

G7/8 – G20 – BRICS: A New Triad in Global Governance?

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This article focuses on the evolution of systems dealing with economic globalization. The emergence of successive structures of global governance is a response to tension, crisis and uncertainty generated by anarchy in the international environment. The author presents the concept of the super triad of economic governance (STEG), developed between 1973 and 2008. It is characterized by a departure from the traditional triadic systems of economic triad (United States – European Union – Japan) and institutional triad (International Monetary Fund – World Bank – World Trade Organization) toward networking, trans-governance and an increasing role of leaders, whose summits are opportunities to resolve global issues in economics and finance, as well as politics. In consecutive sections the article, based on the neoliberal theory of international relations and the network theory of world politics developed by Kenichi Ohmae, Anne-Marie Slaughter, John Kirton, Andrew F. Cooper and Ramesh Thakur, discusses and critiques the triadic systems in an era of economic globalization, and then explains the STEG concept and its structure. The conclusion presents the main findings.

Key words: BRICS, G7/8, G20, global governance, summits, economic triad, institutional triad, network theory, transgovernance

Introduction

Thinking in terms of triadic systems is nothing new. There are many indications that they are inherently embedded in the nature of man. Looking at them through the prism of the history of philosophy it should be noted that “triad optics” dates back to the turn of the fourth and fifth centuries AD, when St. Augustine developed the doctrine of the Trinity in his work “De Trinitate.” The father of the church found 22 examples of triads occurring in the universe and in man. As the most important he considered: the mind, knowledge and love. His deliberations were continued in the twelfth century by Thomas Aquinas, Montesquieu, the author of the theory of separation of powers, and in later centuries by Hegel, who became obsessed with the number three. The fundamentals of his philosophy, later developed by Karl Marx, were concluded in the work “Enzyklopädie der philosophischen Wissenschaften im Grundrisse” (The Encyclopedia of the Philosophical Sciences, 1817), consisting of three books. They were successively devoted to logic, nature and spirit. The work of Hegel was divided into successive triads (Figure 1) passing from larger systems to smaller, but always with the same structure [Benson 2003, p. 23–24].

The Hegelian triad manifests itself in a dialectical process, the particular stages of which are thesis, antithesis and synthesis. Hegel believed that the law of dialectics was the most important principle of logic. The law was for him a spontaneous and continuous clash of conflicting ideas. Every thesis (idea) always has an opposite (antithesis). The resulting tension between two diametrically differing views is withdrawn after the formation of a new view, which is the juxtaposition of thesis and antithesis, named synthesis. But this is not all. The resulting synthesis is in fact the starting point for further reflection, on another “triad”.

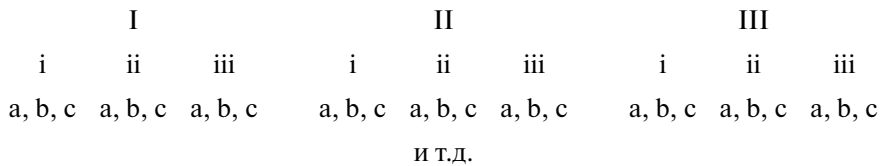


Figure 1. Graphic illustration of Heglian triadic system

Source: Own elaboration.

Therefore, the outlined concept of the Hegelian triad contained an attempt to connect opposites, a pursuit of progress which consists in acknowledging the complexity and sense of cooperation, with a postulate of a third way. As it can be believed, the Hegelian dialectic is applicable not only to history but also to religion, art, social sciences, social behaviour and even the functioning of state and non-state actors in shaping a new international order, referred to as global governance. Global governance is associated with control rather than governing, and thus with a wide range of processes by which decision-making is coordinated, and specific policies implemented. James Roseanu, in an often-quoted definition, states that “global governance is conceived to include systems of rule at all levels of human activity – from the family to the international organization – in which the pursuit of goals through the exercise of control has transnational repercussions” [Rosenau 1995, p. 13]. Being primarily interested in how control is exerted in transnational politics, Roseanu remarks: “There is no single organizing principle on which global governance rests, no emergent order around which communities and nations are likely to converge. Global governance is the sum of myriad – literally millions – of control mechanisms driven by different histories, goals, structures, and processes... In terms of governance, the world is too disaggregated for grand logics that postulate a measure of global coherence” [Ibid., p. 16]. Assuming the fluidity of global governance and elusiveness of its hierarchy, it is justified to say that this process is conceived to adapt the individual and collective ways of solving common issues, in order to resolve conflicts that emerge constantly, mitigate ideational clashes, and consequently to increase the area of possible cooperation between heterogeneous entities. An essential role is played by a variety of informal and formal institutions. Their intentions may become a catalyst for group activities [UN, 1995, p. 2].

