

International Constraints and Transnational Diffusion: The Dynamics of G8 Effectiveness in Linking Trade, Environment and Social Cohesion

John Kirton

Paper prepared for a conference on “Global Environmental Change and the Nation State,” 2001 Berlin Conference on the Human Dimensions of Global Environmental Change, Berlin, 7-8 December 2001. Revised Version, January 31, 2002.

Introduction

Amidst the contemporary debate over globalisation, there are few elements that command such consensus as the assumption that this process has at its core a foundational ideology of neoliberalism. As it grew from an initial ‘Ronald Thatcherism’, through a policy-oriented ‘Washington consensus’ (Williamson 1993, 1990; Birdsall and de la Torre 2001), to a full-blown ‘disciplinary neo-liberalism’ (Gill 2000), it seems to have transformed and then replaced the prior ideological foundation of ‘embedded liberalism’ constructed by the victorious World War Two allies as the core of the institutionalised order created in 1945 (Ruggie 1983; Ikenberry 1998/99, 2001). Neo-liberalism celebrates of internationally free markets for goods, services, direct and portfolio investment, and intellectual property, a celebration of the need for domestic privatisation and deregulation, and a celebration of the virtues of constricting the domestic role of the economic and social regulatory state. The new ideology and processes, it is charged, ‘tends to atomise human communities and destroys the integrity of the ecological structures that support all life’, thereby generating a ‘crisis of social reproduction on a world scale, a crisis that is ecological as well as social’ (Gill 2000, 1). Such an ideological revolution is seen as all the more powerful and permanent for having been institutionalised in the international organisations at the centre of the global political economy, notably the International Monetary Fund (IMF) new World Trade Organization (WTO) created in 1994 (Moravcsik, and Slaughter 2000; Goldstein and Martin 2000). And at the centre of disciplinary neoliberalism is said to stand the G7 major industrial democracies, acting, along with the international financial institutions, in the 1980s and 1990s in a ‘deliberate and strategic manner’ (Gill 2000, 21; Gill 1999).

As the twentieth century ended, this neoliberalism consensus came under severe, sustained, and successful short-term attack. One sign was the proliferation of civil society protest and major intergovernmental economic meeting, culminating in the deadly Genoa G8 Summit in July 2001. As the 1997-9 global financial crisis gathered force, the reigning faith in neoliberalism, or at least its incarnation in Anglo-American liberalism or the Washington consensus assaulted and adjusted, as the leaders of both the IMF and WTO proclaimed their acceptance of the values of the protestors and proceeded with programs of often far-reaching institutional reform (Kaiser, Kirton, and Daniels 2000; Kirton, Daniels, and Freytag 2001).

Is the G8 indeed at the centre of the construction constructing, enforcement and defence, of this disciplinary neoliberalism and of adjusting it in the face of societal dissent and major systemic change? To be sure, some dismiss the G7/8 as a ‘soft law’ institution of

little consequence (Goldstein et al. 2000b, 2000a; Abbott et al. 2000) or as a body rendered ineffective by the post-cold-war globalisation of the 1990s (Bergsten and Henning 1996; Whyman 1995; Smyser 1993). Yet others claim that it has become an increasingly effective centre of global governance in the new era, for better (Kirton 1999; Hajnal 1999, Bayne 1999) or for worse (Helleiner 2001; Gill 1999). Even those who doubt its decisionmaking effectiveness concede that the principles and norms it promulgates can have important governance effects (Hodges, Kirton, and Daniels 1999; Baker 2000).

Those who consider the G7/8 consequential remain divided about the G7/8's response to the new social protest and global financial crisis. The first, 'conservative' reinforcement school suggests that the G7/8 has largely kept the new neoliberal emphasis in its market-friendly international institutional reform effort (Sally 2001; Freytag 2001; Donges and Tillman 2001; Theuringer 2001; Dluhosch 2001). The second, 'superficial adjustment' school, argues that the G7 and IMF have merely altered their rhetoric at the margin (Gill 2000; Dallaire 2001; Thérien and Dallaire 1999). The third, 'responsive leadership' school, asserts that a move to a new normative consensus on socially sustainable globalisation has come (Kirton, Daniels, and Freytag 2001). None of these competing schools, however, has conducted a detailed examination to identify the G7/8's seminal values, how they might have changed, and what new normative directions the recent crises have brought. Nor have they traced how these principles, norms and commitments have been complied with by autonomous nation-state members. And they have yet to offer well developed explanations about the causes of change in prevailing values and compliance levels, as a context for considering the role that transnational learning and alliances, on a global or regional level, play

This paper conducts such an examination. It surveys the principles and norms that the G7/8 has articulated since its 1975 establishment in the key areas of trade, the environment, and social cohesion, to identify the priority it has assigned to each, the intersections it has identified among these realms, and the balance it has offered for the governance of this increasingly integrated domain. It concentrates on the content and strength of the G7/8's initial consensus, when and how that consensus might have eroded, and when and how a new consensus might have emerged. On that basis, it suggests, largely inductively, the sources of such ideological consensus and change as may have occurred. In particular, it identifies moves toward or from the articulation of a normative order of "embedded ecologism", based on the sustainable development ideal in which trade liberalisation, environmental enhancement, and social cohesion are tightly integrated, equally balanced, and mutually supportive.

