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Reforming from the top: A Leaders' 20 Summit

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Introduction: Reforming the international system from the top – a Leaders' 20 Summit

Andrew F. Cooper and John English

The international system is facing a serious double challenge. Faith in the pattern of global governance has waned in terms of concerns both about who sets the rules of the game and why these rules are in place. The fault line between rule makers and rule takers – as well as the space between those perceived to be the winners and losers – has widened. Moreover, in a world of intense competition for diplomatic status, market share, and technological knowledge and resources, the stakes at play have appreciated rapidly. Acceptance of the fairness within the system – and willingness to work by its "deep organizing principles" – lies at the heart of its overall legitimacy.

Paralleling these symbolic deficiencies are instrumental defects. Not only is there the appearance of bias in form, but functional attributes have also been increasingly contested. The capacity to get things done in the international system has been eroded.⁴ In part, this efficiency deficit may be linked to a wave of assertive activity in the post–Cold War era with the push towards an ambitious mandate for the United Nations via peacebuilding and the extension of a social agenda; the transition from the General Agreement on Tariffs and Trade (GATT) to the World Trade Organization (WTO); and the penetration of global governance into the domain of the domestic. These heightened expectations remain unfulfilled, and the sheer enormity of the structural obstacles standing in the way of an objectives-based agenda must be factored in. From the thickening of globalization to a return to nationalism/tribalism and failed states to an accelerated pace of cross-border refugees and migration,

terrorism and diseases, change has brought complexity and confusion. The patchwork of institutions commonly thought to be a prerequisite for the emergence of an advanced mode of global governance has proven to be part of the problem, not the solution. Because of their collective image as "clubs of the rich", the central components of the established international architecture - the United Nations or at least the Security Council through the Permanent Five (P5), the Group of Seven/Eight most industrialized countries (G7/8), the WTO, the international financial institutions (IFIs) and the Organization of Economic Cooperation and Development (OECD) – have become associated in the minds of many observers with the existence of a legitimacy gap. However, in a more unanticipated fashion, these core institutions have proved unable to produce tangible results. The veto - by producing such a stark fault line in decision-making – plays havoc with the United Nations. The G7/8 – with some noticeable exceptions – has become identified more with set menus and photo-ops than with policy delivery. The IFIs have been widely criticized for their slowness in reacting to financial crises from Asia in 1997/8 to Argentina in 2001. The Doha Development Round has exposed deep differences between the North and the South, especially between emerging middle-income powers and the United States and European Union (EU).

From a state-centric perspective, this double challenge exacerbates the frustration and pent-up demand for change from the have-nots. There are disturbing echoes of previous waves of resentment going back to the tide of post-colonialism and the demand for a New International Economic Order (NIEO). The critique is of a becalmed but unacceptable status quo. The developed states of the North are seen as clinging to a system entrenched from an older time, with an asymmetry in prerogatives and outcomes.

These critiques are in many ways traditional, but new forms of opposition have arisen through what has been termed the "globalization of dissent". Morphing into a heterogeneous and de-nationalized activism, these forces from global civil society have tackled both the legitimacy and efficiency gaps found in the embedded international system headon. In calling the institutions to account for their lack of credibility as rule-making bodies, a dichotomy has been created between the way that these core architectural components have evolved in practice and the ideal model of a more open and transparent format. Just as forcefully, these groups criticize the institutions for not meeting the demands that are made of them with respect to rapid, substantive and equitable action by the people on the ground.

This book does not address this wide set of concerns about the international system en masse, or offer an agenda of reform in a comprehensive fashion.⁷ Its main proposal – an extension of the current Group of 20 Finance Ministers or G20 Finance into what may be termed a Leaders' 20 Summit or L20 – is parsimonious in outline. Instead of laying out an elaborate template in intricate detail, the construction of this design and its potential capability for addressing key world issues is laid out in sketch or draft format, to be debated and built on. Its top-down, essentially intergovernmental contours, furthermore, depart from the tenets of those approaches that have become identified with the more common push for bottom-up, "societal-led" multilateralism. 8 The focus is more on promoting change via the process of international or intergovernmental governance, as opposed to a more ambitious style of global governance governance without governments.

Still, if bounded by intent, the proposal is far from modest in either form or function. The proposal of a Leaders' 20 Summit, in stylistic terms, is grounded on the need to overcome sluggishness in the international system. Not only are there important gaps to be filled, but impatience has also built up concerning the need to do things (and be seen to be doing them) quickly. Although a "just in time" quality is usually taken to be an integral component of new societal-driven diplomacy, a quickened pace of delivery lies at the heart of the proposed framework for an L20. In substance, the need for issue salience and differentiation defines the Leaders' 20 Summit proposal. Instead of mission creep, or an accumulation of mandates (as, for example, through the so-called Singapore proposals for the WTO dealing with investment, transparency in government procurement policy, trade facilitation and competition policy), the main criterion for success of an L20 would be an ability to prioritize those issues on which the forum should concentrate. By doing so, the L20 would act as a galvanizing agent, a guide and a demonstration effect for other modes of reform.

With these themes in mind, two additional ingredients become crucial for establishing the credentials of this forum. The first is the considerable responsibility that this proposal places on the heads of government. Leadership matters! Leaders must be willing and able not only to buy into the idea but also to take on an elevated level of commitment - with many attendant risks – to make the L20 proposal work. They must move ahead and deal with the selected issues that rise to the top of the agenda of this forum in a fashion that their ministers and officials cannot, whatever their own level of political acumen and technical skill. They must be able to deliver tough messages. They must be able to find ways to recognize and hurdle over all the obstacles placed in front of "niche" initiatives, both at their individual national level and at the collective group level.9 They must be able to mobilize the requisite and often diverse follow-up at the bureaucratic level.

