The tectonic power shifts resulting from the explosive growth in the influence of the up-and-coming states in the South – particularly China and India – are taking the global system off its hinges (Messner 2006). The supremacy of the West which commenced with the Industrial Revolution at the end of the eighteenth century is beginning to falter. The erosion of Western power is mirrored most dramatically in the summit architecture. In contrast to the founding phase of the 1970s, the G8 today, the group of the seven dominant industrialized countries (G7 = Germany, France, UK, Italy, Japan, Canada, and USA) plus Russia, can no longer lay claim to sole leadership of the world economy. What are the consequences for global governance structures? Should the summit architecture be reformed or completely abolished? A related question is: What will be the future role of the universalist United Nations in the coordination of global politics?

In Germany Finance Minister Peer Steinbrück of all people has established himself as the prominent advocate of an extension of the exclusive G8 club to include the most important developing nations. At the end of 2006 he surprised the international community by declaring that the G8 will become superfluous in the medium term and must be replaced by a body of selected state and government leaders from north and south: »Not next year, but in two or three years« (Frankfurter Allgemeine Zeitung, 20 November 2006). And he has already followed up his words with deeds. On the evening before the meeting of Finance Ministers in February 2007 Steinbrück invited, within the framework of the German G8 presidency, the finance ministers of Brazil, China, India, Mexico, and South Africa to Essen for a discussion with their colleagues. In addition, he held bilateral talks with the Chinese representative Jin Renqing. And Steinbrück again made it clear that central global problems could only be dealt with by means of institutionalized cooperation with the rising powers. And Steinbrück is not alone in his opinions: the idea is increasingly gaining acceptance among the industrialized countries that the current
global-governance architecture no longer corresponds to the changed power relations at the beginning of the twenty-first century and is in urgent need of reform.

**Opportunities and Limitations of the G8**

As the most important informal gathering of the leading Western states the G8 was subject to massive criticism from the outset, above all in relation to its lack of legitimacy, representativeness, and transparency (Sohn 2005). One unambiguous motive for its foundation was the circumvention of the UN in which the South, by means of its overwhelming voting majority (»one country, one vote«) could forthrightly express its demand for a fairer global economic order. The informal structure and extensive correspondence of interests of the group, which initially consisted only of Western states, made easier the early identification of problems and the development of common strategies for solving them. »G7/G8 combines a high degree of ability to act with open, rapid and comparatively lean procedures,« according to the German Finance Ministry (BMBF 2007: 42). Nothing changed when Russia joined in 1998 since the new member was granted only subordinate status in the club.

Criticisms of the G8 are often qualified with reference to the questionable legitimacy of the universalistic UN because many of its member states – in contrast to Western countries – exhibit a democratic deficit. In addition, the defenders of the G8 enthusiastically embrace the argument of output legitimacy which results from dealing with problems successfully. As a prime example we shall cite the summit decision of 2005 on multilateral debt relief for the poorest countries which prepared the ground for a debt renunciation by international financial institutions amounting to around $6 billion US dollars. A further G8 success was the foundation of the Global Fund to Fight AIDS, Tuberculosis and Malaria in 2001. A fundamental factor in the limited increase in significance of the G8, which is reflected in the major protest actions of recent years, is the extension of its range of issues. While in its initial years it was concerned almost exclusively with economic issues, after 1980 foreign and security policy issues got onto the agenda. Since the 1990s government leaders have more and more frequently concerned themselves also with environmental and development-policy issues.
Table 1:

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP PPP US-$ (billion)</th>
<th>GDP US-$ (billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. USA</td>
<td>13 678</td>
<td>13 928</td>
</tr>
<tr>
<td>2. China</td>
<td>11 694</td>
<td>2 871</td>
</tr>
<tr>
<td>3. India</td>
<td>4 282</td>
<td>933</td>
</tr>
<tr>
<td>4. Japan</td>
<td>4 215</td>
<td>4 599</td>
</tr>
<tr>
<td>5. Germany</td>
<td>2 699</td>
<td>3 037</td>
</tr>
<tr>
<td>6. UK</td>
<td>2 004</td>
<td>2 553</td>
</tr>
<tr>
<td>7. France</td>
<td>1 988</td>
<td>2 371</td>
</tr>
<tr>
<td>8. Italy</td>
<td>1 791</td>
<td>1 950</td>
</tr>
<tr>
<td>9. Brazil</td>
<td>1 758</td>
<td>1 044</td>
</tr>
<tr>
<td>10. Canada</td>
<td>1 225</td>
<td>1 337</td>
</tr>
</tbody>
</table>

Source: IMF 2006.

