



# Policy Brief

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## Overview

This document is based on a forthcoming book that examines the feasibility of creating an institution known as the “L20”, a summit of twenty world leaders whose objective would be to break the international deadlock over some of the most pressing problems facing the world. In a climate of despondency over the achievements of existing global institutions such as the G7/8, the United Nations, the World Bank and others in dealing with these major issues—which include terrorism, HIV/AIDS, globalization and the “global apartheid” between the developed North and the developing South—this document asks what is new and unique about the L20 that might enable it to make the breakthrough where others are deemed to have failed. Is the L20 destined to be the defining institution of the 21st century, or is it doomed to remain merely an idea?

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## *Reforming from the Top: A Leaders’ 20 Summit*

**F**EW SCHOLARS AND PRACTITIONERS OF INTERNATIONAL relations claim that the current international system is working well. Whether the issue is the nexus between international terrorism and weapons of mass destruction, the growing gap in wealth between the developed and developing worlds, HIV/AIDS, or the management of water, existing institutions do not seem to be up to the task of providing meaningful and timely solutions to these and other problems.

Some say the answer is to reform existing institutions—the United Nations, the G7/8, the World Bank, the International Monetary Fund, to name a few—from within. But this is easier said than done: change, however small, can falter in the face of cumbersome and indifferent bureaucracies, unrealistic expectations and even outright political resistance. Others, most notably Prime Minister Paul Martin of Canada, believe that the time has now come for the international community to explore new possibilities: to devise and create new multilateral institutions that reflect current political and economic realities, not those of the postwar era.

One option is to create a Leaders’ Summit of 20 (L20) that draws its inspiration from both the current G7/8 leaders’ meetings and the G20 finance ministers’ meetings. The purpose of such an organization would be to bring together the leaders of key states in the hope that an informal meeting of peers might lead to resolutions of issues over which deadlock has thus far been the norm.

International institutions and organizations help countries to collaborate in the pursuit of shared goals and to minimize baleful consequences of any clash of interests. If their membership is very large, they can become unwieldy forums for making collective decisions. If the membership is too exclusive, however, they will risk being highly unrepresentative of the broader community. If they are highly formalized inter-governmental organizations, they can lead to political posturing and grandstanding. The L20 would be small enough in the number of member countries to permit informal and highly personalized relations, yet encompass 80 percent of the world’s population and 90 percent of its economic activity.

But caution is warranted. While the immediate appeal of an L20 is that its creation would represent, in certain respects, a clean break from past practices, there are pressing questions that must be answered if it is to have any chance of making the leap from an interesting idea to a relevant multilateral body. The two biggest

are: what issues might it attempt to tackle, and which states should be present at the table? And there are no obvious answers. Other important questions stemming from these two concerns are: what ‘carrots’ must be dangled in front of potentially reluctant participants, such as the United States, and even China and Russia? What sort of relationship would the L20 have with existing international institutions? Would the L20 have any legitimacy with states left on the outside looking in? Would certain members be expected to represent whole regions or continents, and would this be a fair expectation? Should civil society be invited to participate? The list goes on.

Drs. John English, Ramesh Thakur and Andrew Cooper have sought to answer these and other questions in their third edited collection of essays, *Reforming from the Top: A Leaders’ 20 Summit*, a companion piece to *Enhancing Global Governance: Towards a New Diplomacy?* (2002, UNUP) and *International Commissions and the Power of Ideas* (2005, UNUP). The purpose of the book is to determine whether the L20 is a feasible option for the international community, and if so, why, how, who and when? The essays offer a mix of thematic and geographic arguments. Most of the chapters examine the rationale behind the idea of the L20, setting it in the context of the larger need to reform global economic and financial systems. Other chapters look at the L20 through the lens of specific states likely to be involved if such an organization ever comes into being, namely Japan, India, China, Brazil, South Africa, and Egypt. The book concludes with a discussion of the changing nature of relationships in a globalized world, and makes the case for why an L20 could be the ideal body to facilitate the work of existing networks that

operate in the realm of global governance.

Academics are not the only ones who stand to benefit from this book: so too do policy makers and practitioners. For those who already are, or may one day be, responsible for creating the L20 and making sure that it succeeds, *Reforming from the Top: A Leaders’ 20 Summit* offers a blueprint for moving forward. At the very least, it sheds light both on the magnitude and the subtle complexities of bringing about a new multilateral forum. But more than this, the book offers a source of new energy to an international system that seems increasingly in need of a jump start. Innovative yet not a radical departure from the past, the L20 might one day become the defining global institution of the 21st century.

