

# Assessing G8 and G20 Effectiveness in Global Governance So Far

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*This paper attempts to put G8 and G20 institutions within the same assessment paradigm on the basis of a functional framework. This approach allows comparing the G8 and G20 across at least three groups of indicators: performance of global governance functions, accountability and compliance performance; contribution towards global governance agenda; and engagement with the other international institutions. It begins with outlining the methodology, and goes over to the main findings and conclusions on each of the dimensions. Thus the study contributes to building a quantifiable evidence base for an assessment of the G20 and G8 effectiveness and to inform forecast of their future roles.*

## Introduction

As the global community reflects on the controversial outcomes of the five G20 successive summits and looks forward to the French Presidencies to come up with ambitious agendas promised by President Nicolas Sarkozy, both G8 and G20 legitimacy and effectiveness are put to test.

The G20's claim for responsibility to act as the premier forum for international economic co-operation needs to be confirmed by its capacity to overcome the divergences to show political leadership in steering the world to a new international order, deliver on its pledges, account for decisions made in the summits, as well as engage with a wide range of partners. It is still not obvious that early success of the G20 summitry as an anti crisis management mechanism means its establishment as a global governance steering board and demise of the G8. There is a lot of qualitative analysis advancing arguments in support of sometimes contradictory perspectives of the G8/G20 summitry future.

This paper attempts to put both institutions within the same assessment paradigm on the basis of a functional framework. This approach allows compare the G8 and G20 across at least three groups of indicators: performance of global governance functions [1], accountability and compliance performance; contribution towards global governance agenda; and engagement with the other international institutions. Thus the study contributes to building a quantifiable evidence base for an assessment of the G20 and G8 effectiveness and to inform forecast of their future roles.

On the main global governance functions of domestic political management, deliberation, direction setting, decision-making, delivery and

global governance development performance the research looks at the balance and dynamics of these functions in the G20 and G8 documents. The documents include the summits' declarations and the ministerials' statements, progress reports, experts and working groups' documents.<sup>1</sup> Within the direction setting function, the study compared dynamics of the G8 and G20 references to the institutions' key values as defined in their first summits. Contribution to global governance agenda was assessed on the basis of the comparative weight of the key global governance issues in the G8 and G20 documents, dynamics of the agendas and the institutions' responsiveness to new challenges. Finally, the G8 and G20 comparative contribution to effective multilateralism was assessed on the basis of the intensity and modes of their engagement with other multilateral institutions on key priorities and values. The timeframe of analysis covers the G8/G20 coexistence period from 2008 to 2010.

## Dynamics of Global Governance Functions

Comparative analysis of global governance functions performance was done using absolute and relative data of the number of a function inclusion and the number of symbols denoting a certain function in the text of the documents. Relative parameters were defined as the share of the function in the total of all functions and expressed in percent. An inclusion is a continuous part of the text verbalizing a function.

<sup>1</sup> The database includes 132 documents: 97 issued by the G8 (30 issued at the summits and 67 at the ministerial meetings) and 35 issued by the G20 (21 issued at the summits and 14 at the ministerial meetings).

For comparative assessment of the functions dynamics by summits and institutions a parameter of the function intensity was introduced and calculated on the following formula:

$$D_f = \frac{I_f}{S_f},$$

where  $D_f$  is intensity of the function in a certain year or summit;  $I_f$  is the quantity of the function inclusions in the documents of the summit or the year;  $S_f$  is the total number of symbols devoted to implementation of all functions. For convenience of perception of the graphs the received amount was multiplied by 10000.

An additional feature this parameter provides is the comparability of the documents' texts density by global governance function. The analysis confirms that the data on intensity are strongly correlated with the data on the relative shares of the functions. Hence, this paper operates by the data on the relative shares.

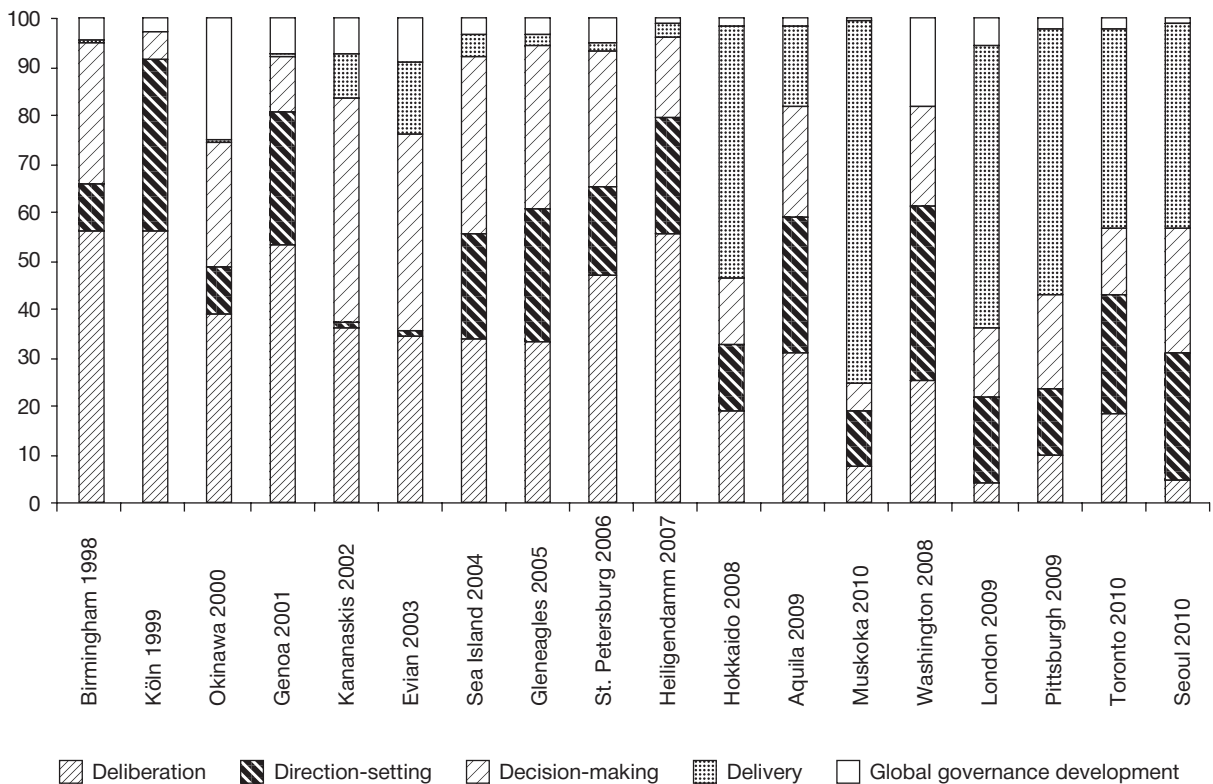
The G20 is taking over or sharing with the G8 the global governance functions of deliberation, direction setting and decision making. Washington and London made significant contribution towards global governance development (of international economic architecture). London set the trend for delivery, reinforced in Pittsburg and consolidated in Toronto. Toronto equalized the functions, but

kept the pressure for delivery. The leaders agreed upon 11 commitments (of 61), 7 mandates to international organizations (of 24) and 3 tasks to their ministers and central banks' governors to be complied with by Seoul. However, the G20 is still significantly less effective on delivery and compliance, than on the other functions.

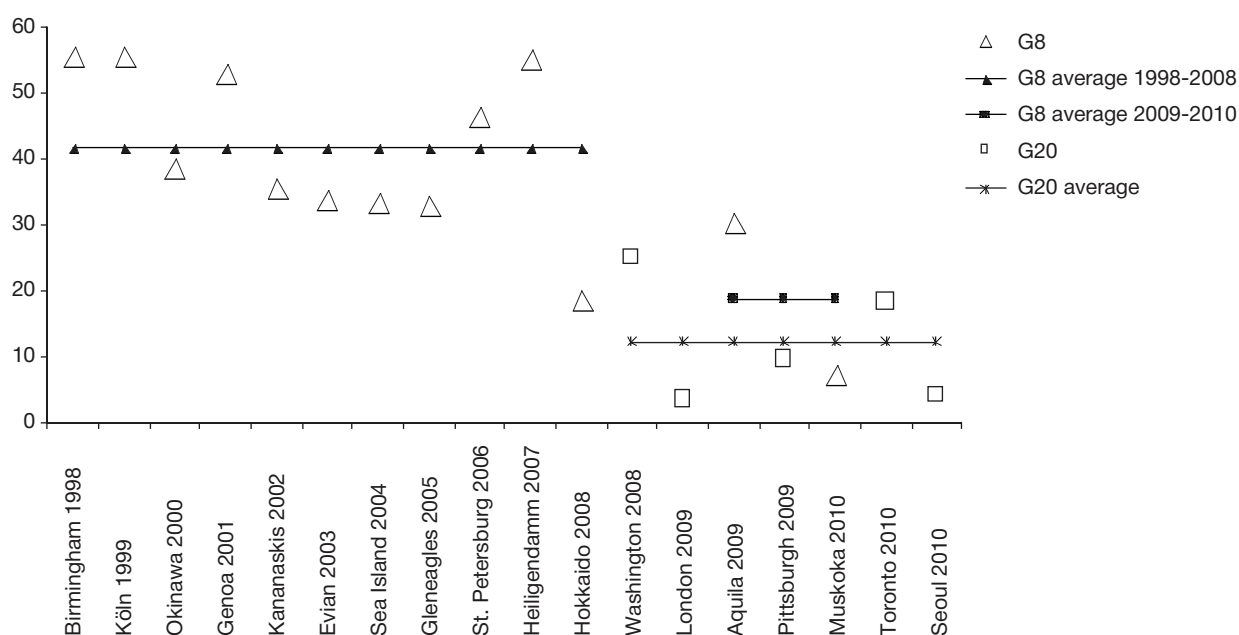
The data on each of the functions presents the opportunity to compare G8 performance in the decade before the crisis and the G20 transformation to the leaders' level, and afterwards, compare G8 and G20 relative emphasis on the respective functions, and assess where each of the summits stands against the average for the period.

As indicated in the graph below (Fig. 2) the crisis shocked both institutions into action, and the deliberation dropped down in the G8 documents by more than half, from the average share of 41.80 percent to 18.86 percent of the total. Even the voluminous L'Aquila documents come to the G8 minimum of only thirty percent devoted to deliberation, whereas the laconic Muskoka pushes it down to seven.

The G20 first summit in Washington in need to work out a shared language devoted a quarter of the leaders' declaration to deliberation, moving on to direction setting (35.88 percent), and decision making (20.38 percent). The leaders were able to agree principles and an action plan for financial



**Fig. 1.** G8 and G20 Functions



**Fig. 2. Deliberation**

market reforms, actions to reform the international institutions and reinforcing cooperation, with the highest level of global governance development function of 18.7 percent in both institutions over the period since 1998, except Okinawa.

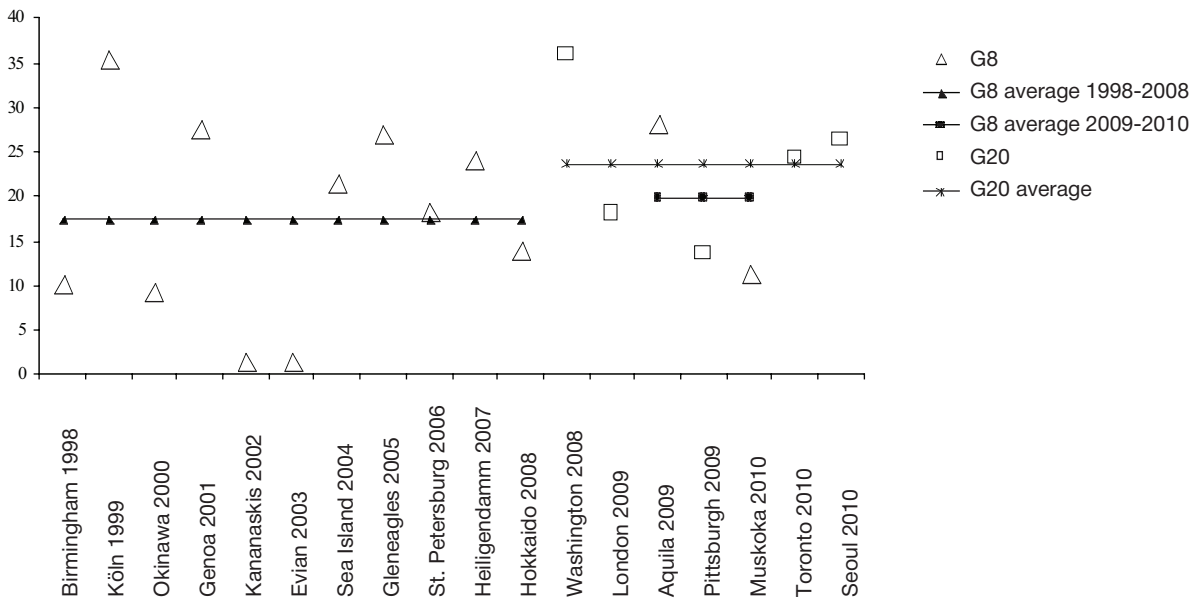
On direction setting G8 slightly enhanced its performance (from the average of 17 in 1998 to 2008 to almost 20 percent in the crisis period), mostly with the contribution from the Aquila documents. The G20 average performance on direction setting was higher than that of the G8 (see Fig. 3 below). The G20 Toronto summit declaration set out a substantial number of mandates and preparatory work to be implemented by Seoul. The Seoul summit document took over defining agreement on the need to continue further work on macro-prudential policy frameworks, regulatory reform, strengthening regulation and supervision: improving market integrity and efficiency, fighting protectionism and promoting trade and investment. The Seoul Development Consensus for Shared Growth outlined a set of G20 development principles as a basis for decisions specified in the Multi – Year Action Plan on Development.