This focus is not intended to dismiss the role of ministers either individually or as part of parallel ministerial groups. Tackling complex issues would inevitably mean involving the expertise of ministers in their specific areas of responsibility. But the bottom line is that only leaders can see the big picture and have the vision and confidence to take bold risks. Commitment to the L20 notion starts and ends with them!

Beyond vitality at the apex of power there is the need for an L20 to provide some degree of coordination – through allocation of responsibilities and even oversight – over the issues that have moved onto its radar. Key to this notion is the wish to cut through the so-called silo effect at the institutional level. As two advocates of such a proposal have suggested, this ability may be seen as a default option, as "there is no other representative forum mandated to address ... inter-sectoral and inter-institutional issues". Nonetheless, by devising this forum to be directed from the top down, it also plays to the strength of the proposal in that it allows leaders to better adapt to complexity, make choices and cut through turf and distributional issues with a focus on making the necessary trade-offs.

Building the case for a Leaders' 20 Summit

Barry Carin and Gordon Smith give great weight in the opening chapter of this book to the dual challenges of legitimacy and efficiency within the international system for "[g]rowing the G8 into a Leaders' 20 Summit". The starting point for their contribution is, on the one hand, the recognition of the requirement to address the pressure emerging from both the state and societal domain that globalization be "shaped" to ensure a greater equity in the division of benefits – and, on the other, some considerable circumspection that "internally generated reform" would address this pent-up pressure.

Rather than adding to the current collection of international institutions (with formal authority), Carin and Smith anticipate as the most attractive option a more flexible mechanism such as a Leaders' 20 Summit. Through such a device – entailing a new form of political engagement where it counts – the relative inertia of extant organizations could be addressed and overcome. The image of the central clubs within the international system as the exclusive preserve of the rich would be diminished, albeit not eradicated completely. Equally, some constraints would prevent the leaders-level meetings from becoming mere "talking shops".

Not surprisingly given the extensive ambit of their chapter, Carin and Smith open up as many questions about the possible operation of the L20 as they do provide answers. Certainly, in reprising their guidelines, as

well as those of the other contributors to this collection, a number of choices are available concerning the issues on which an L20 would focus. Along one axis there is a wide variation respecting the scope of activity. One option would be to keep the agenda of this forum as discrete or compressed as possible. Through this lens the L20 would target important but mainly technical issues, with an eye to improving compliance or the pursuit of best practices. In this category might fall such issues in the financial domain as exchange rate systems, regional support, standstills and perhaps even improved means of achieving an orderly workout of financial crises. The other option along this axis would be a diffuse or cross-sectoral orientation with a greater emphasis on dealing with an assemblage of issues. A mix of this nature could, to give just one prominent example, constitute a push into the area of public health with an emphasis on communicable diseases ranging from HIV/AIDS to tuberculosis and malaria. These issues, although related, have their own unique modalities and policy setting.

In terms of form there is a considerable discrepancy among the operating procedures that could be adopted by a Leaders' 20 Summit. From one angle an L20 could apply its attention to breaking deadlocks in a highly contentious or politicized area. Such high-profile interventions, most notably in the areas of agricultural trade, climate change and even genetically modified organisms, would lend an L20 forum instant kudos. But this approach brings with it an enormous amount of political risk. Alternatively, time and energy could be devoted to a no less important or even contentious issue, but one that is usually focused on within the confines of the sphere of bilateral/regional relations, such as the treatment of water systems.

Finally, there is a huge scope for variance concerning the expectant outcomes of these choices. If the bias is towards efficiency, the choice of subject area for an L20 would likely be tilted in the direction of what can be done. The onus is on getting items in the win column as quickly and as effortlessly as possible, thereby building confidence in the L20 as an institutional vehicle. From this perspective, discreteness takes precedence over diffuseness, with the L20 tackling not an interconnected bundle of concerns but specific and more technical issues. It must be cautioned here, though, that some issues that may appear at first glance to fall into the technical category will spill over into a complex web of diverse and sensitive areas with links to the security and developmental agendas. On the other hand, if the bias is to be placed on legitimacy, the choice in all likelihood would be ratcheted up in terms of its normative content. Through this lens the L20 would place a greater emphasis on tackling the most vital – albeit highly contentious – issues. This choice would explicitly direct the Leaders' 20 Summit towards the security domain,

whether on issues of terrorism, weapons of mass destruction (WMD), or interventions in failed states or situations of crisis (filling the institutional shortcomings to ensure that another Rwanda or Darfur never occurs). Alternatively, it could point the L20 towards an area at the centre of the debate about the equality of the rules of the game within the international system, such as compliance with the Declaration of the United Nations' Millennium Summit. In either of these latter scenarios the accent is squarely on making a visionary statement, with the L20 taking on the role of a classic boundary-spanner in the promotion of systemic rather than merely issue-specific change.

The chapters by Colin Bradford, Jr and Angel Gurria supplement and refine the contribution by Carin and Smith. Bradford reinforces the questions of legitimacy and efficiency as the twin animating forces behind calls for a move towards a Leaders' 20 Summit, stating: "The legitimacy of an economic system that fails to impact beneficially on the world's poor and generates increasing income and wealth disparities has been called into question." With respect to the second defect, Bradford notes that none of the institutions currently in place have been able to adopt "coordinated policies to dampen the swings in global economic imbalances" or "to prevent major financial shocks in the last thirty years".

Gurria's chapter is based on an even more explicitly instrumental set of foundations. In terms of motive, the former Mexican Finance and Foreign Affairs Minister is blunt in his assessment of why a Leaders' 20 Summit is needed: "Because the different fora that deal with globalization are not working." In terms of the L20's focus, Gurria is similarly direct: avoid "overburdening" the concept by opening it up to too large a range of expectations. Concomitantly, though, he is cautious about the push towards casting scrutiny only on the new. Older issues such as debt, drugs or the management of financial crises continue to cry out for attention. That being said, the main concern throughout the process, as far as Gurria is concerned, should be to "concentrate on the substance and prove we can make it work".