This analysis reveals the G7/8 has progressively developed and has regularly asserted a doctrine of embedded ecologism.¹ This doctrine has defended the employment and social welfare values at the core of the 1945 consensus on embedded liberalism, while reinforcing them with a new array of ecological values, totally absent in 1945, that the

¹ More specifically, embedded ecologism has four logically integrated components, as follows: 1. the ultimate value is *democracy*, including individual liberty and social advancement (and by extension the environmentalists "process" values of multistakeholder inclusiveness, transparency, civil society participation, and consensus decisionmaking); 2. employment and social cohesion are each essential to the realization of democracy and should be devoted to this purpose; 3. trade liberalization and environmental protection/prevention each can and should promote employment and social cohesion; and 4. trade liberalization and environmental protection/prevention can and should be equally valued, integrated and mutually supportive.

G7/8 has integrated into the employment and trade spheres in protective and proactive ways (cf. Bernstein 2000, 2001). In its fully developed form, embedded ecologism asserts that employment and social cohesion, and the democratic practices and politics they sustain, are fundamental to the G7/8's mission, that environmental protection as well as trade liberalisation fosters such objectives, and that trade liberalisation should take place only insofar as it protects and promotes environmental and labour values.² External liberalisation is thus bounded both by domestic and global welfare and ecological concerns.

The elements of embedded ecologism, evident at the G7 Summit's outset, developed into create a full and balanced framework during its early years. However in the 1980's the G7 came to adopt a conception of trade liberalisation that was far more aggressively far reaching than that of 1945, and entrenched in 1994 in a powerful WTO. Moreover, prompted by the OECD, the G7 turned from a macroeconomic trade- and growth-based conception of employment to one privileging domestic market-oriented structural policies. In both cases, the weight of these economic and trade-focussed international organisations and their ideologies generated an institutional imbalance that assigned a subordinate place to ecological and social values in the G7's evolving doctrine. Yet at the start of its fourth seven-year cycle in 1996, before the 1997–99 crisis and the 1999 civil society assaults began, the G7 moved to restore the balance of earlier years. This task proved easier in the trade-labour realm, where the G7/8 could readily mandate the WTO to work with the International Labour Organization (ILO) to extend and implement the new G7/8 generated principles. In the trade-environment realm, however, the G7 was left to affirm the principles of equality and integration, and cast increasing doubt on the WTO's record in realizing them, without addressing the more fundamental institutional imbalance created by the absence of a world environmental organisation.

Establishing Principles: The Emergence of Embedded Ecologism

Within the G7/8, the doctrine of embedded ecologism emerged through five stages, as follows: establishing the seminal trilogy in 1975; forging the trade-environment link by 1981, moving to trade-for-the environment by 1988; completing the trade-environment social cohesion triangle but with institutional imbalance by 1995; and redressing the imbalance by 2001.

Establishing the Seminal Trilogy, 1975

For an apparently economic summit focussed on replacing the international finance regime that had died at U.S. hands on 15 August 1971, at the first gathering at

² Among the rich array of multiple meanings ascribed to the term 'social cohesion', in this analysis it is used in three, increasingly expansive ways. Most narrowly, it is equated with labour and the principle that 'labour', along with 'land' (the natural ecology across all ambient media) should be accorded equal value to 'capital' (the third factor of production) in government policies and welfare outcomes. Secondly, it refers to the presence within a polity of strong social capital (Putnam, Leonardi, and Nanetti 1993), sufficient to offset atomisation (Kornhauser 1966) and the crisis of reproduction generated by globalisation (Gill 2000). Thirdly, it refers to the absence of cleavages, across land-labour-capital, mass populace-elite, and other (ethnic, religious, regional, linguistic, gender) divides sufficient to destroy a G8 country's character as a democratic polity or its national unity and thus continuation as a country.

Rambouillet, France, in November 1975 the G7 gave considerable and prominent attention to trade, social, and environmental matters in its brief, but seminal, concluding communiqué.³ What might be considered the ‘Rambouillet Charter’ of the G7 opened with the statement that the institution’s ultimate concern was with the ‘human, social and political implications’ of ‘economic problems common to our countries’ (G7 1975). It declared: ‘We are each responsible for the government of an open, democratic society, dedicated to individual liberty and social advancement.’ It pledged ‘to reduce the waste of human resources involved in unemployment’, to make ‘new efforts in the areas of world trade’, and to ‘avoid resorting to measures by which they could try to solve their problems at the expense of others, with damaging consequences in the economic, social and political fields’. It also promised ‘to reduce our dependence on imported energy through conservation and the development of alternative sources’.

Thus at the start the G7 deal with all three elements: social cohesion, trade liberalization in a limited anti-protectionist way, and environmental protection in the narrow resource conservation sense. It placed social cohesion, along with individual liberty, as the ultimate value. And it argued that social cohesion would be created by the higher employment that trade protected from protectionism would bring.

