

Explaining Compliance with G8 Financial and Development Commitments: Agency, Institutionalization and Structure

John Kirton

Paper prepared for a panel on “Explaining Compliance with International Economic Commitments across the North-South Divide,” at the Annual Convention of the International Studies Association, San Diego, March 22-25, 2006. The author is most grateful to Nikolai Roudev and Laura Sunderland for data analysis, to Dr. Ella Kokotsis and G8 Research Group members for past coding, and to the Social Sciences and Humanities Research Council of Canada for financial support. Draft of March 20, 2006.

Abstract

Under what conditions do small, select, lightly institutionalized summit-level groups of the rich principal powers, rather than large, multilaterally inclusive, heavily organized, legalized and bureaucratically-driven bodies combining states of the rich north and poor south alike, induce their members to comply with their international financial commitments, and those more broadly related to development? To provide an answer, this paper examines the record of compliance with financial and other critical development related commitments by the members of the Group of Seven and now Eight (G8) summit since its 1975 creation. Particular attention is directed at the compliance record of the most powerful member, the United States. Both realist students of international politics focused on relative capability, and scholars of comparative politics highlighting America’s independent Congress and central bank, would both expect the US to have low compliance whatever the agency, international institutional context, or international system structure might be.

This paper first examines the compliance trend over time, by policy area, and by country and then assesses existing explanations of compliance behaviour. It next assembles new evidence on compliance with G8 financial and development commitments from 1996 to 2005, and finally explains these patterns by focusing on three clusters of causal variables. The first cluster relates to agency – the ways G8 leaders construct commitments at their annual summit by embedding “compliance catalysts” designed to increase compliance. The second relates to institutionalization, notably whether “precommitment,” “recommitment” or “post-affirmation” of essentially the same commitments by all the G7 Finance Ministers at their meetings increase compliance. The third relates to structure, notably the financially related vulnerabilities bred by globalization, and the relative capabilities of major powers in the world.

This analysis focuses on how much freedom agents, through their informal institutions, have to increase compliance and thereby constrain powerful states in a world of far reaching changes in vulnerabilities and capabilities. It concludes that there is some scope for conscious agency and institutionalization in constraining the allegedly unilateralist single superpower or hyper hegemonic US, and inducing it to be a compliant plurilateralist, especially in an age where globalization has bred a common inter-vulnerability that systemic shocks bring home to all.

Introduction

Do the world's major powers keep the international commitments they make? This central question of international relations has long been met with sceptical answers from many fronts. Realist scholars of international relations since Thucydides have argued that in an anarchic international system, where the strong do what they want while the weak do what they must, international institutions and commitments are only instruments through which the strong bind the weak. Liberal institutionalist scholars, especially in their recent "legalization" phrase, argue that international regimes and their principles, norms, rules and decision-making procedures do make an autonomous difference in how relative power relationships are converted into the behaviours of even strong states, particularly when those regimes and their commitments are equipped with high levels of precision, obligation and delegation (POD) (Krasner 1983, Abbott et al. 2000, Ikenberry 2001). However they look at the Group of Seven (G7) and now Eight (G8) Summit of major market democracies as having the lowest levels of POD possible, implying that promises made there are unlikely to become promises kept (Abbott et al. 2000). They thus join a great array of G8 watchers and governors who claim that the G8 is merely a "photo op", a global "hot tub party", or a "country club", and certainly not a *directoire* that makes decisions that its members will subsequently put into effect.

The evidence, however, suggests otherwise. Since its 1975 start, the G7/8's global governance performance has embraced not just the "photo op" function of domestic political management by the leaders for audiences back home, nor the global hot tub party or country club function of deliberation to increase information, transparency, trust and the avoidance of accidental conflicts no one wants. Rather it has extended to the directional function of setting often new principles and norms, the decisional function of collectively creating new rules or commitments; of delivering on these commitments through the national compliance of their members; and of creating new decision-making procedures by developing G8-centred global governance through G8 institutions of their own. Indeed, as Appendices A and B indicate, the number of commitments made at the annual summit has risen from a mere 14 at the first such gathering (among the original six members) in 1975 to 212 at the most recent (among the nine members, including the European Union) in 2005. Equally striking, over these 31 years, members' compliance with these commitments has also risen, both for the group overall and for its most powerful member, the United States.

There thus arises a great puzzle. What explains this rising compliance with commitments crafted in such an informal institution that has no legal charter or secretariat, that meets only once a year, and that contains and was co-founded by a United States thought by many to have become even more hyper-hegemonic and unilateralist in the post cold war, rapidly globalizing, post September 11th world? Despite a wealth of analysis over the past decade and a half, scholars of the G8 have no convincing solution to this puzzle. The founding generation of G8 compliance scholars, George von Furstenberg and Joseph Daniels, offered only causal conjectures rather than conclusions (von Furstenberg 1995, von Furstenberg and Daniels 1991, 1992, Daniels 1993). Ella Kokotsis subsequently offered a "democratic institutionalist" model but it arose only from an analysis of the compliance behaviour of two countries, the US and

Canada, over four issue areas during the eight years from 1988 to 1995 (Kokotsis 1999, Kokotsis and Daniels 1999). Subsequently, the data bank of member compliance with the G7/8's priority commitments from 1996 onward has been analyzed by John Kirton and his colleagues through the "concert equality" model constructed to explain the G8's governance performance overall (Kirton and Kokotsis 2003, 2004, Kirton, Kokotsis and Juricevic 2002, 2003, Kirton et al. 2004). But while the model satisfactorily explains all other measured dimensions of G8 performance, as an explanation of compliance it uniquely fails.

One possible cause of this failure is that the concert equality model concentrates on structural variables from the international system, while extending to international institutional features of the G8, and domestic political forces within the member states. It lacks the individual agency of the G8 leaders at their annual summit. This is an important omission for an international institution that generates commitments not only in the name of the leaders, but also publicly issues and approves them by leaders directly at their annual summit. These commitments are often crafted by leaders, with varying degrees of engagement, in face to face diplomacy during their annual summit itself, as well as by their deliberately named "personal representatives" (or sherpas) during the year before. This particular leader-delivered and directed decision-making procedure is central to an international institution that was created by and for leaders who rejected the highly legalized, hard law, multilateral organizations replete with charters and secretariats that had all failed so spectacularly in the crisis ridden world of 1970-75 (Putnam and Bayne 1987, 1984).

To satisfactorily explain G8 compliance, this paper addresses this "absent agency" omission by constructing and testing a more comprehensive, multilevel model of the causes of G8 compliance than those offered in the past. It begins with agency, examining how the G8 leaders at their annual summit deliberatively craft their commitments in ways that embed "compliance catalysts" designed to improve the chances that the commitment they make will be complied with in the following year. It then explores how a particular institutional characteristic of the G8 – the presence of a ministerial institution – may act in ways to reinforce the leaders' commitments and improve the level of compliance with them as a result. It finally adds system structure – in the form of both vulnerability and capability relationships – to determine if agency and institutional forces act autonomously, or are overwhelmed by system structure, in causing G8 promises made to become G8 promises kept.

The analysis focuses on the field of finance, which most see as the core agenda and *raison d'être* of the G7/8 summit, where a dedicated ministerial institution has operated, even before the start of the summit, and where individual government agents can be expected to make little autonomous difference. This is especially so in the rapidly globalizing world since 1996 where finance outcomes have been left to flourishing market forces while governments have concentrated on the rising terrorist threat. Finance and its related development matters is thus a "hard" test of the importance of agency and institutions in explaining rising G8 compliance since 1996.

This analysis concludes that agency matters, and that institution and structure do too. More specifically, when leaders at their summit embed their finance commitment with a specific timetable to be accomplished by, and with a priority placement in their declaration, greater compliance is likely to arise. Pre-summit year commitment and post-

summit year reaffirmation by G7/8 finance ministers raise compliance, too. But structural changes in vulnerability and capability by themselves do not.

In order to generate these conclusions, this paper first charts the record of rising member compliance with their G7/8 summit commitments from 1975 to 2006, examining the record by year, by country and by issue area. It then explores the results of the existing efforts at explanation of compliance, from Von Furstenberg and Daniels, through Kokotsis, to Kirton. It finally constructs a multilevel model of agency, institutional and structural factors, and tests it against the G7/8's members' compliance with 42 finance-related commitments from 1996-2006. It concludes by identifying important paths for future research and policy change.