The rapid growth of the so-called »anchor countries« which regionally and globally are taking on a prominent role has led in recent years to a historically unique change in the world economy. For the first time the Western industrialized countries have been challenged by developing countries which hitherto have not been perceived as competitors. Measured in terms of purchasing power parity, which depicts the economic power of nation states better than current exchange rates, China, India, and Brazil have advanced into the leading group of the ten most important economies (see Table 1). According to the most recent estimate of the International Monetary Fund China has almost caught up with the USA, while India will pull past Japan in 2007. Brazil is just behind Italy in ninth place.

The G8’s acute dilemma becomes clear in relation to the industrialized countries’ loss of global economic importance: added to their lack of legitimacy is a loss of the ability to shape events and of effectiveness, since the management of the world economy can no longer take place without the involvement of the anchor countries. The G8 is beginning to show signs of recognizing its impending dysfunctionality by means of a selective involvement of the new leading powers of the South. However, the
role of summit guests is confined to cooperation on individual program points: regular meetings remain closed to them. The decision concerning who is invited under which topic lies solely with the current G8 president. Comparable contacts also occur within the context of meetings of G7 finance ministers. For the guests these dialog exercises are a bit of an imposition since so far there has been no agreement about the relevant partners and no institutionalized form of interaction with them in the G8 circle.

Due to the lack of agreements in the G8 individual cooperation initiatives with the new leading powers of the South do not have structure-forming outcomes. For example, in 2005 at Gleneagles an environmental-policy summit initiative was launched at the instigation of the UK with Brazil, China, India, Mexico, and South Africa. The »G8+5« process of energy and environment ministers is supposed to work out effective ideas for global climate protection by the time of Japan’s G8 presidency in 2008. The state level is supplemented by a parallel dialog of leading MPs, NGOs, and enterprises from the participating countries. At the subsequent summit in St Petersburg this initiative was clearly afforded no significance; it now has an independent existence outside official G8 structures.

The F20 as a Bridge between North and South

Unlike in the context of the G8 summit meetings the G7 finance ministers have managed to come up with an institutional innovation for the involvement of the major anchor countries. On the basis of their invitation in 1999 – after the financial crises in Asia, Russia, and Brazil – the G20 (Finance) came into being as an informal forum intended to promote dialog between the industrialized and the developing countries with the aim of global economic stability. The members are the finance ministers and heads of banks of issue of 19 states and the European Union (see Table 2). In order to better distinguish this body from the G20 within the World Trade Organization, which includes exclusively countries from the South, the term F20 has come into use (Linn/Bradford 2007). I shall follow this usage. The selection of the F20 members by the G7 was primarily determined by countries’ systemic importance for the international financial order. Besides that, the inviting industrialized countries had an eye to achieving a geographical balance and population
The composition of the F20 has not changed since its establishment. The annually rotating presidency has so far been equally distributed between industrialized and anchor countries: from the South, India (2002), Mexico (2003), China (2005), and currently (2007) South Africa have held this position. It’s Brazil’s turn in 2008.

The global relevance of the F20 is indisputable: this group of states represents around 90 percent of global GDP, 80 percent of world trade, and around two thirds of the world’s population. As may be gathered from the communiqués of the annual ministers’ meetings the F20 is increasingly concerning itself with topics outside international financial and currency policy. In November 2006 in Melbourne, for example, alongside general world economic themes global energy and raw materials markets, as well as the Paris Declaration on Aid Effectiveness were on the agenda. At the F20 meeting in China in 2005 international development policy was an important topic.

In the international debate on the F20 the foundation mechanism, the topics of discussion, and the composition of the group have been criticized (Sohn 2005). Since the F20 was called into being as a construction of the G7 finance ministers the participating anchor countries are open to the suspicion that they are being exploited in the interests of the West.