The share of the decision making function in the G8 documents has been declining since Kananaskis when it reached almost 46 percent whereas the leaders agreed actions to deliver on the promise of the enhanced HIPC initiative, support objectives of the Education for All, support the NEPAD objectives, launch a new G8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction, and cooperative

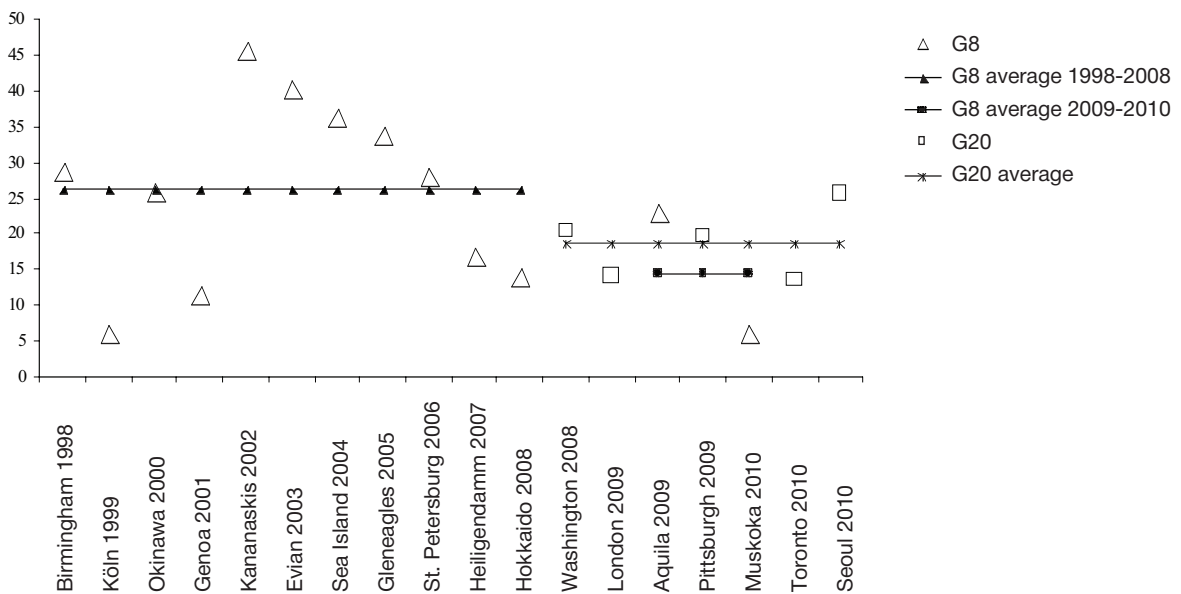
actions to promote greater security of land, sea and air transport. Heiligendamm 2007 and pre crisis Hokkaido 2008 fell well below average to 16.75 and 13.81 percent respectively. Though the share of the decision making function in the crisis hit 2009 increased to almost 23 percent in the Aquila documents to higher than the G20 average, it still remained below G8 average of 26 percent in the 1998–2008 decade.

However, this should not be unequivocally attributed to the decline in capacity of the G8 institution to forge decisions. An important factor to consider is the enhanced attention to accountability in the G8 and the continuous presence of the delivery function in the G8 documents since 2002, explicitly pronounced in Hokkaido and Aquila, and culminating in the Muskoka Self Accountability Report. This new focus necessarily changed the balance of the functions.

The delivery function which emerged in 2002, and recently expanded in the G8, has been present in the G20 from the second summit in London. The G20 members have resorted to two main mechanisms on accountability and performance enhancement: progress reports and catalysts of compliance inbuilt into the summits' declarations. The G20 most favored measure to enhance accountability is mandating the ministers to report on an agreed target at a set date at the forthcoming meetings. There have been six progress reports so far. Four progress reports were prepared by the UK Chair in March 2009, April 2009 on the eve of the London summit, then in the ministerial meetings on Sep-



**Fig. 3.** *Direction-setting*

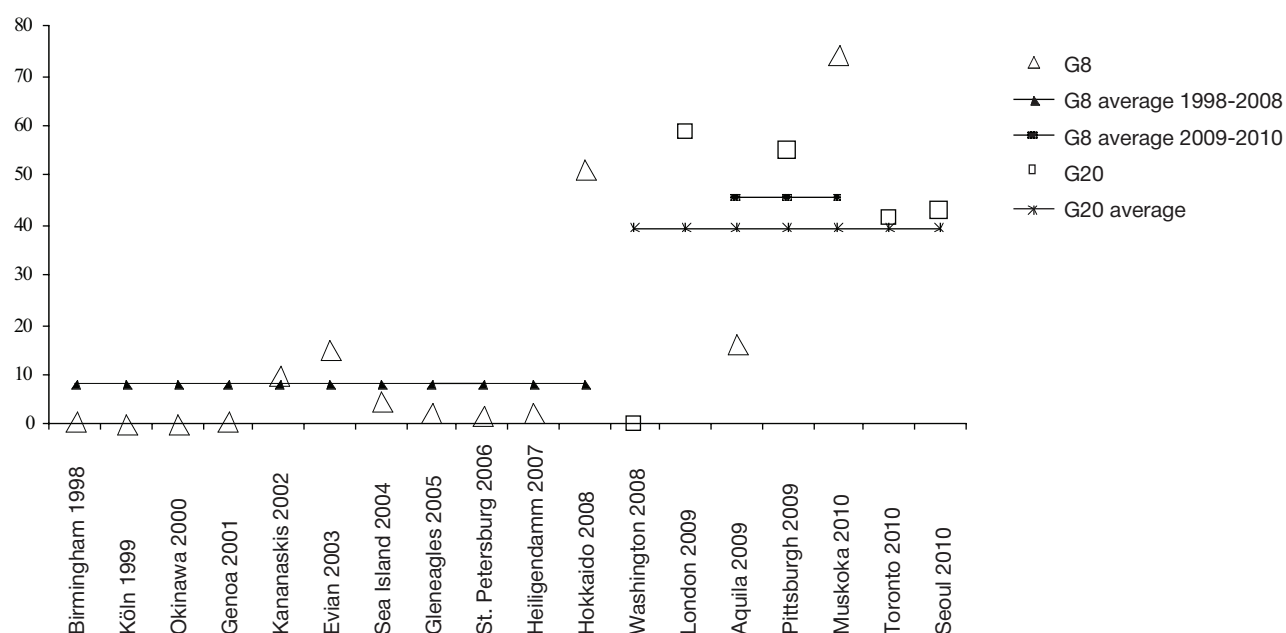


**Fig. 4.** *Decision-making*

tember 5, 2009, and finally in November 2009. One was released by the US Chair in September 2009 on the eve of the Pittsburg summit. And the sixth one was prepared by Korea as the G20 Chair in July 2010. The reports present data in aggregated form. Thus, though delivery constitutes almost a 40 percent share of the G20 documents, accountability remains a highly sophisticated but low tune exercise producing aggregated data.

Nevertheless, it is worth emphasizing that both G8 and G20 pay increasingly more heed to accountability.

Contribution of the G8/G20 towards global governance development is assessed on the basis of comparative analysis of the share of discourse devoted to the function. The G20 made crucial decisions on reform of financial markets and regulatory regimes, as well as reform of the international financial institutions in its first leaders meeting. In London they committed to establish a new Financial Stability Board (FSB) with a strengthened mandate, as a successor to the Financial Stability Forum (FSF), including all G20 countries, FSF



**Fig. 5.** Delivery

members, Spain, and the European Commission, and fund and reform international financial institutions. In Pittsburg they launched a Framework for Strong, Sustainable, and Balanced Growth, and designated the G20 as the premier forum for international economic cooperation, moreover, the leaders further detailed the mechanisms for strengthening the international financial regulatory system in cooperation with international institutions, and committed to reforming the mandate, mission and governance of the IMF and development banks. In Toronto the leaders pledged to act together to achieve the commitments to reform the financial sector made at the Washington, London and Pittsburgh summits and agreed the next steps on financial sector reform, MDBs, the WB and the IMF reform with the Seoul summit as target date for delivery. Thus G20 kept pressure for global governance development, whereas the share of this function in the G8 documents slumped down in comparison with the 1998–2008 pre crisis period (from 6.61 to 1.48 percent), and was much lower than the average share of the function in the G20 documents, which amounted to 6.03 percent.

The number of new institutions the G8 has created over the period has also declined from 7 established in Hokkaido, to 3 in Aquila and none in Muskoka. In G20 process the tendency has been reverse with FSB and Global Impact on Vulnerability set up by London declaration, four institutions agreed in Pittsburgh, four in Toronto and six in Seoul.

Another measure of the G8/G20 performance of the global governance development func-

tion is the contribution towards establishing new institutions and mechanisms of cooperation, and formulating new mandates to existing institutions, through decisions made in the summits.

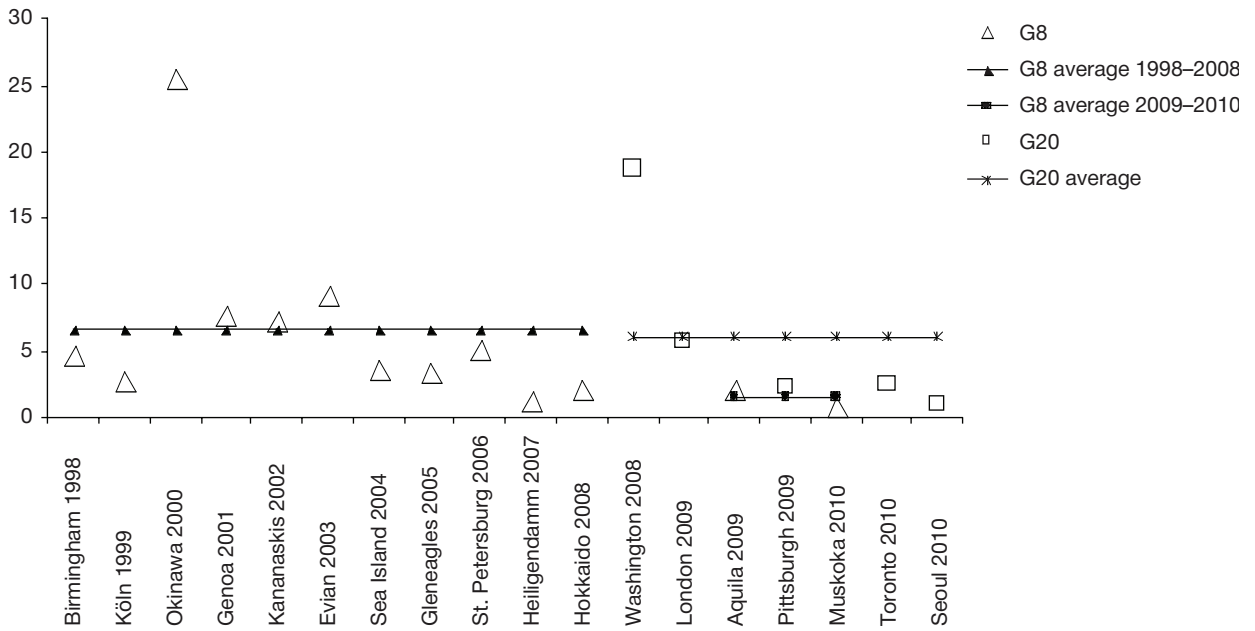
The data on mandates confirm that G20 took the lead on the global governance development, however by the number of mandates the difference between the institutions is less pronounced, and the relative performance of the G20 summits changes significantly, with Washington stronger on discourse and weaker on mandates, and Seoul, transforming discourse into actions and mandates.

Over the period of the summits co-existence, the G20 has demonstrated a higher capacity for direction setting, decision making and global governance development. The G8 documents confirmed that the institution not only remains a forum for deliberation, but is committed to delivery.

