



7th FES-SWP North-South Dialogue

**Beyond 'Heiligendamm' -
The G8, emerging powers and Global Security Governance**

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THE FES-SWP NORTH-SOUTH DIALOGUE

The FES-SWP North South Dialogue invites policy makers and scholars from think tanks and academia in industrialized and developing countries to discuss key global governance issues. In this format, since 2000 various issues have been addressed, including security, climate change, global trade and financial questions.

**The program of this year's Dialogue is available at www.fes-globalization.org/berlin*

1 Background

One of the fundamental changes the international system is currently facing is the appearance of emerging economic and political powers. These actors become increasingly involved in shaping regional and global order, by actively asserting leadership, in some cases concentrating on specific policy areas. As a result of this development, new forms of North-South and South-South cooperation have emerged in recent years.

This year's FES-SWP Dialogue focused on the most visible example of these new initiatives: the outreach process of the G8, since 2007 also known as "Heiligendamm process". By inviting Brazil, China, India, Mexico and South Africa to specific sessions of its summits, the G8 acknowledges that pressing global problems cannot be solved without the involvement of emerging powers. So far, however, the agenda of the Heiligendamm process is restricted to economic, development and climate issues. In order to look beyond this defined focus, the 7th FES SWP North South Dialogue intended to explore the potential of consensus and cooperation in one of the most intractable and controversial fields of global governance: international security.

Against this background, the 7th FES-SWP North South dialogue addressed the issue by focusing on two key global security threats which are generally part of the G8 agenda, but not yet part of the "Heiligendamm process": proliferation of weapons of mass destruction and transnational organized crime. Both areas are still very controversial. Both lack sufficient global governance structures. In the area of proliferation, established multilateral regimes are under pressure; in the area of transnational organized crime, multilateral regimes exist only in an embryonic form.

More generally, the conference explored the prospects for global governance in view of evolving forms of North-South- and South-South cooperation.

2 Bridging North and South Agendas

Since its introduction at the 2007 G8 Summit, several steps have been taken to implement the Heiligendamm high level dialogue. A political

steering committee consisting of the sherpas has been established. Four working groups, co-chaired by a G8 and a G5 chair, have been created, mirroring the Heiligendamm agenda of investment, intellectual property rights, energy efficiency and development policy. Initial discussions are portrayed as open and constructive. A Political Support Unit acting as a secretariat has been set up at the OECD. After some initial sensitivities about this logistical support of the OECD- symbolizing G8 ownership to some G5 observers- this solution seems now to be accepted.

From the perspective of the German presidency, the Heiligendamm process is neither a negotiating process, nor the initial step to a future enlargement of the G8. It is rather "an issue-oriented, structured dialogue process in which the participants seek to develop a common understanding of the issue complexes named above as well as to build on the results with a view to developing a set of common political perspectives."¹ In short, the G8 plus G5 process is mainly about confidence building between leaders and aims to integrate the G5 further in to informal global governance without pre-termining the final status yet.

Amongst the G5, a common view seems to have emerged that the Heiligendamm process in itself is an acknowledgement of the greater role of rising powers from the South, and can be regarded as an opportunity to find common solutions for global problems. However, there is strong resentment against the current set up of the G8 plus G5 format. In the words of Jacob Zuma, the new president of ANC, the G5 will not accept to be part of the discussions only "when the pudding is served".² Many participants called for

¹ For a detailed description of the Heiligendamm process, see Ulrich Benterbusch/ Juliane Seifert: The Heiligendamm Dialogue Process: Joining forces to meet the challenges of the world economy, FES Fact Sheet 3- April 2008.

<http://library.fes.de/pdf-files/iez/global/05310.pdf>

² see also "Zuma calls for greater North-South cooperation", in Mail and Guardian online, 22. April 2008

http://www.mg.co.za/articledirect.aspx?articleid=337489&area=%2fbreaking_news%2fbr

"full partnership" and a "clear invitation without discrimination". The current G8 plus G5 process has been criticized as non inclusive, not representative enough (e.g. lacking a 'Muslim country') and having an agenda that is too narrow and too focused on G8 interests.

