

# MARTIN'S 'BIG IDEA'

A Leader's Summit, or an Academic Exercise?

by **Andrew Schrumm**

Prime Minister Paul Martin has an idea - one that could significantly alter the foundations of international cooperation. It is an idea that has taken a great deal of negotiation with, and engagement among leaders, government officials, and academics around the world to reach its current level of awareness—where people only beginning to understand it. Although it is a big idea, it is not necessarily a complex one. The Prime Minister has spent every free moment at major international meetings to create discussion on his idea of creating a new forum for world leaders to discuss global issues amongst each other.

Global governance has proven itself to be a pet project of Prime Minister Martin. As Minister of Finance in 1999, he helped establish (and later chair) the annual G20 (Group of twenty industrialized nations) Finance summit, which attempts to bring coherent and consistent economic policy among the world's twenty most prominent economies. Six years on, the G20 has proven to be an invaluable forum for Finance Ministers and Central Bank Governors to meet and discuss global financial issues. In this setting, the world's most powerful leaders have advanced the 'Washington Consensus' on economic development to include greater international investment in health and education initiatives.

## The Idea

After the successes of the G20 in the management of the economic instability in the aftermath of the Asian financial and the Mexican currency crises, Martin has been driven to replicate the twenty nation model and create a leaders' level summit, which would discuss issues beyond eco-



The 2005 G8 summit at Gleneagles was perhaps a dry-run for the L20 idea, as leaders of developing nations and the UN Secretary-General were invited to discuss debt relief.

omic policy. In the May/June 2005 issue of *Foreign Affairs*, Martin stated his case for the establishment of an L20 (Leaders' twenty) summit with an extended mandate towards social, humanitarian and environmental concerns. In the article, he suggests that some issues (however technical) can only be properly addressed at the leaders' level. Often, the cost of leaders' inaction on such issues become too great to ignore.

In the lead-up to the UN World Summit, to be held later in mid-September, the notion of reforming existing international institutions has dominated academic discourse on the multilateral architecture. The United Nations, the World Bank, and the International Monetary Fund are in dire need of modernization, and must adapt to today's global realities. However, proponents of the L20 argue that these institutions (reformed or in their existing structures) would only be strength-

ened by the establishment of a new leaders summit. They believe that an L20 can break the deadlock in these institutions, as it would allow the world's most influential nations (developed and developing) to have a unified stance on specific issues, ranging from the economic, to security. This would allow more effective debate and stronger consensus once brought into the context of the UN General Assembly, the IMF Executive Board, or even the WTO Ministerial Meetings. In Martin's words, a successful L20 would provide the "jolt of political energy" these older institutions badly need.

Presently, the role of leaders' meetings is filled by the G8 (Group of eight), of which Canada is an active member. This body has worked very well, so well in fact that many see it as a springboard to a successful L20. Yet, selling the L20 idea to the rest of the G8 has been, and will continue to

be, exceedingly difficult, for as Jeffrey Simpson points out, a successful L20 would mean the death of the G8. Apprehension towards change may be a sign of institutional fatigue, or perhaps simply cautious planning.

But, consider for a moment a G8 structure that continued to exclude the emerging markets of China, India and Brazil, leaving them from the table. Unquestionably, the global economy has shifted its balance in favour of these growing economies. The old adage of “power follows money” applies well here, as China (India and Brazil to a lesser extent) has become a major international player on the heels of huge foreign investment and the industrialization and diversification of the enormous domestic economy. Increasingly, China is having greater influence on the European and especially on the North American economy. In addition to state controlled firms purchasing foreign companies, the Chinese government has kept the American economy afloat by purchasing US Treasury bonds in great quantities, allowing the US government to avoid even greater budget deficits. As a recent *Economist* article observes, cheap goods from China have also allowed developed economies to meet their low inflation targets, for if these products were produced domestically, prices would be driven much higher, forcing the demand for wages drastically up, which together create unlimited inflation. On the flip side, China’s increased demand for energy has greatly contributed to the current sky-rocketing of oil prices. In this context, how can any international organization exclude China?

This year, China plays host to both the World Trade Organization ministerial meetings, and the G20 summit. In this respect, these organizations have seen the need to place powers like China at the fore—why not at the leaders’ level? Leaving these emerging powers out of the leaders’ club would only emphasize, what South African President Thabo Mbeki describes, the “global apartheid” of the North-South power imbalance.

Although Martin cannot claim to

have originated the idea of the L20, he has definitely been the champion of it. With his experience in organizing the G20, he seems committed to including not only today’s major powers, but also tomorrow’s superpowers in the emerging multilateral context. Personal relations between leaders can be an invaluable resource for negotiation—the L20 would be small enough to foster these relationships, while still encompassing 80% of the world’s population and 90% of its economic activity. The idea itself can be quite captivating.

### The Academic Take

The L20—similar to another Canadian led idea, the doctrine of the Responsibility to Protect—receives little more than kind recognition outside of Canada. Martin has attempted to facilitate global support and interest by charging two prominent Canadian research centres to conduct a feasibility study of the L20 idea. Over the past two years, The Centre for International Governance Innovation (CIGI) and the Centre for Global Studies (CFGS) have conducted a series of conferences around the globe, bringing academics and practitioners from each of the proposed member-states together to discuss what an L20 would actually do. Their forthcoming co-produced book, *Reforming from the Top: A Leaders’ 20 Summit*, brings together the conclusions of many well respected academics and policy-makers.