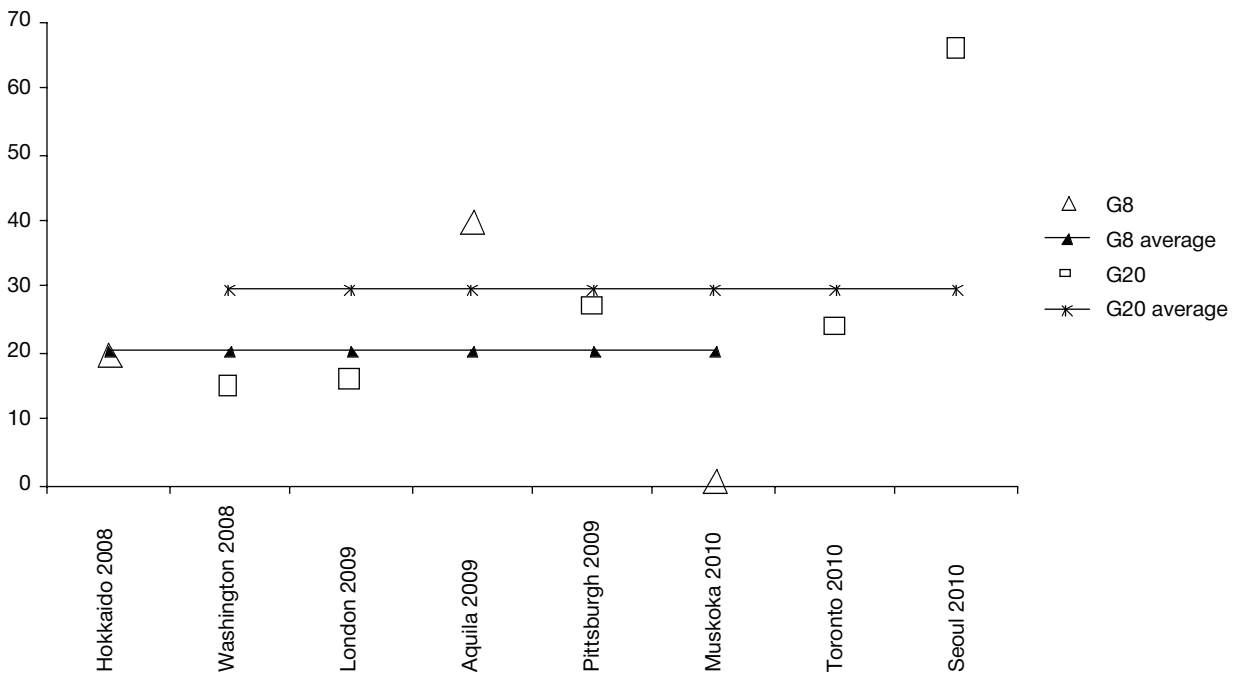
However, there is a gap between broadly formulated decisions and concrete commitments, and a further gap between commitments and compliance performance. The G20 is still significantly less effective on both.

On the number of concrete commitments the G8 surpasses the G20. However, Muskoka marked a turning point in sharply cutting down on the number of the leaders' commitments, whereas the G20 has been gradually increasing their commitments peaking at 131 in Seoul.

The proof of effectiveness rests on compliance, and G8/G20 comparative compliance performance is probably more important than the number of commitments made.



**Fig. 6.** Global governance development



**Fig. 7.** Number of mandates

The G20 compliance performance assessment, built on the methodology of monitoring the G8 members' compliance,<sup>2</sup> to allow compatibility with the G8, is mixed so far. Notwithstanding sub-

stantial differences in performance by sectors or individual commitments, the average compliance of the G20 with Toronto summit commitments stands at a score of 0.27; a bit higher than 2009 Pittsburgh summit commitments of 0.24, and the London results of 0.23. (Washington was higher, but it was monitored only for one commitment on preventing protectionism). The G20 average of 0.33

<sup>2</sup> Detailed description of the methodology can be found on the G8 Research Group of the University of Toronto website. URL: <http://www.g8.utoronto.ca/evaluations/index.html#method> (date of access: 05.12.2010).



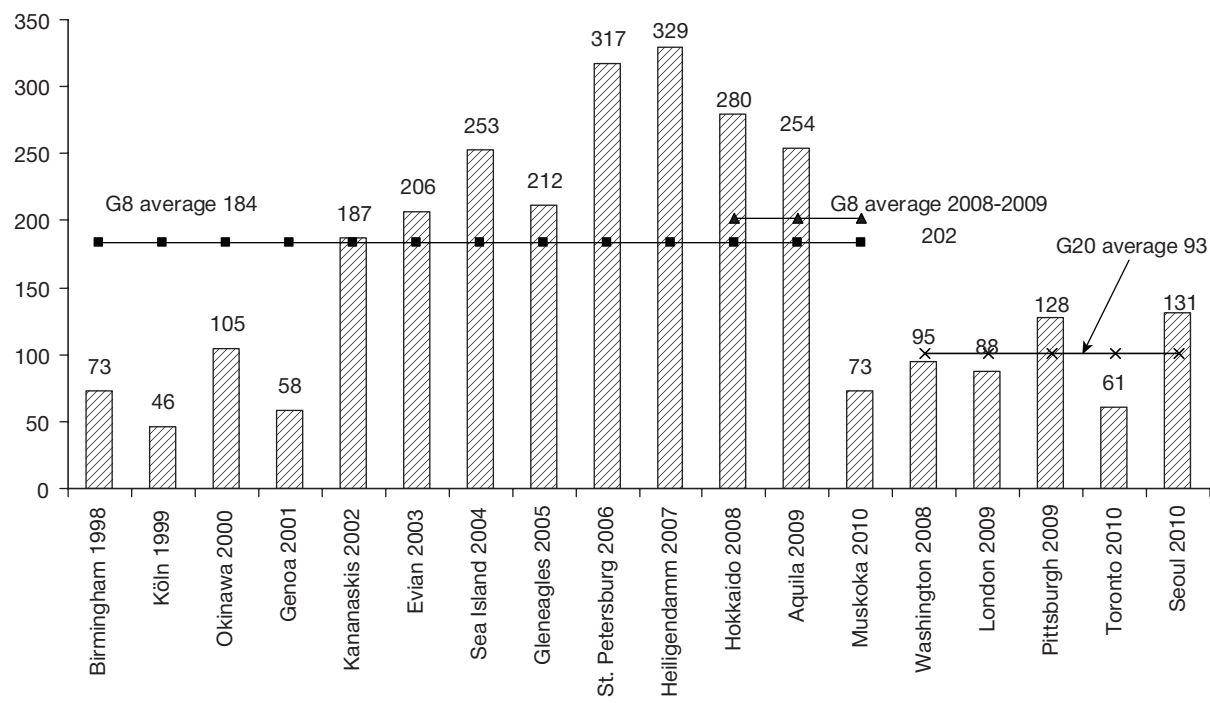


Fig. 8. Number of commitments

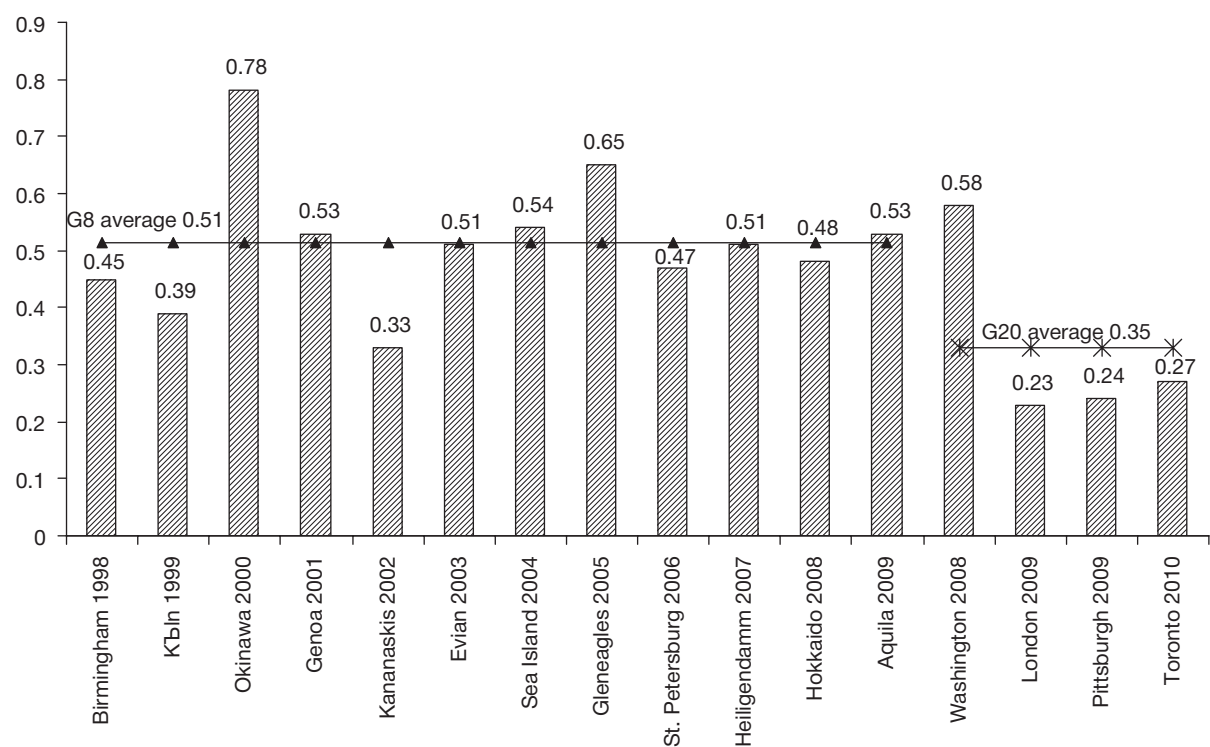
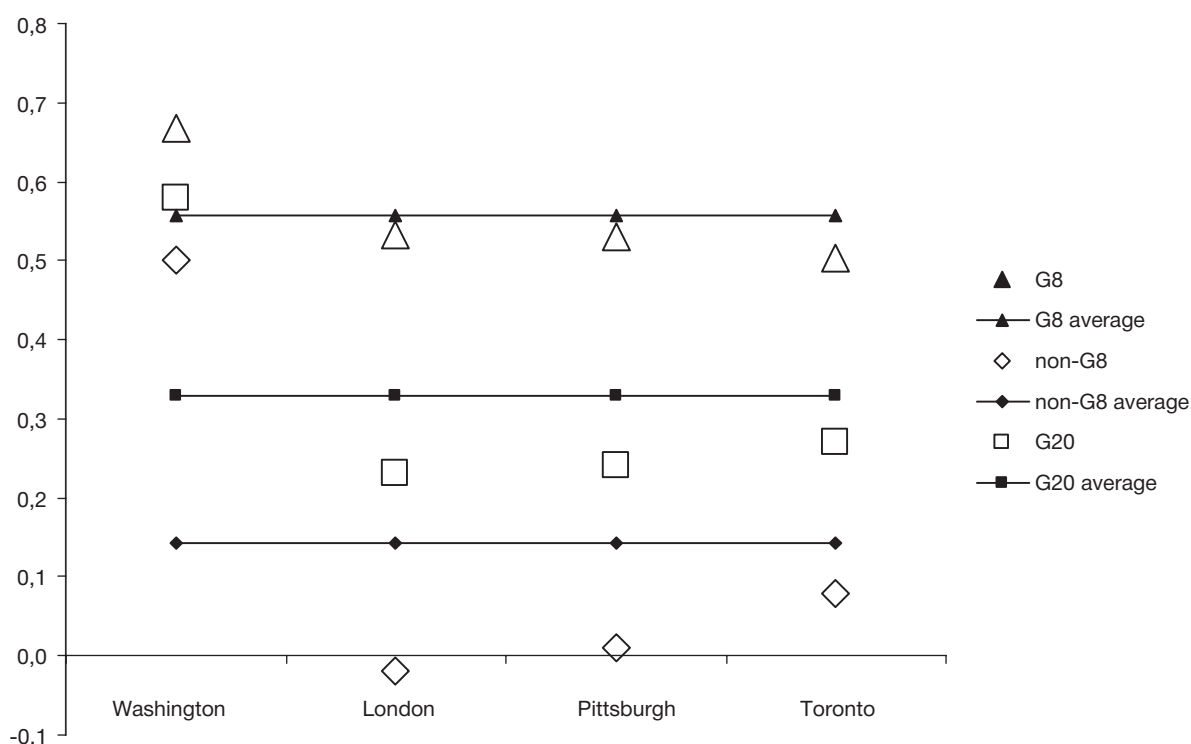


Fig. 9. Compliance

is substantially lower than the G8 average compliance performance of 0.51. So far compliance data confirm to G8 higher effectiveness on the global function of delivery.

Within the G20 the G8 compliance is also significantly and consistently higher than that of the other G20 members.



**Fig. 10.** G20 compliance performance

Thus, though the trend of G20 compliance performance is positive, there is a clear need to enhance delivery.

If the G8 continues to bear the brunt of responsibility for compliance with the commitments in both institutions, this will contain several risks. First, and obvious, is the risk of the G8 further overloading, with subsequent fatigue and decrease in compliance performance. Second, the non-compliance of the institution alongside with high expectations vested on the G20, will lead to loss of confidence and institution reputation, G20 will face criticism for inability to meet the numerous pledges the leaders agree in the summits, self assertion and illegitimacy, well familiar to the G8. Third, low compliance and efficiency will mean that the rebalancing and growth will be left without “political steering”.<sup>3</sup>

None of these risks is fatal, and the situation contains a lot of opportunities. First, a rise in performance of non G8 members in the G20 gives hope that the institution can enhance its effectiveness. Second, accountability mechanism, which is being established within the G20, can be made more transparent to maintain credibility and assert legitimacy. Independent external monitoring can also be an option. The monitoring can enhance the members’ ability to deliver individually and collectively on the collective and individual commitments

made at each summit. The monitoring will also help in the G8/G20 division of labour. Third, the division of labour and coordination between the two institutions will allow make their agendas leaner and more focused, commitments – more deliverable. And thus, enhance their contribution towards global public good, and the benefit of their nations.

## Global Governance Agenda: Cooperative or Competitive?

Analysis of the G8 and G20 discourse on priorities has been carried out on 13 broad priorities present on both institutions’ agendas. In the content analysis a text unit could be earmarked as implementing only one of the 13 priorities. Comparison was made on the basis of absolute cumulative data on the number of references and symbols; relative intensity of the discourse; the place and dynamics of the issue in the system of G8 and G20 priorities in the study period.