Extending the analysis in another direction reveals that the proposals for a Leaders' 20 Summit have found support from a variety of sources. This diversity is important not only intellectually but also diplomatically, as this forum has been associated with Canadian ownership. The recognized champion of this initiative has been Paul Martin, the former Finance Minister and current Prime Minister of Canada. At the end of April 2004, at the Woodrow Wilson Center in Washington, D.C., Prime Minister Martin articulated the genesis and the framework he had in mind:

an approach I believe to be worthwhile would be to look at the lessons learned from the Group of 20 Finance Ministers that was formed in the wake of the Asian

financial crisis that began in 1997. We foresaw an informal gathering of Finance Ministers, representing established and emerging centres of influence and coming from very different political, economic, cultural and religious traditions. We wanted to bridge the "us" versus "them" mentality that bedevils so many international meetings, and it has worked remarkably well - because peer pressure is often a very effective way to force decisions. We believe a similar approach among leaders could help crack some of the toughest issues facing the world. We need to get the right mix of countries in the same room, talking without a set script. We are not proposing a new bricks and mortar institution, but we do believe a new approach directly involving political leaders could help break a lot of logjams.12

This form of national ownership works as both a facilitator and a hindrance to the pursuit of an L20. There are obvious advantages to having a secondary state do the heavy lifting on an idea as sensitive as reform at the apex of the institutional structure. Canada, from a variety of perspectives, can be viewed as a benign state that can act as both an agent of and receptor to change. Systemically, as much by circumstance as choice, Canada has demonstrated a proclivity towards bargaining as opposed to determining outcomes. Although Canada is often considered to be a status seeker, this charge is muted in the case of the Leaders' 20 Summit proposal because Canada is already a member of the exclusive club, the G7/8. Canada also possesses the necessary diplomatic skills at the bureaucratic level as well as the intellectual infrastructural support in academic and think-tank circles to be able to run with the idea once the marker has been set.

The weaknesses of a Canadian-driven project are just as clear both from a domestic and international standpoint. How politically sustainable is the project when it is associated with a political champion?¹³ Can ideas from a country prone to taking too many "worthwhile initiatives" be taken seriously? How fragile is the idea when Canada is already the quintessential joiner of international organizations? And are there ulterior motives for Canada's enthusiasm for the idea – namely, does Canada wish to ingratiate itself to a number of emerging states and markets outside of the inner circle of international politics?¹⁴ Put more bluntly, is this enterprise an artful means for Canada to win favour with the ascendant economic powerhouses of the twenty-first century?

Whatever the rights and wrongs of these arguments, alternative sources of backing for the notion of an L20 diminish their sensitivity. This is especially so because, notwithstanding the divergence concerning the sources of this support, the thematic structure of the arguments adopted by Bradford and Gurria is similar. What is so striking about Bradford's contribution is his faith that one measure of reform could accomplish so much. "Without the disruption of restructuring" on a whole-scale basis,

"the global majority" could be incorporated into the core architecture of the international system and valuable improvements could be made in the delivery of results. More controversially still, Gurria makes the argument that reform along these lines not only offers advantages to the South vis-à-vis its position relative to the North (allowing greater leverage in diplomatic disputes), but also acts as a means of ridding the South of many of its collective dysfunctions (mainly its priority on solidarity).

Wider contextual considerations

To suggest that there exist viable motors – or accelerators – for the proposal to create a Leaders' 20 Summit is not to overlook the presence of potential brakes as well. However attractive the idea is to knowledgeable and thoughtful leaders of secondary states or sophisticated experts, there is little possibility of traction unless the wider context within the international system is amenable. Before anything else, what matters in contextual terms is the United States' attitude to the project. As Richard Higgott illustrates in his contribution to this book, situating where the United States stands in the international system, never mind getting an accurate idea of whether or not it would buy into a bold initiative such as the Leaders' 20 Summit, is a formidable task. If there is a comfort zone with the status quo, the United States – as the dominant player if not the hegemon - should be the beneficiary. The United States has shaped the rules of the system in its own image and interests, and it remains far too big and powerful to be controlled or even managed by others.15

Yet, despite these palpable strengths, the United States cannot be said to have enjoyed its long moment of triumph. Although located at the centre of the international system, the United States remains at heart an exceptionalist actor, seeing itself above and apart from others. This provides an edgy quality at the very least to its multilateral endeavours. Nor, as Higgott notes, does its power allow the United States to control the system. These features combine to create a recipe for an ambivalent and often short-sighted US approach to the international political economy and a sense of resentment among other actors concerning this attitude, above all from the South. In theory the United States acts as the main defender of the system. In practice, however, the United States often breaks or substantially modifies its own rules.

Does this context provide fertile ground for US support of a Leaders' 20 Summit? Maybe! As Higgott suggests, the US mentality does not lend itself to support for the construction of any tight institutions with a mandate premised on the pooling of sovereignty. A looser, more agile con-

struct, conversely, might have some attraction if the perception can be avoided that the L20 will either become another "talkfest" or lead to a structure within which the United States can be ganged up on or hemmed in. The impatience of the United States often leads to unilateralism and bilateralism. But it does not stymie new thinking about how to work with others.

The framework for a Leaders' 20 Summit fits in with some features of the ascendant multilateralism à la carte, especially if it contains a "can do" attitude or efficiency motive. It also meshes well with the growing perception that there will be a need for outreach to build new as well as reinforce old friendships. An L20 has considerable appeal on this legitimacy-enhancing basis. 16 It offers a forum in which the South is at the table, but the table is different from that set at the United Nations. Moreover, the initiative does not require a large conceptual jump since the G7/8 has already invited a wide number of state and even some nonstate leaders to attend its meetings. Indeed, some states have become regular participants (South Africa has been invited to four in a row, and India, China, Brazil and Mexico attended together at Evian in 2003).