1. The Record of Rising G7/8 Compliance with G8 Commitments

From 1975 to 2005, the G7 and now G8 summits have become increasingly effective in constraining the actions of their members, including the most powerful United States, as judged by the record of the members in complying with the major concrete, future-oriented commitments they collectively encode in the annual summit communiqué. Although direct overtime comparisons are difficult to make due to the different conceptions of compliance and methodologies employed, the overall pattern is clear.¹

A. The Initial Record of 1975-1989

The original master study by George von Furstenberg and Joseph Daniels was based on the G7's 209 communiqué-encoded economic and energy commitments from 1975 to 1989. Three findings stand out.²

First, commitments matter, if not very much. As von Furstenberg and Daniels put it "Testing the hypothesis of zero average credibility for all 209 commitments together shows that the undertakings had some predicative content. However, the summit undertakings fall well short of complete or full compliance, with an average score of only .310" (Daniels 1993: 276). However an achievement of +31%, on a scale where -100% is possible, makes Summits worth doing. Still, as Appendices A and B show, there is little trend toward rising compliance over the years. The highest scores came in 1979 (+82%) and in 1987 (+93%) and the lowest in 1988 (-48%).

Second, compliance varies widely by issue-area, as shown in Appendix D. It ranges from +73% for trade to -70% for foreign exchange rates. The classic finance and related development areas are those where the least compliance comes. From an inductive perspective, compliance thus seems to be harmed by the G5 finance ministers forum

¹ In addition to the three major compliance studies discussed herein, assessments of compliance with G8 commitments include Balamoune (2000), Barnes (1994), Buxton (1992), US Climate Action Network (1995), Ikenberry (1988), Labonte and Schrecker (2002, 2004, 2005), Labonte et al. (2002, 2004, in press-a, in press-b), Schrecker and Labonte (in press) and Halifax Initiative (1996).

² In evaluating these findings several points are worth keeping in mind. First, it may take longer than a year to comply, for some kinds of governments, and with some kinds of commitments. Second, some countries might comply in advance. Third, it may be easier for some countries if they get the commitments they want or have already complied with. Fourth, this assumes a decisional summit (per Putnam and Bayne) with hard if fuzzy decisions. On compliance with international commitments in general see Chayes and Chayes 1993, 1995, Chayes and Mitchell 1995, Koremenos 1996.

operating from 1973 to 1986 (when it became the G7) but helped by the advent of the stand-alone trade ministers quadrilateral in 1982.

Third, compliance also varies widely by participating country, as shown too in Appendix D. Britain and Canada lead the list as high compliers, while the US and, especially, France stand at the bottom. Nonetheless, it is striking that the compliance of all country members comes in the positive range. Inductively, two potential causes of compliance variation arise. Realist scholars of international relations would note that the strongest member, the US, complies the second least while the weakest, Canada, complies the second most. Scholars of comparative politics would note alternatively that the Presidential systems of the US and France comply the least and the classic parliamentary systems of Canada and Britain the most.

B. The Rising Record of 1988-1995

The second generation of G7/8 compliance studies come from Ella Kokotsis. She examined the compliance of the US and Canada with G7 leaders' commitments in the areas of the environment (climate change and biodiversity) and development (financial assistance to the former Soviet Union and debt relief of the poorest) between 1988 and 1995. From her analysis, three patterns stand out.

First, she found compliance is generally positive with an overall compliance score of 39.3% (Kokotsis 1999, Kokotsis and Kirton 1997). This is a notable rise from the 31% of the earlier period. Moreover, compliance varied by year through a sharp rising trend within the seven years. The steady rise from -50% in 1989 to +100% in 1995 suggested that the advent of post cold war polarity and early globalization was having a strong compliance inducing effect.

Second, compliance still varied by issue area. There were very high levels of compliance in the area of assistance to the former Soviet Union. High compliance also came in debt relief for the poorest. It was lower in the environmental issue areas of climate change and biodiversity. In a striking reversal of the 1975-89 pattern, compliance in the formerly high energy related area of climate change was low, but in the formerly low area of finance was high. This reversal points to the potential potency of structural shocks – the energy shocks of 1973 and 1979 versus the invisible cumulative onset of climate change, and the surprising dramatic sharp collapse of the USSR. It also implies that an institutional variable – the common purpose of global democratization – may have some causal force.

Third, compliance again varied by country, with Canada at 53% and the US at 34%. This is a particularly high level for Canada, and a sharp rise in US compliance from the previous era. The US rise, and thus convergence at a higher level, in particular strong in the field of finance. Here across both the previously prevailing east-west (the former Soviet Union) and north-south (debt relief) divides, the G7 is now generating commitments that count and constrain the US (of Republican George W. Bush and Democrat Bill Clinton alike).

C. The Rapidly Rising Record of 1996-2005

Evidence for the most recent period since 1996 comes from the University of Toronto's G8 Research Group (see Appendix E). It has assessed, for each of these ten years, the compliance records of the G7/G8 members with the priority commitments identified in the Summit communiqué, using the Kokotsis methodology employed for the 1988-1995 work. Again, three major patterns stand out.

First, the overall annual average compliance scores between 1996 and 2005 have averaged 46.3%. This is higher than the 39.3% from 1988 to 1995, and now arises across all countries and issue areas. Moreover, as Appendices A and B show, all these summits score in the positive range, as they have since 1990. Moreover, there is a twenty first century rise, with all summits since 2000 (save for 2002) coming in above the average (as they had from 1992 to 1995).

Second, compliance has varied widely by issue area. For the 1996-2000 summits together, even before the shock of 9/11, it has been highest in the political security domain at 67% (including traditional east-west relations, terrorism, arms control, regional security and conflict prevention). Then came the core economic sector at 37%, followed by global/transnational issues at 34%. At the bottom comes global governance (focused on reform of the United Nations) at 14%. From 1996 to 2004, in the old field of energy, compliance averaged 52%. From 1998 to 2004, in the newer field of health, it averaged 60%.

Third, from 1996 to 2000, compliance also varies widely by country. Britain continued to lead with 63% and Canada came in second with 53%, preserving the rank order of 1975-89. But the US came in third with 51%, tied with Italy for this position. Japan had 48%. Falling below the G8 overage of 45% (when assessed by country average), came Germany with 43%, France with 35% and Russia with 22%. The subsequent 2001-02 scores, placed incoming host Canada first (82%), followed by Britain and France (with 69%), Germany (59%), Italy (57%), Japan (44%), US (35%), and Russia (11%). However, from 2003 onward, as the US moved into, through and from its hosting role at Sea Island in 2004, US relative compliance scores rose, to stand first in the interim (six months scores) for 2005. This suggests that George W. Bush's allegedly unilateralist, hyper hegemonic America is being constrained by the G8 and the particular institutional force of serving as host. And the tentative evidence suggests this is not because the annual G8 summit commits to whatever the US wants and announces in its State of the Union address at the start of a summit year (Juricevic 2000a, 2000b).

2. Causes of G8 Compliance: The Existing Explanations

What explains this composite pattern of generally rising compliance with G8 commitments since 1989, across all issue areas and countries, including the most powerful United States? None of the existing explanations offer a convincing or even adequate account (see Appendix C).

Von Furstenberg and Daniels offered only conjectures rather than a casual model to interpret their data, but in doing so ruled out the realist favourite of relative capability as a relevant cause. Subsequent analysis of their data set by Quan Li (2001) found that compliance with inflation control commitments were correlated positively with the interstate level variable of reciprocating behaviour (as rationalist scholars of international

relations would predict) and negatively with the domestic level variables of divided/coalition governments and uncertainty.

To interpret her data from 1985 to 1995, and subsequently beyond, Ella Kokotsis offered a democratic institutionalist model (Kokotsis 1995, 1999, 2004, Kokotsis and Kirton 1997, Kirton and Kokotsis 2001). To account for high US and Canadian compliance in the finance field Kokotsis examined one international institutional cause – the strong multilateral organizations of the IMF and World Bank (where both countries are permanent members of an Executive Board collectively controlled by the G7) – and several domestic level factors – strong and G7 focused ministers of finance, and the domestic popularity, political control and personal commitment of democratically elected leaders to the G8 as an institution and the particular commitments it generates. Yet many of these individual causes have been weak even as compliance performance has generally climbed from 1989.