The emergence of successive structures of global governance is a response to tension, crisis and uncertainty generated by anarchy in the international environment. In this sense, the new, emerging triad “G7/8 – G20 – BRICS” is a synthesis resulting from tension between the West and the non-Western world, which has increased since the end of the Cold War. Its emergence is affected by such factors as:

- Growing demand for international cooperation in the context of recurring global financial and economic crises;
- The ineffectiveness of existing triadic systems, namely the “Economic Triad” of Western countries (US – EU – Japan) and the “Institutional Triad” of international economic organizations (IMF – World Bank – WTO), against the threats and challenges emerging in times of turbulence, accompanying the formation of a post-Cold-War international order;
- The rising importance and aspirations of non-Western states, mostly rejecting the Washington Consensus and “Western” model of global governance.

The triad “G7/8 – G20 – BRICS”, can be seen as the outcome of long-term evolution that started with the emergence of institutional solutions in the 1970s. As the break points we can take the birth of the G4 in 1973 (the so-called “library group”), later complemented by Japan

(1973), Canada (1976), the European Community (1977) and Russia (1998), which in turn temporarily upgraded the G7 to the G8 format,¹ the emergence of the G20 at the ministerial level in 1999 and the increase of its rank to the level of leaders in 2008, and finally the formation of the BRICS group in 2008, joined by South Africa at the third summit of the group, held in the Chinese resort of Sanya in April 2011. On the one hand, the formation of a new triadic, multicentric order in the area of global governance was a result of negative factors: tensions, crises and inefficiency of existing structures. On the other hand, positive factors related to maximizing the relative benefits of cooperation served as a catalyst for change. To put it simply, the concerned states assumed that the formation of systems with some degree of institutionalization, while maintaining their flexibility, is particularly important in the context of the multi-level and multidirectional nature of interactions occurring on the interstate, transnational and nongovernmental levels. These structures take the most common form of trans-governmental regulatory networks, which due to its flexibility and unformalized nature are easy to fit into the formula of global governance.

Global networks play an essential role in the creation, development, diffusion and implementation of various standards and rules, thus in regulating an increasing number of issues. The example of the G20 summit in St. Petersburg (2013) shows that its agenda can include such diverse items as: macroeconomic policy, employment, finance, corruption, taxes, security, the conflict in Syria, energy, international financial institutions' reform, the environment, development, trade, commodity prices, and food security [Rewizorski, 2014, p. 143]. Moreover, global networks accelerate the exchange of information. They also generate rules to implement provisions declared by the heads of state and government. It should be noted that most of them are technical in nature and take the form of soft law, as well as various declarations and memoranda [Reinecke, 1998]. These networks constitute a practical dimension to contemporary global governance and include three types of structures [Zieliński, 2008, p. 22]. The first takes the form of meetings (summits) of heads of state and government. A common feature of such trans-governmental networks that they are created by a group of countries with certain common political, social and economic characteristics [Piotrowski, 2012, p. 141]. The second network structure of global governance consists of national bodies operating at the international level within the framework of existing international organizations [Piotrowski, 2009, p. 244–246]. The third type are national agents, who cooperate without a clear legal basis. In this article, at-

¹ At the time of writing, Russia has been widely perceived in the West as “suspended” from the group by the other seven member nations over the annexation of the Crimean peninsula and allegations of involvement in the Ukrainian conflict. In a collective statement (“The Hague Declaration”) issued on the margins of the Nuclear Security Summit in the Hague on March 24, 2014, the leaders of the G7 member states strongly condemned Russian policy toward Ukraine and declared: “This Group came together because of shared beliefs and shared responsibilities. Russia’s actions in recent weeks are not consistent with them. Under these circumstances, we will not participate in the planned Sochi Summit. We will suspend our participation in the G8 until Russia changes course and the environment comes back to where the G8 is able to have a meaningful discussion and will meet again in the G7 format at the same time as planned, in June 2014, in Brussels, to discuss the broad agenda we have together. We have also advised our Foreign Ministers not to attend the April meeting in Moscow. In addition, we have decided that G7 Energy Ministers will meet to discuss ways to strengthen our collective energy security.” An in-depth reading of this passage indicates that Russia was not “suspended” or “expelled” from the informal grouping but quite the opposite – the G7 countries suspended their own participation, however not without the door left open for a possible resumption of the G8. Despite the initial words of Russian Foreign Minister Sergei Lavrov, who declared, “The G8 is an informal club. No one hands out membership cards and no one can be kicked out of it. If our Western partners believe that this format has exhausted itself, let it be. We are not clinging to it.” A year after “The Hague Declaration,” such politicians as Gerd Müller – German Minister for Economic Cooperation and Development – indicated that Russia’s return to the G7 is not out of the question but will depend on the implementation of the Minsk peace deal on the Ukrainian crisis. See: [White House, 2014; Reuters, 2014; Sputnik, 2015].

tention will be paid to the transformation of triadic systems that evolved and gained popularity in the decades following World War II and underwent fixation after the end of the Cold War, and the relatively new structures that are displacing them, having been established gradually since the 1970s. The latter, as trans-governmental networks, operate in the form of summits of heads of state and government. I refer to them as “The Super-Triad of Economic Governance” – STEG, because their activity is mainly focused on economy and finance.