Forging the Trade-Environment Link: The First Cycle, 1975–1981

During the first seven-year Summit cycle from 1975 to 1981, three normative developments took place. Increasing employment along with lowering inflation, became the dominant concern, with trade liberalization identified as a key way of accomplishing both objectives. The environment became an equal, long term value in its own right, with preventative as well as protective strategies for its preservation endorsed. And the trade-environment link was directly drawn, if in a limited way, in the 1979 pledge ‘to increase as far as possible coal use, production, and trade, without damage to the environment.’ Indeed, by the end of its first cycle, the G7 has also singled out central environmental issues, specified microeconomic, sector-specific measures, and made environmental preservation integral to economic development as a whole.

Trade for Environment: The Second Cycle, 1982–1988

By the end of the second cycle, a further pro-ecological shift in the intellectual balance had taken place. The image of this period as one of neo-liberal, Ronald Thatcherist ascendance is true in a limited sense. For during the period, employment came to be considered as requiring a host of pro-market microeconomic rather than demand-led, macroeconomic, aggregate growth policies. The conception of trade liberalization was deepened to include these domestic measures for structural reform. Yes after an early downgrade, ecological values also experienced a major expansion, beginning with the big breakthrough of the Bonn 2 Summit of 1985. Moreover, the trade-environment-social cohesion link was directly and comprehensively forged in the specific field of agriculture. Here it was recognised that employment and a wide range of social values, from cultural

³ Unless otherwise indicated, the declaration referred to is the comprehensive document issued by the G7 or G8 leaders at the conclusion of their annual summit. They are available at <www.g8.utoronto.ca>.

diversity to family farming, were central, would be affected by, and must be protected or compensated in trade liberalisation and the move to market-oriented labour policies. The same was true for the environment (including food security). Moreover liberalisation, in agriculture and in trade, investment, and technology more generally, was called upon to be a proactive instrument for the fulfilment of ecological objectives. The principle of using trade liberalisation for the higher goal of environmental enhancement had arrived.

Completing the Triangle and Institutionalising Imbalance: The Third Cycle, 1989–1995

These principles provided a foundation for a major expansion and deepening of the G7's concern with, and linkage among, trade, employment, social, and environmental values during its third cycle. During this time all three component areas saw a large increase in their range, detail, and ambition. Moreover, the summit began regularly to generate a set of direct trade-environment and employment-environment linkages, which, when joined with the earlier trade-employment linkage, completed the integrated triangular conception. Indeed, by the end of the cycle, the G7 had directly linked all three values together at a general level. While the third cycle witnessed an increase in the G7's liberalisation demands, employment — now joined by environmental integrity — assumed pride of place in the specified value hierarchy.

However the third cycle also saw an important transformation at its end. For the evolving cadence of affirming ever tighter, more balanced, and reciprocal relationships among trade-environment and trade-labour was broken in 1994, the year the WTO was born. That year, the G7 chose the old OECD and the new WTO as the bodies to develop and operationalise the connections. In 1995, as the WTO began its first year of operation, the G7 explicitly mandated continued trade liberalisation as the overriding parameter for the trade-environment and trade-labour balances being struck. At Halifax in 1995 a new trade-first approach was endorsed with the statement that: 'Consistent with the goal of continued trade liberalization, we will pursue work on ... trade and environment to ensure that rules and policies in these different areas are compatible' (G7 1995). Continuing trade liberalisation was now the new parameter within which all linkage efforts must take place.

Restoring the Balance: The Fourth, 'Globalization' Cycle, 1996–

The fourth summit cycle, starting in 1996, saw globalization arise as a major thematic preoccupation of the G7/8, even before the Asian-turned-global financial crisis of 1997–99 and its accompanying social trauma. During this time, the G7 embraced the themes of globalisation, social cohesion, and sustainable development with equal ardour. The G7's embedded ecologism, only recently subject to institutionalised trade capture, was quickly restored and extended, first normatively within the G7 and subsequently institutionally in the centres preferred by the G8.

In a rare display of the G7/8's prescience and proactiveness, the shift took place from the start, before the global financial crisis arrived. In 1996 the G7 laid down a challenge: "The Singapore Ministerial Conference of the WTO will be an important opportunity to demonstrate the ability and willingness to integrate environmental protection and thus

sustainable development concerns into the multilateral trading system (G7 1996). In 1997 the G7 moved embedded ecologism into the field of finance, declaring that “Governments should help promote sustainable practices by taking environmental factors into account when providing financing support for investment in infrastructure and equipment. We attach importance to the work on this in the OECD, and ‘will review progress at our meeting next year (G7 1997). In 1998 it called for inclusion throughout the world and to this end approved the implementation of core labour standards and the continued collaboration between ILO and WTO secretariats, in accordance with the proposals of both organisations.