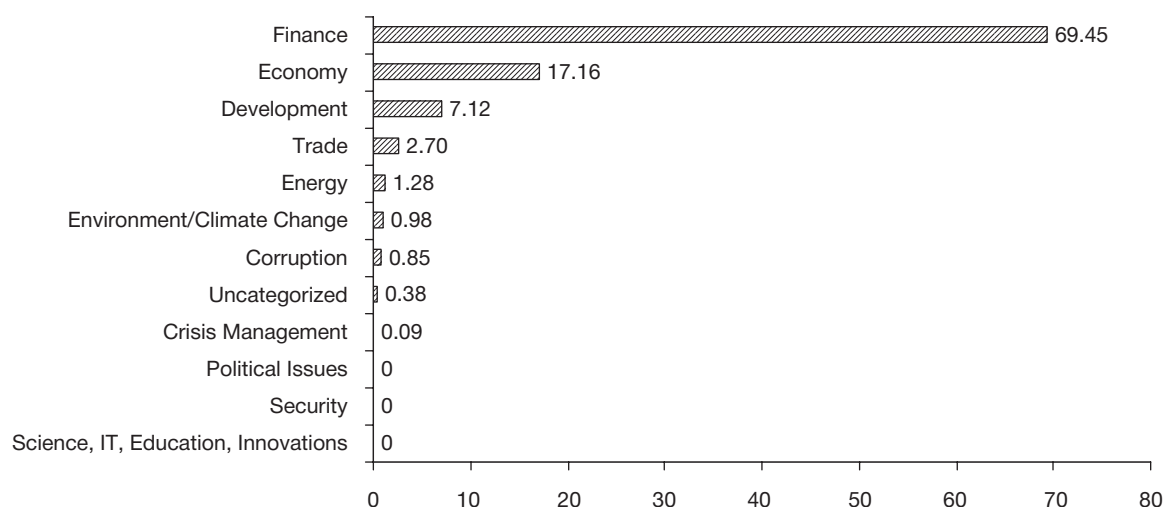
Intensity of the discourse on the priority is calculated according to the following formula:

$$D_p = \frac{M_p}{S_p},$$

where  $D_p$  denotes discourse intensity on priority in a certain year (period);  $M_p$  denotes the number of references to the priority over the year (period);  $S_p$  is total number of symbols devoted to all prio-

<sup>3</sup> See Dr. M. Gilman paper in this issue.





**Fig. 11.** G20 Priorities in 2008–2010

rities over the year (period). For convenience of graphs perception the received amount is multiplied by 10000.

This parameter proves useful for comparing G8 and G20 documents which vary significantly by their volume, and provides assessment of the texts density by priority. As with the functions, the analysis indicates that the data on intensity confirms and refines the data on the share of the priority expressed as percentages, therefore this paper only presents the latter.

In Pittsburgh the leaders designated the G20 as the key forum for economic cooperation. There is a perfectly valid argument in favor of a lean and focused debate enabling better decision making in a broad group of peers. However, once the G20 meetings have been upgraded to the leaders' level, there could not have been any doubt that the new forum capabilities for governance would not be restricted by a pre-set list of financial and economic, and trade issues. In fact, in their first meeting in Washington the leaders reaffirmed the importance of the Millennium Development Goals, the development assistance commitments, and urged both developed and emerging economies to undertake commitments consistent with their capacities and roles in the global economy [2]. They also indicated their intention to address other critical challenges such as energy security and climate change, food security, the rule of law, and the fight against terrorism, poverty and disease [2]. Thus, the G20 agenda was set for growth. Since Washington the G20 has been expanding its agendas on economy, kept the focus on finance, however, much less attention has been devoted to trade. Simultaneous-

ly, it has been integrating climate change, anticorruption and development into the list of issues for coordination. Korean initiatives, alongside with the financial safety nets and reform of the international institution, included development as one of the key priorities, which is clearly a vital issue on the G20 table as the nine middle income countries in the G20 account for 58 percent of the world poor.<sup>4</sup>

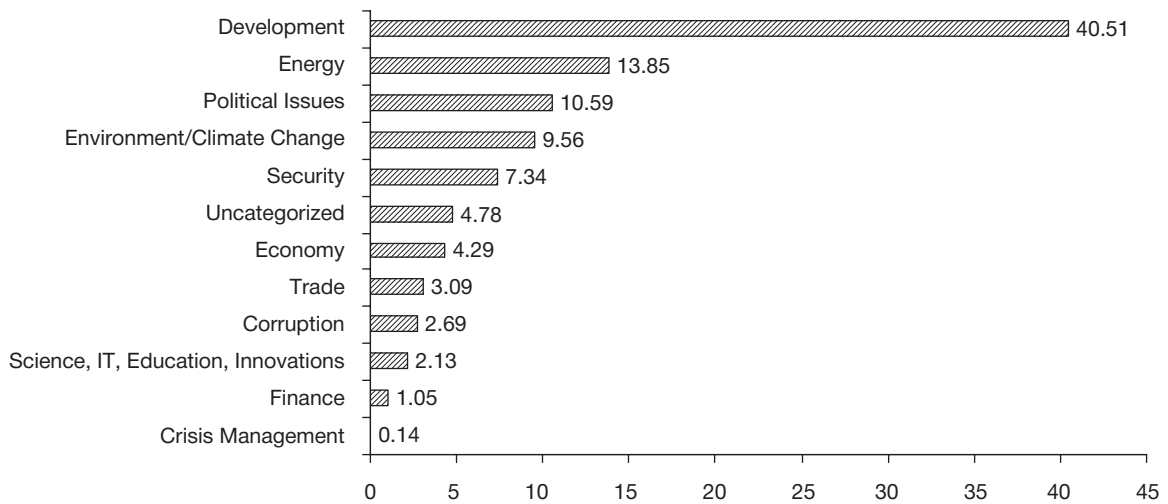
The G8 agenda has been contracting and Muskoka was practically trimmed to development, political and security, climate change and trade issues. In 2010 debate the prevailing approach was that the G8 should focus more on the security, political and development agendas, whereas the G20 should concentrate on the global economy and financial regulation.

However, the trend for division of labor is not completed, either in terms of policy spheres, or global governance functions. Distinct division of labor would reduce flexibility and responsiveness of the summits, and the opportunities of the leaders working on different topics in variable geometry in a complementary mode. At the same time there is a risk of mission creep and broadening the agenda at the cost of loss of focus and capacity to forge consensus and deliver, especially in the broad and diverse G20.

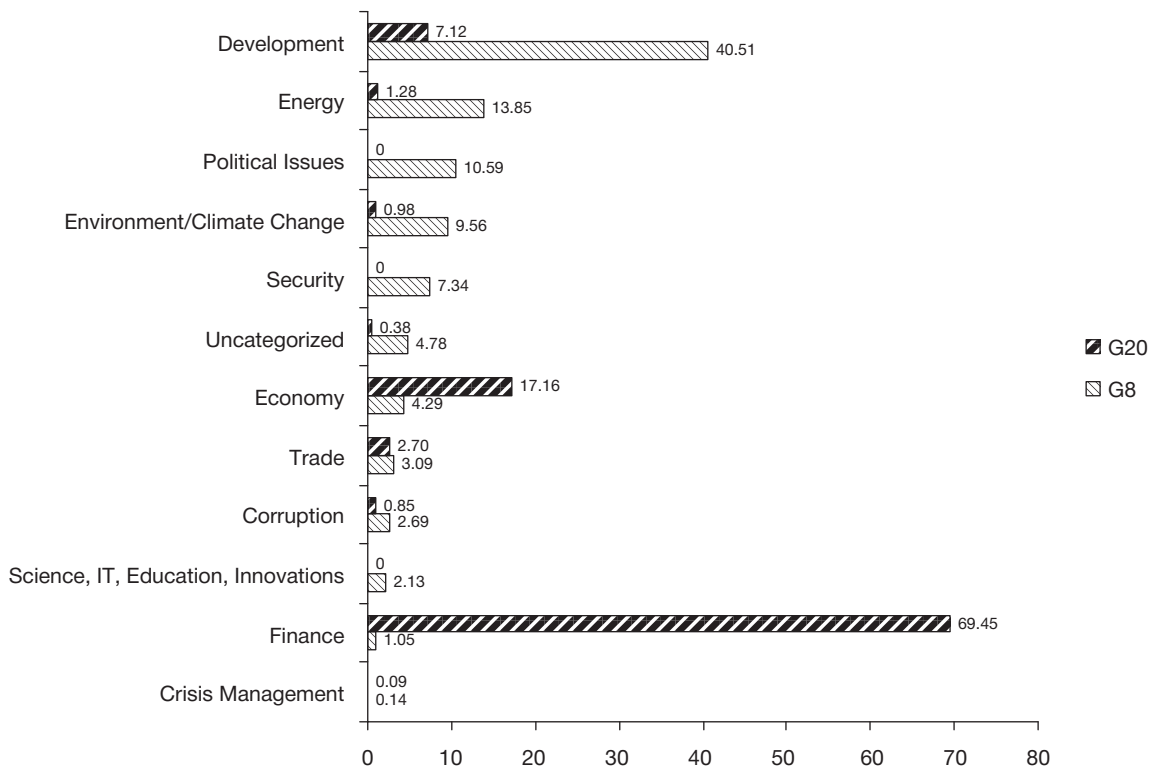
As represented in graph 12 and graph 14,<sup>5</sup> even though the G8 used to be called an economic summit, economy has not been its top priority in the 1998–2008, constituting an average share of

<sup>4</sup> See Zia Qureshi paper in this issue.

<sup>5</sup> The diagrams representing dynamics of the main priorities in the G8/G20 agendas are given on different scales, as the shares of the priorities differ substantially.



**Fig. 12.** G8 Priorities in 2008–2010



**Fig. 13.** G8 and G20 Priorities in 2008–2010

11.39 percent of the agenda over the period. There have not been significant fluctuations except for 1999 when the leaders met for their 25<sup>th</sup> economic summit to agree how to get the world economy back on track for sustained growth after the Asian financial crisis. The German Presidency in 2007 attempted to agree a roadmap for adjustment of global imbalances [3]. Could the crisis have been mitigated, had they been more successful and had

the next chair made economy and finance the key topic of the summit? After the crisis the G8 leaders ceded the economic issues to the G20, which consistently expanded the economic agenda. In Aquila the G8 leaders reaffirmed commitments undertaken at the London summit and spelt out “steps to return the global economy to a strong, stable and sustainable growth path, including continuing to provide macroeconomic stimulus con-

sistent with price stability and medium-term fiscal sustainability, and addressing liquidity and capital needs of banks and taking all necessary actions to ensure the soundness of systemically important institutions” [4]. However, economy constituted only about 10 percent of the Aquila documents, whereas in Muskoka a mere 0,34 percent of the leaders discourse was devoted to the economic agenda. Canadian Presidency made a very clear case on the division of labor and in Toronto the G20 leaders focused on economy more then in any other meeting of the G20.

The trend on financial issues is reverse to that of the economy in the G20 agenda. Though the financial regulation and reform dominate the G20 discourse constituting about 70 percent percent for the period, we see a gradual decline in its scale, as G20 leaders integrate other priorities into their work. The G8 maintains finance issues in the debate but their share falls from the average of 9.73 percent in the 1998–2008 to a meager 1.47 percent after the crisis.

Trade has been an unloved baby in the G8 discourse before the crisis, with only 3 percent of the leaders attention directed at trade, and with advent of a new parent the G8 allowed a further cut on trade issues, demoting it to 1.45 percent. The G8 leaders keep reconfirming the commitments to keep markets open and free and to reject protectionism of any kind, as well as to successful conclusion of the Doha Development Agenda, but they find it hard to comply and compliance study for Aquila trade commitment performance proved

to be the lowest of all commitments for the summit with –0.78. The G20, with 3 percent of their time devoted to trade issues, also keep reiterating the Washington summit commitment of rejecting protectionism and refraining from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports, as well striving to reach agreement on a successful conclusion to the WTO’s Doha Development Agenda. They seem to find it equally hard to comply with the pledge, though are doing a bit better then the G8 with 0.15 for Toronto.