Triadic systems in the era of economic globalization and their critique

The evolution of global economic and financial governance renders the two triadic systems developed after World War II inadequate in addressing complex issues that transcend national boundaries (Figure 2).

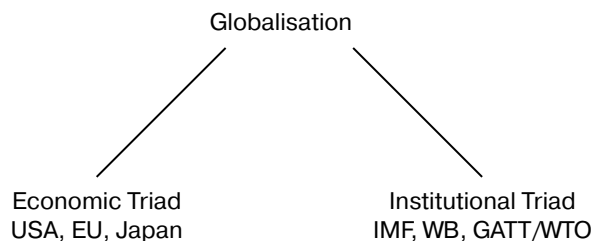


Figure 2. Triadic systems in post-World War II era

Source: Own elaboration.

The first twentieth-century triadic system – the “Economic Triad” – showcased the concept of tri-polar globalization, corresponding to the interests of the United States, Japan and the EU, their transnational corporations, and to some extent hegemonic globalization, identified with the vision of the international order as an American world empire [Puślecki, 2001, p. 53–54]. Its origins are associated with the collapse of the Bretton Woods order in 1971 and the diffusion of power between three regions: North America, Western Europe and East Asia. Emerging in the context of the late 1970s and 1980s, the concept of Economic Triad comprising the most economically developed countries and regions, constituted a mixture of the neoliberal model of American policy, the regulatory Japanese market model, and the interventionist model prevalent in Western Europe.

The very term “triad” or “power triad” was spread in the mid-80s by Kenichi Ohmae, an analyst working as a consultant for McKinsey Company. In “Triad Power” [Ohmae, 1985] he noted that within the geographical space defined by the U.S., EU and Japan, there are a number of similarities, namely: low macroeconomic growth, a high degree of assimilation of technological infrastructure, the ubiquity of large companies based on equity in action and knowledge, as well as the relative homogenization of demand in markets that underwent strong protectionist pressures. In this perspective, the triad area became the centre of most of the innovations made in industry, and the largest market space for new, technologically advanced products [Rugman, Verbeke, 2004, p. 3–18]. K. Ohmae, however, did not foresee the extension of the narrow Economic Triad (USA, EU, Japan) into a large triad consisting of the NAFTA countries (USA, Canada, Mexico), EU-28 and Asia, where the leadership role was taken over by China in place of Japan. Due to the lack of a “wide triad” in the model of K. Ohmae, it did

not provide for the intensification of intraregional connections occurring on its territory. An example is Southeast Asia, where after the financial crisis of 1997–1998, there was a boost in regional cooperation in the field of economic development. In 2006, an agreement on a free trade zone in South Asia entered into force. It ushered in the creation of a free trade zone in two stages: by 2013 between India, Pakistan and Sri Lanka, and between other countries until 2018 [Zajączkowski, 2012, p. 640]. In addition, it provided for concluding many other regional trade agreements (RTAs). The RTA between China and ASEAN, which entered into force in January 2010, gave the Chinese access to the natural resources of 10 countries in the region, and the necessary raw materials to meet the needs of their rapidly growing manufacturing sector. As a result of the agreement, the world's largest economic bloc in terms of population was established, inhabited by approximately 1.9 billion people (1.3 billion in China, 560 million in the ASEAN), with trade turnover in excess of 200 billion dollars.² Referring to the model of the traditional Economic Triad as a group of the most economically developed leading countries, consisting of the US, the EU and Japan, together with economies of East and Southeast Asia (Hong Kong, South Korea, Singapore, Taiwan) [Gradziuk, 2006, p. 31–51] it should be noted that the contemporary importance of this area in the world economy has been relatively weakened in favour of the emerging powers. In 2003 the value of exports of the Economic Triad was about 56.2% of world exports [Mucha-Leszko, 2005, p. 158], and in 2008, this share had decreased to 41.6% [Eurostat, 2009, p. 22].

The tendency to expand the Economic Triad was also noted by K. Ohmae, who revised his views nearly 10 years after the publication of “Triad Power.” In 1994 he published the book “The Borderless World” where he remarked that the penetration of global markets takes place without attribution to economic regions. The growing importance of emerging economies is accompanied by an increase in the number of variables characterizing equivalent economic systems. Another direction was followed by authors such as C. K. Prahalad, who in the monograph “Fortune at The Bottom of the Pyramid: Eradicating Poverty Through Profits” [Pralhad, 2006] presented a new perspective of the Economic Triad. The starting point was similar to that of K. Ohmae. Prahalad focused on the activities of transnational corporations as the real measure of “triad power.” He drew attention to the poorest billion people as a crowd of consumers showing demand for functional and cheap products and not for the fancy and expensive products offered by transnational corporations in the West. The problem for Prahalad was not the issue, indicated by Ohmae, of TNC selling so-called “engineered commodities,” i.e. innovative products possible to produce with high capital and application of know-how available in developed countries, but the production of cheap products whose production requires the adaptation of Western companies to the requirements of consumers in developing countries. He indicated that if the requirements of a local market are not met by Western companies, it may result in the transfer of benefits to competitors from emerging economies. Such adaptation, however, is difficult since some emerging economies do not provide Western countries with reciprocity in terms of investment conditions. An example is China's capital market, which remains largely unavailable in sectors that Beijing considers relevant from the point of view of economic development, such as transportation, banking, and alternative energy sources. Foreign participation