The 1999 Summit saw a major expansion of trade-environment linkages, as part of its creation of a new ‘Cologne consensus’ on socially sustainable globalisation (Kirton, Daniels, and Freytag 2001). It set a deadline for the completion of the OECD export financing work. More importantly, it signalled a loss of confidence in the WTO efforts to date and expanded the *problématique* to include social welfare, stating: ‘We will also seek a more effective way within the WTO for addressing the trade and environment relationship and promoting sustainable development and social and economic welfare worldwide’ (G8 1999). Moreover, it moved beyond the WTO alone as the institutional forum for the linkage effort by urging ‘greater cooperation and policy coherence among international financial, economic and labour organizations’. Most ambitiously and broadly, it declared ‘environmental considerations should be taken fully into account in the upcoming round of WTO negotiations. This should include a clarification of the relationship between both multilateral environmental agreements and key environmental principles, and WTO rules’.

By 2000, after the global financial crisis had ended, and as the summit hosting moved to Japan, the new Cologne consensus remained. The Okinawa Summit offered three trade-labour/social linkages. It again asked for effective WTO- ILO co-operation on the social dimension of globalisation and trade liberalisation, and offered more open markets to developing countries with sound social policies, while affirming that the multilateral trade system had brought social progress. In the trade-environment domain, Okinawa endorsed the OECD work on export credit policies, broadened it to involve the multilateral development banks, and reaffirmed the commitment to develop common environmental guidelines. It promised to combat illegal logging as part of a sustainable forest management approach. Most broadly, it declared that among the objectives of its desired new round of multilateral trade negotiations would be to ‘ensure that trade and social policies, and trade and environment policies are compatible and mutually supportive’ (G8 2000). The need for integration, equality, and mutual support in both domains had been accepted.

The 2001 Genoa Summit increased and expanded these trade-environment links. It added an obligation to ‘ensure that the new Round supports sustainable development’ (G7 2001). For the first time, it included the pledge that ‘WTO should continue to respond to the legitimate expectations of civil society’. And it mobilised a new instrument on the ‘MDBs [multilateral development banks] to provide support for global public goods, such as fighting infectious diseases, facilitating trade, fostering financial stability and protecting the environment’.

From Principles to Performance: The G7/8's Trade-Environment Commitment and Compliance Record

Skeptics of the G7/8 Summit and system, realist scholars of international relations, and even liberal-institutionalist students of “legalization” doubt that even far-reaching normative change encoded in “soft law” communiqués have much real effect in constraining or altering the behaviour, let alone the conception of interests and identities, of the their autonomous major power members. Yet the available evidence in the G7/8's trade-environment process points to a different conclusion. It indicates that principles and norms are accompanied and followed by timely, well-tailored, significant and ambitious commitments, and further, that such specific, concrete commitments are complied with by G7/8 members to a substantial degree. Yet in the trade-environment domain, it also points until recently to a continuing imbalance, in favour of trade values.

Commitments

An overview of the systematic evidence on the G7/8's record in generating important Summit-defining commitments in the trade and environment fields comes from the work of Nicholas Bayne (2000), following that of Putnam and Bayne in earlier years (1987). Bayne's review of Summit performance from 1975-1999 lists several that have been productive because of their trade or environment-energy agenda or achievements. These data show, first, that these issues done much to provide the Summit's focus and product, from the start through to the early 1990's. Second, trade has been by far the dominant and most continuous contributor. It was challenged only by energy in the very early years (from 1975 to 1980). Third, environment has made only a single appearance, at Paris in 1989. Fourth, while trade and energy have co-existed as major agenda items and achievements at individual Summits, trade and environment together have not. Despite the principles and norms that accord equality to and connect the trade and environment domains, the Summits significant commitments still privilege trade in an unintegrated world.

A more detailed examination of the recent period from 1996-99, conducted by the G8 Research Group, suggests that this imbalance and lack of integration largely continues. The G7/8 offers a strong trade performance in each of these four years, and one generally ahead of the average for the Summit as a whole. Its environmental performance is generally weaker. But as seen above in the discussion of principles, in 1997 the environment and trade commitments are tied. And in 1998 environment comes ahead of trade. The year 2000 Okinawa Summit commitments, ranked by ambition and significance, suggests that it performed more strongly on its environmentally-related agenda than it did on trade (Kirton et al. 2002).

The ability of the G7/8 to take the general principles and norms linking trade-environment and encode them in concrete commitments is also evident. Of the 20 trade-environment passages that form the foundation of embedded ecologism in the leaders communiqué since 1975, ten – or a full half - take the form of specific commitments, according to the standard definition that Kokotsis (1999) employs. Of these ten, six have been offered in the four years since 1997. In its fourth cycle, then the G7/8 is clearly moving embedded ecologism from the realm of general principle to that of concrete

commitment, as a prelude to real action.

In the G7/8's ministerial-level institutions, the translation of general principles into specific commitments also takes place. The G7/8's Environment Ministers' forum, established in 1992 and institutionalized as an annual event in 1994, has offered a total of 15 trade-environment principles in its eight years of operation, or an average of almost two per year. It has thus been marginally more productive than the leaders, who have produced 13 during the same time. However, while a full half of the leaders' trade-environment principles since 1975 have taken the form of commitments, only one third (five of the 15) of the environment ministers have. Even since 1994, the leaders have produced more trade-environment commitments than their environment ministers have. This pattern shows the unique ability of leaders to make linkages across long separated and ministerially segmented domains such as trade and the environment. And within G7 governments where lone established ministries of trade are far more powerful than their recent environmental sisters, the authority of leaders is needed to translate these new linked principles into concrete commitments.

