



Global Economy
and Development
at BROOKINGS

NATIONAL PERSPECTIVES ON GLOBAL LEADERSHIP SOUNDINGS SERIES NO. 6:

CANNES G20 SUMMIT



NATIONAL PERSPECTIVES ON GLOBAL LEADERSHIP: SOUNDINGS SERIES NO. 6:

CANNES G20 SUMMIT

NPGL IS A JOINT CIGI-BROOKINGS INSTITUTION PROJECT

PROJECT LEADER: COLIN BRADFORD

Copyright © 2011 by The Centre for International Governance Innovation

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of The Centre for International Governance Innovation or its Operating Board of Directors or International Board of Governors.



Copyright © 2011. This work was carried out with the support of The Centre for International Governance Innovation (CIGI), Waterloo, Ontario, Canada (www.cigionline.org). This work is licensed under a Creative Commons Attribution — Non-commercial — No Derivatives License. To view this license, visit (www.creativecommons.org/licenses/by-nc-nd/3.0/). For reuse or distribution, please include this copyright notice.

First published in 2011.

Cover and page design by Steve Cross.

TABLE OF CONTENTS

NPGL SOUNDINGS SERIES NO. 6: CANNES G20 SUMMIT, NOVEMBER 2011	7
OVERVIEW: COMPARATIVE PERSPECTIVE ON THE CANNES G20 SUMMIT Colin Bradford	7
ARGENTINA Melisa Deciancio	8
AUSTRALIA Mark Thirlwell	9
BRAZIL Georges D. Landau	10
CANADA Andrew F. Cooper	11
CHINA Yanbing Zhang and Lan Xue	12
FRANCE Jacques Mistral	13
GERMANY Thomas Fues	14
JAPAN Ryozi Hayashi	15
KOREA Wonhyuk Lim	16
MEXICO Andrés Rozental	17
SOUTH AFRICA Peter Draper and Memory Dube	19
UNITED KINGDOM Martin Albrow and Olaf Corry	20
UNITED STATES Colin Bradford	22
CIGI G20 RESOURCES	24
ABOUT NPGL	25
ABOUT BROOKINGS	26
ABOUT CIGI	26
CIGI MASTHEAD	27

NPGL SOUNDINGS SERIES NO. 6: CANNES G20 SUMMIT, NOVEMBER 2011

OVERVIEW: COMPARATIVE PERSPECTIVE ON THE CANNES G20 SUMMIT

Colin Bradford

Euro Crisis to Centre Stage

Despite the euro zone crisis, the profile of the G20 was raised in many member-state capitals, and G20 leaders and media did focus on other agenda items and domestic issues.

Reporting from 13 G20 countries reveals that, through the eyes of the national media, the euro crisis “overwhelmed,” “dominated,” “totally sidetracked” or “hijacked” the Cannes G20 Summit on Thursday night through Friday afternoon, November 4-5, 2011. Only Argentina seems to have been captivated by the bilateral meeting between US President Barack Obama and their leader, President Cristina Kirschner, to such a degree that it overshadowed the global preoccupation with the Greek debt crisis and its implications for the euro zone and the global economy. As she did at other G20 summits, Cristina Kirschner found a way to project her own priorities and portray them to the Argentine public through deliberate preparation with her cabinet beforehand and in regional consultations, and this also held true at her appearance at the B20 (G20 business summit) held just before the G20.

Other Issues

G20 leaders and the national media in G20 capitals were, nonetheless, able to focus on several other G20 issues of vital interest to their publics.

Kirschner and other leaders were indeed able to project to the national media in their capitals other issues and priorities, despite the euro crisis capturing public attention around the world. The two most frequently profiled international issues in the G20 capitals surveyed here, were the financial transactions tax proposal and the G20’s work on tax havens that began in London in 2009. Among the other issues discussed was the strong focus on development by Chinese President Hu Jintao and on least-developed countries by South African President Jacob Zuma. The Financial Stability Board (FSB) action on “too big to fail” banks was highlighted by *The Washington Post* on Saturday morning, as well as by the Canadian media, in part because Canada’s central bank governor, Mark Carney, was named head of the FSB, replacing Mario Draghi. Japanese Prime Minister

Yoshihiko Noda was able to keep his country’s media focused on his priorities.