Energy has not been an omnipresent issue on the G8 table. The British Presidency in 1998 promoted cooperation on energy matters in the G8 framework with the objective of ensuring reliable, economic, safe and environmentally-sound energy supplies to meet the projected increase in demand. The leaders committed to encourage the development of energy markets and reaffirmed the commitment made at the 1996 Moscow Summit to the safe operation of nuclear power plants and the achievement of high safety standards worldwide. In 2005 the Gleneagles Plan of Action on Climate Change, Clean Energy and Sustainable Development, focused on managing the climate change impact of energy generation. In Saint Petersburg the leaders adopted a comprehensive Plan of Action for Global Energy Security. And in 2008 the G8 have reaffirmed their commitment to the St. Petersburg Global Energy Security Principles and

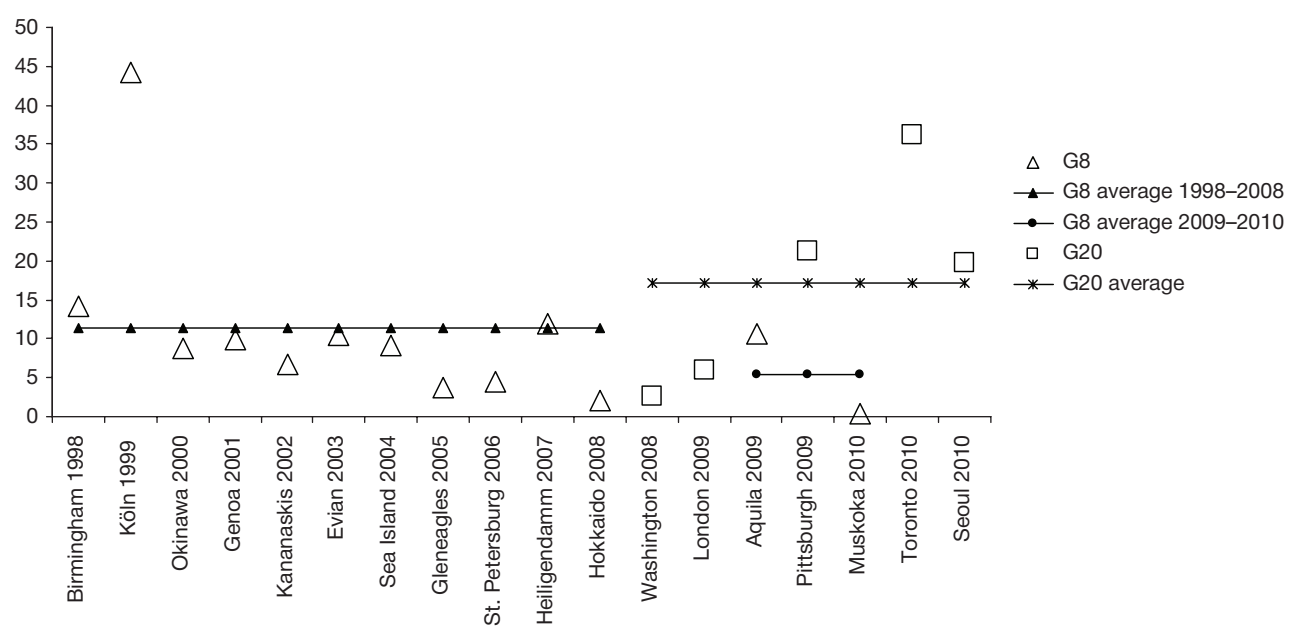


Fig. 14. Economy

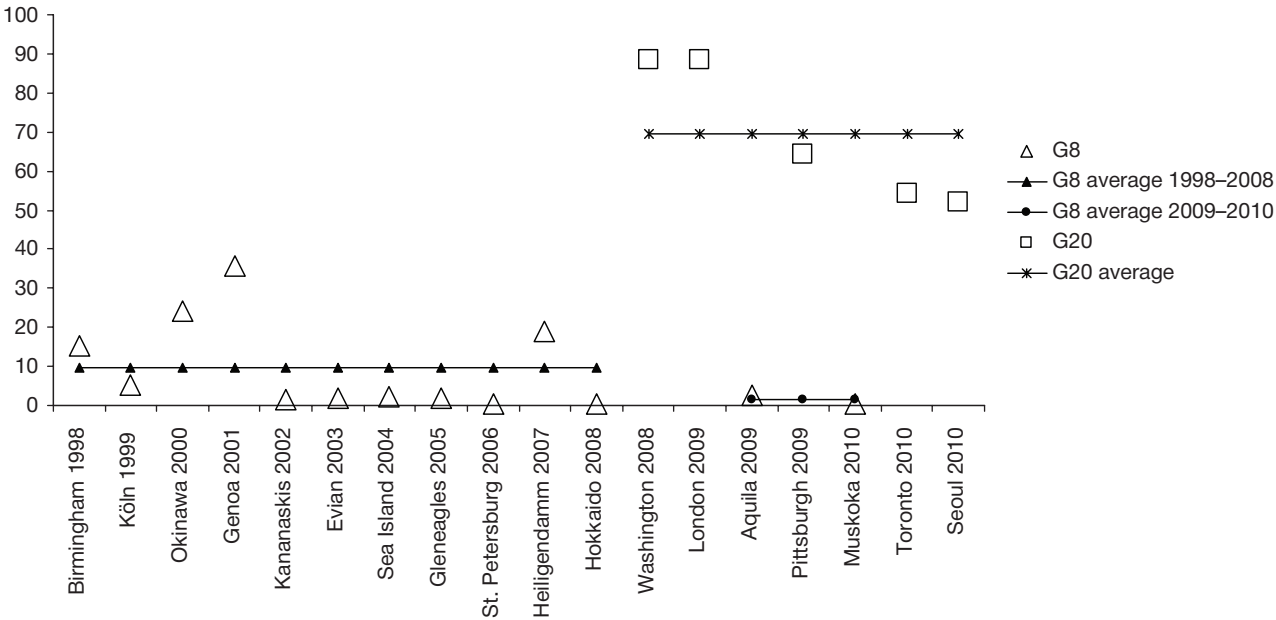


Fig. 15. Finance

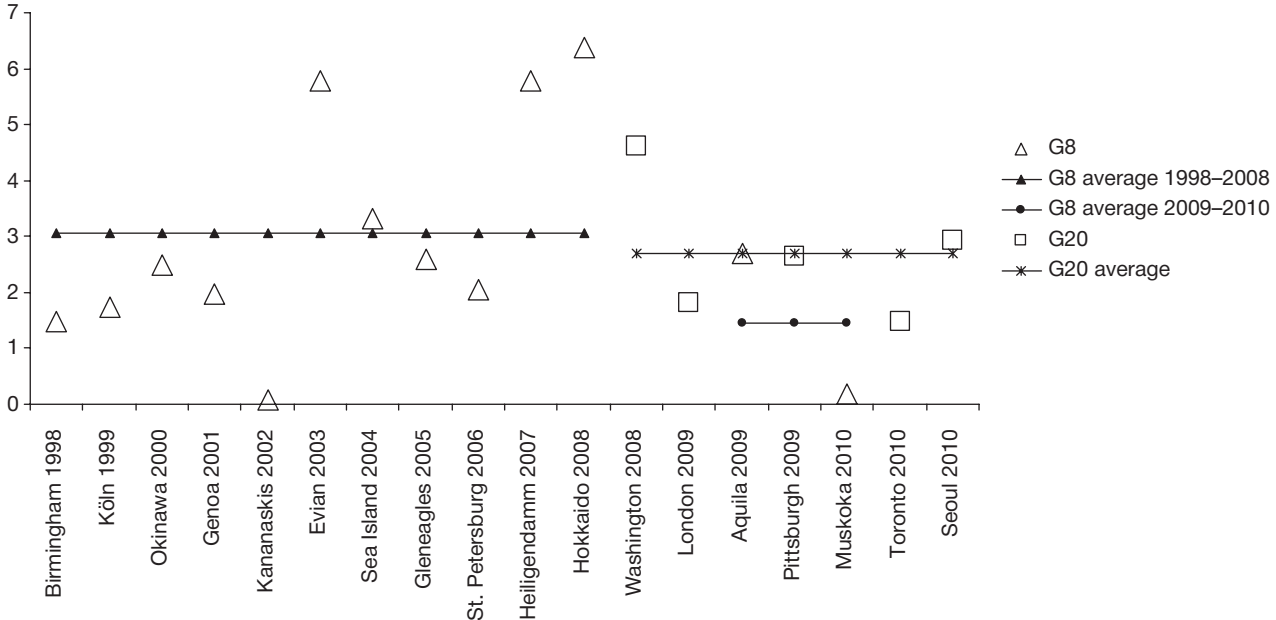


Fig. 16. Trade

implementation of its Plan of Action, and pledged to promote clean energy, given its importance in tackling climate change. Aquila summit documents confirmed strong commitment to implement the St. Petersburg Principles on Global Energy Security and called for better coordination between producing, transit and consuming countries, focused on improving the investment climate, reducing excessive volatility of prices and promoting energy

security. In Muskoka energy issues were dealt with in conjunction with the role nuclear energy can play in addressing climate change and energy security concerns, and the potential of bioenergy for sustainable development, climate change mitigation and energy security. Thus a lot of the G8 energy agenda has been interconnected with environment protection both before and after the G20 stepped into the field.

The G20 first brought the priority on its agenda in Pittsburgh. Emphasizing that access to diverse, reliable, affordable and clean energy is critical for sustainable growth the leaders committed to increase energy market transparency and market stability, strengthen the producer-consumer dialogue to improve understanding of market fundamentals, including supply and demand trends, and price volatility. This implied improvement of regulatory oversight of energy markets and enhancing energy efficiency, including through rationalization and phasing out over the medium term inefficient fossil fuel subsidies encouraging wasteful consumption. The rationalization and phasing out of inefficient fossil fuel subsidies commitment was reconfirmed by the G20 leaders in Toronto, and then in Seoul. Thus, though the scope of the energy issues on the G8 and G20 are different, the foci on energy security and impact on environment are shared. After the crisis the average share of the energy agenda dropped in the G8 discourse from 7.56 to 2.56, but still remained higher than the G20 average of 1.28 percent for the period.

On average across the period from 1998 to 2008 the share of ecological issues (7.30 percent) is just slightly lower than the share on energy (7.56 percent). In the post crisis years its share is maintained at a higher level than that of energy. In Aquila the leaders reconfirm their will to ensure proper regulatory and other frameworks facilitating transition towards low-carbon and resource efficient growth. And even though after the Copenhagen “discord” skepticism of the feasibility “to achieve

comprehensive, ambitious, fair, effective, binding, post-2012 agreement involving all countries, and including the respective responsibilities of all major economies to reduce greenhouse gas emissions” prevailed, the G8 in Muskoka reiterated willingness to share with all countries the goal of achieving at least a 50 percent reduction of global emissions by 2050.

G20 leaders first raised the issue in London, reaffirming commitment to address the threat of irreversible climate change, based on the principle of common but differentiated responsibilities, and to reach agreement at the UN Climate Change conference in Copenhagen in December 2009. They underscored their resolve to take strong action to address the threat of dangerous climate change, and reiterated commitments to the objective, provisions, and principles of the United Nations Framework Convention on Climate Change (UNFCCC) and the principles endorsed by Leaders at the Major Economies Forum in L’Aquila, Italy. In Toronto G20 introduced a new theme of marine environment protection, preventing accidents related to offshore exploration and development, and dealing with their consequences. Same year in Seoul G20 confirmed yet again commitment to the UNFCCC and pledged to stimulate investment in clean energy technology, energy and resource efficiency, green transportation, and green cities by mobilizing finance, establishing clear and consistent standards, developing long-term energy policies, supporting education, enterprise and R&D, and continuing to promote cross-border collabo-