Compliance

The evidence on compliance tells a similar tale, suggesting that the promised implementing action does indeed occur to make these commitments count. The initial work on compliance with G7 commitments, embracing all economic and energy commitments from 1975-1989 showed that while compliance varied widely by country and issue area, it was on the whole positive. In the field of trade and energy (the initial environmental surrogate) compliance was high in absolute terms, and the highest of all in relative terms (Von Furstenberg and Daniels 1991). It also showed that across all issue areas together, relatively small Britain and Canada complied the most, while the relatively large United States complied second least.

The second generation of compliance studies focused on the record of the least powerful member, Canada, and the most powerful member, the United States, in the issues areas of climate change, biodiversity, developing country debt and assistance to the Soviet Union/Russia from 1998 to 1995 (Kokotsis 1999). It revealed relatively high and rising compliance levels, with the United States now joining Canada as a highly compliant member of the club.

The third generation of compliance studies, conducted by the G8 Research Group for the period 1996-2000, suggests that compliance with environmental commitments has come to equal that in the field of trade. Indeed, in 1997-8 and 1998-9 G7/8 members complied with their priority environment commitment more strongly than that in the field of trade. And while Britain and Canada again led, as in 1975-89, in compliance across all issue areas taken together, the United States had moved from the bottom to the middle range.

The evidence on compliance with the commitments made at Okinawa 2000 confirms the trend (Kirton et al. 2002). Compliance with environmental and trade commitments are both very high, even if trade remains a little ahead. Most strikingly, all of the original seven members have exceptionally high overall compliance scores, with Britain and Germany leading the pack with a perfect score and the United States (with 67%) coming in last.

Causes of Continuity and Change

Conclusively identifying the causes of the continuity and change observed in the principles, commitments and compliance of the G7/8 in the trade-environment field requires a detailed process tracing that is beyond the scope of the current study. Yet the aggregate pattern does permit several important inferences to be made.

Explaining the Principles of Embedded Ecologism

In the realm of principles, the relative continuity and progressive elaboration of the doctrine of embedded ecologism in the G7/8, the adjustments in response to the ambitious trade liberalisation and market-oriented labour market policies of the 1980s, and the move from 1996 onward to a deeper and broader consensus on socially sustainable globalization can be inferentially matched with several factors.

The continuity can be attributed to the close connection among employment, social cohesion and the common democratic principle at the heart of the G7/8, and to the character of the forum as one directly delivered by popularly elected leaders uniquely sensitive to the concerns of their publics. It can also be attributed, with the first generation of leaders, to the memories of the depression and the inflation that had brought Hitler to power and led to the tragedy of the World War Two. These features of the concert equality model of summit co-operation (Kirton and Daniels 1999) are reinforced by the fact that several member countries contributed to building the edifice of embedded ecologism during their years as host.

At the same time, no single country or leader proved to be consistent as a host, either in advancing the consensus or in mounting the two counter-assaults that eroded it for a time. Germany was active in 1985 and 1999, Italy in 1987, and Canada in 1988; yet each failed to maintain the momentum of trade-environment leadership in, respectively, 1992, 1994, and 1995. And the arrival of neither Margaret Thatcher nor Ronald Reagan adequately account for the addition of aggressive trade liberalisation and market-oriented labour principles.

Nor is the prevalence of a common political orientation among Summit leaders a convincing explanation. The major exception is the dominance of socialist and liberal governments in the late 1990s. This, together with the hosting of the 1999 Summit by Germany's red-green coalition, had some impact in generating the Cologne consensus that year.

Crisis, broadly conceived, offers only a limited explanation. The second oil shock of 1979 did contribute to a trade-environment linkage, but the recessions of 1981–82 and 1990–91 did not. Indeed, the first began a move to market-oriented labour policies, and the second a move toward a privileging of trade liberalisation. Most important, the move toward restoring and enriching embedded ecologism as part of the focus on globalisation began in 1996, two years before the 1997–99 global financial crisis struck. And while the Mexican financial/economic meltdown of 1994–95 constituted a crisis for the United States and Canada, it did not for the other members of the G7.

Of more importance is the broader arena of international institutions within which the G7 operates, and the imbalances favouring economics and trade in this domain. In

particular, the analytic work of the OECD (Bernstein 2000) and the operational efforts of the WTO, organisations founded and dominated by the G7, both skewed the work of a G7 with no comparable capacity of its own. Indeed, the failure of the UNCED in 1992 to produce an environmental organisation of comparable stature to that established by the WTO in 1995 fuelled the imbalance of the early and mid 1990s. Even when the WTO's failure to strike a balance that accorded with the G7's carefully constructed principles of embedded ecogism became clear, the presence of the ILO in the broader multilateral community made it easier for the G7 to find a way to restore the desired balance in the social domain.