Whatever the merits of the case, nonetheless, any marketing of an L20 must transcend personalities and partisan divisions. If the Democrats had gained the White House, they might have been amendable to institutional innovations both as a problem-solving and symbolic differentiation mechanism (distinguishing John Kerry's brand of multilateralism from his predecessors'). However, with the success of President George W. Bush in winning a second term, the fate of the L20 hinges on the attitude of the successor Republican Administration. The appeal must therefore be based on a combination of emotional and practical motives. President Bush might be open to the merits of an L20 on either legacy or simply convenience terms. It would allow the President to meet with a variety of leaders on a "one-stop shopping" basis. The informal nature of the proposal would play to his political taste and personal strengths. The poor chemistry (notwithstanding the presence of Prime Minister Tony Blair) of having to meet in the confines of the G7/8 with the leaders who were closely identified with the "coalition of the unwilling" on the Iraq war might be dissipated in a larger group. To overcome the formidable obstacles placed in the way of this initiative, more of an effort will have to be made to convince the Bush Administration of its substantive worth. That is to say, the advocates of this proposal need to work hard to show how it would make a difference on a tangible basis. This impression is confirmed by an interview with Paul Cellucci, the US Ambassador to Canada, who stated that although George W. Bush would have to be convinced that an L20 meeting would have to have "an appropriate purpose ... the president said he'd keep an open mind on it, so we'll

see".¹⁷ This functional orientation is also crucial in eroding the impression that the L20 would inevitably turn into a forum in which the United States would face a mass of dissenting countries.

The US position has severely complicated the positions for its putative followers. As Saori Katada showcases in her chapter, the Japanese priority has remained the maintenance of "a stable international economic and financial environment". Japan has on occasion been innovative and sought leadership on an issue-specific basis, as in the case of the Asian Monetary Fund, the story of which Katada elaborates on with some considerable nuance. In overall terms, however, Japan has been cautious in responding to alternative proposals for reform at the hub of the international financial architecture. As Katada notes, Japan supported the establishment of the original G20 Finance not only because this forum played to its technical/problem-setting instincts but also because it opened up the possibility of a greater Asian voice and alternative perspectives in the wake of the Asian financial crisis. However, protective of its status as a member of the exclusive world economic club, Japan has set clear limits concerning how this forum should be extended to a Leaders' 20 Summit. Japan may be willing to entertain the concept of a new forum, although so far this support appears to have come exclusively from Prime Minister Junichiro Koizumi and not from a more cautious bureaucracy. What is out of bounds from the Japanese perspective is any initiative that moves to replace the G7/8 with an L20.

The other contextual feature that needs to be brought into the discussion is the relationship between the L20 and the oppositional pressure associated with the forces of anti-globalization within civil society or, as Richard Falk terms it, "globalization from below". 18 Daniel Drache delves deeply into the means and ends of this dissent movement. In large part, the theme he picks up – the inconsistency in US policy via "coercive bilateralism" and other means – is a continuation of the Higgott chapter. Drache magnifies the argument, though, through a detailed discussion of the differences between global elites and what he terms "global publics". On the efficiency front, Drache argues that these emergent global publics no longer have a capacity to deliver positive real outcomes through mechanisms such as the Doha Development Round. On the legitimacy front, these same global publics offer a very different vision of empowerment – and with it an explicit challenge to the privileged status given to governments. Moreover, as Drache concludes, the presence of these global publics should no longer be regarded as a novelty. Fed by a basic mistrust of traditional institutions, they are regarded as having staying power absent in previous cycles of protest.

From this outline it is quite apparent that the forces of global dissent and the proposal for an L20 provide in many ways polar opposites to the challenges of legitimacy and efficiency in the international system. All of the proponents of the L20 idea expressly portray this forum in topdown, intergovernmental, leadership terms without the direct participation of civil society or non-governmental organizations (NGOs). Carin and Smith argue: "The most accountable people are democratically elected national governments." Bradford contends that a Leaders' 20 Summit should be built within the confines of national governments, although with some additional role for parliaments. Gurria correspondingly sees an L20 as a forum of governments. NGOs should be given a voice, but they should not "run or decide the agenda of" this type of forum.

These negative views are consistent with a more generalized backlash vis-à-vis the role of NGOs. From one critical perspective, the NGO world is dominated by the North, adding another means whereby the rising voices in the South are muted. Through another lens, detractors fear that too much engagement with civil society could erode the informality of the proceedings, undermine democratic structures and open the proceedings up to a "cacophony of millions of voices". Even if a sympathetic approach is adopted, it must be acknowledged that formidable bureaucratic obstacles stand in the way of opening up the process at the international as opposed to the national level.

Against this background, it remains to be seen whether the two modes of responding to the challenges involved are totally incompatible in operation. At the very least, the L20 represents a signal that the status quo is too exclusionary – and that it needs to change. To those "dismantlers" or "nixers" (as Higgott and Drache call them) among the dissenters, the dynamics described above are mutually exclusive. For others, those that can be classified as "supporters" or "fixers", however, there is greater compatibility, at least as a starting point for reform. Although still highly divergent in terms of goals, the L20 proposal demonstrates the fact that states are not willing to be passive actors. After all, the main target of the global dissent movement is not national states but the "hyperglobalist" vision linked to corporate expansion over the realm of governance and the entrenchment of a homogenous "one size fits all" agenda. ¹⁹ As one contribution to this debate argues, while the proposal for the creation of an extended summit of leaders may be viewed as part of a process of political globalization far removed from the ordinary concerns of individual citizens, "nothing could be further from the truth ... By delegating authority to increase sovereignty, political globalization will overcome the democratic deficit and give governments the power to implement the policies their citizens demand".20