### **Globalized World that Needs Reshaping**

The architecture of global governance is sometimes seen to disenfranchise the poor. Including leaders of the major developing economies would enhance the legitimacy of institutions charged with managing the stewardship of the global economy. Globalization brings many benefits but also poses some risks. It has created losers as well as winners, and the fear of losing out has generated anxiety among sections of the world community. The L20 would provide a forum for such unease and anxiety to be explained directly to the leaders of the most powerful countries in human terms rather than through dry statistics.

All the contributors agree that the international community needs to do a better job of buffering the negative aspects of globalization, particularly in the developing world. Indeed, many are quite blunt in their assessment of the current shortcomings of the international economic system—and

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with good reason. Taylor refers to the current state of world trade as a “global apartheid”, a phrase coined by South African President Thabo Mbeki to describe the huge disparities in wealth between the North and South; Smith and Carin talk about the need to “shape” globalization so that its rewards are distributed more equitably around the world; Bradford argues that given the “chronic instability of the world economy” better management is required; Gurria laments the fact that “the different fora that deal with glo-

the highest political levels”. Whether the issue involves agricultural subsidies, climate change or development finance, the cost of inaction is simply too high for the world’s leaders not to become involved.

Moreover, ministers are in charge of specific departments and sectors of government activity. Only heads of governments can weigh apples against oranges, make the leaps of faith that are sometimes required to break a negotiating impasse and sell the resulting outcome to a lukewarm electorate.

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balization [OECD, APEC, IMF and the World Bank] are not working”, and nor are the Doha round and FTAA negotiations; Alagh, writing about the failed Cancun talks, calls for the creation of an “early warning system” that would expose—and ideally ease—trade disputes before they swelled into full-blown deadlock. Whatever the context, the consensus is that the current system is flawed—and perhaps even unsustainable.

### Leave the Big Picture to the Leaders

Leaders occupy a unique vantage point in any system of government: while they rarely have the technical skill of ministers or bureaucrats, they have a clear view of the big picture. As Cooper and English note, leaders have the advantage of being able to approach issues in a way that their ministers and officials cannot, “whatever their own level of political acumen and technical skill”. Alagh is more blunt, asserting that certain issues require “attention at

### Feeling Threatened by the New Kid on the Block?

Undoubtedly, the creation of an L20 would have implications for existing international institutions. As the “new kid on the block”, it would inevitably alter the dynamics of the “global neighbourhood”. Of course, some institutions would be affected more directly than others. The questions are, which ones and how? Cooper and English believe that an L20 would enhance the United Nations rather than weaken it. They suggest that, as an informal meeting of world leaders, an L20 would be well-positioned to set the international agenda, resolve disputes, pledge funds and monitor progress on issues of common concern, but it would do so without undermining the UN’s place as the sole international institution with the authority “to make decisions for the rest of the world”. Similarly, in the realm of international finance, Higgott suggests that an L20 might gain an instant legitimacy with the developing

world if it became the forum to which the Bretton Woods institutions and the WTO had to answer. Slaughter goes even further: given the calls for reform at all of these institutions, the time has come, she suggests, for the creation of a formal L20 caucus that would operate within all the above-mentioned international bodies.

Opinion about the L20's relationship with the G7/8 is more varied. Smith and Carin argue that the latter would eventually disappear, being replaced completely by the former. Gurria disagrees: for him the G7/8 performs a unique function,

Still, a note of caution is in order. If the purpose of the L20 is to sell the values of the North to its members from the South, then nations such as China will have little use for the organization. As Yongding points out, China is relatively new to the game of multilateral diplomacy: its preference is to work within existing institutions such as the UN, IMF, World Bank and WTO. For him, the value of an L20 is that developing nations will have a greater presence at the table—but little else, at least initially. To expect more than this, he warns, would be “premature”.

The most innovative aspect of the L20 proposal is that membership would consist of an equal number of voices from developed North and developing South.

as do the G24, G77 and G110 plus. While the L20 is appealing in that it brings leaders from the North and South together, little is gained, Gurria believes, by dissolving the G7/8, especially if its members decide it will be worthwhile meeting up before the L20 convenes. However, Sennes and de Freitas Barbosa are sceptical about any arrangement in which the L20 is relegated to the status of “second site of negotiation” for the G7/8. Interestingly, Kirton is less wary of this prospect, believing that the L20 has the potential to advance “the core G8 principles of open democracy, individual liberty and social advancement, under a steady succession of shocks to these values that the G8 and other institutions cannot eliminate on their own”. He continues: “The time is thus ripe for a leaders’ level G20 to be born, as an outward looking G8 reinforcement, in the specific form that plays to these particular strengths.”