The causal consequence of institutional imbalance is evident within the G7/8's own structure. Here the weight of the Quadrilateral Trade Ministers forum established in 1981 and meeting several times a year, compared to an environmental ministers forum created in 1992 but institutionalised only in 1994 and meeting only once a year, provided an institutional imbalance from the start. The model of democratic institutionalism has long argued that the presence of strong institutions in the G7/8 system and in the broader multilateral community (under G7/8 control) generates compliance among G7/8 members with their collective G7 commitments (Kirton and Daniels 1999; Kokotsis 1999). This analysis suggests that such G7/8 institutions may well be equally consequential in determining the content of those commitments, and the principles and norms that guide them. Strong G7/8 institutions may be important not only in faithfully implementing G7/8 leaders' concrete commitments, but also in catalysing and constructing them, as well as the broader principles and epistemes on which they rest and those that come to predominate in the international community as a whole.

Explaining the Pattern of Trade and Environment Commitments

The pattern of strong trade but weak environmental commitments at the G7/8 prior to 1996, and the strong move towards equalization since that time, flows from three factors. The advent of the G8 environment ministers forum can help explain the equalization, if with a two year lag. So can the emergence of regional organizations with strong environmental and trade-environment provisions, notably the strengthened European Union and a new North American Free Trade Agreement (Kirton and Maclaren 2002). A third contributor is the growth of civil society organizations in the environmental field who have focused on the G7/8 Summit and process, and a G7/8 system which has incorporated their input and values in ever closer ways (Hajnal 2002). The successful of Greenpeace in generating the illegal logging commitment at Okinawa stands as a clear example of this trend. Within national governments, however, there are no obvious post 1996 moves toward trade-environment integration to help explain the trend.

Explaining the Pattern of Trade and Environment Compliance

In the realm of compliance, institutional imbalances and incoherence at the international and intra-national levels also offer a powerful explanation for the long-prevailing pattern. But they again do not account for the post 1996 move toward environmental equalization. Once again G7/8 ministerial level institution building, the strengthening of environmentally friendly regional organization, and the new contribution of

environmentalist civil society are plausible determinants of the recent move, even as intra-national institutional changes are not.

Yet the data on which individual countries comply with commitments, and the dynamics of defection and bandwagoning offer additional insights into how peer pressure operates, and how over time norms might transnationally diffuse. In the most general terms, the 1975-89 Von Furstenberg and Daniels data offer four alternative explanations for compliance: reciprocity; the independence of domestic institutions dedicated to implementing commitments (even in the absence of a global crisis that galvanizes collective action), electoral politics and uncertainty (Li 2001).

Reciprocity of both a co-operative and a retaliatory sort is important, for there are few instances of free-riding and altruistic behaviour. Co-operative reciprocity depends on information about others compliance behaviour and a consensus on the extent of compliance and non-compliance by other countries. This points to the value of giving the G8 Environment ministers forum, or coalitions of ENGO's and other civil society actors a stronger role in compliance monitoring and assessment.

National bureaucracies with independent powers to implement in non crisis periods is also important. Here the challenge is to endow environment ministries with the legally-grounded prerogatives similar to the sort which trade ministries, finance ministries and central banks have long enjoyed.

Finally divided or coalition governments, or the presence of elections that enhance uncertainty about who one's G8 partners will be, tend to lower compliance. This points to the need to involve parliamentarians and opposition parties more directly in G8 environmental and trade governance as a whole.

The Kokotsis and G8 research Group compliance data, however, cast some doubt on how important independent national institutions, divided/coalition governments, and electoral uncertainty are. For while the first generation of compliance data had the two presidential polities of the US and France grouped together as the lowest compliers, the post 1996 data have the divided United States and coalition government Italy joining top ranked, parliamentary system, majority government Britain and Canada in the top tier.

If comparative cross national data, do not account for the recent pattern, then it is the interactive dynamics of reciprocation, and the cognitive process of consensus formation where analytic attention should rest. In exploring how such consensus is transnationally formed within the G7, the data suggest some important clues. For in the first 1975-1989 period, it was constitutionally and geographically diverse Britain, Canada and Germany who were gathered together in the high complying top tier. In the post 1996 period, similarly, it was Britain, Canada, the United States and Italy that came together in the high complying club. Thus clustering suggests that the relevant transnational networks are sufficiently powerful to transcend institutional/political and geographic barriers. It further suggests they have not yet been sufficiently strong to penetrate the French and Japanese polities and bring them into a compliance-oriented consensus.

Conclusion

While G7/8 has done much since 1975 to develop and entrench an ideology of embedded ecologism, it has long suffered from considerable slippage in translating its new trade-

environment principles and norms into concrete commitments within the G7/8 and securing compliance with these commitments at the national level from its member states. Since the start of its fourth cycle in 1996, however, it has affirmed ever more strongly its embedded ecologist ideals, and seen its pattern of trade and environment commitments and compliance rise to match. These processes appear to be sufficiently powerful to override and penetrate the traditional barrier of international and intranational institutional imbalances, differently constructed national political systems, governing parties and electoral cycles, and geographic regionalism and the international institutions constructed within. They suggest that transnational alliances and learning, grounded in engaged civil society coalitions as much as national governments or international institutions, are important in diffusing the information and creating the consensus that allows co-operative reciprocity and thus high compliance to take place.