<table>
<thead>
<tr>
<th><strong>Industrialized Countries</strong></th>
<th><strong>Countries of the South</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Argentina</td>
</tr>
<tr>
<td>Germany</td>
<td>Brazil</td>
</tr>
<tr>
<td>France</td>
<td>China</td>
</tr>
<tr>
<td>UK</td>
<td>India</td>
</tr>
<tr>
<td>Italy</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Japan</td>
<td>Mexico</td>
</tr>
<tr>
<td>Canada</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Russia</td>
<td>South Africa</td>
</tr>
<tr>
<td>USA</td>
<td>South Korea</td>
</tr>
<tr>
<td>European Union (Council presidency)</td>
<td>Turkey</td>
</tr>
</tbody>
</table>

Observers: International Monetary Fund and the World Bank
According to this interpretation the club serves primarily to stabilize the Western dominated financial order, and less as a forerunner of systemic reform. The asymmetric distribution of burdens requires unilateral conformity on the part of debtors and borrowers in the South, while the industrialized countries barely had to make any concessions. On the other hand, in 2005 the F20 worked intensively on reform of the Bretton Woods institutions. Against the instrumentalization thesis can be set positive statements from the South, for example, China. The Shanghai Institute for International Studies evaluates the »G8+5« process and the F20 as steps worthy of support towards greater regional representativeness and functionality in shaping globalization (Wu 2006).

But it cannot be overlooked that in some cases the selection of countries can scarcely be justified objectively: why Indonesia and not Malaysia; why Turkey and not Thailand; why Mexico and not Chile? Despite such shortcomings in the few years of its existence the F20 has managed to become established as an effective platform for North–South dialog and has made significant contributions to international consensus building, among other things on the following points: extension of the Washington Consensus to include social aspects, combating the financing of terrorism, tax harmonization in the case of cross-border capital movements, and standards for international funding.

**Reform Proposals for the Summit Architecture**

Concerning the radical changes in the world economy outlined above pressure is growing for fundamental reforms of the global-governance and summit architecture. Two lines of debate can be distinguished. While one direction seeks to adapt the exclusive club-approach of the G8 to the changed power relations the other calls for a strengthening of the universalistic UN structures.

O5: British prime minister Tony Blair has taken a leading role in the efforts to extend the G8 to the five large anchor countries, Brazil, China, India, Mexico, and South Africa. The choice of this select circle of countries requires some explanation. There is a general consensus concerning the regional and global role of China, India, and Brazil. South Africa gets the nod because of its active global-governance policy (for example, the land mine convention, the International Criminal Court, current president of the F20), although there are major reservations on the continent.
of Africa concerning South Africa’s claim to a leading role (Sidiropoulos 2006). Mexico’s claims are less obvious. Presumably US interests come into play here: the USA wishes to provide its neighbor with a leading position in the global hierarchy. Having said that, by virtue of its OECD and NAFTA membership Mexico is suitable for a bridging role between North and South and in addition has strategic significance as a major oil exporter.

At the recent Davos meeting Tony Blair sharpened his position: »The G8 is already well on its way to metamorphosis into G8+5« (Blair 2007: 6). His terminology – the »O« in »O5« standing for »outreach« – has met with disapproval in the countries concerned because it describes the West’s perspective and arouses suspicions of instrumentalization. Despite the dominance of the West in this model the offer of dialog was evaluated positively by the think tank of the Chinese Foreign Ministry, the China Institute of International Studies: »The new partnership between the North and the South embodied by the »G8 plus« mechanism should be strengthened and further developed« (Chen 2007: 8).

The proposal from the German Advisory Council for Global Change (Wissenschaftlicher Beirat Globale Umweltveränderungen) to give the O5 countries increased responsibility in global environmental protection and to enter into an »innovation pact on decarbonization« with them (WBGU 2007) points in a similar direction. With its G8+5 climate dialog the World Bank is pursuing a comparable approach on the strategic grounds that this group of states is responsible for 75 percent of gases harmful to the environment.

L20: Another reform model which is drawing considerable attention is the proposal to create a summit structure on the basis of the F20. This construct has been termed L20 (»leaders«) or even L20+ (the plus refers to possible changes in membership). Former Canadian prime minister Paul Martin has played a leading role in the international debate on this, supported by an outstanding think tank, the Centre for International Governance Innovations at the University of Waterloo (Ontario). As opposed to the G8, but also the G8+5 construct, the L20 is distinguished by a greater cultural and geographic inclusivity and a better power balance between North and South. In contrast to the G8+5, in which predominance clearly remains with the old industrialized countries, the L20 signals an irrevocable turning away from Western supremacy.

The L20 can be understood as an institutionalized link between the »new« executive multilateralism and the »new« regionalism (Cooper
This state-centred concept is supposed to create a space beyond the existing universalistic structures in which the global and regional leading powers can reach agreement at the highest level on common approaches to problems and solution strategies. Such a construct calls to mind historical examples of the concertation of the great powers in times of international turbulence and transition, for example in Europe in the eighteenth and nineteenth centuries, or the privileged position of the five standing members of the UN Security Council with their power of veto. The top-down approach of the »new« multilateralism stands in contrast to bottom-up processes which, for example in the case of land mines and the International Criminal Court, have led to global-governance innovations.