Moreover the democratic institutionalist model was silent on two particularly critical causes. The first, from the realm of individual agency, is how leaders consciously use their existing political capital and personal commitments at the summit to “lock in” their own and other countries’ compliance with those commitments during the subsequent year(s) when their own political popularity/capital and control might evaporate and domestic institutional barriers arise to overwhelm their summertime summit political will. The second, from the realm of international institutions, is how the G8 focus and even interdepartmental intragovernmental power of finance ministries (in an era of intense globalization) is reinforced by their international institutionalization in informal, exclusive, equal clubs of G8 peers, notably the G7/8 finance ministers forum (meeting three or more times a year since 1998), the G7 deputies, and the larger G20 systematically significant countries since 1999 (Kirton 2005a, 2005b). To explain the data generated by the post 1996 data (and that before), Kirton, subsequently supported by his colleagues, has developed and applied a concert equality model, aimed at explaining G8 governance performance overall (Kirton 1989).

As it has evolved since 1989, the model highlights the structural variables of members’ relative vulnerability and capability, the international institutional variables of poor UN-based multilateral organizational performance and the common purpose and constructed participation of the G8 summit, and the domestic-level variables of political capital and control of G8 leaders at home.

It shares the same two basic deficits as the Kokotsis democratic institutionalist model. First, it does not account convincingly or adequately for G8 compliance, either overall or in the trade field where von Furstenberg and Daniels discovered very high compliance from 1975 to 1989 (Kirton 2004).

Second, it ignores how the existence of growth and operation of G8 sub-summit institutions, both overall and in specific fields, serve not just as a part of high G8 governance performance at a single summit but a cause of that performance in subsequent years. Similarly it ignores how leaders mobilize their political capacities at the summit consciously to craft commitments that will bind their and their partners’ polities to comply for a longer time.

3. The Record of Compliance with G8 Finance Commitments, 1996-2005

How and how well do these missing causes of leaders' conscious collective agency at the G8 summit itself, and their creation, acceptance and use of sub-summit level G8 institutions help them secure the collective compliance they presumably want? To answer this question, in the light of the G7/8's generally rising compliance record over its 31-year life, it is useful to focus on the post 1996 finance and related development field, where compliance was very low from 1975 to 1989 but rose sharply from 1988 to 1995.

A. The Record of G8 Compliance with Finance and Related Development Commitments, 1996-2005

To conduct this analysis, a data set of 42 finance-related commitments, for which compliance scores exist, was assembled largely from the G8 Research Group data bank of compliance scores on priority commitments assembled from 1996 to 2005 (see Appendix G). The issue area was defined broadly, as including all commitment where core G7 finance ministers' competences were involved. It thus also embraced (at least some) commitments on exchange rates, macroeconomics, microeconomics, debt relief, development, IFI and UN reform, health, terrorism (for terrorist finance), Africa, economic growth, world economy, crime and drugs (money laundering and FATF) but not trade.³ Several compliance scores were thus assembled for each of the nine years from 1996 to 2004, as follows: 1996 = 6, 1997 = 2, 1998 = 2, 1999 = 4, 2000 = 3, 2001 = 5, 2002 = 4, 2003 = 7, and 2004 = 9. The compliance scores ranged from a low of -100% (for 3) to a high of +100% (for 8) with an overall average for the 42 of 48% (as against an overall average G8 average, across all issue areas for these years of +43%). Over the ten years, the data show a rising trend of 18% from 1996 to 2000, 32% in 2001, and 43% from 2002 to 2004 (perhaps reflecting the conservative effect of the financial and terrorist shocks of 1997 to 2001).

In 2005 at the Gleneagles G8 Summit on July 6-8, a further ten finance commitments were produced (by the same definition) (see Appendix H). Their interim (six month) compliance scores range from 0 (for HIPC debt relief) to +100% for peace in the Middle East. The average interim score for these ten is +42%. Given the ratio between interim (six months) and final (one year) compliance scores for all measured priority commitments from 2002 to 2004 (2002 = +27% to +33, 2003 = 47% to 51%, 2004 = 39% to 55%), the final 2005 score will be an estimated 58% (the interim 2005 score of 47% multiplied by the previous three years' ratio of 1.23). The post 1995 trend toward rising finance compliance should therefore continue for 2005 and thus the most recent tenth year.

To construct the dependant variable of financial compliance in a way that may best capture the concept of conscious compliance, the compliance scores of the 42 finance commitments from 1996 to 2004 were converted into "adjusted compliance" scores that

³ More formally, finance includes all commitments with references to international financial institutions, development, economic growth, official development assistance, debt relief and HIPC, any time money is committed, and any time finance or finance ministers are mentioned.

captured the difference between compliance with an individual finance commitment and the summit's overall priority commitment compliance score for that year. Here it assumed that overall forces cause overall compliance, whereas what is of interest and needs to be isolated here is how conscious finance-focused agency and international institutional behaviour drive compliance with finance commitments above or below that summit's compliance norm. This adjustment highlights the Okinawa 2000 anomaly, for while that summit has very high overall compliance performance, its finance compliance was unusually low. One inductive conjecture for why this may be the case points to the institutionalization of the broader G20 finance ministers forum, which started mobilizing in the fall of 1999 and sprang into life at Montreal in the fall of 2000. Another structural based conjecture from the realm of the new vulnerability is the dot-com based stock market crash that began at the start of 2001.

4. Causes of Compliance with Contemporary G8 Finance Commitments: Agency Assessed

Are these rising and high finance compliance scores caused at all by the conscious action of the agents who write them – the leaders at the summit itself and their personal representatives who work for the previous year to craft them in their leaders' names. Recent work suggests that leaders can enable “compliance catalysts” in their health commitments in ways that lead to the desired higher compliance result over the following year (Kirton and Kokotsis, forthcoming). But beyond the newer G8 field of health, can they do so in the field of finance, where private markets presumably dominate on determining outcomes in the intensely globalizing years since 1996?

To answer this question, each of the 42 finance compliance cases was coded to see if its commitment contained one or more of eight compliance catalysts that G8 leaders at the summit consciously embed into their commitment in order to increase its chances of compliance success (see Appendix I).

Of these eight, a correlation and multiple regression analysis suggests that two have an impact in the desired way. First an estimate of the full unrestricted model showed that setting a timetable for compliance action or completion had a strong positive effect, improving compliance by 0.42 points. An optimal model with only timetable and a control for the 2000 anomaly noted above explained more than 29% of the variation in compliance. Second, priority placement had a strong effect in improving compliance with a significance at the 90% confidence level, but only by 8%.

One further finding deserves comment. In the unrestricted model, the presence of a G8 body had a negative impact on compliance. To be sure, this result disappears when the 2000 anomaly is removed. But it raises the suspicion, long held by sceptics of the institutionalization of the summit, that the creation of sub-summit bodies distracts from G8 summit performance, presumably by allowing leaders to count on someone other than themselves to ensure that their previous public summit promises are actually kept.

5. Causes of Compliance with Contemporary G8 Finance Commitments: International Institutionalization Investigated

Can leaders, or their finance ministers, improve compliance, not by merely creating G8 sub-summit institutions but by actively employing them each year to assist with compliance with the summit commitments the leaders create?

To answer this hitherto empirically unexplored question, each finance commitment was coded to determine if and how often it was repeated by G7/8 finance ministers as a commitment in essentially the same substance in the year surrounding the summit itself (see Appendix J). Three forms of repeated commitment institutional behaviour were coded. The first, recommitment, covers the calendar year within which the summit occurred (usually at the summer mid point). This allows ministers to assist their leaders in that summit's preparation and implementation phase. The second is precommitment, covering the full chronological year prior to the summit during which ministers can take ownership of, ripen and shape, or even create a commitment for the leaders to merely endorse or bless (at times without any conscious action or attention) at the summit itself. The third is post-affirmation, covering the full chronological year after the summit, during which ministers through reaffirmation reinforce the pressures for compliance, ride in to rescue commitments where compliance is in trouble, or politely repeat as a ritual their leader's mantra as a courtesy while they proceed to do their own thing in a fast-changing world.

None of the three appears to have a significant impact on the standard compliance scores. An AIC optimization run did suggest that the more general measure of the number of ministerial documents in the year of and after the summit (noting essentially the same commitment) were slightly significant in improving compliance scores.

However, the move to measure the dependent variable by mean adjusted compliance (with the use of an AIC step-wise optimization) produced several strong results. All six institutional causes, as specific repeated commitments or more general documentary mentions are significant, although both recommitments and re-documents have negative signs. The latter findings suggest that same-year ministerial repetition may have more of a rescue and ritual function than a reinforcement one. The message seems to be that if G8 finance ministers want to boost compliance with their leaders' finance commitments at the summit, they should start to prepare them very early, immediately after the previous summit, and act to complement them very late – compliers of last resort – in the six months before the subsequent summit takes place.