On the other hand, the G5 seem not to have fully determined their future role in international affairs and vis-à-vis the G8. While some North South Dialogue participants displayed sympathy to join a potential 'G13' and even urged to limit enlargement to the current G5, others feared this step would hurt their leadership in the development world and opted for a more cautious approach. Ricardo Berzoini, president of the Brazilian Labor Party, called for an enlargement of the G8. Again Mr. Zuma, while stressing the importance to interact in the Heiligendamm format, warned that this cannot be seen as an alternative for a fundamental UN reform. Others cautioned not to hold all governance reform processes hostage until the UN reform moves forward.

Inside the G8, consensus how to proceed is still lacking, too. While the UK and France are pushing for formal enlargement, Japan seeks to limit the "outreach" to an "issue based invitation", watered down by including other countries from the developing world to the 2008 Summit. Several participants were also concerned about the Italian position, given the fact that the Heiligendamm process has been laid out to end under Italian presidency in 2009. Germany would like to see the Heiligendamm format to prove its added value first, warning against overburdening the process in its initial stage.

Most participants from G8 and G5 countries acknowledged the tension between the need for representative legitimacy and output legitimacy. While the G8's ability to stir global affairs is decreasing and decision making in formal multilateral institutions with their vast memberships cumbersome, an enlarged informal club would import significant differences between the G8 and G5, but also amongst the G5. In other words, the degree to which the G8 and G5 are able to find common positions will determine the value of this format as a "pathfinder" in global decision-making.

Even when fears of a reversal of the process³ have been addressed by the Japanese presidency,

³ cited in Jorge Eduardo Navarrete "G8 and "The Other Five": Creating a Constructive Relationship – The Role of Mexico, FES Briefing Paper 5, April 2008, <http://library.fes.de/pdf-files/iez/global/05339.pdf>

it became clear that a common vision amongst the G8 and the G5 is still lacking.

3 Addressing Security threats: Proliferation of WMD

Given the current crisis of the nuclear non-proliferation regime, cooperation between the G8 and G5 would be desirable, but turns out to be increasingly challenging. The 2005 Review Conference of the Non-Proliferation Treaty (NPT) ended without substantial agreement. The Six Party talks on the North Korean nuclear weapons program showed that common positions are possible and make an impact where Western diplomacy seemed unable to achieve results. On the other hand, the dispute over the Iranian nuclear program shows the limits of such common policies.

The landscape of nuclear proliferation is currently shaped by five problematic areas:

1. Non nuclear weapon NPT countries that 'cheat' (North Korea, Iran);
2. Nuclear weapon NPT countries that ignore disarmament, undermining the central deal of the NPT;
3. Non NPT nuclear weapon countries (Israel, India, Pakistan) set a precedent by claiming to have a right to nuclear weapons;
4. Non state actors seeking nuclear arms cannot be constrained by international treaties;
5. Renewed interest in nuclear energy drives proliferation via dual use technology.

It was pointed out that in order to save the non-proliferation regime, it wouldn't be enough to reverse the coercion driven counter-proliferation policy of the Bush administration. Rather the changed geo-strategic landscape must be taken into account. Several participants stressed that in order to restore the central bargain of the NPT, nuclear weapon states must show leadership in the reduction of existing arsenals. Otherwise, strategic and status calculations would drive multilevel proliferation. Consequently, the only sustainable solution would be a nuclear weapon free world, as proposed by Kissinger, Shultz, Perry and Nunn.

Discussions on nuclear non-proliferation focused on the question whether the G8 plus G5 format would be the right forum to tackle these issues. Participants emphasized the unique composition of this grouping, consisting of nuclear weapon states and non-weapon states. Further, the

group comprises two members who gave up nuclear weapon programs (Brazil and South Africa) and one non-NPT state with nuclear weapons (India).

Some participants wondered if an issue as complex as nuclear proliferation, traditionally at the heart of national security, would be a feasible topic for the G8 plus G5 format. Others cautioned that the Heiligendamm process could eventually include security issues, but should be given more time to build working relationships before tackling non-proliferation.

Others stressed that issues that seem intractable at the working level could only be moved forward on the leadership level. Further, the face-to-face discussions could serve to improve mutual understanding, making it easier to strike a deal on non-proliferation.

4 Addressing Security Threats: Transnational Organized Crime

Transnational organized crime is generally portrayed as a non-traditional security threat. Compared to other asymmetrical security issues like terrorism, the economic cost is significantly higher. Still, the issue so far had not been sufficiently addressed on the leadership level.

Again, discussions focused on the question if the G8 plus G5 format would be adequate to address the issue.