In institutional terms, an L20 would benefit in comparative terms by the sustained wave of suspicion and anger directed at the G7/8. If still exclusive, the forum is opened up considerably. It is one thing to criticize the G7/8 – and use it as a lightning rod for protests – as an executive committee at the core of the international system. It is another thing to see an L20 – with representation from both North and South – in this same stark negative light. As one writer for a respected financial paper suggested after the 2003 Evian Summit, the benefits of the G7/8 in its current format might not outweigh its costs as an outdated edifice: "scrap the G8. Disappoint the protestors by staying home until you have found a better, more representative, more cohesive forum for examining the state of the world". ²¹

The additional – and more concrete – contextual consideration that must be added here concerns the institutional structure already in place that a Leaders' 20 Summit would need to respect. The proposal for an L20 has not emerged out of a blank slate. Rather, as John J. Kirton describes in considerable depth, the proposed forum – as alluded to above in the comments by Prime Minister Paul Martin in his Woodrow Wilson Center speech – has been pushed as an outgrowth from the experience of the G20 Finance. From a variety of trajectories, this earlier forum reveals some of the components for a successful launch of an L20. One source of strength was the willingness of a US administration – in this case, the Clinton team, in the aftermath of the Asian financial crisis – not only to be active itself but also to build support for a multilateral initiative. Another strength could be seen in the benefits that went along with an informal, free-flowing style. With no set pieces or secretariat, the G20 Finance maintained a flexibility that served it well. A third element that allowed the forum to work effectively was the balance maintained between its core concerns (managing financial shocks and working towards crisis prevention) and reacting to different kinds of pressure for an expansion of this agenda. One of these pressures was, of course, a result of the September 11 tragedy in 2001, whereby the G20 developed an action plan on terrorist financing with special attention to freezing terrorist assets and the implementation of an international strategy. Another type of pressure pushed for the G20 to expand its range of interest to a broader mandate taking in poverty reduction, development assistance and the UN Millennium Development Goals (MDGs).

Kirton ultimately points to a fundamental dilemma linked to the future of the G20. By ratcheting up this forum, does one expose it as a project full of conceptual holes and practical difficulties? Does the participation of central bankers and input from not only the International Monetary Fund (IMF) and World Bank (WB) but also high-profile policy "wonks" (engaged in issue-specific seminars dealing with regionalism and globalization, migration and remittances, and financial sector institution-building, among other topics) open up or preclude access to the process on the part of civil society and other international institutions? In elevat-

ing the forum, does one stretch its mandate - and the concept of "likemindedness" encouraging informality - to breaking point, or build on the success of the G20 – especially important if the mandate of the new body is to focus on technical or "plumbing" issues of the international system? Alternatively, is the momentum towards the establishment of an L20 coming just as the opportunities of the G20 are becoming more apparent? Some flavour of this debate from the inside – and its possible implications for the global institutional architecture – can be obtained from the public musings of German Finance Minister Hans Eichel, a key actor in the G20: "There is a need to reinforce the growing sense of responsibility of all members for their respective regions and for the world economy as a whole. On this basis policy co-operation could be broadened as well. This applies both to the number and frequency of meetings and to the division of labour by subject matter. If the G20 continues to develop along these lines and becomes even more effective, I think we could in theory expect to see a G20 comprising the Heads of State and Government set up at some time in the future, as recently called for by Paul Martin, Prime Minister of Canada."22

Receptivity from the South

The supply of ideas from some elements at the top of the international hierarchy is crucial for the agency of the L20. So are questions concerning the extent of support from what many consider the "hyper-power" of the international system. Thinking about a Leaders' 20 Summit without consideration of the United States is pointless (like Hamlet without the Prince!). Yet if supply is important, so is the demand from the South for such institutional change. The response of civil society to the proposal – while certainly providing one barometer of succour or discouragement should not be conflated with that of the reaction from the states of the South. The authentic test of legitimacy – and a host of issues pertaining to efficiency – is the reception given to the proposal by such targeted states.

The lure of an L20 is largely conceptual. A forum of this nature opens up considerable possibilities in terms of status enhancement. A direct means is provided whereby some states (or more precisely, their leaders), rather than being kept at the margins, would move into the centre of the institutional architecture. By closing this gap in representation, a critical irritant might therefore be removed. This approach would also offer a reward for achievements in the sense that most if not all of the states brought into this forum would come from the classic big emerging markets and/or regional powerhouses, all of which are becoming increasingly

integrated into the world economy.²³ Indeed, by many criteria, the leading candidates for inclusion into the forum would provide better fits than Russia, the most recent state to have graduated into the G7/8.²⁴

This transition comes with relatively light diplomatic and political baggage. The proposed L20 plays to the legitimacy question not just from the point of view of representation from the South in general, but also in relation to the existence of national states (and their governments) more specifically. In an age where the residue of colonialism and intervention still chafes, these are highly salient issues. It is important that the vestiges of colonialism that mark the G8, all of whose members (with the exception of Canada) have an imperial past, be removed from the construction of an L20. In this sense, it is important that the initiative have strong support from the South at the earliest stages. India and China are particularly important in this respect.

In practical terms, the contributions to this book of both Yoginder Alagh and Yu Yongding are illuminating in that they pose both the opportunities and the obstacles for an L20 from the perspective of the two most pivotal states in the mix. Alagh's chapter sets a high test for the L20, but it is an option that he sees as within the range of possibilities. Giving credibility to the idea will depend on performance in terms of how it presents itself as a mechanism for making crucial breakthroughs in the most intractable issues within the international system. This shortlist includes making a difference to the Doha Round of trade negotiations, improving the financial architecture and settling the climate change issue. In elaborating on these themes in a subsequent newspaper article, Alagh makes a strong case that: "Cancún failed not because the issues were intractable, but because the world did not recognize that the East Asian crises had sent the global agricultural economy in a spin. In water or energy again, cutting edge institutions are not becoming a part of the state of the art solutions on a global plane". 25 As Alagh makes clear throughout his chapter, though, efficiency is only one measure of success. The other measure remains how fairly the underprivileged within the system are treated.