In this book, Andrew Cooper and John English of CIGI argue that an L20 would strengthen the existing multilateral framework, as the summit’s less formal nature would allow for greater flexibility on policy among world leaders. The inherent strength of the leaders’ summit format is its informality—where leaders create personal relationships and are able to work alongside one another to develop effective strategic policy. In their view, maintaining the status-quo on the inclusion of a broader group of countries no longer makes sense. The time to reach out to the emerging regional and global powers is now—if this opportunity is wasted, cohesive

and cooperative policy among the world’s most powerful may be but a dream.

Anne-Marie Slaughter, Dean of the Woodrow Wilson School at Princeton University, has been one of the most eloquent advocates of the L20 idea in the US. An active participant in the CIGI/CFGS conference series, Dr. Slaughter has emphasized that the L20 would not only bring about better communication among national leaders, but also with this form of networked cooperation the maximum number of domestic actors would have influence on such policy. Leaders (at least in the democratically based member-states) are bound to their electorate, providing both the legitimacy and accountability of leaders for the policies adopted by in this format. Additionally, she argues that the L20, as an organized and influential club could act as the catalyst for change in existing organizations. Imagine a proposal for UN reform that had the consensus of all the permanent five and the 15 other most powerful nations. Thinking even on a smaller scale, effective change could be brought to the World Trade Organization by a cohesive L20 consensus on agricultural subsidies.

The possibilities for such an organization are overwhelming, yet many issues have yet to have been addressed. If the first question is whether it is a good idea, this has been answered—yes, it would be an effective forum for dialogue among leaders on major international issues. This of course begs the second question, who is to be involved, and similarly, who is to be excluded?

Initially, the concept was that what is now the G20 would evolve into a leaders’ level summit with the same global players around the table. This structure however, would continue to be dominated by the Global North, with only passing representation for the South. To address this, a number of membership proposals have been constructed. These proposals include a rotating membership, a regionally hub representation, a core-periphery council, or a even a G20-plus model.



The appeal of the G7/8 format has been its informality, an opportunity for the world's most powerful leaders to network and collaborate on an individual level.

This question of membership is perhaps the largest roadblock to the implementation of this idea. It must first be established who the idea is being sold to, before one can sell it—Martin and his supporters should be careful not to place the cart before the (many) horses.

### Selling the Idea

To create a forum of nations, one must first get these nations on board with the idea. By this forum's very nature, world leaders must enthusiastically support it—politically and logistically, this is proving to be quite difficult. Undoubtedly, this has been a Canadian led initiative, where our Prime Minister has taken it upon himself to sell the idea to other world leaders.

Martin has found a number of willing partners in the emerging powers, as they see the L20 as an opportunity to have greater influence in global governance. Brazil, India, Mexico and China have all shown initial support for the idea itself. This is quite encouraging for Martin, as an L20 would be nothing without these nations in particular. One of the ideological bases

for the leaders' summit is similar to one of the European Union—by including nations in transition into the political establishment, you can influence their development. As the research of CIGI and CFGS has shown, the G8 must adopt this mentality.

China especially has been an enthusiastic supporter, as Chinese President Hu Jintao has suggested that Beijing could serve as host (or co-host with Canada) for the inaugural L20 meeting. The desire of nations like Brazil, India, Mexico and China to be included in this club should not be discarded—there is a great opportunity here for the coming world order to be shaped on collective terms.

However, the fate of the L20 lies in the hands of its main sceptic—the United States. US President George W. Bush has been less than impressed by the idea—giving Martin a diplomatic “cold shoulder” on the subject. The President's advisors have been cautious on how the Administration treats the idea. They are content with how the G8 structure works, and sees the L20 as a possible threat where smaller nations would be elevated into a position where they could

gang up on and publicly embarrass the US. Yet, the attitude in Washington continues to be “wait and see.” As John Ibbitson observes, if Martin is successful in bringing together the other 19 most influential nations to discuss a clear set of issues, the US will be hard pressed to stay away.

### A Place for Canada?

In 1975, French President Valéry Giscard d'Estaing ushered in a new form of multilateralism, by bringing together the first of the annual G7/8 meetings. Canada was invited to the table due to its economic power, but also in part because of its legacy of international involvement in the World Wars and the oft cited “golden age” of diplomacy. Thirty years later, the golden age has long since faded, and we are ever more dependent on the US economy for our domestic prosperity. This begs the question—why has Canada championed the L20? Can we really be considered an honest broker for global change? Is the L20 really in our greater interests?

Prime Minister Martin has pursued the L20 with little hesitation, selling it to world leaders at every opportunity. Somewhat paradoxically, he would not have had the opportunity or credibility to sell the grand L20 idea if Canada was not a member of the exclusive club network which many believe the L20 would destroy. Canada working in an L20 framework would be less influential than Canada in the current G8 framework. So what's the benefit to Canada? Grand ideas are nice, but unless they can actually be put into practice are they meaningless. However, this idea is different, as it could alter the political progression of modern world order, and if Canada can guide that change, then we may recapture some of our lost global status. The UN World Summit presents Martin with an opportunity to build new consensus and excitement for the idea—he should not waste it.

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**Andrew Schrumm** is Editor of the Observer. He is past-President of QIAA, and a research intern with the Centre for International Governance Innovation.