Modifications of the L20 are under discussion with regard to both membership and working methods. The F20 circle could be enlarged by one or two of the poorest countries (LDCs) in order to take into account the specific interests of marginalized states. A variable geometry could also be imagined which would consist of a core of global powers and regional organizations, together with an outer circle of states whose membership would be topic-related. An institutionalized link could be established with the UN system through the membership of the UN General Secretary and/or the presidency of the UN Economic and Social Council (ECOSOC) (Cooper/Fues 2005). The central organization of the L20 by state and government heads could be enriched by means of elements of network multilateralism, if, for example, non-state actors in certain policy fields, such as fighting poverty, health and the environment, were given a chance to participate. The L20 could go into action as a global think tank, working out consensus-oriented proposals for the solution of transnational problems, or as a platform for networks of different government actors from the participating countries (Slaughter 2005).

Global 25: Closely following the debate on the L20 the International Task Force on Global Public Goods (2006) recently presented its reform model of the Global 25. Here too the emphasis is on executive multilateralism through the responsibility of state and government leaderships since as sole representatives of sovereign states they are in a position to raise national contributions to global politics to a level commensurate with the problems. Global 25, which is based on the F20, does not seek to replace the universalistic UN structures, but rather to furnish universally legitimate global-governance institutions with proposals on which they can make a decision. As regards composition both regional
organizations (for example, the African Union) and groups of countries (for example, Africa and the Middle East) can be taken into consideration which are not involved in the F20. The inclusion of the UN General Secretary is also advocated. The group could therefore include 25 representatives, the number of actors being talked about as the upper limit in relation to reform of the UN Security Council.

_L27:_ The advisory committee convened by former UN General Secretary Kofi Annan on the reform of development-related operations introduced the model of an L27 into the debate (UN 2006). A Global Leaders’ Forum is to be set up from the ranks of ECOSOC at the level of state and government leaders, taking over coordination functions for the world economy, development, and the provision of global public goods. It will not be given decision-making powers, but will have a broad thematic mandate for consensus building and strategy formulation. The forum will be composed, in accordance with the usual UN regional distribution on a rotation basis, of 27 of the 54 ECOSOC members. One positive feature of the model is the reversion to universalistic UN structures: »Such a forum would enhance the status of the UN in the area of international economic, social, and environmental policy both symbolically and politically,« in the judgment of a leading German UN expert (Martens 2006: 4). Realistically, however, at present there is little chance of realization since ECOSOC is regarded by both North and South as insignificant and incapable of reform.

**The German Position: Tentative and Contradictory**

So far the German government as a whole has not distinguished itself with forward-looking positions on the reform of the global-governance architecture. As in the case of previous summits there will be a political dialog (»off« the agenda?) with the five largest anchor countries (G8+5) in Heiligendamm (June 2007). However, the German Chancellor has explicitly rejected the formal inclusion of the O5 proposed by British Prime Minister Tony Blair. Bernd Pfaffenbach, State Secretary in the Federal Ministry of Economics and Labor and Personal Representative (sherpa) of the Federal Chancellor for the World Economic Summit, has made public details of the planned permanent integration of the O5 (Financial Times, 25 January 2007). Accordingly one of the priorities of the German G8 presidency is the integration of the five countries in the
global-governance system as responsible leading powers. In this way the pressure on them to reduce economic protectionism and for an effective environmental policy could be increased. This offer of dialog, known as the Heiligendamm Process, is distinguished from previous ad hoc invitations by the planned institutionalization, without implying full membership within the summit structure. From the German standpoint this counts as the only realistic option since formal G8 extension is not politically feasible, presumably mainly because of US-government opposition. On individual topics (for example, climate protection) a continuation of the dialog after Heiligendamm will be initiated »in formalized and structured form« in the relevant international organizations. It remains to be seen what precise form that will take and what added value it will represent for international negotiation processes.

