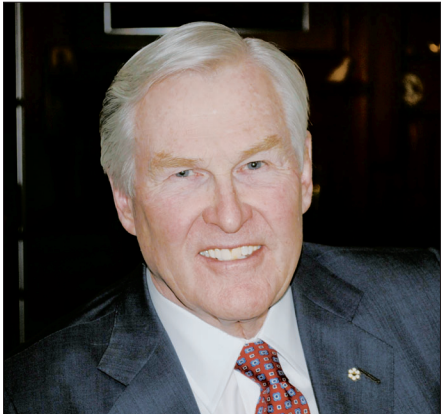


THE FUTURE OF THE G8



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The G8 is dead. Long live the G20!

Not so fast. Despite rumours to the contrary, there is still very much a place and a responsibility for the G8 in the international governance architecture.

This should not challenge the place of the G20, which was clearly designated at the Pittsburgh G20 meeting as the world's premier forum for economic cooperation. It is fast filling that very important position. By the end of this year, there will have been five summits since November 2008. Leaders have talked about the economic and financial crisis, financial regulation, trade, and climate change. These are issues that must be addressed by a broader forum than the G8 if there is to be progress.

But the G20 does not replace the G8, which includes Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States. A grouping of like-minded, advanced industrial countries, they have regularly worked together for over 30 years on some very tough issues. Finance ministers of the G7 (the G8 minus Russia) meet regularly to assess current conditions and the progress they have made in meeting agreed objectives such as financial regulation reform. The G8 countries are also the major players in all of these big issues. China is the only major player not in the G8. More on that later.

As a practical matter, the G8 has the advantage of having only eight voices around the table. As a result, there can be deep and detailed dialogue on the issues, leading to better decisions. The intimate nature of the meetings leads to enhanced personal relationships among leaders, which encourages more contact between meetings. There is also a sense of joint responsibility among leaders, which is reinforced each year by an accountability report.

The G8 acts as a catalyst, a policy driver, and a prime mover in advancing and funding initiatives. As a result, the G8 is able to play a leadership role on the most important global issues. This combination of leadership and tangible support is important in moving global priorities forward. Canada, for example, is

taking a leadership role in establishing maternal and children's health as priority issues at this G8. The need for action is well established. The solutions are broadly agreed and the time is ripe. The G8 is best positioned to lead.

No G20 decision on key global issues will be reached without the broad support of G8 countries. On the other hand, the G8 countries will not be able to "steamroll" an issue over the opposition of other G20 countries. Deadlocks at the UN and the WTO make that point clearly. If differences among G8 countries can be resolved outside the G20 meetings, resolution of the issues at the top of the global agenda will be speedier.

Having said that, G8 countries should never go into G20 meetings with the assumption that, because they have agreed amongst themselves, the conclusion on any particular issue is preordained. They must be ready to listen and adjust as other G20 members express their views in this broader forum.

Globalization has moved quickly

that engage and hopefully motivate others to join.

It is important to develop a strong linkage between the two bodies. With respect to the G8 leaders, there is great benefit in sharing the outcome of their discussions, and the reasons for their decisions, with their G20 counterparts. This is very important to China, in particular, because of its growing importance on the world scene. It should also contribute to making the ensuing G20 discussion more productive.

G8 meetings are not focused on the forthcoming G20 agenda. Leaders within the G8 discuss a range of issues that are outside the purview of the G20. At the top of the agenda are global security, intelligence sharing, terrorism, development assistance, and organized crime.

Canada should be an active player in the G8/G20 process. We are not a great power like the US, Japan, Germany, Russia, or China. We do not have a colonial past like the UK, Russia, France, or Italy. We can bring a unique perspective as a successful middle power, which can be helpful in bridging differences.

Our success can be measured in a number of ways. We have a large GDP for a country of our population size. We have a diverse citizenry. We have come through the economic and financial crisis in better shape than most. Our banking system is strong. We have made a

strong contribution to the NATO effort in Afghanistan. We are active in many international organizations. We are viewed as a reliable partner and participant in the global community. As such, we should not hesitate to express our point of view in either the G8 or G20 dialogue. Our views are welcome. And this year we have been instrumental in getting the G8 back to basics and focused on global security and development.

In conclusion, I believe there is a continuing, though changing, place for the G8 and an important role for Canada to play in both the G8 and G20.



Smaller is better: With only eight voices around the table, the G8 offers the chance for more intimate meetings, such as this session between U.S. Secretary of State Hillary Clinton and Prime Minister Stephen Harper.

in recent years and the need for broader leadership beyond the major industrial powers is now widely recognized. Nevertheless, G8 leaders share a sense of global responsibility and have been taking leadership positions for years. Not all G20 leaders have accepted these responsibilities with respect to global financial imbalances and barriers to investment and trade. Nevertheless, all G20 members wish to influence the decisions that are taken. Leadership must be provided by those wishing to do so while being sensitive to the views of the others. The G8 is the logical catalyst of major new initiatives, but it must do so in ways

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