² The agreement provides for the abolition by the end of 2010 of 90% of the rates in China's trade with Indonesia, Brunei, Malaysia, the Philippines, Singapore and Thailand, and by 2015 with Laos, Vietnam, Cambodia and Myanmar (Burma). It was agreed to reduce the average tariff rate on imports from these countries to China from 9.8% to 0.1%, and for Chinese exports to them from 12% to 0.6%. The remaining 10% of rates, including textiles and electronic parts, are lowered more slowly. The duty-free trade agreement covers approximately 7 thousand categories of goods. It is also worth noting that in terms of services, companies from ASEAN countries that are involved in tourism are treated preferentially on the Chinese market, and vice versa. See: [Rzeczpospolita, 2010; Wiadomości, 2010].

in these sectors is limited to 20%. The exclusion of strategic or sensitive sectors is consistent with the terms of China's accession to the WTO. Despite official assurances to European and American partners that this situation is being improved, Beijing continues a policy according to which China can buy Sweden's Volvo, while European companies are not able to make similar investments in China. The problem for Western companies is the lack of consent of the Chinese government to accede to the GPA (Government Procurement Agreement), without which the access to their public procurement markets is very difficult. According to estimates prepared by the EU Chamber of Commerce, its value in China in 2011, with regard to any orders made by state-owned entities, including local governments, provinces and private enterprises, accounted for 20% of China's GDP. In a situation where Chinese companies have open access to approximately 85% of the public procurement market in the EU, a significant asymmetry has emerged in this field, and is a negative factor in the economic relationship between Beijing and Brussels [Paszewski, 2013, p. 80].

The second triadic system developed in the era of globalisation relies on intergovernmental economic organizations. These include the International Monetary Fund (IMF) and The International Bank for Reconstruction and Development (IBRD) commonly referred to as the World Bank (WB). Both of these institutions came into existence in 1944 at the Bretton Woods conference. The newest "body" of above-mentioned system is the World Trade Organization (WTO), established on 1 January 1995, as the successor to the General Agreement on Tariffs and Trade (GATT). It was established in order to supervise the implementation by individual countries of the GATT Uruguay Round provisions.

These organizations, acting in the field of economy and finance, can be described as an "Institutional Triad." They were established in order to improve cooperation between member countries. For this purpose, a number of functions were assigned to them. Firstly, they constitute "fora" or "agoras", where states – "full citizens" of the international community – can periodically meet and discuss. This reduces distrust between them [Axelrod, Keohane, 1985]. Secondly, the IMF, World Bank and WTO are centres (focal points), where countries have a greater chance to reach agreements, explain complex and ambiguous questions, or agree on common positions – in other words to meet, at least to some extent, the expectations of different actors involved in cooperation [Garrett, Weingast, 1993]. Thirdly, these institutions join together to negotiate issues which are relevant to individual states, and form problem groups and reach agreements that would otherwise be impossible [Davis, 2004, p. 153–169]. The fourth function is to provide information to the member states involved in cooperation, and thus reduce uncertainty as to outcomes and costs associated with possible accession to jointly formulated agreements and declarations [Keohane, 1984]. Finally, the functions of the above-mentioned international institutions include "general police supervision" of monitoring compliance by the signatories to the agreement and its terms, and publicize examples of their failure to respect them.

While appreciating the importance of the WTO, IMF and World Bank for the development of international cooperation in the field of economics and finance, one should not overlook the fact, that to a large extent, their activities do not meet expectations. Allegations against the WTO are most commonly associated with the notion of depriving developing countries with opportunities to pursue their commercial policy as an instrument of development, and with the lack of democratic legitimacy of the organization as such. In his notorious work, a representative of the critical school – Ha-Joon Chang – stated that the issue of free trade in the WTO means "rejection of the ladder of development," i.e. depriving the poorer members of the WTO of the opportunity to catch up with Western countries [Chang, 2003]. In criticizing the organization's pressure on developing countries to prematurely open their markets, he showed that it

can lead to permanent peripheralization of their economies, by preventing their businesses from competing with large West corporations. According to Chang, this is stimulated by the creation of industrial zones in poor countries by companies such as Nike, which avoid paying taxes in the countries of business, and if necessary, show a readiness to move production to where it is cheaper.