What was also of interest to NPGL country observers was the extent to which some G20 leaders were able to profile their domestic concerns, linking the Cannes G20 deliberations on either Europe or the on-going G20 agenda to jobs and growth at home. Canadian Prime Minister Stephen Harper highlighted the fact that the G20 Action Plan on Growth and Jobs, which was endorsed in Cannes, corresponded exactly to the title of his government’s 2011 budget. Brazilian President Dilma Rouseff highlighted the International Labour Organization’s social initiative on the G20 agenda, likening it to her government’s domestic program of social inclusion.

South Africa’s Jacob Zuma emphasized jobs as crucial to South Africa’s future, which coincided strongly with the Congress of South African Trade Unions labour leader’s meeting with Nicolas Sarkozy in Cannes. US President Barack Obama’s major thrust in Cannes was to support the Europeans’ efforts to resolve the euro crisis themselves as being critical to jobs and growth in the United States against a background of a US job report the same day. In her appearance at the B20 meeting, Cristina Kirschner declared herself against the “anarchic financial capitalism” that had dramatically impacted people in the real economy, not just bankers and banks.

Despite the overwhelming force of events in Greece, Italy and global financial markets on the same days that the Cannes summit took place, events which riveted the world’s attention, G20 leaders and the national media in their capitals were, nonetheless, able to focus on several other G20 issues of vital interest to their publics.

Communications

The global crisis managed to create a higher profile for the G20 in many G20 capitals.

The combination of the euro crisis drama and the growing social mobilization around peoples’ concerns with the global crisis, managed to create a higher profile for the G20 in many of its capitals.

Our NPGL colleagues from China begin their commentary by saying: “the first thing that should be reported from Beijing is that China’s media have begun to pay more attention to the G20 than in the past.”

From Germany, we learn that “the Cannes event generated a higher volume of media coverage than previous G20 summits.”

“This summit had a great deal of relevance for the Argentine public,” we are told by our NPGL colleague in Buenos Aires. “After London, the summit in Cannes has received the greatest attention by the media,” she adds. “The Cannes summit was seen to have a large impact on the Argentine public.”

And in South Africa, “surprisingly, media coverage was not cynical, such as ridiculing G20’s role, which we have witnessed in the recent past. Again this probably was due to the magnitude of the issues at stake, and in that sense, probably more closely resembles the political dynamics around the London summit.”

From Tokyo, “Japanese public and media attention to the G20 meeting in Cannes was higher this time.”

But, interestingly, in contrast to massive attention to the G20 summit held in Seoul a year ago, “very little attention” was paid to the Cannes G20 Summit by the Korean media and public.

Other Leaders, Leading

In this intense context, two sets of leaders stood out visibly in most G20 capitals as the euro crisis–G20 drama unfolded: Nicolas Sarkozy and Angela Merkel battling for the core of Europe against George Papandreu and Silvio Berlusconi on the periphery. Barack Obama was given lots of space in the media in France, the United States, Mexico, Australia and South Africa, but he was seen as “marginal” in Germany, “detached” in the United Kingdom, and “not given special attention” in Canada, for example. Christine Lagarde, the new head of the International Monetary Fund (IMF), seemed to be given more play in the G20 emerging market economies media, than in the G20 industrial economies of the West. Leaders were varied in the intensity of their participation in the summit and their interactions with the global and national media.

Concluding Remarks

In the end, the euro crisis took centre stage at the Cannes summit in the eyes of most of the world, but as observed through the media in G20 capitals, other issues managed to surface for public attention, and national leaders from G20 countries were able, in several cases, to project their own priorities amid the welter of events in Athens and Rome, as well as Cannes, during those two turbulent days in early November 2011. The profile of the G20 was strikingly more visible in many capitals, but serious

questions were raised in Mexico and Korea, especially about the future of G20 summits.

Our NPGL colleague in Mexico noted that “the fact that no specific goals, financial commitments or timelines were set for the principal agenda items included in the communiqué was highlighted in commentaries [in Mexico] that focused on why the leaders’ level G20 is not really the ‘premier’ forum its founders proclaimed it to be and why its very existence as a global steering committee is at stake.” From Korea, we heard that “the image of the G20 leaders that prevailed in Korea was one of a confused and ineffective bunch.” The sense in Australia, however, was that the G20 is “the best option on offer.”

As Mexico prepares to take up the presidency next year, and as we look ahead to Russia and Australia’s presidency in the years ahead, it is clear that many challenges remain.

Colin Bradford is a CIGI senior fellow and nonresident senior fellow at The Brookings Institution.