When the agency and institutional causal candidates are considered together, there are several strong results. With adjusted compliance as the dependent variable, and an AIC-based objective step-wise selection to find an optimal composite model (using agency and institutionalization variables together), more than 32% of the variance in financial commitment compliance was explained. In contrast, an optimal agency model explained only 18% of the variance and its institutionalization only equivalent to 20%.

In some combined models, all five regressors (save for the control variables of total catalysts and re-documents) are significant at or above the 95% confidence level. In the realm of agency, the presence of a priority placement catalyst in a finance commitment increases compliance with it, all else equal, by 0.5132 points. While its timetable equivalent does so by 0.6381 points. Institutional causes emerge even more strongly, with

precommitment at 1.74599, post-affirmation at 1.5507 and recommitment at -2.0910 points.

The overall message is clear. To improve compliance with their summit financial commitments, leaders should give them priority placement and set a timetable for their completion, while finance ministers should act supportively the six months before and six months after the summit year, and leave the leaders some time to do their own thing during the summit year itself.

6. Causes of Compliance with Contemporary G8 Finance Commitments: System Structure Surveyed

How well does this message and its supporting evidence survive when changes in the structure of the international system are taken into account? While leaders' conscious action as agents and that of their supporting ministers through their G7/8 institutions seem to control their own delivery destiny partly during the past decade, in doing so are they merely responding unknowingly to more powerful forces from the structure of the international system? And can the leaders at the summit, and their ministers before and after, act amidst alternative structural configurations to advance the compliance they seek?

To address these questions, six structural causal candidates were added to the causal model. Three were for the vulnerability that creates a demand for G8 domestic political management, deliberation, direction-setting and decision-making (commitment), and for delivery (compliance) and the development of G8 governance (institutionalization) as well. They include the "old" intended, targeted state to state vulnerability (Keohane and Nye 1976) and the "new" often unintended, undirected transnational but still deadly and threatening vulnerabilities which the onset of globalization has fuelled (Kirton 1993).

Three variables are for supply-side capability, centred on the realists' reliable concept of relative capability among the major powers. Now the focus is on both overall capability and issue structure (Keohane and Nye 1976). In both cases, in keeping with the concert equality model and evidence of why the G8 succeeds in all but the compliance function, attention is directed at the equalizing of relative capability among individual G8 members and the collective predominance of the G8 collectively relative to the international system as a whole.

To transform the annual variations in vulnerability and capability into commitment specific data, the scores for the chronological year following the summit were assembled for each of the seven structural variables (see Appendix I). The most relevant to each commitment were then selected, and the average score of those selected for each was assembled into a single composite structural score (see Appendix J).

From an analysis of this data, three major conclusions emerge. First a decrease in US relative capability and/or an increase in common G7/8 vulnerability increases precommitment scores. That is, a combination of growing vulnerability of the G8 collectively and/or equalizing capability among members within the G8 inspires G8 finance ministers to precommit in support of their heads. G8 ministers thus act rationally (and presciently) as the first responders in reacting to changes in financial vulnerability

and capability in the world. They do so, statistically, in highly significant and very strong ways.

Second, the same changes in structural vulnerability and capability similarly increase recommitment scores, once more in highly significant and very strong ways. G8 finance ministers thus retain their reinforcing rational first responder role throughout the summit year.

Third and most important the addition of these structural changes does not improve or otherwise affect the main model discussed above. That is, changes in structural vulnerability and capability make no direct difference in increasing compliance. Only agency and institutionalization do that. Structure matters only, if strongly, in spurring precommitment and recommitment. And as seen above, of these only precommitment (along with post-affirmation operating autonomously) directly connects with compliance, and does so in a positive way. Thus compliance is largely endogenous to the G8, driven by agency and institutionalization, and not directly by structural forces in the wider world.

Conclusion

As seen in previous studies, changes in structural vulnerability and capability have a powerful direct effect on driving high G8 performance in the deliberative, direction-setting and decisional domains, just as the concert equality model of G8 governance predicts. But these strong structural forces and the concert equality model uniquely fail in driving the G8 system to deliver on those decisions during the year after they are made. It is now clear why.

The evidence and analysis assembled in this paper show that structural forces at the international level do not directly push the complex, historically embedded political system of G8 members to comply with the commitments the annual summit has produced. Only the individual leaders and finance ministers, in each case acting collectively and consciously, can do that. G8 agency and institutionalization cause compliance, and structural forces matter only in inspiring one of several compliance-creating institutional factors (precommitment) to increase. In short, increasingly vulnerability and internal equality may cause G8 leaders to make promises at their summit. But only they alone, with help from their finance ministers, can transform them into promises kept.

These findings point to a rich agenda for future scholarly research. The first task is to add these agency and institutionalization variables to the concert equality, democratic institutionalism and other models to see if they improve their power in explaining G8 performance across all six functional domains. The second is to explore whether iteration – the leaders own recommitment at successive summits – increases compliance, as some claim (Bayne 1999). A third is to delve deeper into the murky world of sub-summit institutions to see if repeated commitment or other action by G8 official level bodies have the same compliance inducing effect as the ministerial level body does. And the fourth is to see if these findings in the finance field apply to other issue areas, and to the G8's compliance performance overall.

In the meantime, G8 leaders can work, alone and together, to increase their compliance performance through several means. Leaders can inject more priority placement and timetables into their summit finance commitments, rather than shying away from the subject altogether as they have tended to do in recent years. G8 finance ministers can recognize their role as starters and closers, and leave the middle innings spanning the summit year to the leaders themselves. And both leaders and ministers can work together to find better ways to take the structural forces that cause G8 finance ministers to recommit in a reinforcing ways during the summit year, and connect this energy to the leaders crafting commitments at the summit, whose agency alone causes compliance during the summit year. The Birmingham formula of separating finance ministers from their leaders at the summit, and having G7/8 finance ministers meet largely on the margins of the International Monetary Fund and World Bank gatherings, could well require a rethink. It may even be appropriate to welcome the initiative of the Russians in adding a stand-alone G8 finance ministers meeting in early 2006, designed for no other purpose than to prepare the summit itself.

Bibliography

Abbott, K.W., R. Keohane, A. Moravcsik, et al. (2000), 'The Concept of Legalization'. *International Organization* vol. 54, no. 3, pp. 401-420.

Baliamoune, Mina (2000), "Economics of Summitry: An Empirical Assessment of the Economic Effects of Summits," *Empirica* 27: 295-314.

Barnes, James (1994), *Promise, Promises: A Review: G7 Economic Summit Declarations on Environment and Development* (Friends of the Earth: Washington, DC).

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 (Aldershot: Ashgate).

Bergsten, C. Fred and C. Randall Henning (1996), *Global Economic Leadership and the Group of Seven*. (Washington DC: Institute for International Economics).

Buxton, G.V. (1992), "Sustainable Development and the Summit: A Canadian Perspective on Progress". *International Journal*, XLVII, no. 4 (Fall); 776-795.

Chayes, Abram and Antonia Handler Chayes (1995). *The New Sovereignty: Compliance with International Regulatory Agreements*.

Chayes, Abram and Antonia Handler Chayes (1993), "On Compliance," *International Organization* 47 (Spring): 175-205.

Chayes, Abram and Ronald. B. Mitchell (1995), "Improving Compliance with the Climate Change Treaty", in Henry Lee, ed. *Shaping National Responses to Climate Change: A Post-Rio Guide*. Washington DC, Island Press.

Daniels, Joe (1993), *The Meaning and Reliability of Economic Summit Undertakings* (Hamden, CT: Garland Publishing).

G8 Research Group (annual, 1996-), *Compliance Assessment* (www.g8.utoronto.ca).

Halifax Initiative (1996), *First Annual G7 Report Card on Bretton Woods Reform: Report on the Commitments Made by the G7 Leaders at the Halifax Summit, June 1995*. Canadian Coalition for Global Economic Democracy. Ottawa, June 25.

Ikenberry, John (2001), *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton: Princeton University Press).

Ikenberry, John (1988), "Market Solutions for State Problems: The International and Domestic Politics of American Oil Decontrol," *International Organization* 42 (Winter): 151-178.

Juricevic, Diana (2000), "Compliance with G8 Commitments: Ascertaining the degree of compliance With Summit debt and international trade commitments For Canada and the United States 1996-1999", June 24.

Juricevic, Diana (2000), "Controlling for Domestic-Level Commitments: An Analysis of the Authoritative National Commitments Made in Canada and the United States from 1995-2000", November 7.

Keohane, Robert and Joseph Nye (1977), *Power and Interdependence: World Politics in Transition*. (Boston: Little, Brown).