The criticism is also directed at the negative effects of IMF and World Bank assistance on developing countries. This includes the actions taken by the IMF and the World Bank in 1997, to save the currencies of Malaysia, Indonesia, Hong Kong and South Korea before the attack by international speculators. The response to the Asian crisis revealed shortcomings in the architecture of global economic and financial governance. The criticism, particularly towards the IMF, concerned macroeconomic policy conditions that should be met by the “infected” states in order to gain the support of the Fund. The IMF urged countries to raise interest rates, lower inflation under the banner of price stability, cut government spending, and suspend or refuse to provide assistance to companies and banks facing bankruptcy. The application of these policies led to deflation. Companies and banks went bankrupt en masse, under the burden of restrictive fiscal and monetary policies. The measures deepened panic among investors instead of limiting it. What is more, even the most secure investments became problematic, as the financial turbulence caused a steady decline in asset prices in the markets. The Asian financial crisis, and the IMF and World Bank’s role in it, can be seen as a lesson that there was a need for these organizations to take into account the realities, dangers and risks occurring in integrated financial channels. The course and consequences of the crisis showed that the IMF cannot send experts to individual countries on a case-by-case basis as it did previously. Emerging countries realized this, being affected by financial and economic problems. In the era of globalized capital markets, it has become necessary to create efficient and flexible responsive institutions of global economic governance, capable of coping with crises occurring simultaneously in many countries.

The Super Triad of Economic Governance and its structure

Economic and institutional triads were shaped in the 1970s. The intensifying process of globalization occurred under the collapse of the Bretton Woods system and the inability of major financial institutions to carry out necessary reforms. Financial instability deepened further in 1973, at the outbreak of the oil crisis caused by decision by the Organization of the Petroleum Exporting Countries (OPEC) to impose an oil embargo on Western countries that supported Israel in the Yom Kippur war. The resulting tension in the global economy required a concept of action beyond the existing formula of cooperation. The deficiencies of international cooperation created a demand for the creation of new structures that go beyond traditional interstate and interinstitutional cooperation by adopting the mixed nature of a concert of countries and trans-governmental networks, which is a more advanced form cooperation, highly integrated with the emerging international order known as global governance.

The origins of the first component of STEG – G7/8 – can be traced to a meeting of the finance ministers of France, Germany, the United States and Great Britain, who being aware of the need to regulate economic and fiscal policy, on 25 March 1973 gathered in the library of the White House, thus forming the so-called “library group.” In September 1973, “the four” were joined by Japan. The five finance ministers of these countries met periodically until the mid-80s. In 1974, French President Valéry Giscard d’Estaing invited the leaders of the U.S., UK, Germany, Japan and Italy to an informal summit convened at the château de Rambouillet (16–17 November 1975). They talked on such subjects as developing a system of collective ma-

nagement, where responsibility would be divided between Western Europe, the US and Japan [Bayne, 2005, p. 4]. In 1976, “the six” were joined by Canada following an invitation that U.S. President Gerald Ford sent in 1976, before the start of the second G7 summit, held in San Juan (Puerto Rico). Since 1977, the meetings of the group of seven began to be attended regularly by the European Community, and then the summits became more representative [Hajnal, 2007, p. 3]. Since the summit of 1975 in Rambouillet, which initiated a discussion on collective (global) management, the G7 has significantly expanded the scope of its activities. The activity of this body was inscribed in the definition of global governance as a process of managing issues of common interest under non-sovereign power beyond national borders. The G7 has become a central element of global governance. John Kirton aptly described the forum as “a global equivalent of the European concert, which contributed to the maintenance of peace and prosperity between 1818 and 1914” [Kirton, 1995, p. 67–80].

The group of seven, finally formed in the second half of the 1970s, functioned since its foundation as a club for multilateral international cooperation. A characteristic feature of this “club model” was that it constituted a consultative forum at the highest level, with uniform themes of negotiation, to be accessed by a quite small number of rich countries. John Kirton, pointing to concept of clubs developed by James Buchanan [Buchanan, 1965], noted that “The G7 is a concert – a very particular kind of club... a continuing coalition of convenience... a small elite group often gathering in isolated or resort settings with time for spontaneous personal encounter where everyone at the working meals and sessions is seated around the table close enough to touch a colleague’s shoulder, whisper to a neighbour, and engage in personal and informal collective conversation” [Kirton, 2013, p. 33–34]. As we can see, its main weakness was the lack of transparency of procedures, brokering and decision-making processes for the public. Such a weakness, emphasized by parties not directly involved in the activities of the G7, was, however, also a key to its political effectiveness. In practice, the finance ministers and leaders of the “magnificent seven”, protected by a lack of transparency of procedures, entered into complex arrangements between themselves, which in many cases were difficult to separate into component parts. A small number of participants in the group facilitated the development of personal, informal contacts between leaders.