ARGENTINA

Melisa Deciancio

Euro Crisis to Centre Stage

Although this summit was particularly focused on the European crisis, in Argentina, the national attention during the Cannes meeting was directed on multiple items of the G20 agenda. In particular, to issues that President Cristina Kirchner’s agenda had coordinated with her cabinet, and had gathered in meetings with other countries in South America. Her recent re-election led to the expectation that the new international agenda will be the main focus for her next term. In this sense, President Obama’s request for a bilateral meeting with President Kirchner after the G20 summit was one of the main issues for Argentinians. During both of Kirchner’s past administrations, and especially after the severe haircut to Argentine debt holders, relations with the United States had cooled down. As a result, there were great expectations resting on this meeting. The agreement to strengthen ties and collaboration between both governments is the first step to reconstructing relations. This positioning of the Argentine agenda at the summit made the G20 agenda more visible to the public and demonstrated the relevance of the G20 with regard to other issues that the Argentine public are often not aware of. In this sense, even opposition newspapers recognized the participation of President Kirchner during the Cannes summit as positive.

Other Issues

Other issues discussed by the public, no less relevant than the one discussed above, were issues related to process — that is, Kirchner's attendance at the Cannes meeting of the B20, and her meeting with the International Trade Union Council. President Kirchner's demands to fight against what she called "anarchic financial capitalism" and to find alternative answers to the euro zone crisis without engaging in neo-liberal methods, were well received by the Argentine public. The IMF recapitalization and the request to eliminate tax havens and tax financial transactions were other subjects discussed by the national media. These last two issues have been strongly supported by President Kirchner, and became prominent in public discussions in Argentina.

On the subject of the IMF, one of the most relevant questions has been the importance of considering the impact its adjustment prescriptions had on the Argentine economy in 2001, in order to avoid the same path for Greece. The fact that most European countries are turning to adjustment is an issue that Kirchner flagged during both days at the summit, highlighting the risks posed to the social fabric and democratic rule. Her call to focus on real economy and the impact the crisis has had on regular people is one of the most important issues of her personal agenda. At the same time, this issue also carries over to the discussion on how to monitor the economies and who will be responsible for the monitoring. Italy has called on the IMF to monitor the implementation of adjustment policies, while Argentina rejects the IMF's monitoring of its economy as set by its Article IV.

Communications

President Kirchner has not appeared in the national press to explain what happened in Cannes. Official access to information is not easy in Argentina. Although the Presidential Office produced a video of her meetings with the B20 and President Obama, most of the information about the G20 summit came from reporters and declarations of some of the public officials participating in the meeting. As noted above, public reactions — even opposition reactions — to Kirchner's visibility at the summit have been positive, especially concerning the re-establishment of friendlier bilateral relations with the United States.

Other Leaders, Leading

Cooperation with Latin American leaders is always of great interest to the Argentine public, especially with respect to Brazil. However, Brazil's leadership and participation was not broadly addressed. One issue that did have special visibility was the coordinated claim

of Argentina and Brazil to give the Latin American Integration Association a seat in the G20 during the next summit in Mexico in June 2012. In this sense, the coordination of Argentine policies with those of Brazil to represent Latin American interests in the G20 emerged as a promising strategy to push regional concerns to global leaders.

President Sarkozy's leadership was recognized in particular by the Argentine public. His support for the proposal to tax financial transactions and to eliminate tax havens was well received by the public, although these proposals raised concern in Uruguay, Argentina's neighbour.

This summit had a great deal of relevance for the Argentine public. After London, the summit in Cannes has received the greatest attention by the media. The reasons for this are manifold — the outreach to business and trade unions; Kirchner's reputation after her resounding election win at a time when other leaders seem to floundering; the direction policies are being taken at a time of growing skepticism about collective action; and finally, Obama's call for a bilateral meeting with Kirchner. For these reasons, the Cannes summit was seen to have a large impact on the Argentine public.

Melisa Deciancio is a research assistant at the Facultad Latinoamericana de Ciencias Sociales (FLACSO).

AUSTRALIA

Mark Thirlwell

Euro Crisis to Centre Stage

Despite some initial media reports emphasizing Prime Minister Julia Gillard's early hopes that the summit could move beyond the immediate need to deal with the crisis and devote some attention to issues driving medium-term growth and sustainability, inevitably the euro zone crisis ended up dominating the media's discussion of the Cannes summit. Many commentators and writers saw Cannes as having been "totally sidetracked" by the crisis. The final outcomes, both on measures related to the euro zone itself, and on other matters more broadly, have tended to be seen as fairly disappointing. In particular, commentators in Australia, as elsewhere across the G20, have emphasized the relative absence of specific goals, timelines and dollar commitments in the final communiqué.