References

- Abbott, Kenneth, Robert Keohane, Andrew Moravcsik, et al. (2000). 'The Concept of Legalization'. *International Organization* vol. 54 (Summer), pp. 401–420.
- Baker, Andrew (2000). 'The G-7 as a Global "Ginger Group": Plurilateralism and Four Dimensional Diplomacy'. *Global Governance* vol. 6 (April-June), pp. 165–190.
- Bayne, Nicholas (1999). 'Continuity and Leadership in an Age of Globalisation'. In M. R. Hodges, J. J. Kirton and J. P. Daniels, eds., *The G8's Role in the New Millennium*, pp. 21–44. Ashgate, Aldershot.
- Bergsten, C. Fred and C. Randall Henning (1996). *Global Economic Leadership and the Group of Seven*. Institute for International Economics, Washington DC.
- Bernstein, Steven (2000). 'Ideas, Social Structure, and the Compromise of Liberal Environmentalism'. *European Journal of International Relations* vol. 6, no. 4, pp. 464–512.
- Bernstein, Steven (2001). *The Compromise of Liberal Environmentalism*. Columbia University Press, New York.
- Birdsall, Nancy and Augusta de la Torre (2001). 'Washington Contentious'. *Politica Internazionale* vol. 29 (January-April), pp. 97–104.
- Dallaire, Sébastien (2001). 'Continuity and Change in the Global Monetary Order'. In J. J. Kirton and G. M. von Furstenberg, eds., *New Directions in Global Economic Governance: Managing Globalisation in the Twenty-First Century*, pp. 95–111. Ashgate, Aldershot.
- Dluhosch, Barbara (2001). 'The G7 and the Debt of the Poorest'. In J. J. Kirton, J. P. Daniels and A. Freytag, eds., *Guiding Global Order: G8 Governance in the Twenty-First Century*, pp. 79–92. Ashgate, Aldershot.
- Donges, Juergen and Peter Tillman (2001). 'Challenges for the Global Financial System'. In J. J. Kirton and G. M. von Furstenberg, eds., *New Directions in Global Economic Governance: Managing Globalisation in the Twenty-First Century*, pp. 33–43. Ashgate, Aldershot.
- Freytag, Andreas (2001). 'Internal Macroeconomic Policies and International Governance'. In J. J. Kirton and G. M. von Furstenberg, eds., *New Directions in Global Economic Governance: Managing Globalisation in the Twenty-First Century*,

- pp. 21–32. Ashgate, Aldershot.
- G7 (1975). ‘Declaration of Rambouillet’. 17 November, Rambouillet.
 <www.library.utoronto.ca/g7/summit/1975rambouillet/communique.html> (December 2001).
- G7 (1995). ‘Halifax Summit Communiqué’. 16 June, Halifax.
 <www.library.utoronto.ca/g7/summit/1995halifax/communique/index.html> (December 2001).
- G7 (1996). ‘Economic Communiqué: Making a Success of Globalization for the Benefit of All’. 28 June, Lyon.
 <www.library.utoronto.ca/g7/summit/1996lyon/communique/index.html> (December 2001).
- G7 (1997). ‘Confronting Global Economic and Financial Challenges. Denver Summit Statement by Seven.’ 21 June, Denver.
 <www.g7.utoronto.ca/g7/summit/1997denver/confront.htm> (December 2001).
- G7 (2001). ‘G7 Statement’. 20 July, Genoa.
 <www.g7.utoronto.ca/g7/summit/2001genoa/g7statement.html> (December 2001).
- G8 (1999). ‘G8 Communiqué Köln 1999’. 20 June, Cologne.
 <www.library.utoronto.ca/g7/summit/1999koln/finalcom.htm> (December 2001).
- G8 (2000). ‘G8 Communiqué Okinawa 2000’. 23 July, Okinawa.
 <www.g7.utoronto.ca/g7/summit/2000okinawa/finalcom.htm> (December 2001).
- Gill, Stephen (1999). ‘Structural Changes in Multilateralism: The G-7 Nexus and the Global Crisis’. In M. Schechter, ed., *Innovation in Multilateralism*. St. Martin’s Press, New York.
- Gill, Stephen (2000). ‘The Constitution of Global Capitalism’. Paper presented at the annual convention of the International Studies Association, 15 March. Los Angeles.
- Goldstein, Judith, Miles Kahler, Robert Keohane, et al. (2000a). ‘Introduction: Legalization and World Politics’. *International Organization* vol. 54, no. 3, pp. 385–399.
- Goldstein, Judith, Miles Kahler, Robert Keohane, et al. (2000b). ‘Legalization and World Politics’. *International Organization* vol. 54, no. 3.
- Goldstein, Judith and Lisa Martin (2000). ‘Legalization, Trade Liberalization, and Domestic Politics: A Cautionary Tale’. *International Organization* vol. 54, no. 3, pp. 603–632.
- Hajnal, Peter (2002), ‘Partners of Adversaries? The G7/G8 Encounters Civil Society,’ in John Kirton and Junichi Takase, eds., *New Directions in Global Political Governance: The G8 and International Order in the Twenty-First Century*, Ashgate, Aldershot, forthcoming.
- Hajnal, Peter (1999). *The G7/G8 System: Evolution, Role, and Documentation*. Ashgate, Aldershot.
- Helleiner, Gerald (2001). ‘Markets, Politics, and Globalization: Can the Global Economy Be Civilized?’ *Global Governance* vol. 7, no. 3, pp. 243–263.
- Hodges, Michael R., John J. Kirton, and Joseph P. Daniels, eds. (1999). *The G8’s Role in the New Millennium*. Ashgate, Aldershot.
- Ikenberry, John (1998/99). ‘Institutions, Strategic Restraint, and the Persistence of American Postwar Order’. *International Security* vol. 23, no. Winter, p. 43–78.
- Ikenberry, John (2001). *After Victory: Institutions, Strategic Restraint, and the*