Initially the G7 dealt exclusively with monetary issues. At the turn of the 1970s and 1980s it began to deal with a wider range of problems. Leaders held discussions on political and military issues (terrorism, security, Euromissiles, weapons and nuclear power, the situation in Afghanistan, institutional cooperation, the future of Central and Eastern Europe, reform of the UN and the IMF), social issues (sustainable development, human rights, debt reduction support for developing countries), environmental issues (climate change, greenhouse gas emissions) and economic issues (international trade, debt crisis, economic assistance, coordination of macroeconomic policies). The main difficulty in organizing summits was the need to adjust the G7 agenda to changing international conditions. It is enough to mention that in 1975 in Rambouillet, much attention was paid to developments in Spain after the death of General Franco, the US-Soviet SALT negotiations, and relations between the West and China [Callaghan, 1987, p. 480]. During a meeting in Tokyo, which was held in May 1986, the G7 leaders dealt with preparations for the start of the Uruguay Round of GATT trade negotiations [Bayne, 2005, p. 25].

The strength of the G7 in the years 1975 to 1997 became a skilful combination of the stabilization program, which is characterized by joining selected issues into a greater package, with flexibility for quick modification of the agenda. However, the weak point of the group of seven was its lack of representativeness, which was all too evident during the dynamic development of emerging countries at the beginning of the 1990s. Changing this state of affairs was one of

the key points of G7 reform. An expression of the growing importance of emerging countries in International Relations was Russia's the entry into the G7. The country was finally admitted in 1998 at a summit in Birmingham. The group of eight (G8) was then established, in which Russia was an equal participant only in political matters, excluded from debates on economic and financial issues. Russian representatives were excluded from G7 meetings that preceded the G8 summits. They were also not able to hold G8 summits. This state of affairs lasted until Kananaskis Summit in 2002 [Ostry, 2002]. During the summit, it was decided that Russia, for the first time ever in 2006, would hold a summit of the G8 and take the presidency of the group. This ended a phase of post-Soviet Russia's reintegration with the system of global governance of the G8. As noted by John Kirton, it was the result of a protracted debate between Germany and France, supporting the demands put forward by the Russians, and Japan, Great Britain and the United States, occupying a conservative position [Kirton, 2002]. However, the question of Russia's involvement in the G8 backfired in 2014, when the country became widely perceived as an "unwelcome guest" in the G7. Western leaders publicly condemned Moscow for its annexation of the Crimean peninsula, decided to extend the use of restrictive measures (sanctions) toward Russia and urged the country to find a diplomatic solution to the conflict in eastern Ukraine. The noteworthy "Ukrainian case" was a crucial issue at the G7 summit in Schloss Elmau (7–8 June 2015). In a declaration, the leaders stated: "We reiterate our condemnation of the illegal annexation of the Crimean peninsula by the Russian Federation and reaffirm our policy of its non-recognition. We reiterate our full support for the efforts to find a diplomatic solution to the conflict in eastern Ukraine, particularly in the framework of the Normandy format and the Trilateral Contact Group. We welcome the OSCE's key role in finding a peaceful solution. We call on all sides to fully implement the Minsk agreements including the Package of Measures for their implementation signed on 12 February 2015 in Minsk, through the established Trilateral Contact Group and the four working groups... We recall that the duration of sanctions should be clearly linked to Russia's complete implementation of the Minsk agreements and respect for Ukraine's sovereignty. They can be rolled back when Russia meets these commitments" [G7, 2015, p. 6]. Such conduct is in line with group's values and principles, which emphasise the importance of freedom, peace and territorial integrity, as well as respect for international law and respect for human rights. The breaching of these values by Russia puts into question the G7+Russia trajectory as the G8, thereby making it rational to speak rather in terms of the G7/8 than the G8.

Another structure which has emerged as a global governance institution is the group of twenty (G20). It represented a reaction to the outbreak of the financial crisis in April 1997 in Thailand, the lack of efficiency of the IMF and the World Bank in mitigating its effects, as well as the demands raised by emerging economies. This latter issue has become, over time, one of the essential differences between the G7/8 and the G20. Since the meeting in Ramoboullet (1975), the G7/8, acting then as a party of six, was a coalition of convenience. The situation is different in case of the G20. This group is much more heterogeneous than the the G7/8 in terms of economics, politics and culture. In an interesting account, John Kirton remarks that in contrast to the G7/8 being a concert, "The G20, with its many non-major power members, including a few non-democratic ones, is not [a concert. – *M.R.*]... But it is still compact, continuing, clear, and consciously constructed enough to constitute... a club with known members with well-understood collective responsibilities and rights. Moreover... it is a club that has not expelled or seen any of its members leave" [Kirton, 2013, p. 33]. This account seems prescient in the light of above-mentioned "Ukrainian case" and the problematic participation of Russia in G8.