#### **A Futuristic Bridge between North and South**

Perhaps the most innovative aspect of the L20 proposal is that its limited membership would consist of a relatively equal number of voices from both the developed North and the developing South. For Gurria, there is an intrinsic value in establishing a forum for dialogue between the two, even if discussion is the only significant outcome. Others agree. Higgott notes that there is currently little convergence between the aims and ambitions of the North and South. In recent years the North has become focused on issues of international “disorder, misrule and the new security challenges”; the South, particularly after the U.S.-led invasion of Iraq in 2003, has become increasingly anxious about “national and cultural humiliation—along with a lack of ability to influence the course of events in international affairs (both

economic and political)". Given its balanced membership and informal structure, the L20 may in time become the international body that is best suited to bridging this divide. Bradford argues that it is in the G7/8's long-term best interests to broaden the membership to key nations in the South. In fact, he suggests that the G7/8 may have little choice but to do so. If contemporary demographic trends follow their projected course, the percentage of the world's population living in the industrialized North will continue to decline. Accompanying this decline will be new pressures on the global economic system, meaning that there will be a huge need for multilateral institutions that are properly equipped to deal with these emerging challenges. As such, replacing the G7/8 with the L20 may go a long way towards "anticipating the future".

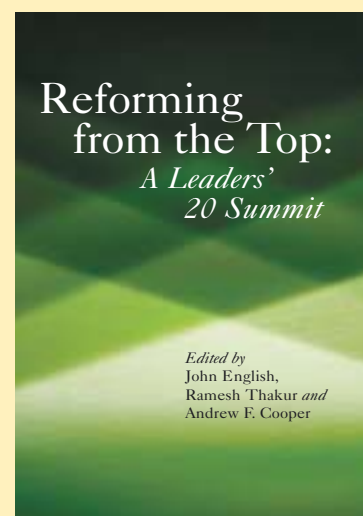
### The Last Word in Global Networking

In a world that is becoming increasingly globalized, Bradford notes that different problems require different solutions that must reflect the "new multipolar, multicultural and multimodern character of the global economy". Gurria suggests that one advantage the L20 has over other international bodies is that its informal structure is more likely to lend itself to meaningful dialogue, rather than political posturing. In other words, "No votes involved, no face to save." Slaughter sees an even greater benefit arising from the L20's structure. Convinced that the world is becoming increasingly networked on a variety of levels—both good and bad—she suggests that "networked threats require a networked response". One possibility she puts forward is that the L20 might serve as a network of governments; its purpose would be to "create a dense

web of contacts" amongst officials from different branches of government. Her hope is that such an arrangement could be a "catalyst for change and creative problem-solving within existing international institutions", and would eventually become the "center of its own network of networks", provided that the deliberations lead to "genuine results".

### Forget the Lessons of Cancun at Your Peril

For the most part, the contributors to the collection see a limited role for civil society in the discussions and operations of the L20. The predominant concern is that the L20 is a forum for elected heads of state, not unelected non-governmental organizations. That said, no one suggests that civil society should be ignored entirely. To do so would not only reinforce the perceptions of elitism that have dogged the G7/8 in recent years, but would also shut out those actors who may be able to make valuable contributions to the L20's work. In describing the atmosphere surrounding the failed Cancun negotiations, Drache warns that the "global dissent movement" is a resilient force, fuelled in part by the "lack of accountability and transparency in global governance". The L20, he argues, would be wise to take heed of this reality. Similarly, Alagh notes that civil society organizations are often there to fill the void left behind by governments as they "withdraw from the direct delivery of goods and services". Others are not so generous. Yongding and Slaughter both suggest that NGOs should be restricted to the role of putting pressure on their respective domestic governments, but that any presence within the L20 would be inappropriate. Smith and Carin are wary of civil society involvement, for the sole reason that choosing which ones



*"Reforming from the Top:  
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Edited by John English, Ramesh Thakur, and Andrew F. Cooper

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to invite and which ones to leave out would be an administrative nightmare.

Interestingly, several contributors foresee a substantive relationship between the L20 and think tanks around the world. Building on Slaughter’s ideas about the growing importance of networks, Smith and Carin call for the creation of a network of L20 think tanks, its purpose being to “develop capacity in the South and ensure a broader interest in some of the main issues on the agenda of managing increasing global interdependence”. Alagh suggests that a group of autonomous research centres (or “coo-lie organizations”) with strong links to government officials (or “sherpas”) might provide much of the intellectual base for the discussions at the L20.