China has an even greater array of attractions and reservations to the notion of an L20. Nationally, there may be an attraction to the forum in that it helps China assume its rightful place with respect to international institutions. It also reinforces the outward pattern of engagement that Yu Yongding showcases in his chapter. Indeed, internationally as well, the relative degree of inclusiveness located in this form of membership may be useful, as China has discovered through its participation via the G20 Finance.

These attractions appear to be overshadowed for the moment, however, by a number of sensitivities. China has grown comfortable in its hybrid situation, as both a state in the P5 and a country with a richly ingrained tradition of solidarity with the South. It fears, therefore, that any dramatic change in this situation will create an imbalance. It also has a well-honed instinct not to appear to want to enter institutions where it has not been invited.

These circumstances create a dilemma for the pursuit of an L20. China does not appear to have shut the door on this forum. On the contrary, on 10 October 2004, President Hu Jintao of the People's Republic of China issued a joint press statement with President Jacques Chirac of France expressing their joint support for the idea of high-level annual meetings between leaders from both developed and developing nations, with a particular focus on globalization and economic governance.²⁶ But there is a need to think and talk in more depth about this initiative. As Yu Yongding concludes, "only constructive debate can create a fulcrum so that the earth can be moved".

The situation is complicated by the immediate presence of alternative choices of diplomatic activity, as well illustrated in the contributions by Ricardo U. Sennes and Alexandre de Freitas Barbosa, and Ian Taylor, on Brazil and South Africa respectively. The central thesis of both these chapters is the expansion of choice for these two countries, at least within the international political economy. Although both countries would be prime candidates for a Leaders' 20 Summit, they have spent more time in bilateral, regional and cross-regional activities that encourage alternative coalitions, most notably the rival trade G20 or G20+ of developing countries and the India-Brazil-South Africa (IBSA) Forum. Initiated as an issue-specific mechanism designed to get a fair result on agricultural trade in the Doha WTO Round, this constellation has solidified into a loose grouping intended to encourage economic cooperation between its members and to provide a caucus to lobby for more extensive change in the global arena.

Such a development has typically caused some controversy. To some established powers, above all the United States, this is an unwelcome shift that is apparently seen as the reaction of spoilers. To other observers, by way of contrast, this is a natural and more sophisticated outgrowth in which these states have become smarter in their behaviour.²⁷

That being said, both of these chapters point to various limitations as well as opportunities in the scope of these initiatives through both a domestic and international framework. Sennes and de Freitas Barbosa point to the contradictions within Brazil's projection of itself on the international economic stage, with bursts of activism on the trade side being conducted side by side with a modest and reactive approach on the financial side. The global trajectory of Brazil's leadership on the G20+ also moved in a somewhat uneasy parallelism with a regional focus directed

towards Mercado Común del Sur (MERCOSUR) and its more immediate neighbourhood. At the same time, however, Brazil continues to demonstrate a high degree of agility in its diplomatic profile. Notwithstanding some considerable tensions in the bilateral relations between Canada and Brazil, Prime Minister Martin was able to secure a public commitment to the L20 proposal from Brazilian President Luiz Inacio Lula da Silva in a November 2004 visit to Brasilia. He did so by reassuring Lula that the L20 would not just be a symbolic gesture to the South, but a forum for addressing key substantive issues.²⁸

Taylor, in looking at the wider canvas, stresses the limitations of the relatively narrow constellation located in the G20+. Does this form of triangular cooperation come at the expense of a broader Southern diplomatic approach? Are there deeper genuine forms of economic and diplomatic complementarity or is the alliance more "of the moment"? Such questions open the door more widely to the possibility that an L20 – encompassing both the core Northern countries and representatives of the South – might have appeal.

What are the modalities of change?

Providing the broad brushstrokes concerning its overall look and impediments is necessary but not sufficient for an examination of the notion of a Leaders' 20 Summit. What is lacking is a more intricate discussion of how this objective can be reached. One route is through a giant leap or "big bang" approach in which the G7/8 is simply replaced by the L20. This is the path favoured by Bradford, who in his contribution argues that "having a Leaders' 20 Summit next year to replace the G7 would be 'anticipating the future' in a significant way". It is also the course advocated by Klaus Schwab, the Executive Chair of the World Economic Forum (WEF), who has put forth the idea of what he terms a Partnership 21 (P21) as a formation that would replace the G8. To be sure, in a speech in India, Schwab dismissed the G8 as the guardians of the status quo, reflecting an outdated vision of the industrialized past.²⁹

A second option is one of accretion in which states are added to the G7/8 in a series of moves, much in the same way that Russia (or, for that matter, Italy and Canada) was added in the past. This ad hoc or "trial and error" approach lacks an authentic innovative quality – and the buzz of the new with a decisive break from the past. Through this lens, gradual accretion via a G9 and G10 can be criticized for not diverging enough from the "rich club" stigma that haunts the G7/8. On the plus side, however, this scenario avoids a good deal of the sensitivity inher-

ent in a sudden and decisive transformation. China and India could be added, and then Brazil, and so on.³⁰ Incremental growth in the membership of the G7/8 could also take some of the exclusionary sting away from the big bang approach.