Speaking of the G20, from 1999 until the end of 2007, this group functioned only at the ministerial level on the basis of procedural solutions developed by the G7/8. The group of twenty was appointed the role of an informal forum in search of consensus. Unlike the other institutions of global governance, such as the IMF or the World Bank, it has not been given a statute, a fixed establishment, or secretarial or clerical staff. The elevation of the G20 to the centre of global governance took place in 2008–2009 after the summits in Washington (2008), London (2009) and Pittsburgh (2009). The meeting of the G20 in Washington was entirely devoted to the risks associated with the outbreak and spread of the global financial crisis. For the first time it was attended by leaders of the group, which contributed to the adoption of important provisions on reforms and fiscal policy coordination, as well as to raising the alert on crises. The success of the G20 was also determined by emerging countries. Expecting a big advantage, they supported this formula of cooperation at the expense of the IMF, which had lost credibility after the “Asian” financial crisis. Asian countries remembered very well the high price they had to pay for the IMF’s support, expressed in imposing on them painful fiscal and monetary policies. Not being able to increase the strength of their voices in the organization or to deal with the traditional dominance of the US and Europe in the Fund, they decided to support the G20 as a new forum for debate on financial and economic issues.

In parallel to the G20, there emerged a structure which included only emerging powers. This is the BRICS group. Like the G7/8 and G20, it was established under tensions caused by the global crisis and increasing pressure on Western countries to reform the existing structures of global governance, such as the UN and the IMF. The potential of the BRICS countries has been confirmed by the fact that in 2012, the BRICS (Brazil, Russia, India, China, South Africa) accounted for 42% of the world’s population, 18% of world production, and 15% of world trade, and their contribution to global economic growth exceeded 50% [Cooper, Thakur, 2013, p. 11]. According to some forecasts, in 2040 BRICS states will reach the level of the G7 rich countries (excluding Russia) in terms of production, and by 2025 the order of the largest economies in the world will have changed [U.S. NIC, 2008, p. 7].

The history of the group dates back to a summit in June 2009, conducted in Yekaterinburg and attended by the leaders of Brazil, Russia, India and China. In 2011, the group was joined by South Africa, thus creating the BRICS. Coordination between the five emerging powers has been variously assessed from the beginning. In addition to views which favour the recognition of the BRICS as an external manifestation of a new world order, associated with increased participation of developing countries in addressing global issues, this group was also considered as response of non-Western countries to economic turbulence. Another possible interpretation of this phenomenon is that coordination of non-Western countries within BRICS is a threat to the primacy of Western powers, and may become a factor disturbing the fragile order that exists on the international political scene. While recognizing the partial validity of each of these positions, it is worth noting that each of the BRICS summits, held between 2009 and 2014, achieved significant progress in cooperation between participants in the group.

At the first summit in June 2009, the BRICS states focused on reforming the global financial system and granting greater influence on its operation to developing countries. At the second summit, which took place in April 2010, the BRICS leaders focused on the problems of the global economy, the development of the G20, and reforms of financial institutions. The discussion also took on political issues, especially the development of Iran’s nuclear program [BRIC, 2010]. The third BRICS summit, extended to include South Africa, was held in the Chinese resort of Sanya in April 2011. The discussions once again focused on financial cooperation and trade flows between the group’s members. The key political issues included combating international terrorism, supporting the aspirations of Brazil, India and South Africa to

obtain membership in the UN Security Council, and the conflict in Lebanon [BRICS, 2011]. The fourth summit, conducted on 29 March 2012 in India (New Delhi), discussed the strengthening of cooperation within the group through the creation of the BRICS Development Bank. It was designed to finance projects related to economic development and the development of infrastructure in developing countries. Another function was to grant loans in time of financial crises. In addition, at a meeting in New Delhi, the BRICS states decided to request, by the end of 2012, a reform of the quota system in the IMF, which had already been proposed in 2010. They also called for a change in the selection procedure of persons performing the functions of directors of the IMF and World Bank, suggesting appointments to verify their experience and merits. The political issues discussed included the unrest in Syria and Iran's nuclear program [BRICS, 2012]. At the fifth summit on 27 March 2013 in Durban, the leaders of the BRICS countries took up the problems of cooperation with the African group. Within the New Partnership for Africa's Development (NEPAD), the BRICS states decided to support the process of industrialization of the continent, especially through foreign direct investment, exchange of knowledge, diversification of imports from Africa, and the development of infrastructure programs in force until 2015. A decision was also taken to create the BRICS Development Bank and establish a lending network for BRICS countries with founding capital of \$100 billion. The funds would be used in the event of severe financial difficulties that may arise in one of the countries of the group. Once again they put forward a demand for reform of international financial institutions (especially the IMF) and the completion of the round of trade negotiations in Doha. The most important political issues raised concerned the deteriorating humanitarian situation and violence in Syria, as well as the Iranian nuclear programme. At the meeting in Durban, the states also reached agreements on information security, the fight against illegal drugs, and youth and educational exchanges [BRICS, 2013]. At the sixth summit on 17 July 2014 in Fortaleza (Brazil), the leaders of the BRICS countries adopted the Agreement on the New Development Bank, the Treaty for the Establishment of a BRICS Contingent Reserve Arrangement, and agreements among BRICS Development Banks and Export Credit Insurance Agencies. The BRICS at their 6th summit emphasized social inclusion and sustainable development, under the theme "Inclusive growth: sustainable solutions" [BRICS, 2014].