The thirteen countries are base of some of the world's biggest organized crime syndicates (Sicilian and American Cosa Nostra, Neopolitan Camorra, the Calabrian 'Ndrangheta, Mexican drug cartels, the Japanese Yakuza, the Brazilian PCC, Chinese Triads, and the Russian mafia). However, cooperation between G8 and G5 is still limited. A friendly exchange of powers (e.g. cooperation on arrest warrants) is still not feasible. Yet, given the gravity of the thirteen in the world economy, measures to undercut money laundering were proposed to be put on the agenda.

It was stressed that there is no other global forum where issues of organized crime can be addressed. Further, it was suggested that organized crime could be the security issue where the thirteen can easily find common interests. Other participants remained skeptical if the G8 plus G5 would be the appropriate forum to tackle organized crime.

4 Perspectives for Global Security Governance

The shift in the global balance of power, heightened polarization due to unilateral US policies and the internal crisis of multilateral institutions add to a crisis of institutionalized global governance. This crisis encourages informal club governance structures. The need for new forms of governance also explains the high expectations on informal governance. Such expectations, however, tend to overburden the Heiligendamm process that aims at less.

There was a broad consensus that the informal G8 plus G5 structure should be complementary to the UN as the central forum for matters of security. Lacking the legitimacy of formal multilateral institutions, informal groupings in general must add comparative advantage by bringing together special capabilities (e.g. the G6 on the Iranian issue). For this reasons, emerging powers are increasingly becoming members to such informal groupings. Accordingly, the G8 plus G5 format has its value in addressing economic problems.

Whether security issues such as non-proliferation and organized crime should be included in the Heiligendamm agenda depends on the comparative advantage of this format, or more generally speaking, on the nature of the G8 plus G5 format. If one defines the grouping mainly by the economic strength of its members, security issues can also be put on the agenda. However, if one sees the G8 plus G5 as a North-South forum, especially non-proliferation would not necessarily qualify as a specifically North-South issue. If G5 members qualify not only on economic grounds, but also represent their regions, this should also be reflected in the agenda. On a more pragmatic level, it was stressed not to overburden the process in its initial stage.

One of the key strengths of the G8, and possibly the G8 plus G5 format is the level of engagement: leaders can cross-bargain, moving forward jammed agendas when bureaucrats and ministers cannot.

Several more benefits have been attributed to the Heiligendamm process:

- Recognition that the world has changed and the G8 need the G5 to solve global problems;
- Confidence and network building;
- Pathfinder function for multilateral agreements;
- Face-to-face information about regional interests;

Several disadvantages of the G8 plus G5 format have been put forward:

- Diverging interests amongst G5 could block decision making;
- Potential competition to the UN/ UNSC;
- Perception of current status of the G5 as discriminatory;
- Absence of a Muslim country;
- Undefined role of the G5 vis-à-vis the G8 and in the North South paradigm;
- Undefined identity of G8 plus G5 format;
- Expectations/ capability gap.

In conclusion, North South Dialogue participants from G5 countries have expressed their (personal) expectations towards a potential G13.

Participants from China see a clear need for the G8 to include the G5 into informal global governance. Any integration must be on eye level, though. However, China seems to be reluctant to join such a group, fearing this could undermine its leadership role in the developing world, as it could be interpreted as cooptation by the North. China seems to be sympathetic with a step-by-step integration of a limited group of major countries from the South.

Participants from Mexico would only be willing to join a group of new quality, which is clearly able to solve global problems by setting ways to proceed, initiating lines of action and developing common visions.

Participants from Brazil point to major differences between the G8 and the G5. Sympathetic to an enlargement of the G8, priority was given

to South-South cooperation on a progressive agenda to form a new economic world order.

Participants from South Africa seem interested in such an informal club, but wants the agenda to be set on a more equal footing.

India still has some ideological reservations against such a group, but participants recognize the need for leadership by a small group of countries. This group should be no substitute for the UN system in crisis, but can build bridges between North and South to find ways to overcome blockades in global decision-making.

Having limited representativeness, any new club governance format must gain output legitimacy. The G8 plus G5 format will have to prove that is capable of finding common positions amongst major global players to act as a pathfinder for multilateral agreements. This will require both G8 and G5 countries to redefine their roles and more proactively engage in global governance. As long as the self-perceptions of both the G8 and the G5 are centered on the North South paradigm, the Heiligendamm process will not live up to its full potential.

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