Kirton, John (2005a), "From G7 to G20: Capacity, Leadership and Normative Diffusion in Global Financial Governance," paper prepared for a panel on "Expanding Capacity and Leadership in Global Financial Governance: From G7 to G20," at the International Studies Association Annual Convention, Hawaii, March 2.

Kirton, John (2005b), "Toward Multilateral Reform: The G20's Contribution," in Andrew Cooper, John English and Ramesh Thakur, eds. *Reforming from the Top: A Leaders 20 Summit* (United Nations University Press, Tokyo), pp. 141-168.

Kirton, John (2004), "Explaining G8 Effectiveness: A Concert of Vulnerable Equals in a Globalizing World," Paper prepared for the 45th Annual Convention of the International Studies Association, Montreal, March 17-20.

Kirton, John (1993), 'The Seven Power Summits as a New Security Institution'. In D. Dewitt, D. Haglund and J.J. Kirton, eds, *Building a New Global Order: Emerging Trends in International Security*, pp. 335–357 (Toronto: Oxford University Press).

Kirton, John (1989), 'Contemporary Concert Diplomacy: The Seven-Power Summit and the Management of International Order'. Paper prepared for the annual meeting of the International Studies Association, 29 March–1 April. London. <www.g8.utoronto.ca/scholar/kirton198901>.

Kirton, John and Ella Kokotsis (forthcoming), "Keeping Faith with Africa's Health: Catalyzing G8 Compliance," in John Kirton, Andrew Cooper and Ted Schrecker, eds., *Governing Global Health* (Ashgate: Aldershot).

Kirton, John and Ella Kokotsis (2004), "Keeping Faith with Africa: Assessing Compliance with the G8's Commitments at Kananaskis and Evian," in Princeton Lyman and Robert Browne, eds., *Freedom, Prosperity and Security: The G8 Partnership with Africa* (Council on Foreign Relations: New York).

Kirton, John and Ella Kokotsis (2003), "Producing International Commitments and Compliance without Legalization: G7/8 Performance from 1975 to 2002." Paper prepared

for the Annual Convention of the International Studies Association, Portland, Oregon, March 1.

Kirton, John and Ella Kokotsis (2001), "Compliance with G8 Commitments: The Peace and Security and Conflict Prevention Agenda, Okinawa-Genoa", Paper prepared for the DFAIT's Policy Planning Division in Preparation for the Canadian Presidency of the G8 Foreign Ministers' Process in 2002, for June 26.

Kirton, John, Ella Kokotsis and Diana Juricevic (2003), "G7/G8 Commitments and Their Significance", in John Kirton, Michele Fratianni and Paola Savona, eds. *Governing Global Finance: New Challenges, G7 and IMF Contributions* (Ashgate, Aldershot), pp.227-231.

Kirton, John, Ella Kokotsis and Diana Juricevic (2002), "Okinawa's Promises Kept: The 2001 G8 Compliance Report," in John Kirton and Junichi Takase, eds., *New Directions in Global Political Governance* (Ashgate: Aldershot), pp. 269-280.

Kirton, John, Ella Kokotsis, Gina Stevens with Diana Juricevic (2004), "The G8 and Conflict Prevention: Commitment, Compliance and Systemic Contribution", in *The G8, the United Nations and Conflict Prevention* (Ashgate, Aldershot), pp. 59-84.

Kokotsis, Ella (2004), "Explaining G8 Effectiveness: The Democratic Institutional Model of Compliance with G8 Commitments". Paper prepared for the Annual Convention of the International Studies Association, Montreal, March 18.

Kokotsis, Ella (1995), "Keeping Sustainable Development Commitments: The Recent G7 Record," in John Kirton and Sarah Richardson, eds., *The Halifax Summit, Sustainable Development and International Institutional Reform* (Ottawa: National Round Table on the Environment and the Economy, 1995), pp. 117-133.

Kokotsis, Ella (1999), *Keeping International Commitments: Compliance, Credibility and the G7, 1988-1995* (New York: Garland).

Kokotsis, Ella and Joseph Daniels (1999), "G8 Summits and Compliance," in Michael Hodges and John Kirton, *The G8's Role in the New Millennium* (Ashgate: Aldershot), pp. 75-94.

Kokotsis, Ella and John Kirton (1997), "National Compliance with Environmental Regimes: The Case of the G7, 1988-1995," Paper prepared for the Annual Convention of the International Studies Association, Toronto, March 18-22.

Koremenos, Barbara (1996), "On the Duration and Renegotiation of International Agreements," Paper for the International Studies Association, San Diego, April.

Krasner, Stephen D. (1983), *International Regimes*. (Ithaca, NY: Cornell University Press).

Labonte, Ronald and Ted Schrecker (2005), *The G8, Africa and Global Health: A Platform for Global Health Equity for the 2005 Summit*. London: Nuffield Trust, 28 February <www.nuffieldtrust.org.uk>.

Labonte, Ronald and Ted Schrecker (2004), "Committed to Health for All? How the G7/G8 Rate," *Social Science and Medicine* 59: 1661-1676.

Labonte, Ronald, Ted Schrecker, David Sanders and W. Meeus (2004). *Fatal Indifference: The G8, Africa and Global Health* Cape Town: University of Cape Town Press/IDRC Books, January.

Labonte, Ronald, Ted Schrecker and A. Sen Gupta (in press-a), "A Global Health Equity Agenda for the G8 Summit," *British Medical Journal*.

Labonte, Ronald, Ted Schrecker and D. McCoy (in press-b), "Health and HIV/AIDS: Fine words and fatal indifference" in G. Hubbard and D. Miller, eds., *Arguments Against G8* (London: Pluto Press, in press): 182-197.

Labonte, Ronald, David Sanders and Ted Schrecker (2002). "Health and development: How are the G7/G8 doing?" *Journal of Epidemiology and Community Health* 56(5) (2002): 322-322.

Li, Quan (2001), "Commitment Compliance in G7 Summit Macroeconomic Policy Coordination," *Political Research Quarterly* 54 (June): 355-378.

Schrecker Ted and Ronald Labonte (in press), "What's Politics Got to Do with It? Health, the G8 and the Global Economy" in I. Kawachi and S. Wamala, eds., *Globalisation and Health* (Oxford: Oxford University Press).

Putnam, Robert and Nicholas Bayne, eds. (1987), *Hanging Together: Co-operation and Conflict in the Seven-Power Summit*. 2nd ed. (London: Sage Publications).

Putnam, Robert and Nicholas Bayne (1984), *Hanging Together: Co-operation and Conflict in the Seven-Power Summit*. 1st ed. (Cambridge MA: Harvard University Press).

United States Climate Action Network and Climate Network Europe (1995). *Independent NGO Evaluations of National Plans for Climate Change Mitigation: G7 Countries – Summit Meeting, Halifax, June 1995*. Report coordinated by the United States Climate Action Network and Climate Network Europe.

Von Furstenberg, George (1995), "Accountability and a Metric for Credibility and Compliance," *Journal of Institutional and Theoretical Economics* 151 (June): 304-25.

Von Furstenberg, George and Joseph Daniels (1992), "Can You Trust G7 Promises?" *International Economic Insights* 3 (September/October): 24-27.

Von Furstenberg, George and Joseph Daniels (1992), *Economic Summit Declarations, 1975-1989: Examining the Written Record of International Co-operation*, Princeton Studies in International Finance 72, Princeton, N.J., Department of Economics.

Von Furstenberg, George and Joseph Daniels (1991), "Policy undertakings by the seven "summit" countries: ascertaining the degree of compliance," *Carnegie-Rochester Conference Series of Public Policy* 35: 267-308, North Holland.

Wallace, William (1984), 'Political Issues at the Summits: A New Concert of Powers?' In C. Merlini, ed., *Economic Summits and Western Decisionmaking* (London: St. Martin's Press).

Appendix A: G7/8 Summit Performance, 1975-2005

<i>Year</i>	<i>Bayne Grade</i>	<i>Number of Commitments</i>	<i>Compliance Score</i>
1975	A-	14	+57.1
1976	D	07	+08.9
1977	B-	29	+08.4
1978	A	35	+36.3
1979	B+	34	+82.3
1980	C+	55	+07.6
1981	C	40	+26.6
1982	C	23	+84.0
1983	B	38	-10.9
1984	C-	31	+48.8
1985	E	24	+01.0
1986	B+	39	+58.3
1987	D	53	+93.3
1988	C-	27	-47.8
1989	B+	61	+07.8
1990	D	78	-14.0*
1991	B-	53	00.0*
1992	D	41	+64.0*
1993	C+	29	+75.0*
1994	C	53	100.0*
1995	B+	78	100.0*
1996	B	128	+36.0**
1997	C-	145	+27.0**
1998	B+	073	+45.0**
1999	B+	046	+39.0**
2000	B	105	+80.0**
2001	B+	058	+53.0**
2002	B+	187	+33.0**
2003		206	+51.0%
2004		253	+55.0%
2005		212	+58.0% (est.)