A third choice, preferred not only by Kirton but also by other authorities such as Sir Nicholas Bayne, would be an overlapping model by which a G7/8 would continue to exist but would operate in tandem with a new L20. This modality has the virtue of maintaining the comparative advantages extant in both the G7/8 and the G20 as they operate currently. From a legitimacy standpoint, the downside would be that this framework reinforces a duality of status. From an efficiency perspective it leaves open the issue of how a new form of collective management would operate. For Bayne, therefore, the L20 offers considerable advantages as a potential complement to the G8 Summit, but should be "directly linked to the G8". 31

An equally tough question is that of which actors from the South should be included in any L20. China and India are at the top of all the possible lists for candidature, with Brazil sometimes added on.³² After that, the problems start. Mexico and even Argentina are strong choices for both geographic and functional reasons (including their experience as debtor countries), but this constellation excludes Chile, which has been both an economic success story and a credible diplomatic actor in recent years. Some have proposed regional rotation, but that approach has its own limitations. If South Africa has moved to the top of the slate, does this ranking leave Nigeria out (a very contentious issue among African states)? In a similar vein, does India's presence come at the expense of Pakistan? Is Indonesia kept on as it is with the G20 at the expense of Malaysia or even Thailand? And on what justification are these choices made? Saudi Arabia makes sense for the G20 but is a less credible selection for a Leaders' 20 Summit. Should Turkey be taken over Egypt or another state such as Algeria (which might be championed by France)? Is there an overrepresentation of Western European states because of the legacy of the G7/8 and the presence of the EU Commission? Or should a European state with a middle-power diplomatic tradition (the Netherlands or Sweden) be added to buttress the presence of good international citizens? Should Russia remain as the one and only Eastern European state in the composition? Or should another state such as Poland be added?

One thing that emerges from all of this discussion is the amount of scope there is for the engineering of an L20. Certainly a case can be made for flexibility of choice in numbers, as in style. When the so-called "Willard Group" was created in November 1997 there were actually 22

members. Given the competition for the right to belong to an L20, therefore, a case can be made to call the Summit an L20 but to have additional members. This gets rid of some of the sensitivity that would arise on the part of those countries that would be next in line, most likely Nigeria and Egypt. But this flexibility creates the risk of country creep when much of the attraction is the modicum and informality of size. The domestic political analogy with cabinet making is pertinent here, with a reduction of efficiency and legitimacy as the membership grows into the upper twenties and beyond. Despite the greater potential for trade-offs, it is far more difficult to get consensus on complex issues with bigger numbers. If the aim is to solve crises, bigger is certainly not better.

A form of rotating membership would bypass some of these obstacles. But this device may look better in theory than in practice, accentuating all sorts of political gamesmanship. Those who are in will want to remain; those who are on the outside will use all sorts of claims to win a place at the table. In any case, the details of working out an acceptable formula are enormously complicated. How long would membership run? Would membership be accorded on a state-specific basis or would this classification of participation be accorded on a constituency basis?

Another point of importance is the arbitrariness of membership beyond a certain range. On what grounds should members be added – as the representative of a region, as a reward for political transformations or economic success, as a voice for the poor (with suggestions of including Bangladesh or even a country such as Bolivia), to muffle the cries of a potential spoiler, or to balance or offset another member? More specifically, is issue-specific membership a feasible notion, with membership accorded to a state because of its leadership in a particular functional area or set of activities such as HIV/AIDS? Or does inclusion via reputational qualification just complicate matters further, opening up the debate in another direction about what other actors should be brought into the forum on this criteria (business representatives, most notably "Big Pharma", as well as issue-specific NGOs or an expanded range of international organizations)? Similar problems arise in the area of balancing. If Nigeria is included to offset the presence of South Africa, to give just one illustration, does this make the membership even more heavily tilted toward regional heavyweights whose interests are not necessarily congruent with the neighbourhood in which they reside? Is there a need as well, then, to bring in a representative of another category of states, such as a smaller West African francophone state? Conversely, for what reasons does one refuse to admit a state? Democratic or human rights abuses? Overcrowding from a particular region? Or because there is a mismatch between the economic and diplomatic weight attached to a particular state?

Still another issue relates to the value of inclusion. The notion of a Leaders' 20 Summit is not the only idea in circulation, as emphasized by the call from Fred Bergsten and Caio Koch-Weser for a G2 (with an exclusive membership of the United States and the European Union).³³ Yet, as Bergsten acknowledges in another recent publication, some rethinking on the matter of inclusion is necessary on the basis of a management rationale.³⁴ If there is to be any claim that the global economy can be steered, other countries must be brought in as participants. Bergsten points to the need to engage China - together with others such as South Korea and India – on issues pertaining to the adjustment of exchange rates. A similar process is needed to deal with major debt cases. Bergsten, while positing a more activist G20 Finance as opposed to an L20, is fully aware that the current institutional structure needs to embrace a wider membership if it is to deal with the major problems facing the world economy: "Recent events, notably the failure of the G-7 to resolve some of the most salient issues now facing the global system because its membership is essential for doing so, underline the need for the G20 to become an effective action organization".35

In any case, relatively few states have the luxury of being able to say no to an initiative such as the L20. For most, the possibility of being an insider is far preferable to being on the outside. This view has been made in the plainest of language by an Australian journalist, whose own country has historically been perceived as suffering at the margins of the international system:

The debate matters for Australia. A reform [for a Leaders' 20 Summit] offers us the only chance we are likely to get in the next quarter century to grab a frontrow seat at the world's major economic and political site. Lacking a natural regional constituency, Australia always has to fight to make our voice heard, including by trying to shape the architecture of international co-operation.³⁶

The Egyptian perspective offers a valuable case study of both the attraction of a new forum such as an L20 and the pitfalls of membership. Abdel Monem Said Aly's chapter reveals the pent-up resentment in much of the world towards closed/elitist groupings, as well as the demand for inclusion in forums with systemic significance. With this attitude, however, comes a sophisticated consideration of what arguments (symbolic and tangible) can be used to support membership and an appreciation for a flexible institutionalism that would allow as many states as possible to be part of a forum such as an L20.