### **One Nation’s Meat is Another’s Poison**

Building on the previous point, the founders of the L20 would be wise to consider the ambitions and inhibitions of their membership when deciding on the twin issues of setting the agenda and choosing the participants. Said believes that Egypt, as the political, intellectual and economic heavyweight of the Middle East, would be attracted to the L20 partly because its inclusion would fit with its image of itself as the nation that most embodies the hopes and aspirations of the Arab world. According to Sennes and de Freitas Barbosa, Brazilians, although understandably cynical about international financial institutions, would be likely to take a seat at the table if for no other reason than to satisfy their desire to have the political and economic clout that comes with being the dominant player in Latin America. South Africa would also arrive with its own set of expectations should the L20 decide to take on the task of international economic reform. Taylor suggests that one of South Africa’s foreign policy goals is to secure greater representation for developing economies in the governing structures of the IMF and World Bank, and, more specifically, to formalize the framework for international debt restructuring. And Alagh hints that India would press for resolutions on such issues as agricultural subsidies, the protection of water and global health. As with Brazil, India and South Africa, Katada argues that Japan also wants a greater Asian presence in any efforts to reform international financial institutions, and thus may welcome a seat at the L20. Yongding warns, however, that China would be unlikely to participate in any discussion or forum in which it perceived that its national sovereignty was in danger of being eroded.

#### **Further information from United Nations University**

UNU Peace and Governance Programme

<http://www.unu.edu/png.html>

*“Enhancing Global Governance: Towards a New Diplomacy?”*

Edited by Andrew F. Cooper, John English, and Ramesh Thakur

Published by United Nations University Press 2002

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388 pages US\$31.95

<http://www.unu.edu/unupress/backlist/ab-enhancing.html>

*“International Commissions and the Power of Ideas”*

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### United Even Without the USA?

Much of the L20's success may depend upon whether the United States buys into the concept. Given its status as the lone superpower, it is perhaps naïve

consensus may be difficult to achieve, and so the architects of the L20 need to choose an issue over which the prospects of success seem, at the very least, to be within reach. This may mean that

## The L20's informal structure would lend itself to meaningful dialogue rather than political posturing

to assume that any meaningful headway can be made on a particular global problem or issue without Washington's backing. Luckily, there is room for cautious optimism: Higgott suggests that the U.S. may be looking "to rebuild some of the multilateral bridges burnt during the early years of the 21st century"; and the appeal of the L20, he continues, may be the composition of its membership from both the western and non-western worlds. However, he also warns that U.S. opposition may have less to do with the concept of the L20 and more to do with an American foreign policy that is hierarchical, exclusive, "materially determined", and instinctively suspicious of multilateral institutions. If so, overcoming U.S. reluctance to join the L20 may prove to be an insurmountable hurdle.

### Success Will Require an "Early Win"

The legitimacy of the L20 will hinge on whether it can make immediate headway on the issue or issues that appear on its inaugural agenda. But agreeing an initial plan of action is easier said than done. As noted above, the North and South have different priorities. Gurria, Taylor, Slaughter, Smith and Carin all agree that the world's leaders will be under tremendous pressure to produce tangible results. Therefore great care must be taken in determining which issues are open for discussion and which ones are off limits. As such,

the issue or issues determine the membership, and not the other way around, as too many "nixers" may impede the chances of an "early win". It may also mean that the G7/8 adopts a strategy of incremental growth instead of jumping to twenty members all at once.

### Conclusion

Whether the L20 ever gets off the ground is, in the end, up to the world's leaders. As outlined above, there are a number of reasons why it could fail. Questions pertaining to the membership and the scope of the agenda still need to be answered, as do the questions about its potential relationships with the current international architecture. But these challenges are not impossible to overcome. Ultimately, the case in favour of establishing an L20 is quite strong, if for no other reason than the fact that maintaining the status quo no longer makes sense. While reforming existing institutions is one solution, it is not the only one: the international community must also decide whether the time has come for new institutions such as the L20 to be created. If it chooses to take this route, *Reforming from the Top: A Leaders' 20 Summit* offers important guidance on how to give shape to what remains merely an interesting idea.



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**INSIDE:**

## Policy Brief

*“Reforming from  
the Top: A Leaders’  
20 Summit”*

A new book examines the need for an “L20” forum of world leaders to tackle the most urgent problems facing the international community

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