Notes:

Compliance scores are from Von Furstenberg and Daniels for 1975-1989 (on all economic and energy commitments), Kokotsis for 1990-1990-1995 (on four issue sustainable development and Russian assistance areas), and the G8 Research Group for 1996-2002 (on priority commitments across all issue areas)

Compiled by John Kirton, October 1, 2003

Appendix B: The G7/G8 Summit Compliance Record, 1975-2005

Summit Year	Von Furstenberg and Daniels Compliance Scores	Kokotsis Compliance Scores	G8RG Compliance Scores	Amalgamated Compliance Scores
1975	57.1%			57.1%
1976	8.9%			8.9%
1977	8.4%			8.4%
1978	36.3%			36.3%
1979	82.3%			82.3%
1980	7.6%			7.6%
1981	26.6%			26.6%
1982	84.0%			84.0%
1983	-10.9%			-10.9%
1984	48.8%			48.8%
1985	1.0%			1.0%
1986	58.3%			58.3%
1987	93.3%			93.3%
1988	-47.8%			-47.8%
1989	7.8%	-50.0%		-50.0%
1990		-14.0%		-14.0%
1991		0.0%		0.0%
1992		64.0%		64.0%
1993		75.0%		75.0%
1994		100.0%		100.0%
1995		100.0%		100.0%
1996			36.0%	36.0%
1997			13.0%	13.0%
1998			45.0%	45.0%
1999			39.0%	39.0%
2000			80.0%	80.0%
2001			53.0%	53.0%
2002			33.0%	33.0%
2003			51.0%	51.0%
2004			55.0%	55.0%
2005			58.0%	58.0% (est.)
Ave.	30.8%	39.3%	46.3%	38.4%

The above table contains compliance scores from three separate data sets: **1. First and Second Summit Cycles (1975-1981, 1982-1988):** Von Furstenberg and Daniels, "Policy Undertakings by the Seven Summit Countries: Ascertaining the Degree of Compliance." Carnegie-Rochester Conference Series of Public Policy". 35 (1991): 267-308, North Holland. **2. Third Summit Cycle (1989-1995):** Kokotsis, Eleonore, *Keeping International Commitments: Compliance Credibility and the G7, 1988-1995*: Appendix. New York: Garland. **3. Fourth and Fifth Summit Cycles (1996-2002, 2003-):** G8 Research Group. All information is available online at www.g8.utoronto.ca.

Appendix C: Causal Models of G8 Compliance

- A. American Leadership (Putnam and Bayne, 1984, 1987)
 - 1. US assertion of “strong leadership in alignment ... with at least one other major power.” (subjective hegemony) as necessary but not sufficient condition
 - 2. “Reigning ideas and the salient historical lessons as interpreted by leaders in each era.” (policy ideas and spasmodic learning favouring a recognition of shared interests, in response to dramatic evidence of policy failure)
 - 3. The absence of electoral uncertainties and presence of domestic cleavages and alignments in key countries” allowing “a mutually supportive transnational alliance” (domestic politics).

- B. Concert Governance (Kirton 1989, following Wallace 1984)
 - 1. Predominant Capabilities: Collectively dominant and internally equal capabilities;
 - 2. Constricted Participation among only and all major powers;.
 - 3. Common Principles of major power responsibility, market democracy, and rule of law;
 - 4. Political Control by popularly elected politicians leaders;
 - 5. Crisis Pooling: Interdependence and intervulnerability activated by crisis, especially a “second shock.”

- C. False New Consensus (Bergsten and Henning 1996)

Decline during the 1990s due to:

 - 1. False New Consensus. “a growing consensus within the group that changes in global economic conditions make it impossible for them to pursue” previously feasible initiatives;
 - 2. American Decline. “the decline in America’s economic and security clout, which partly stems from the end of the Cold War and with America’s inconsistent policies and inept performance”;
 - 3. Traditional Differences among the members, particularly the US and Germany, on several key issues.

- D. Democratic Institutionalism (Kokotsis 1998, following Ikenberry 1993)
 - 1. Linked Domestic-International Institutions:
 - a. Powerful domestic departments with defined G7 responsibilities;
 - b. Powerful international institutions which G7 members control;
 - 2. G7 Institutionalization:
 - c. Established G7/8 ministerial and official forums;
 - d. An institutionalized summit preparatory and follow-up process;
 - 3. Multilateral Regime Nests;
 - 4. Leader Commitment: Direct involvement by leaders who give priority to the multilateral co-operation, G7 institutions and particular issues;
 - 5. Popular Support:
 - a. High domestic approval for leaders
 - b. Supportive public opinion for the issue.

Appendix D: G7 Compliance, 1975-1989

By issue:

International Trade:	.734
Energy:	.660
Real GNP Growth:	.397
Inflation Multicountry:	.266
Aid and Schedules:	.265
Fiscal Adjustment:	.259
Demand Composition:	.233
Interest Rate:	.221
Inflation Rate:	.221
Foreign Exchange Rate:	-.700

By country:

Britain:	.413
Canada:	.409
Germany:	.346
Italy:	.274
Japan:	.262
USA:	.246
France:	.240

Source: Von Furstenberg and Daniels, 1992

Appendix E: Compliance with G7/8 Commitments Overall and by Issue Area, 1996-2005 (Source: G8 Research Group Compliance Studies)

Issue Area	1996	1997	1998	1999	2000	2001	2002 (interim) final	2003 (interim) final	2004 (interim) final	2005 interim
TOTAL (average <i>n</i>)	+36.1 (19)	+12.8 (6)	+31.8 (6)	+43.5 (6)	+80.8 (12)	+45.9 (9)	(+29.8) +35.8 (13)	(+47.1) 51.0 (12)	(+40.0) +55.0 (18)	47.3 (21)
Economic Issues										
World Economy	-	-	-	-	+0.86	-	-	(+0.13) +0.25	(+0.33) +0.22	-
IFI Reform	+0.29	-	-	-	-	-1.00	-	-	-	-
Exchange Rates	-	-	-	0.00	-	-	-	-	-	-
Macroeconomics	+1.00	-	-	+1.00	-	-	-	-	-	-
Microeconomics	+0.29	-	-	-	-	-	-	-	-	-
Employment	-	+0.38	0.00	-	-	-	-	-	-	-
Aging	-	-	+0.33	-	+0.86	-	-	-	-	-
ICT	+0.57	-	-	-	+1.00	+0.75	-	(+1.00) +0.75	-	-
Trade	+0.29	-	+0.33	-0.25	+1.00	+0.88	(+0.14) -0.13	(-0.25) -0.38	(+0.22) +0.56	+0.11
Africa: Trade										+0.67
LDC: Trade										+0.33
Agricultural Trade	-	-	-	-	-	-	(0.00) +0.13	-	-	-
Trade Doha	-	-	-	-	-	-	-	-	(+1.00) +0.88	-
Dev't (General/ ODA)	0.00	0.00	-	-	-	0.00	(+0.50) +0.50	(+0.88) +0.88	(-1.00) -1.00	+0.22
Debt/ HIPC	-	-	0.00	+0.86	-	+1.00	(-0.50) +0.25	(0.00) +0.38	(+1.00) +1.00	0.00
Africa: Growth										+0.22
Education	-	-	-	-	-	+0.58	(n/a) +0.63	-	-	+0.56
Global Transnational Issues										
Energy	-	-	-	-	-	-	-	(0.00) +0.75	(+0.89) +0.78	+1.00
Environment	+0.14	+0.50	+1.00	-	-	+0.17	(0.00) +0.57	(+0.38) +0.50	(0.00) +1.00	+1.00
Water	-	-	-	-	-	-	(+0.50) +0.57	-	-	-
Tsunami										+0.67
Biotech	-	-	-	-	+0.75	-	-	-	-	-
Human Genome	-	-	-	-	+0.80	-	-	-	-	-
Health (General)	-	-	-	-	+1.00	+0.75	(+0.25) n/a	-	-	-
HIV/AIDS	-	-	-	-	-	-	-	(+0.88) +0.88	(+0.33) +0.56	+0.22
Polio	-	-	-	-	-	-	-	-	(0.00) +0.44	+0.44
Cultural Diversity	-	-	-	-	+0.63	-	-	-	-	-
Nuclear Safety	+0.29	-	-	-	-	-	-	-	-	-
Crime & Drugs	+0.43	0.00	+0.25	0.00	+0.88	-	(+0.25) +0.25	-	(0.00) +0.11	+0.11
Terrorist Financing	-	-	-	-	-	-	-	(+0.25) -0.50	(-0.11) +0.44	-
Political / Security Issues										
East/West Relations	+0.86	-	-	-	-	-	-	-	-	-
Terrorism	+0.71	-	-	+1.00	+0.40	+1.00	(+1.00) +1.00	(+1.00) +1.00	-	+0.89
Arms Control	+0.29	-	-	-	+0.88	-	(+0.63) +0.25	-	-	-
Landmines	+0.71	+0.75	-	-	-	-	-	-	-	-
Human Rights	+0.71	-	-	-	-	-	-	-	-	-
Transport Security	-	-	-	-	-	-	-	(+0.38) +0.63	(+0.11) 0.00	+0.56
WMD	-	-	-	-	-	-	-	(+1.00) +1.00	(+0.78) +0.78	+0.44
Regional Security										
Asia	-0.43	-	-	-	-	-	-	-	-	-
Europe	+0.86	-	-	-	-	-	-	-	-	-
Middle East	-0.43	-	-	-	-	-	-	-	(+1.00) +1.00	+1.00
Iraq	-	-	-	-	-	-	-	-	(0.78) +0.89	+0.25
Russia	-	-0.86	-	-	-	-	-	-	-	-
Conflict Prevention	-	-	-	-	+0.63	-	(+0.60) +0.38	-	(+0.78) +0.89	+0.89
Food Security	-	-	-	-	-	-	-	-	(+0.67) +0.67	-
Peace-building/keeping	-	-	-	-	-	-	-	-	(+0.44) +0.67	+0.44
UN Reform I (\$)	+0.14	-	-	-	-	-	-	-	-	-
UN Reform II (dev't agenda)	+0.14	-	-	-	-	-	-	-	-	-
Good Gov (Africa)	-	-	-	-	-	-	(+0.50) +0.25	-	-	-0.11
Peer Review (Africa)	-	-	-	-	-	-	(0.00) 0.00	-	-	-