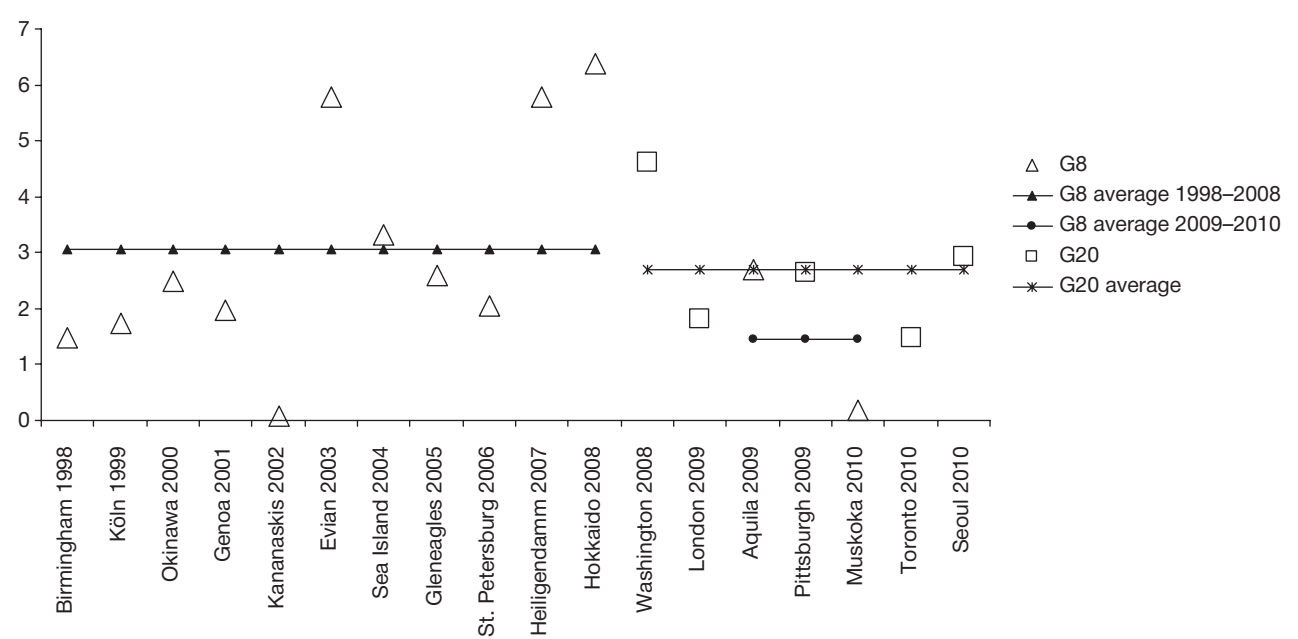
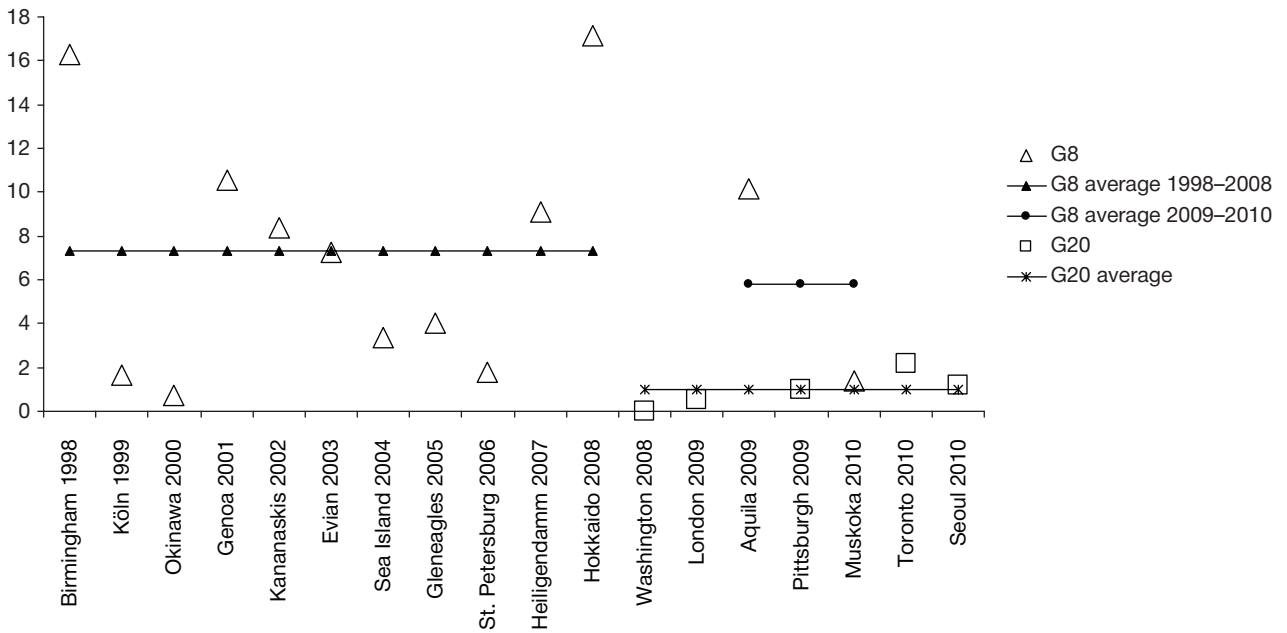


Fig. 17. Energy



**Fig. 18.** *Environment/Climate Change*

ration and coordination of national legislative approaches. However, on average for the period the environment agenda constitutes a very low share of the G20 discourse (0.98), substantially lower than the G8 average for the same period (5.77).

Development has been one of the key issues on the G8 table over the 1998–2008 decade, and comprised almost a quarter of the agenda (23.25 percent average for the period). Following the crisis the G8 leaders enhanced cooperation within a renewed commitment to development, reiterating the importance of fulfilling the pledges to increase aid made at Gleneagles, Heiligendamm and Toyako, thus increasing the share of development on Aquila agenda to 42.46 percent, and still further to 62.55 percent in Muskoka.

Though development has not constituted a large share of the G20 discourse until the summit in Seoul when it reached 19 percent, it has been present in the G20 documents since in Washington the leaders pledged to continue fight the poverty. In London under the leadership of Prime Minister G. Brown the G20 explicitly recommitted to meeting the Millennium Development Goals and to achieving respective ODA pledges, including commitments on Aid for Trade, debt relief, and the Gleneagles commitments, especially to sub-Saharan Africa; as well to making available resources for social protection for the poorest countries, including through voluntary bilateral contributions to the World Bank's Vulnerability Framework, the Infrastructure Crisis Facility, and the Rapid Social Response Fund. Pittsburg and Toronto built on

the development agenda, establishing a Working Group on Development with a mandate to elaborate a development agenda and multi-year action plans consistent with the G20's focus on measures to promote economic growth and resilience, to be adopted at the Seoul Summit. The Seoul Development Consensus for Shared Growth and the Action Plan were adopted as planned. The Development Working Group will continue its work as an institution and will monitor progress on the Multi-Year Action Plan reporting it to the Sherpas. Thus, though the average share of the development issues on the G20 agenda remains substantially lower than that of the G8, it reinforces the foci on economic growth, engagement with developing countries, particularly LICs, as equal partners; regional integration where the G20 can help to catalyze action and private sector participation.

Political and security issues remain within the G8 domain, though on both priorities the average for 2008–2010 is lower than the average for the 1998–2008. The share of political agenda constituted 14.33 percent of the G8 discourse compared to the former 17.57. The issues included obligations on nuclear non-proliferation; cooperation for Iran's compliance with UN Security Council of Resolution and Democratic Peoples' Republic of Korea abandoning all nuclear weapons and existing nuclear and ballistic missile programs, as well as proliferation activities. Following the sinking of the Republic of Korea's naval vessel, the Cheonan, the leaders condemned the attack and demanded the DPRK to refrain from committing any attacks or



threatening hostilities against the Republic of Korea. Neither the call on the DPRK nor the expression of a strong commitment to cooperate closely in the pursuit of regional peace and security, helped to restrain the North Korea’s artillery attack against the South Korean island of Yeonpyeong in November. Nevertheless, this failure does not mean that the G8 should not persevere in the efforts regarding restoring regional peace and stability.

Based on regular reporting on progress of the Global Partnership against the Spread of

Weapons and Materials of Mass Destruction in Muskoka the leaders began to look into the possible future development beyond 2012, focusing on nuclear and radiological security, bio security, scientist engagement and facilitation of the implementation of UN Security Council Resolution 1540, as well as the potential participation of new countries in the initiative. Political agenda, as ever included support to the United Nations peace-keeping operations and African-led peace support operations.

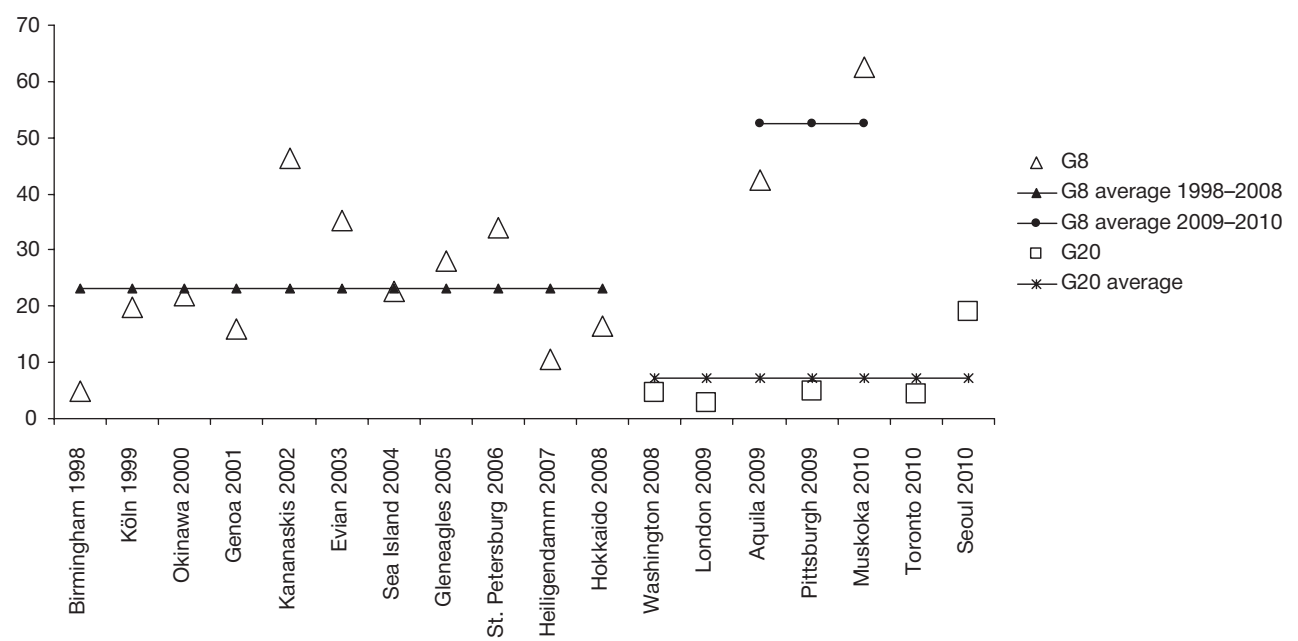


Fig. 19. Development

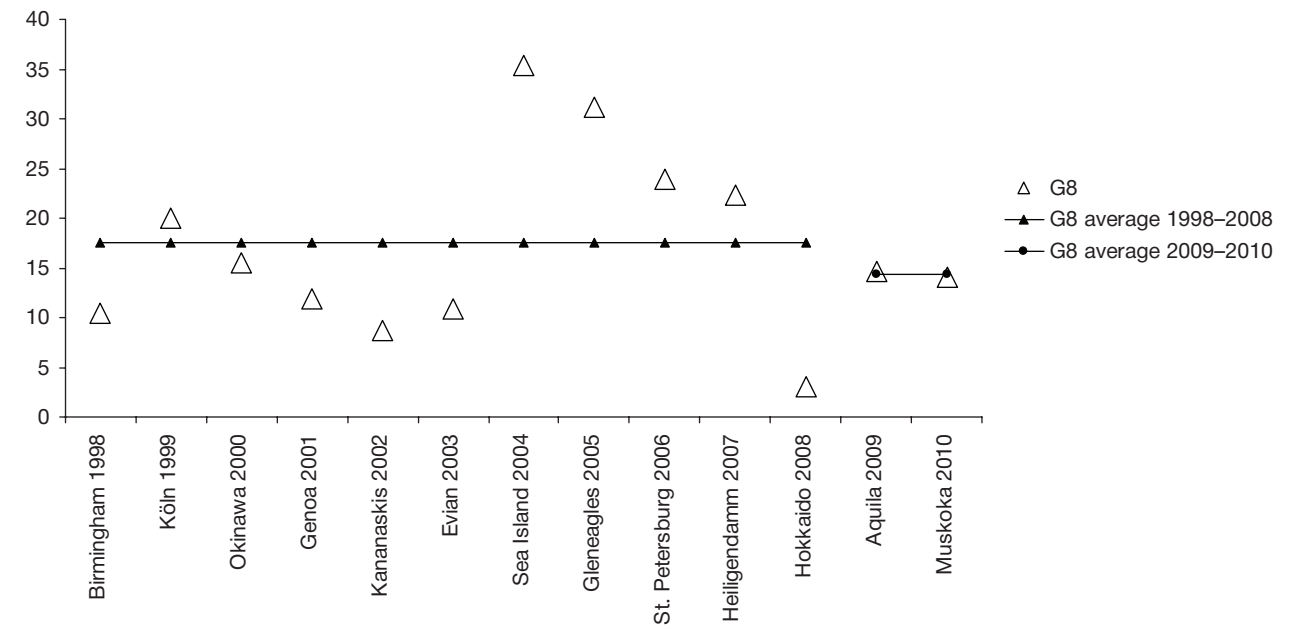
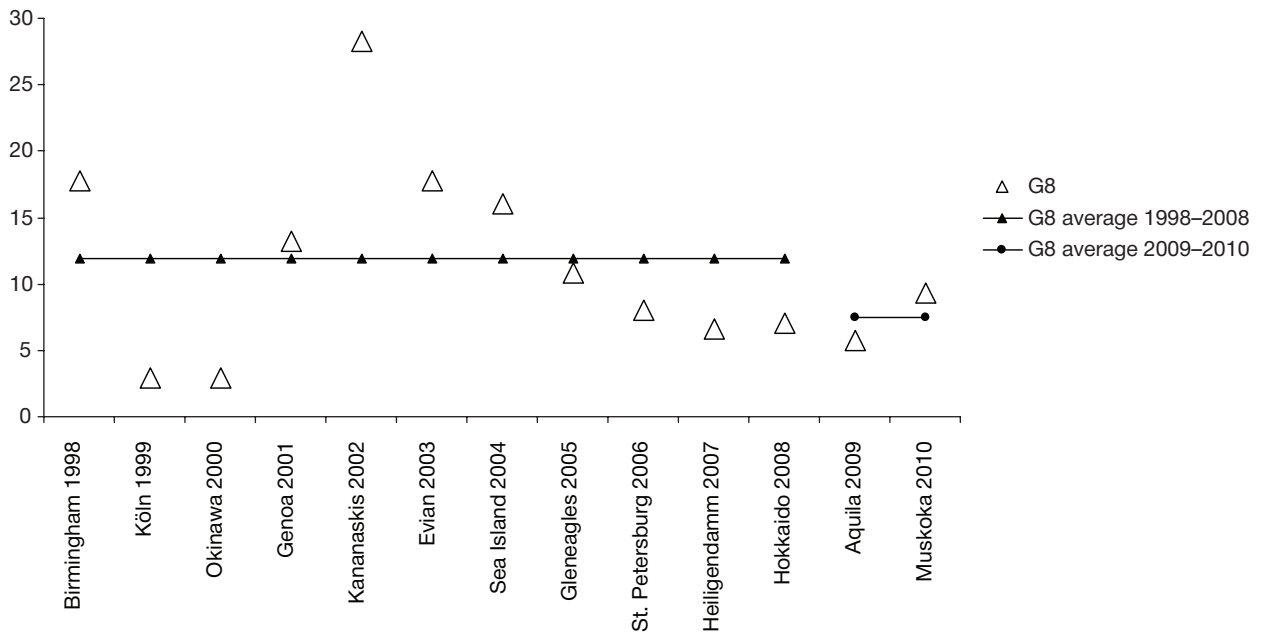
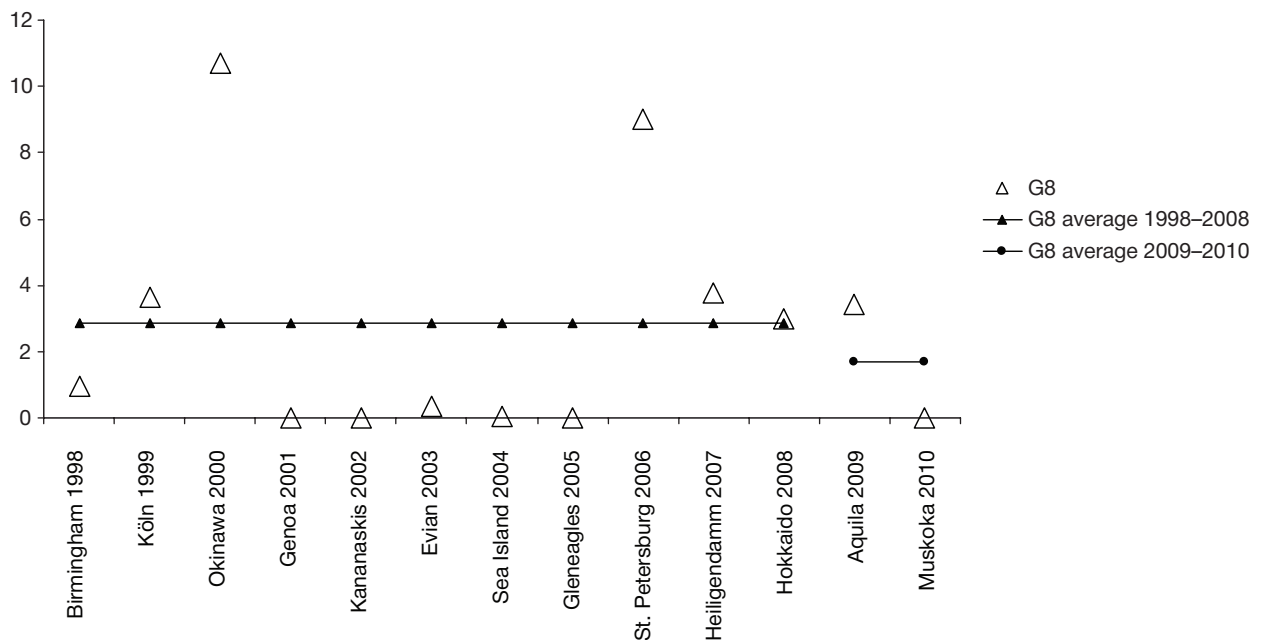