It should be noted that the rise of the BRICS and the group's annual summits produce mixed reactions. On the one hand, it seems increasingly clear that there is a need to reform the international financial system to give it more stability. In this sense, an increasingly institutionalized BRICS can make global financial governance much more effective, especially in times of crisis. On the other hand, the BRICS can be considered, especially by Western countries, as a mechanism to change the existing global *status quo*. Regular meetings of the five emerging powers' leaders are in fact an opportunity to adopt common positions, which can pose a challenge to the long-term dominance of the "Global North" in making decisions on issues on regional and global levels. Moreover, the inclusion of political issues into the BRICS agenda can lead to opposition to measures taken by developed countries. Already, at quite an early stage of the group, opposition has been expressed to the position of Western countries regarding the development of Iran's nuclear program. Even more tension in the near future may be associated with the formation of the BRICS Development Bank, which, if effective, will constitute a big challenge to leading structures of global governance, i.e. the IMF and the World Bank. It must be recognized that this initiative is very ambitious and far beyond the existing forms of capital impact of BRICS states on developing countries.³

³ This refers, inter alia, to the Bank of the South – a regional banking institution which roughly equivalent to a global system of financial aid/development based on the action of the IMF/World Bank tandem. It was established in September 2009 to provide financial assistance to South American countries, and received at

Conclusions

“The Super Triad of Economic Governance,” which developed from 1973 to 2008, is characterized by a departure from the traditional triadic systems based on two pillars – “Economic Triad” and “Institutional Triad” – towards networking, trans-governance and an increasing role of leaders, whose summits are opportunities to resolve global issues in economics and finance, as well as politics. STEC is a synthesis resulting from tension between states and international organizations. The latter, as indicated by the example of the International Monetary Fund (IMF), are characterized by a significant degree of autonomy relative to the states. The example of the IMF indicates that international organizations exert strong pressure on states, acting at times as a lender of last resort. The particular structures of STEG (G7/8 – G20 – BRICS) are closely related in terms of flow of information and means of communication, creating new meanings and interpretations – in other words, creating a new context in which decisions are made. Unlike the G7/8, the G20’s political convergence may be caused not only by a common identity, but rather from a realization of common threats and challenges, brought about by globalization. The pursuit of this convergence is not automatic, but it results from an awareness within the political elites of member states, especially their leaders, who recognize the causal relationships between global issues and specific national, internal issues. They treat the G20 as a mechanism for putting their involvement into effect, allowing them to obtain much greater benefits, and sooner, than would be in case in bilateral or unilateral attempts to pursue national interests. The situation is different in the case of BRICS, which is treated by non-Western countries as a mechanism of pressure on Western states and structures: the IMF, WTO and World Bank. Developing countries rightly indicate that these traditional institutions, shaped in the twentieth century and dominated by Western countries, are characterized by a democratic deficiency.

The Super Triad of Economic Governance, due to the complex nature of ties between its participants, affects global economic and political relations. This is a synthesis resulting not only from contradictions inherent in internationality, but above all from conflict between “the West and the rest.” A certain regularity should be noted here. Each of the structures forming STEG has a different composition of membership, in which increasing participation of non-Western countries becomes more and more evident. This evolution confirms an assumption that the ambitions of states and other participants in International Relations create the need to develop the right formula for cooperation, beyond what is already considered to be international or interstate. Hence attempts to develop a new formula of global governance. Initially it was based on narrow cooperation among the seven most industrialized countries in the world, called the group of seven (G7). Over time, as new political and economic challenges arose, its composition was expanded, first to include Russia (G8), and then emerging economies led by China, India and Brazil in the so-called G8 +5. In parallel, since 1999, a new form of global governance was being developed. It has adopted a specific form of the steering committee known as the group of twenty (G20). Over time, it became a forum for the exchange of experiences and views on major global issues between the leaders of the participating countries. At the turn of 2008 and 2009, after the summits in Washington, London and Pittsburgh, the G20 became a major forum for regulating international economic and financial policy. The emergence of the group of twenty and the recognition of emerging powers as “systemically important” was accompanied by the

the start funds in the amount of 20 billion USD. The Bank had to cover the financial needs of South American countries that decided to undertake programs of social and economic reforms. The Founders of the Bank of the South include Argentina, Bolivia, Brazil, Ecuador, Paraguay, Uruguay, Venezuela. See: [MercoPress, 2009; Lanacion, 2009].

emergence of the BRICS group. Referring to this phenomenon, one can ask the question – will the BRICS will be a sign of transition to a new, non-Western international order?

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