Appendix F: Compliance with G7/8 Commitments by Country, 1996-2005

	1996	1997	1998	1999	2000	2001	2002 (interim) final	2003 (interim) final	2004 (interim) final	2005 (interim)
France	+0.26	0.00	+0.25	+0.34	+0.92	+0.69	(+0.38) +0.64	(+0.50) +0.75	(+0.39) +0.50	(+0.48)
US	+0.42	+0.33	+0.60	+0.50	+0.67	+0.35	(+0.25) +0.36	(+0.50) +0.50	(+0.44) +0.72	(+0.71)
UK	+0.42	+0.50	+0.75	+0.50	+1.00	+0.69	(+0.42) +0.55	(+0.58) +0.50	(+0.50) +0.67	(+0.67)
Germany	+0.58	+0.17	+0.25	+0.17	+1.00	+0.59	(+0.08) +0.18	(+0.42) +0.50	(+0.50) +0.67	(+0.33)
Japan	+0.21	+0.33	+0.20	+0.67	+0.82	+0.44	(+0.10) +0.18	(+0.42) +0.42	(+0.33) +0.39	(+0.52)
Italy	+0.16	-0.50	+0.67	+0.34	+0.89	+0.57	(0.00) -0.11	(+0.38) +0.25	(+0.39) +0.44	(+0.43)
Canada	+0.47	+0.17	+0.50	+0.67	+0.83	+0.82	(+0.77) +0.82	(+0.58) +0.83	(+0.50) +0.72	(+0.52)
Russia	n/a	0.00	+0.34	+0.17	+0.14	+0.11	(+0.14) 0.00	(+0.42) +0.33	(0.00) +0.06	(-0.14)
EU	n/a	n/a	n/a	+0.17	n/a	n/a	n/a	n/a	(+0.44) +0.72	(+0.75)
Average	+0.36	+0.13	+0.45	+0.39	+0.80	+0.53	(+0.27) +0.33	(+0.47) +0.51	(+0.39) +0.55	(+0.47)

(Source: G8 Research Group Compliance Studies)

Appendix G: Finance Scores, 1996-2004: Compliance-Generating Precursors and Commitments Coding, n=42

<i>Comm't</i>	<i>Issue Area</i>	<i>Issue</i>	<i>Priority Placement</i>	<i>Target</i>	<i>Time-table</i>	<i>Remit Mandate</i>	<i>Money</i>	<i>Agent</i>	<i>G8-Centered Body</i>	<i>Int'l Institution</i>	<i>TTL</i>	<i>Score</i>
1996-1/2	Macro-economics	Macro-economics	I	-	-	-	-	-	-	-	1	+1.00
1996-35/36	Micro-economics	Micro-economics	D	-	-	-	-	-	-	-	1	+0.29
1996-39	Development	ODA	-	-	-	-	-	-	-	-	0	0.00
1996-48	IFI Reform	UNCTAD	I	-	-	-	-	-	-	C (d/g)	2	+0.29
1996-70	UN Reform I	\$ Obligations	I	-	-	-	-	-	-	B (d/g)	2	+0.14
1996-116/117	UN Reform II	Dev't Agenda	-	-	-	-	-	yes	-	C (d/g)	2	+0.14
1997-55	Development	Africa	D	-	-	-	-	C (d/g)	-	-	2	0.00
1997-S146	Micro-economics	Employment	-	-	-	-	-	-	-	-	0	+0.38
1998-20	Debt	HIPC	-	-	-	-	-	yes	-	D (d/g)	2	0.00
1998-42/47	Micro-economics	Employment	D	-	-	-	-	-	-	B (d/g), D (d/g)	2	0.00
1999-1/2	Debt	HIPC	-	(d)	-	-	-	yes	-	-	2	+0.86
1999-S53	Macro-economics	Macro-economics	-	-	-	-	-	-	-	-	0	+1.00
1999-S54	Exchange Rate	Exchange Rate	-	-	-	-	-	-	-	-	0	0.00
1999-S55	Crime & Drugs	FATF	-	-	-	-	-	-	B (d/g), C (d/g)	-	1	0.00
2000-31	Debt	HIPC	-	-	-	-	-	yes	B (d/g)	-	2	0.00
2000-32/33	Debt	Decision Points	-	(d)	D (d)	-	-	yes	yes	-	4	-1.00
2000-34	Debt	HIPC	-	-	-	-	-	-	-	-	0	0.00
2001-5/6	IFI Reform	IFI Reform	-	-	-	-	-	yes	B (d/g)	-	2	-1.00
2001-9	Debt	HIPC	-	(d)	-	-	-	-	-	-	1	+1.00
2001-26	Health	Global Fund	-	-	D (d/g), 6 months	-	(d) \$1.3 B	-	A (d/g)	A (d/g)	4	+0.75
2001-S59	Terrorism	Terrorism	-	-	-	-	-	yes	-	-	1	+1.00
2001-S60	Environment	GEF	(i)	-	-	-	-	-	D (d/g)	-	2	-0.13
2002-10	Africa	ODA	D	yes	-	-	-	-	-	-	2	+0.50
2002-11	Health	Polio	Yes	yes	yes	-	-	-	-	-	3	0.00
2002-69	Economic Growth	Agricultural Trade	D	-	-	-	-	-	-	-	1	+0.13
2002-90	Debt	HIPC	D	-	-	-	(d) \$1 B	-	yes	-	3	+0.25
2003-5	World Economy	World Economy	D	-	-	-	-	-	-	-	1	+0.25
2003-10	Health	Global Fund	D	-	A (d/g), 1 month	-	-	yes	D (d/g)	-	4	+0.88
2003-13	Health	Polio	yes	Yes	A (2 years)	-	-	-	-	-	3	+1.00
2003-15	Development	ODA	D	-	A (d/g), 4 months	-	-	yes	B (d/g), C (d/g)	-	4	+0.88
2003-16	Debt	HIPC	D	-	A (d/g), 4 months	-	-	yes	-	-	3	+0.38
2003-36	Crime & Drugs	Finance	(d)	-	-	-	-	-	-	B (d/g)	2	-0.50
2003-150	Terrorism	Finance	D	-	A (d/g), 1 month	-	-	-	A (d/g)	D (d/g)	4	+1.00