Fig. 20. Political Issues



**Fig. 21.** Security



**Fig. 22.** Science, IT, Education, Innovations

Pakistan and Afghanistan, as well as the proximity talks between the Palestinians and Israel remained at the center of the G8 attention.

The G8 remained responsive to other tensions and critical situation which threaten security, such as the ethnic conflicts in the Kyrgyz republic, the long standing conflict in Sudan, and the aftermath of the earthquake in Haiti.

Closely connected with political agenda, security issues constituted 5.69 and 9.27 percent of the Aquila and Muskoka discourse respectively. Cooperation on fighting transnational organized crime and piracy, collaboration on anti terrorism within international initiatives, and through the Roma/Lyon Group and the Counter-Terrorism Action Group (CTAG) remain at the center of the G8

security agenda. In Muskoka the G8 committed to three interrelated initiatives to strengthen civilian security systems. Civilian reinforcements for stabilization, peace building and rule of law aims to help build capacity to recruit, deploy and sustain civilian experts from developing countries and emerging donors to increase deployable civilian capacities to reinforce state institutions and advance the rule of law. The maritime security capacity initiative provides for cooperation on capacity building in areas such as maritime governance, patrol aviation, coast guards, fisheries enforcement, and maritime intelligence sharing, as well as legislative, judicial, prosecutorial and correctional assistance. Through their international police peace operations the G8 members committed to mentoring, training and, where appropriate, equipping police, including new formed police units for duty on UN and AU peace operations.

Science, IT, education and innovation also remain in the domain of the G8 discourse, though the G20 Seoul Multi-year action plan acknowledges cooperation on human resources (skills) development and knowledge sharing is a vital source of growth.

Obviously the division of labor on the priorities is not complete and should not be preset. However, it is clear from the previous analysis that both institutions have and will continue to have their own nuclei of core agenda issues, but they also can work on the same things if and when need be. Their cooperation should be based on the principle of comparative advantage (see preamble item 3 for detail).

## Engagement with the Other International Institutions

For assessment of the G8 and G20 engagement with international institutions references to international organization in all documents included into the data base have been identified. These included a list of 186 international institutions. The data included the number of reference made in the period, and the correlation of the number of references to the number of symbols in the documents:

$$D_I = \frac{M_I}{S},$$

where  $D_I$  is intensity of reference to international organizations in a certain year (period);  $M_I$  is number of references made to the institute of the year (period);  $S$  stands for the total number of symbols in the documents of the period. For convenience of perception the received amount was multiplied by 10000.

Cross institutional comparison was made on the basis of the data on intensity and its dynamics over the period. Comparison was also made on the parameter of the share of references to an institution in the total number of all references.

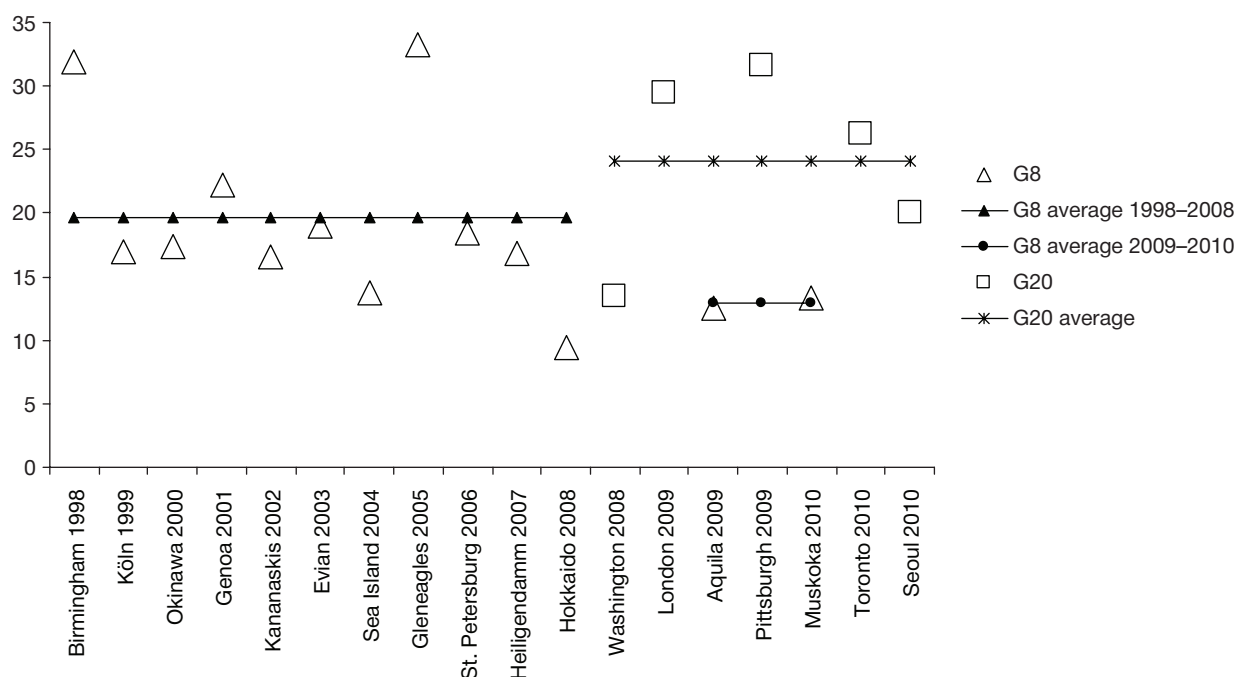
The study looked also into the modes of engagement of the G8 and G20 with the international organizations. This was based on four models put forward by the different schools of thought: G8 governance through the multilateral organizations<sup>6</sup>; G8 governance against multilateral organizations [5], G8 governance without multilateral organizations [6], and G8 governance in alliance with the multilateral organizations [7]. It proved hard to make a clear distinction between the two models of governing without and governing against. The content analysis of the text was guided by such signals as references to creating new alternative institutions, G8/G20 support and mandates to them (against), and mandates to national structures, ministers, officials (without). However, as there is still a need for further refinement of the data, this paper will not give detailed analysis of the modes of engagement.

Nevertheless, a combination of parameters on the intensity and dynamics of engagement allows comparative assessment of the G8 and G20 contribution towards developing multilateralism on the key problems of global governance.

The average intensity of G8 engagement with the international institutions in 2009–2010 was 12.92, lower than the average of 19.62 in the 1998–2008. Engagement trend was more or less even, except the 1998 and 2005 summits enhanced cooperation under the Presidency of the UK Prime Minister Tony Blair promoting “a global alliance for global values” [8], and two slumps in Sea Island and in Hokkaido. These fluctuations reflected both the individual presidencies preferences, the nature of the topic for cooperation and the G8 concern over efficiency of the multilateral institutions.

The G20 renewed intensity of engagement reflects the imperative of reinvigorating efforts to reform the global architecture to meet the needs of the 21st century, inability to substitute the old institutions by new ones, and hence the endeavors to pour “new wine into old bottles”. The intensity is growing from Washington to London, to Pittsburg, with a slight decrease to 26.26 in Toronto. Intensity of G20 engagement with international organizations in Seoul remained quite high, and stood at 31.2 if the text of the Supporting Document, mostly specifying individual actions and commitment of

<sup>6</sup> Put forward by Ella Kokotsis within the democratic institutionalist model of G8 performance described in John Kirton [5]



**Fig. 23.** *Intensity of international organizations' mentions in G8 and G20 documents*

the G20 members, is exempted from the analysis. Even with the Policy Commitments by G20 Members document intensity remains at 20, which is substantially higher than that of the G8.

However, we also need to look at which organizations are G8 and G20 key partner institutions. The G8 top ten partners are defined by the prominence of the development, energy, political, environment and security issues on its agenda. The UN privileged position as the G8 conforms both to the broad agenda of both institutions and the UN unique status.

The G20 agenda defines the intensity and mode of engagement with international organizations. Hence, the G20 top ten partners include the International Monetary Fund, the World Bank, the Financial Stability Board, Basel Committee on Banking Supervision, Organization for Economic Cooperation and Development, Multilateral Development Banks, and World Trade Organization. The International Labor Organization is involved in conjunction with coordination on employment policies. The UN barely makes it into the top ten of the G20 partners, and is brought in relation to the call for the ratification and implementation by all G20 members of the United Nations Convention against Corruption (UNCAC), engagement in negotiations under the United Nations Framework Convention on Climate Change (UNFCCC), and commitments to the Millennium Development Goals and shared growth.

Nevertheless, the general trend for the G20 enhanced engagement with international organizations is evidenced by an expanding number of organizations involved in cooperation, increase in references to international organizations from 44 references in the Washington Declaration, to 310 in London, 395 in Pittsburg, 443 in the Toronto documents, and 669 in Seoul. Another indication of enhanced engagement is the number of mandates delegated by the G20 to the organizations, which amounted to 24 in Toronto and 60 in Seoul. An important evidence of the G20 reliance on the international institutions are the reports and recommendations prepared by the IMF, the WB, the FSB, the OECD, WTO on request from the G20 leaders<sup>7</sup>.