Press coverage has also concentrated on the implications of the euro zone crisis for the Australian economy, with fears that "Europe may drag Australia in its wake." The release of the Reserve Bank of Australia's Statement

on Monetary Policy on November 4, for example, had already seen a prominent role given to Europe's sovereign debt and banking woes in explaining downgrades to the central bank's forecasts for Australian growth and inflation.

There was also some interest both in Europe's attempts at "passing the hat" around the bigger emerging markets, in the hope of drumming up an extra bit of financial support, and in China's largely dismissive response to those same requests.

Other issues did merit commentary (see Other Issues below), but there is no doubt that the euro zone mess overshadowed everything else.

Other Issues

Aside from the euro zone crisis and some mention of the (ongoing) lack of progress on the global imbalances issue, the local media tended to concentrate on Australia-related aspects of the summit.

Media commentary picked up on some of the policy proposals put forward or supported by Australia. Thus, Prime Minister Gillard was described as "aggressively pursuing Australia's agenda of shoring up IMF funding," credited with pushing for more market access for the world's poorest economies, and praised for an initiative to rethink the Doha Round: "G20 backs PMs world trade plan" said the weekend *Australian Financial Review*, for example.

Deliberations at Cannes also spilled over into domestic politics in a modest way, with some opposition politicians criticizing Australia's proposed increase in support for the IMF in an attempt to raise some populist angst over government spending.

The approving mention in the final communiqué of Australia's progress in introducing a price on carbon via a carbon tax was noted.

Finally, and not surprisingly, the announcement that Australia would host a G20 leaders' meeting in 2014 received a fair amount of attention, including some commentary about the start of competition between Australian states to provide the host city.

Communications

The media reported Prime Minister Gillard's attendance at the G20 summit, her press conferences and her speech to the so-called "B20" meeting of G20 business leaders. Australia's objectives going into the summit — more resources for the IMF, a fresh approach to the Doha

Round, a focus on medium-term growth and stability, and on employment — were all described in the days leading up to Cannes, and the degree of progress on each issue has been tracked.

Other Leaders, Leading

As host, President Sarkozy drew a reasonable amount of attention, and with the euro zone crisis dominating coverage, Chancellor Merkel and Prime Ministers Berlusconi and Papandreou were also in the spotlight. President Obama also received decent coverage (as always), with the press highlighting his upcoming visit to Australia. Australians are always keen to know what our largest trading partner has to say, so some of Chinese President Hu Jintao's comments were also picked up.

Overall, there has probably been a mild sense of disappointment about the outcome of Cannes, although, in my view, this has been tempered by a degree of realism as to what was likely to be achievable anyway, and by a recognition that the G20 is still the best option on offer, both for Australia and for the world economy.

Mark Thirlwell is director of the International Economy Program at the Lowy Institute for International Policy in Australia.

BRAZIL

Georges D. Landau

This G20 summit was the first one attended by President Dilma Rousseff, who had a forceful and proactive participation in the meeting, as well as in her consultations with her peers in the BRICS (Brazil, Russia, India, China and South Africa). The Brazilian media gave ample coverage to the G20 itself and to the president's performance at the summit. The Greek crisis and its ramifications were especially highlighted.

Euro Crisis to Centre Stage

The European economic crisis certainly overshadowed all other issues at the G20 summit, but a good deal of the media's attention was focused on issues of wider concern, including President Rousseff's endorsement of the Tobin tax and of the International Labour Organization's proposal for a social initiative (which Rousseff likened to Brazil's domestic policies and programs for social inclusion). The Brazilian press dwelt on the G20's inability to formulate a consensus on how to rescue the euro zone, and on the potentially disastrous consequences of Greek Prime Minister Papandreou's idea, promptly discarded, to submit the Greek reserve package to a referendum. In this connection, the joint

efforts by French President Sarkozy and German Chancellor Merkel were highlighted and praised.

Other Issues

The other issue that received prominent attention in the media was that of Brazil's contribution (US\$10 billion) to the European rescue package, through the intermediary of the IMF, which will, at a later stage, be converted into quotas. The paradox of Brazil contributing to the IMF, after decades of being on its receiving end, was prominently featured.

Communications

President Rousseff appeared in both the national press and her weekly radio program to comment on the summit, but this received less coverage than some of the other leaders who were present, notably President Sarkozy and Chinese Prime Minister Hu Jintao. Brazilian Finance Minister Guido Mantega gave the G20 press briefings.