2004(1)-3-4	Development	Doha	D	-	yes	-	-	yes	-	-	3	+1.00	
2004(2)-30	Development	Private Entrepreneur	-	-	-	-	-	yes	yes		2	-1.00	
2004(7)-1	Africa	Darfur	D	-	-	-	-	-	-	-	1	+0.88	
2004(11)-3	Health	Polio	D	-	A (d), 12 months	-	-	C (d/g)	-	-	3	+0.44	
2004(12)-5/6/7/8/9/10/11	Crime & Drugs	Finance	-	-	yes	-	-	yes	A (d/g)	-	3	+0.11	
2004(12)-16	Crime & Drugs	Finance	I	-	-	-	-	C (d/g)	-	B (d/g)	3	+0.44	
2004(13)-1/2/3	Debt	HIPC	D	yes	Yes			Yes	yes	-	5	+1.00	
2004(14)-24	Africa	Famine and Food Security	D	-	-	-	-	C (d/g)	-	-	2	+0.67	
2004(S)-1	World Economy	World Economy	D	-	-	-	-	-	-	-	1	+0.22	
TOTAL				25/42	07/42	12/42	00/42	02/42	18/42	13/42	09/42	86	
Average				60%	17%	29%	00%	05%	43%	31%	21%	02	

Definition: Finance as an issue-area within the G8 includes all commitments with references to international financial institutions, development, economic growth, official development aid, debt relief and HIPC, any time money is committed, and any time finance is mentioned, or finance ministers are mentioned. Finance does not include trade, but does include the above aspects of trade, like trade for development or trade for economic growth.

Appendix H: Interim Finance Scores, 2005: Compliance-Generating Precursors and Commitment Coding, n=10

<i>Comm't</i>	<i>Issue Area</i>	<i>Issue</i>	<i>Priority Placement</i>	<i>Target</i>	<i>Time-table</i>	<i>Remit Mandate</i>	<i>Money</i>	<i>Agent</i>	<i>G8-Centered Body</i>	<i>Int'l Institution</i>	<i>TTL</i>	<i>Interim Score</i>
2005(1)-3	Peace	Africa	Yes	-	-	-	-	-	-	-	1	0.44
2005(3)-42	Health	HIV/AIDS	Yes	Yes	-	-	-	Yes	Yes	Yes	5	0.22
2005(3)-44	Health	Polio	Yes	Yes	Yes	-	Yes	-	-	Yes	5	0.44
2005(1)-12	Debt	Africa	Yes	Yes	-	-	-	Yes	-	-	3	0.00
2005(1)-8	ODA	Africa	Yes	Yes	Yes	-	Yes	-	-	Yes	5	0.22
2005(3)-36	Education	Africa	Yes	-	-	-	-	-	-	Yes	2	0.56
2005(1)-6	Trade	Africa	Yes	-	-	-	-	-	-	-	1	0.67
2005(7)-1	Peace	Middle East	-	-	Yes	-	Yes	Yes	-	-	3	1.00
2005(9)-2	Debt	Iraq	-	Yes	-	-	-	-	-	Yes	2	0.25
2005(8)-11	Non-proliferation	Global Partnership	-	-	Yes	-	Yes	-	Yes	-	3	0.44

Appendix I: The Integrated Model of Agency, Institutionalization and Structure

A. Agency: Compliance Catalysts

1. Priority placement
2. Target
3. Timetable
4. Remit mandate
5. Money mobilized
6. Agent
7. G8 body
8. International institution

B. Institutionalization

1. Presence of G7-Centred Ministerial Bodies
e.g. (G5?) G7/8 finance ministers, G20) number by year (0, 1, 2, 3)
does it exist that year
2. Meetings of the G7/8 Finance Ministers
annual total of meetings
how many times do they meet that year
3. Outside Participation in G7-centred Finance Ministerial Bodies
4. Presence of G7/8 Centred Official Level Bodies
e.g., FATF 1989-
5. Recommitment by G7/8 Finance Ministers
in the calendar year summit took place
6. Precommitment by G7/8 Finance Ministers
in the 12 months prior to the summit
7. Reaffirmation by G7/8 Finance Ministers
in the 12 months after the summit

Structure

Vulnerabilities

1. Percent change in price of Brent Crude Oil barrel (London)
2. Percent change in price of gold (London)
3. Percent change in global stock markets index
4. Average annual change in G7 economic confidence indicators

Capabilities

5. Average G7 real GDP growth
6. US real GDP growth minus average G7 GDP growth
7. Average appreciation of USD vs. other G7 currencies

Appendix J: G7/8 Finance Commitments and Ministerial Recommitments, 1996-2004

<i>Comm't</i>	<i>Issue Area</i>	<i>Issue</i>	<i>Re-commitment</i>	<i>Pre-commitment</i>	<i>Post-affirmation</i>
1996-1/2	Macro-economics	Macro-economics	1:1	2:2	0:2
1996-35/36	Micro-economics	Micro-economics	1:1	2:2	0:2
1996-39	Development	ODA	0:1	0:2	0:2
1996-48	IFI Reform	UNCTAD	0:1	0:2	0:2
1996-70	UN Reform I	\$ Obligations	0:1	0:2	0:2
1996-116/117	UN Reform II	Dev't Agenda	0:1	0:2	0:2
1997-55	Development	Africa	0:4	0:2	1:6
1997-S146	Micro-economics	Employment	1:4	0:2	1:6
1998-20	Debt	HIPC	5:9	4:6	4:7
1998-42/47	Micro-economics	Employment	1:9	1:6	0:7
1999-1/2	Debt	HIPC	4:5	3:6	4:5
1999-S53	Macro-economics	Macro-economics	4:5	4:6	3:5
1999-S54	Exchange Rate	Exchange Rate / fin'l stability	4:5	5:6	2:5
1999-S55	Crime & Drugs	FATF	4:5	3:6	4:5
2000-31	Debt	HIPC	2:7	0:5	3:6
2000-32/33	Debt	Decision Points	4:7	2:5	1:6
2000-34	Debt	HIPC	1:7	0:5	0:6
2001-5/6	IFS Reform	IFS Reform	1:9	1:5	0:8
2001-9	Debt	HIPC	2:9	3:5	0:8
2001-26	Health	Global Fund	1:9	1:5	0:8
2001-S59	Terrorism	Terrorism	2:9	0:5	5:8
2001-S60	Environment	GEF	0:9	0:5	0:8
2002-10	Africa	ODA	4:5	3:8	3:5
2002-11	Health	Polio	0:5	0:8	0:5
2002-69	Economic Growth	Agricultural Trade	0:5	0:8	0:5
2002-90	Debt	HIPC	2:5	1:8	3:5
2003-5	World Economy	World Economy	2:5	2:5	0:7
2003-10	Health	Global Fund	2:5	2:5	0:7
2003-13	Health	Polio	0:5	0:5	0:7
2003-15	Development	ODA	0:5	0:5	0:7
2003-16	Debt	HIPC	2:5	1:5	1:7
2003-36	Crime & Drugs	Finance	3:5	2:5	3:7
2003-150	Terrorism	Finance	0:5	0:5	0:7
2004(1)-3-4	Development	Doha	4:8	4:7	5:10
2004(2)-30	Development	Private Entrepreneur	0:8	0:7	0:10
2004(7)-1	Africa	Darfur	0:8	0:7	0:10
2004(11)-3	Health	Polio	0:8	0:7	0:10
2004(12)-5/6/7/8/9/10/11	Crime & Drugs	Finance	0:8	0:7	0:10
2004(12)-16	Crime & Drugs	Finance	0:8	0:7	0:10
2004(13)-1/2/3	Debt	HIPC	1:8	1:7	2:10
2004(14)-24	Africa	Famine and Food Security	0:8	0:7	0:10
2004(S)-1	World Economy	World Economy	6:8	5:7	3:10
2005(1)-3	Africa	Peacekeeping	0:12	0:10	n/a
2005(3)-42	Health	HIV/AIDS	2:12	2:10	n/a
2005(3)-44	Health	Polio	0:12	0:10	n/a
2005(1)-12	Debt	Africa	6:12	3:10	n/a
2005(1)-8	Africa	ODA	3:12	2:10	n/a
2005(3)-36	Africa	Education	0:12	0:10	n/a
2005(1)-6	Africa	Trade	3:12	1:10	n/a
2005(7)-1	Middle East	Peace Process	0:12	0:10	n/a
2005(9)-2	Debt	Iraq	0:12	1:10	n/a
2005(8)-11	Non-proliferation	Global Partnership	0:12	0:10	n/a

Appendix K: Structural Variables (Standardized Annual Change)

