

Addressing the Global Governance Stalemate*

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The Global Challenges

The global challenges confronting political leaders today—nuclear proliferation, the deadlock of global trade negotiations, the threat of pandemic flu, and the fight against global poverty—cannot be solved by yesterday’s international institutions. To resolve the world’s most pressing problems, which touch all corners of the globe, we must adapt our global governance approaches to be more inclusive, more representative and thus more effective by encouraging all countries affected to have an active role in generating solutions.

A Stalemate in Global Governance

Global governance is a vast arena, however, with numerous institutions, structures, processes and players all with their own agendas and missions. Many proposals for reform are on the table for the United Nations, for the international financial institutions (such as the World Bank and the International Monetary Fund) and for the many summit forums (especially the Group of Eight). But experience shows that reform of a single entity cannot be accomplished simply by taking actions within the organization since mandates overlap and intersect, since there are many entrenched interests and conflicting political forces, and since legal and institutional complexities prevent decisive action. So, what is the best way to proceed with meaningful reform and break through the current stalemate?

Where to Start?

We believe the most pragmatic and appropriate path of action is to expand the Group of Eight (G8) to make room for and eventually give way to an expanded summit of key leaders as the new forum of global negotiation and decision making. By bringing other major economies “into the tent,” they would be encouraged to contribute constructively to the solution of global issues and share the burdens of challenges that the old industrial countries cannot expect to solve on their own.

The G8 is the best body to focus on to break the global governance stalemate because it offers a summit-level forum for addressing overarching global issues. The G8 could be quickly and effectively transformed by inviting more countries to the table without having to push forward changes to legal foundations, operational mandates and bureaucratic processes bound by treaties and requiring legislative action by member countries, as is the case with governance reforms in the United Nations or the international financial institutions.

Recommendations for Change

Some global leaders, including British Prime Minister Tony Blair at the St. Petersburg Summit in 2006, have suggested that the G8 could be amplified to become the G13 by making the major emerging market economies-- Brazil, China, India, Mexico and South Africa—permanent members of the group.

While a G13 would be a start, this proposal leaves out the critical region of the Middle East and would give no voice to Muslim countries, clearly a crucial addition given the need for discussion and negotiation on energy security, terrorism and trade. Therefore, in our view, a simple and pragmatic solution is to follow the recommendation of former Canadian Prime Minister Paul Martin and expand the G8 beyond the G13 to a G20. A working structure for the G20 already exists in the example of the successful and effective forum of the G20 finance ministers, which includes representation also from Argentina, Australia, Indonesia, Korea, Saudi Arabia and Turkey

In addition to being geographically and culturally much more diverse than the G8, the G20 would be more broadly representative, including two thirds of the global population and approximately 90 percent of the global economy (compared to the current G8 representation of only one-fifth of the world's population and two-thirds of the global economy). As a result, a summit of leaders of the G20 would be a more legitimate forum for global negotiation and decision-making, as well as one that could effectively address the key global issues, because all the major actors would be engaged.

As in the case of reform the U.N. Security Council, restructuring the G8 will not come easily. Political rivalries and bureaucratic inertia are powerful obstacles. And there are the fears that an expanded summit group would no longer be a "club of democracies" and that it would be too large a group to enable an effective dialogue. But it is important to remember that the purpose of the enlarged summit forum is to resolve urgent global challenges, not simply to serve as a club of democracies. Moreover, while it is correct that agreement may be easier to reach in a smaller group, implementation will often fail if key actors are not included in the deliberation and decision making process.

In the end, the real issue today is not whether a G13 is better than a G20 or vice versa, but whether the leaders of the G8 recognize that their current forum increasingly lacks legitimacy and is headed towards irrelevance, if they are unwilling to expand its membership. An expanded summit forum would not only in itself represent a more effective forum to address key global challenges; it could also become the instrument to break the stalemate of reform in other international institutions. It is worth noting that the G20 of finance ministers has been critical for reaching agreement to move ahead with IMF reform. For other key institutional reforms (such as the UN), an inclusive summit-level forum will be needed.

The Agenda for Heiligendamm

Therefore, in order to address the top global challenges, we recommend that Germany, who will host the 2008 summit in Heiligendamm, extend an invitation to the leaders of the emerging powers to join the G8 not as second-class guests but instead as full members of the club. This action would serve U.S., European and Japanese global interests by increasing the inclusiveness and effectiveness of the global steering process as emerging economies join the discussion and are encouraged to contribute constructively to global issues. Without major changes across the international system the world will move backward instead of forward and the human condition will worsen rather than improve.

* This note is based on the author's concluding chapter in Bradford and Linn, eds., *Global Governance Reform: Breaking the Stalemate*, Brookings Press, forthcoming, February 2007