0	
Brazil	Da Silva	0	0	
China	Hu	0	0	
India	Singh	Finance, 2008	Economist, IMF Governor of the Reserve Bank of India, 1982-1985	PhD Economics
Indonesia	Yudhoyono	0	0	PhD Agricultural Economics
Italy	Berlusconi	0	0	
Japan	Kan	Finance Minister, 2010 Deputy Prime Minister		
Mexico	Calderón	0	0	MA Economics
Russia	Medvedev	0	Lawyer	
Saudi Arabia	Abdullah	Chair of the Supreme Economic Council	0	
South Africa	Zuma	0	0	
Turkey	Erdoğan	0	0	