Finance Minister Peer Steinbrück tends in the opposite direction to the Chancellor and the German G8 »sherpa« and wants to bring about the abolition of the G8 »in two or three years« (Frankfurter Allgemeine Zeitung, 20 November 2006). This is also remarkable because the previous position of the F20, which lies in his area of responsibility, as sole effective North–South bridge would thereby be weakened. However, it is questionable whether Steinbrück’s initiative is supported by his own ministry. On the Ministry’s website, for example, there are no official statements on this topic. No information is publicly available on the position of other departments, in particular the Foreign Office and the Ministry for Economic Cooperation and Development. So far there has been no significant discussion on the rearrangement of global-governance structures, in particular in view of the summit architecture.

Outlook

The reform pressure in the global-governance system is irresistible and will only increase in the coming years on account of the phenomenal growth of the major anchor countries. On structural grounds the G8 is no longer in a position to coordinate world economic policy and to deal with global challenges adequately. As a result it has largely lost its functionality and therefore its right to exist. For the solution of pressing global threats (violent conflicts, terrorism, poverty, destruction of the environment, infectious diseases, and so on) democratic, effective, and universally accepted international institutions are needed. Reform of the
United Nations as core of the global-governance system is a central requirement of an effective and fair multilateralism.

Since consensus building in universalistic structures is laborious and time-consuming and often leads to compromises based on the lowest common denominator there are good grounds for a complementary summit architecture, for example, in the form of the L20+ as North–South bridge connected with the UN system and with institutionalized contacts with global civil society. The L20+, alongside the three undisputed global powers the USA, China, and India, should include above all regional organizations. For Europe this means that national involvement should be renounced in favor of EU membership. The L20+ would have to legitimize itself through the quality of its dialog processes and the development of practicable solution strategies. Formal passing of resolutions should take place, on the other hand, through the universalistic structures of the community of states. Because only the UN possesses the necessary credibility and acceptance in order to implement political agreements and lend the required legitimacy to the outcome of complex negotiations.

How realistic is the hope for such global-governance innovations? Whether a global consensus is reached on this question or whether the world enters a high-risk phase of »turbulent multilateralism« (Humphrey/Messner 2006) depends on both material power resources (hard/soft power, economic power, and so on) and also on the action orientation of the leading global and regional powers. One decisive factor for the future global power constellation is the willingness of the anchor countries to engage in common interest representation. Here IBSA, the political alliance of India, Brazil, and South Africa, could play a central role: »The strategic importance of IBSA cooperation in shaping the outcome of multilateral negotiations cannot be overemphasized,« according to the Research and Information System for Developing Countries, an influential Indian government think tank (RIS 2006: 5). The chances of coordinated action between IBSA and China are not remote. At any rate, so far China has rejected all Western approaches concerning privileged inclusion in a G9. The People’s Republic does not want to find itself like Russia as an inferior partner at the »children’s table« (Wu 2006).

If this triple alliance were to adopt a common line with China the Western industrialized countries would be forced into considerable concessions regarding global-governance structures. So far there has been no solid foundation for the possible establishment of an L20+, for all the
readiness of the anchor countries to enter into dialog. The F20 govern-
ments of the South are keeping a low profile because they do not want to
be branded as traitors to the common cause in the G77, the coalition of
developing countries. A leading representative of the Chinese Academy
of Social Sciences describes his government’s cautious position in the fol-
lowing terms: »China sees no necessity to join the G7/8 at this moment,
even if it were to be invited … To talk about a transformation to a Leaders’
20 Summit seems premature« (Yu 2005: 195f.). Skepticism concerning
the L20 also seems to be the dominant attitude in Brazil, notwithstand-
ing the open desire for reform of the summit architecture (Sennes/de
Freitag Barbosa 2005).

How will the Western industrialized countries, Japan and Russia and
their common core, the G8, behave in future? The more the traditional
relations of the Western states come under pressure due to different for-
eign and security policy strategies (key words: Iraq, Iran, and Afghani-
stan) the more clearly will the power-political scales tip in the direction
of the anchor countries. If they want to convey a credible willingness to
cooperate the industrialized countries not only have to agree to a new
power balance in the global-governance institutions but also have to ac-
ccept a new orientation in global politics, for example, on development,
overcoming poverty, technology transfer, distribution of burdens in
terms of adapting to climate change, and so on. It goes without question
that these arrangements will have to be outside the Washington Consens-
sus in order to maintain the support of the South. On the basis of both
enlightened self-interest and ethical-humanitarian obligation the Euro-
pean Union will have to distinguish itself even more strongly as a leading
power for global-governance innovation. An important aspect of this
task is convincing beleaguered global power the USA that its interests can
be better served by cooperative multilateralism than by unilateral policies
(Higgot 2005).

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