- Rebuilding of Order after Major Wars*. Princeton University Press, Princeton.
- Kaiser, Karl, John J. Kirton, and Joseph P. Daniels, eds. (2000). *Shaping a New International Financial System: Challenges of Governance in a Globalizing World*. Ashgate, Aldershot.
- Kirton, John J. (1999). 'Explaining G8 Effectiveness'. In J. J. Kirton and J. P. Daniels, eds., *The G8's Role in the New Millennium*, pp. 45–68. Ashgate, Aldershot.
- Kirton, John (2002), and Virginia MacLaren, *Linking Trade, Environment and Social Cohesion: NAFTA Experiences, Global Challenges*, Ashgate, Aldershot, 2002.
- Kirton, John, Eleonore Kokotsis and Gina Stephens with Diana Juricevic (2002), "The G8 and Conflict Prevention: Commitment, Compliance and Systemic Contribution," in John Kirton and Radoslava Stefanova. Eds., *Promoting Conflict Prevention and Human Security: G8, United Nations and Global Governance*, Ashgate: Aldershot.
- Kirton, John J. and Joseph P. Daniels (1999). 'The Role of the G8 in the New Millennium'. In M. Hodges, J. J. Kirton and J. P. Daniels, eds., *The G8's Role in the New Millennium*, pp. 3–17. Ashgate, Aldershot.
- Kirton, John J., Joseph P. Daniels, and Andreas Freytag, eds. (2001). *Guiding Global Order: G8 Governance in the Twenty-First Century*. Ashgate, Aldershot.
- Kokotsis, Eleonore (1999). *Keeping International Commitments: Compliance, Credibility, and the G7, 1988–1995*. Garland, New York.
- Kornhauser, William (1966). *The Politics of Mass Society*. Free Press, Glencoe, IL.
- Li, Quan (2001), "Commitment Compliance in G-7 Summit Macroeconomic Policy Coordination," *Political Science Quarterly* 54 (June 2001): 355-378
- Putnam, Robert, Robert Leonardi, and Raffaella Nanetti (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press, Princeton.
- Ruggie, John (1983). 'International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order'. In S. Krasner, ed., *International Regimes*. Cornell University Press, Ithaca.
- Sally, Razeen (2001). 'Looking Askance at Global Governance'. In J. J. Kirton, J. P. Daniels and A. Freytag, eds., *Guiding Global Order: G8 Governance in the Twenty-First Century*, pp. 55–76. Ashgate, Aldershot.
- Smyser, W. R. (1993). 'Goodbye, G-7'. *Washington Quarterly* vol. 16 (Winter), pp. 15–28.
- Thérien, Jean-Philippe and Sébastien Dallaire (1999). 'Nord-Sud: Une Vision Du Monde en Mutation'. *La revue internationale et stratégique* vol. 36, no. Winter 1999–2000, p. 21–35.
- Theuringer, Martin (2001). 'International Macroeconomic Policy Co-Operation in the Era of the Euro'. In J. J. Kirton, J. P. Daniels and A. Freytag, eds., *Guiding Global Order: G8 Governance in the Twenty-First Century*, pp. 173–187. Ashgate, Aldershot.
- von Furstenberg, George M. and Joseph P. Daniels (1991). 'Policy Undertakings by the Seven "Summit" Countries: Ascertaining the Degree of Compliance'. *Carnegie-Rochester Conference Series on Public Policy* vol. 35, pp. 267–308.
- Whyman, William E. (1995). 'We Can't Go on Meeting Like This: Revitalizing the G-7 Process'. *Washington Quarterly* vol. 18 (Summer), pp. 139–165.
- Williamson, John (1990). *The Progress of Policy Reform in Latin America*. Institute for International Economics, Washington DC.

Williamson, John (1993). 'Democracy and the "Washington Consensus"'. *World Development* vol. 21, pp. 1329–1336.