This analysis of modalities in turn raises questions of not just a technical but also a normative nature. If one assumes that an L20 is a good idea, can one find an equilibrium between many of the contending pulls and pushes? One strong push for change along these lines contends that the relevance of an L20 will be judged by its ability to deal with issues that are not being looked at elsewhere, or where the deadlocks are political and not technical. But, with this consideration in mind, is there an opportunity for an L20 to go beyond instrumental performance, however valuable the output on that basis may be? Can an L20 gain additional legitimacy not just because selected states/leaders are in attendance and are willing to tackle tough decisions, but because they can talk and voice the concerns of a larger, more geographically diffuse population in the South not at the table? Through this alternative lens, the L20 notion has the potential to become far more than a meeting of leaders from selected states. It becomes, in essence, a meeting place for the different civilizations of the world, not just taking into account the different histories and development trajectories of the actors at the table but searching for "common ground" between them.³⁷

This search for balance can be traced over a wide array of issues. Debate has arisen, for instance, about whether an L20 will undermine or complement the workings of the United Nations. Critics point to the ability of this sort of forum to stimulate end-runs around the United Nations, de-legitimizing that institution.³⁸ The spectre is also raised of institutional duplication and turf wars. While an L20 could pledge money, would it have the authority to make decisions for the rest of the world, particularly if the countries most affected by these decisions were not at the table? Moreover, the task of carrying out decisions would undoubtedly fall to other organizations such as, for example, the WHO on health issues. Supporters point more positively to the capability of an L20 to enhance the problem-solving objectives of the United Nations via its support for such initiatives as the MDGs and its potential ability to break deadlocks in contentious areas.

Arguably though, the most sensitive issue for a prospective L20 remains that of what it tells us about the future direction of the international system writ large. Does an initiative in this direction confirm the image of the well-off in the international community being obsessed by the verticality of institutions, willing to open up participation in their core clubs only a crack while retaining control of membership? Or does it indicate some greater enthusiasm for both vertical and horizontal networking with which the L20 could mesh?

This issue rises to the fore in Anne-Marie Slaughter's chapter, which foreshadows the larger possibilities for an L20. Slaughter expands the debate about a Leaders' 20 Summit not just as a contrast with the prevailing status quo but as the centrepiece of and conduit to what she terms a "network of networks". An L20 would act as an informal hub or steering

committee, with ideas and practices flowing both out from and into the L20, to and from other networks. As she concludes: "An L20 has the potential [to demonstrate] how a government network can in fact be more inclusive than existing international institutions ... in terms of balance of power."39

At odds with the stereotype of a Leaders' 20 Summit as another variation in straightforward institution-building is this idea of the forum as a networking or bridge-building device, which is beginning to capture attention. Bridge-building, whether between a very different array of leaders; between North and South; between instrumental and symbolic objectives; between supporting instruments, either parliamentarians or think tanks, and other forms of knowledge entrepreneurs; and between other institutions and actors, both at the state and non-state level, always runs on a similar trajectory. As Ramesh Thakur has summarized, cast in networking or brains trust terms, the attractions of an L20 are increased still further as this type of forum "would be a better forum for framing the issues, outlining choices, making decisions for setting, even anticipating, the agenda; for framing the rules, including for dispute settlement; for pledging and mobilizing resources; for implementing collective decisions; and for monitoring progress and [receiving] mid-term corrections and adjustments".40

It remains far too early in this debate to tell how attractive and viable a template for change this model of an L20 will become. A solid logic is in place to buttress such a project, both in terms of its capacity to fill a number of inadequacies in the present architectural fabric and its attractiveness as a device that promotes both a flatter and more informal institutional structure. That being said, the attractions of the new are often subordinated to the confines of the familiar, if uncomfortable, status quo. While the L20 proposal offers some creative ingredients for a quick fix, the debate about the incentives and problems inherent in this initiative will in all likelihood be a long and diplomatically delicate one. With so many actors and motivations in train, the vagaries of politics will play out in a complicated and perhaps unanticipated pattern.

The best platform to sell the idea may well be the most unusual – the notion of an L20 not just as a new expanded club but as part of an informal discursive transnational network that allows both informal debate and quick responses. Reform at the top it may well be, but the initiative rests on a framework and set of expectations that are anything but a stylized and limited response to the challenges of legitimacy in the international system. A departure from the familiar script and mode of ownership, the L20 has the potential to be used as a breakout in rethinking and policy reactions on governance issues.

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Reforming from the Top: A Leaders' 20 Summit Edited by John English, Ramesh Thakur and Andrew F. Cooper

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The system of global governance is under serious challenge. The UN, the G7/8, the IMF and the World Bank are but a handful of the organizations contributing to what has become a crisis of legitimacy for an international system that appears ill-suited for timely, innovative and effective solutions to contemporary global challenges. Moreover, it is a system that made sense mainly for the post-Second World War era, but sixty years later seems ill-equipped for bridging the growing political and economic divides between North and South and accommodating the needs of the big, emergent markets.

Some scholars and practitioners have suggested that the time has come for the establishment of new multilateral forums that reflect 21st century realities. One option attracting increased attention in policy and academic circles is to create a Summit of the leaders of 20 nations (L20), an institution that draws its inspiration from both the current G7/8 leaders' meetings and the G20 finance ministers' meetings.

This book explores whether the creation of an L20 is a feasible possibility for the international community. It offers thematic and geographic arguments in favour of the L20, with a particular emphasis on the larger role that it could play in bringing about reform of the global economic and financial systems. The book concludes with a discussion of the changing nature of relationships in a globalised world, and makes a case for why an L20 would be a worthwhile addition to the international architecture.

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