<sup>7</sup> G20 Mutual Assessment Process – IMF Staff Assessment of G20 Policies – 11.11.2010;

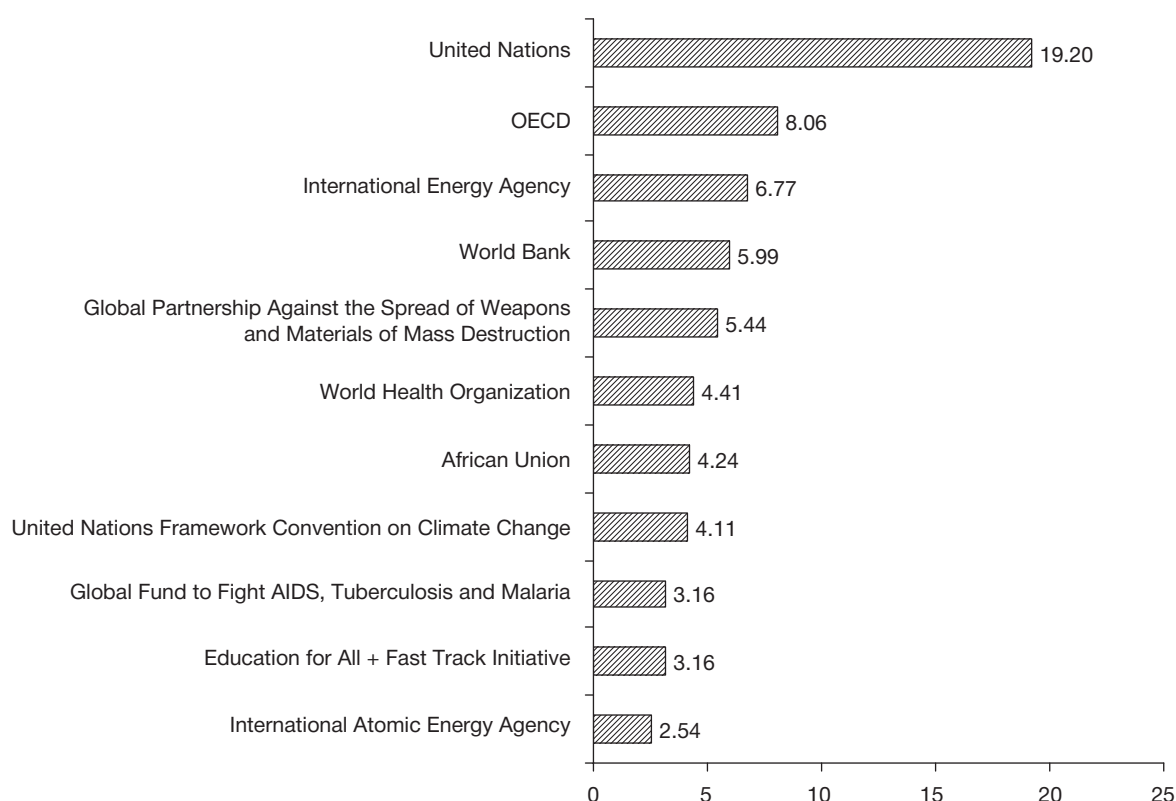
The G20 Mutual Assessment Process (MAP) Factsheet – 11.11.2010;

Growth and Development in Emerging Markets and Other Developing Countries. Report prepared by Staff of the World Bank for G20 Growth Framework and Mutual Assessment Process – 11.11.2010;

Seizing the Benefits of Trade for Employment and Growth. OECD, ILO, WORLD BANK, WTO final report. Prepared for submission to the G-20 Summit meeting – 11.11.2010;

Reports on G20 Trade and Investment Measures (mid-May to mid-October 2010) – 4.11.2010;

FSB letter to G-20 Leaders on Progress of Financial Regulatory Reforms – 9.10.2010;



**Fig. 24.** TOP-10 international organizations mentioned in G8 documents in 2008–2010, percent

There is apparently a scope for upgrading the G20 coordination with the UN. Meanwhile, though the UN remains a key partner institution for the G8, referenced most frequently in its summits' documents, it ranks almost last in the ten most frequently referenced international organizations in the G20 documents.

In Seoul the leaders agreed on the necessity to consult with the wider international community, in a more systematic way, building on constructive partnerships with international organizations, in particular the UN, regional bodies, civil society, trade unions and academia. Implementation of this agreement is all the more important as no more than five non-member countries, with at least two from in Africa, will be invited to future summits.

On the modes of G8 and G20 engagement with international organizations, we can discern

Progress since the Washington Summit in the Implementation of the G-20 Recommendations for Strengthening Financial Stability Report of the Financial Stability Board to G20 Leaders – 8.11.2010;

Reducing the moral hazard posed by systemically important financial institutions FSB Recommendations and Time Lines – 20.10.2010;

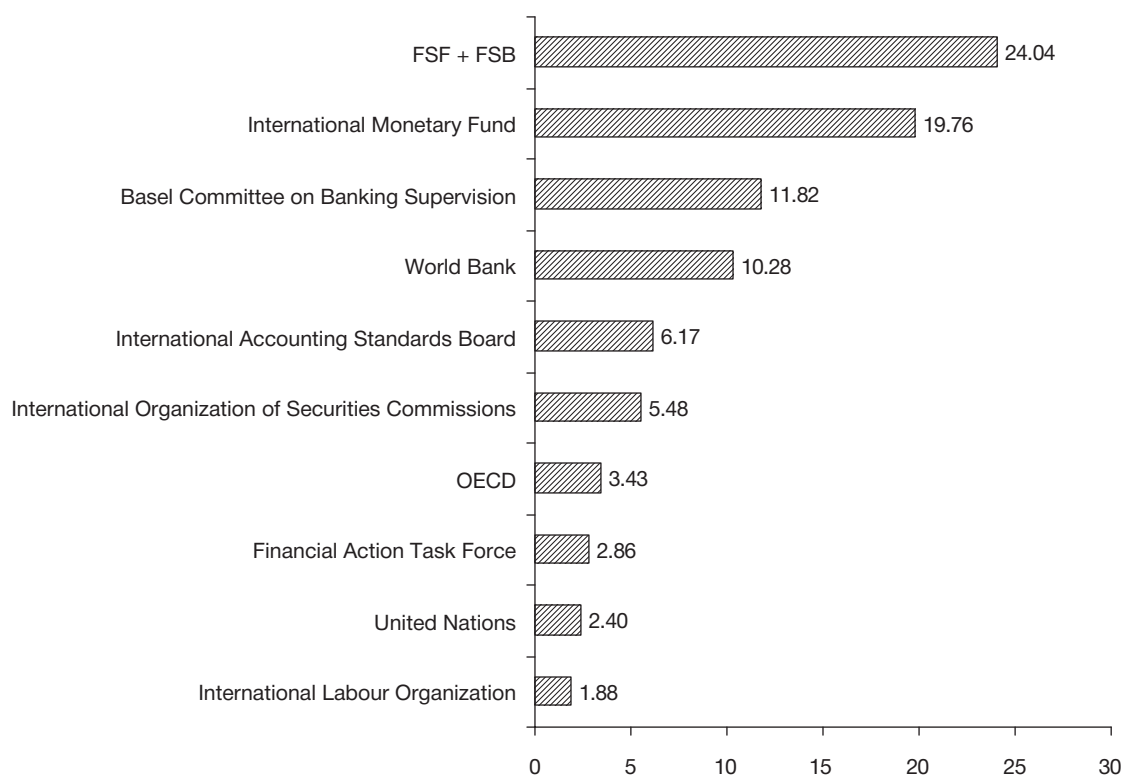
Pursuing Strong, Sustainable and Balanced Growth: the Role of Structural Reform. OECD – October 2010.

two different trends. The G8 members' engagement on both cooperative modes has been declining. Expanded share of undefined mode includes, inter alia, governance without and governance against international organizations, which have sometimes been difficult to categorize clearly.

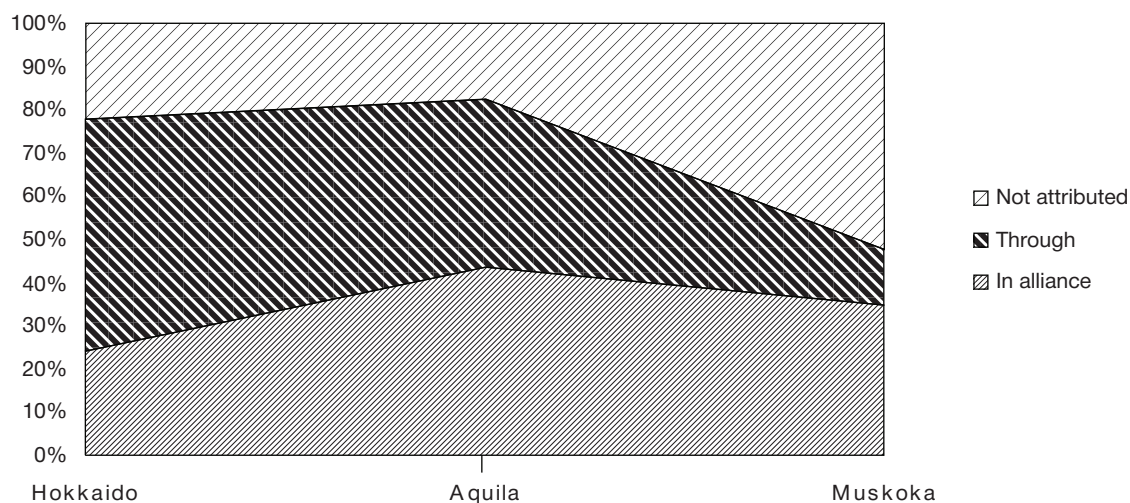
G20 members have been gradually increasing the share of cooperative modes of engagement. In Seoul 43.20 percent of all references are made to actions in alliance and 41.21 percent to actions through international organization.

Additional indicator of the institutions' contribution towards multilateral cooperation would be dynamics and mode of G8 and G20 engagement with each other. So far the references identified belong to G8, most of which within the Italian Presidency (17 out of 19) and point towards search for alliance with the G20. In Muskoka there were only two references made to G20, and G20 documents have not made explicit collective mentions of the G8.

Thus, though evidence base is limited by the timeline of observation, the emerging trend so far indicates that the G8 has been moving from reforming and reinforcing to replacing multilateral organizations with a G8-centred system of its own, as John Kirton claims in his concert equality



**Fig. 25.** TOP-10 international organizations mentioned in G20 documents in 2008–2010, percent



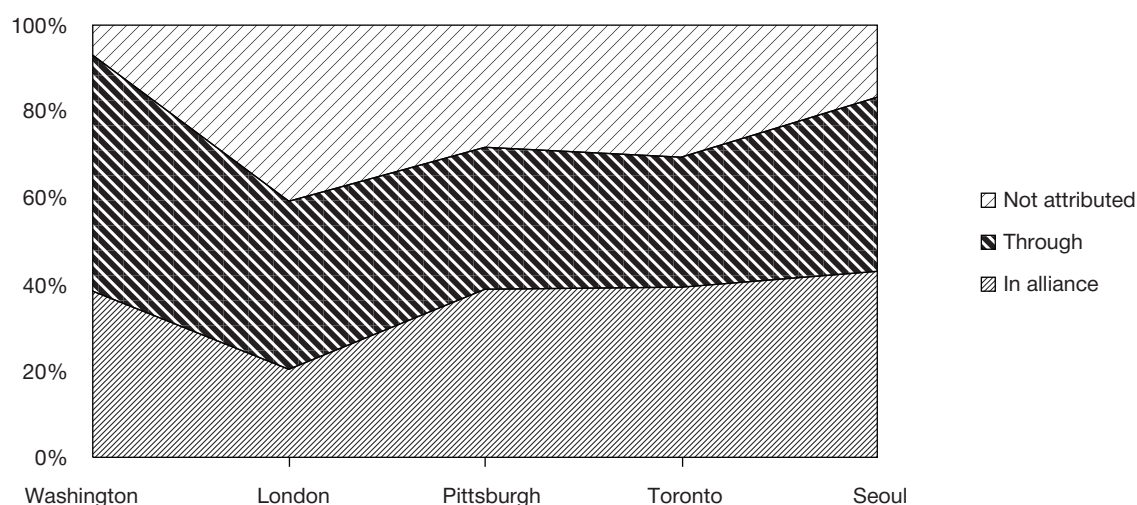
**Fig. 26.** G8 cooperation with international institutions by modes of engagement

model; and to co-existence and non-involvement with international organizations, as asserted by Nicholas Bayne's G8 governance without international organizations model. Obviously G8 should not weaken its capacity to engage with international institutions and the G20. It also needs to utilize its outreach potential and include into the dialogue the countries which have been formerly

part of the process, were "qualified" to become members of the G14, in case of the G8 expansion, and now feel resentment about their non-inclusion in the G20.

Simultaneously, the G20 has been moving towards enhancing multilateralism. This has a potential for several positive effects. First, reinforcing the G20 legitimacy, second, consolidat-





**Fig. 27.** G20 cooperation with international institutions by modes of engagement

ing the G20 and their international partners' capacity for delivery on the decisions made in the summits, third, providing a footing for building mechanisms for accountability and transparency. The latter has a special relevance, given the highly sophisticated and technical nature of the G20 topics and the need to communicate the outcomes to the public in G20 countries and beyond. Reliance on key multilateral institutions can also provide additional expertise in required policy areas, information rich contexts for activities of various working groups, pressure for compliance with decisions, and continuity on the G20 expanding agenda.

## Conclusion

Over the period of the summits co-existence, the G20 has demonstrated higher capacity for direction setting, decision making and global governance development. The G8 confirmed that the institution not only remains a forum for deliberation, but is committed to delivery. The G20 is still significantly less effective on accountability and compliance, and needs to address these limitations to ensure its authority and legitimacy.

On priorities, obviously the division of labor is not complete and should not be preset. However, though the G20 is successfully expanding into new spheres such as energy, environment, and anti corruption. Security and political agenda remain within the G8 domain. Division of labor on development assistance can work through G20 contribution to economic growth, with eventually enhancing input to aid from the emerging donors, whereas the G8 needs to continue meet the re-

sponsibilities for both the economic growth and official development assistance. It is clear from the previous analysis that both institutions have and will continue to have their own nuclei of core agenda issues, but they also can work on the same things, with their cooperation based on the principle of comparative advantage. G20 needs to resist mission creep.

Finally, both G8 and G20 should work more closely with each other and major multilateral organizations in collaborative mode.

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