

ABSTRACT

When the post-war international economic regimes first came into serious crisis in the early 1970s, the Nixon administration was well aware that America's position as the global economic hegemon had been considerably eroded. Its response was to seek a sharing of the responsibility for the maintenance of these regimes through a process of economic summitry involving the world's most powerful economic units. This process began in 1975 in Rambouillet and has continued since then.

The historical experience has clearly shown that such attempts at burden sharing through economic summitry have had, and will have, a key role in preserving the stability of the international economic order created by the United States. Even so, this study's detailed examination of American participation in the fourteen economic summits reveals that the relationship between the United States and the economic summit has changed dramatically over this period.

This is not to say there have been no constants in the relationship. The United States has shown a remarkable consistency in its pursuit of several issues at the summit table. For example, the United States has always used the summit to pursue the liberalization of world trade. It has also sought to ensure that political issues had a prominent place on the summit agenda while working to avoid any substantive discussion or action on North-South economic issues.

Such consistency on specific issues is greatly overshadowed, however, by the fact that each American administration has attached a different priority to the process of economic summitry. These different approaches reflect an intense debate over the best methods for preserving the post-war economic regimes in light of the United States' continuing relative economic decline.

The Carter administration made the economic summit a high priority for U.S. foreign policy because it believed regime preservation would only occur through enhanced international macroeconomic policy co-ordination. Accordingly, the United States was an active participant in the summit, seeking binding commitments from its summit partners on various "package deals" designed to further this end. President Reagan's first administration argued instead that maintenance of the international economic regime required the strengthening of domestic economies through microeconomic reforms. This led the Reagan team to give the summit a low priority, viewing it as simply a deliberative body within which it would play a fairly passive role.

These two experiences have led the second Reagan administration to adopt a third position, wherein the United States participates in the summit to obtain binding decisions on strategies reflecting the pursuit of both of these ends. Under this approach, the Seven Power Economic Summit has become the essential forum for the conduct of American foreign economic policy. Recognition of this fact has coincided with a gradual decline in the importance of the United States to the Seven Power Summit.

This study speculates that two long-term trends may be at work in this regard. Firstly, it appears that the United States is increasingly being forced to take an active role at the summit in order to ensure that any decisions taken favour its interests. American hegemony has declined to the point that it can no longer expect that the policies pursued by other countries in the summit format will naturally benefit the United States. Passivity is not a tenable option any longer. Secondly, the continued decline of American hegemony has ensured that the active participation of the United States in efforts at international macroeconomic policy co-ordination is no longer sufficient for the operation's success. More importantly, it seems that active American participation in this regard is increasingly less necessary for success.