Other Leaders, Leading

President Sarkozy, Chancellor Merkel, and, for different reasons, Prime Minister Papandreou and President Berlusconi, were the ones most prominently featured in Brazil's media; however, the collective image of the leaders at Cannes was unimpressive.

Georges Landau is regional director of Menas Associates for Brazil and the Mercosul countries, and a board member of the Centro Brasileiro de Relacoes Internacionais.

Although the author is a board member of the Brazilian Centre on International Relations in Rio de Janeiro, the views expressed herein are his own.

CANADA

Andrew F. Cooper

Europe Crisis to Centre Stage

From a Canadian perspective, the European crisis dominated the Cannes G20 Summit. Prime Minister Stephen Harper signalled the centrality of this issue before the summit and did not deviate from this focus throughout. He took a hard line at the outset, forcefully indicating that Greece might have to leave the euro zone if there was no acceptance of the bailout package.

The dominance of the European crisis meant that other results of the Cannes summit of importance to Canada were overshadowed. The first of these was the G20's

adoption of the Cannes Action Plan for Growth and Jobs, which emerged from a working group co-chaired by Canada and India. Canada was able to put its own brand on this work as the name of this plan — as picked up by *The Globe and Mail* — is very similar to the title of the Conservative government's 2011 budget.

The overall tone of the Action Plan reflected Canada's concern with the need for discipline, especially with regard to the debt and deficit targets of European countries. Most notably, it extracted the pledge from Italy that it would move "close to a balanced budget" by 2013.

The other tangible diplomatic success was the appointment of Mark Carney, the governor of the Bank of Canada, as the new head of a revamped FSB. This result — taken to be a move justified not only by Carney's impressive personal reputation, but as a reflection of the high quality of Canadian financial regulations — was amplified by the attention the FSB received both in the report by British Prime Minister David Cameron on global governance and in the Cannes final declaration.

Other Issues

The only issue that competed with the European crisis was the state of affairs of the Canadian domestic economy. A Statistics Canada report on the labour market released during the summit revealed a gloomy picture, with a reduction of 54,000 jobs in October. This was especially relevant for one of the themes forecast to dominate the 2012 Mexican G20 summit — youth employment/unemployment. The report pointed to youth unemployment moving up to 14.1 percent, and 408,000 young people unable to find jobs.

Communications

Almost all of Prime Minister Harper's communications concentrated on the European crisis. What stood out in tone was the shift in emphasis on the need for discipline at the outset of the Cannes G20 Summit to a more positive interpretation by the end of the summit. In his post-summit comments, Prime Minister Harper indicated that he believed the worst of Europe's crisis was over, as long as European leaders operated according to their commitment to follow through on the bailout plan.

Prime Minister Harper was pictured without the group emphasis of past G20 summits. There was no focus on meeting with President Sarkozy; the main photographic coverage was with President Obama or Canadian Finance Minister Jim Flaherty. The strong cultural note was Prime Minister Harper wearing a poppy in honour of Remembrance Day (November 11), recognizing members of the armed forces since World War I.

Other Leaders, Leading

The two leaders that grabbed most of the publicity were Italy's Silvio Berlusconi from inside the G20 and Greece's George Papandreou from outside. Despite the photos of Prime Minister Harper with President Obama, the role of the US president was not given special attention, except in the context of the United States not injecting more funds into the European bailout, the same position that Prime Minister Harper took. The main image of the G20 leaders as a whole was that they were meeting under renewed anxious conditions, with their performance judged to be awkward, but useful in concentrating attention on the European crisis.

Andrew F. Cooper is a distinguished fellow at The Centre for International Governance Innovation.

CHINA

Yanbing Zhang and Lan Xue

The first thing that should be reported from Beijing is that China's media have begun to pay more attention to the G20 summit than in the past. Many Chinese media outlets sent journalists to Cannes to report on the summit. This seems to indicate that the Chinese public has begun to recognize how important the G20 summit is for global economic governance. Many Chinese scholars, including the authors, were invited to provide their views in the public media before and after the summit. It should also be mentioned that quite a few Chinese scholars have begun detailed research about the G20. This situation is certainly different from when our NPGL program started three years ago. It appears that our CIGI and Brookings colleagues' efforts to promote the ideas of global governance in general, and the G20 in particular, has finally begun to pay off.

While Chinese media are showing more interest in the G20, some Chinese scholars have begun to take realistic and, perhaps, even pessimistic views toward the G20, wondering whether it can become an efficient institution for global economic governance. Further, after the G20 in Cannes, Chinese President Hu Jintao will attend two more summits — the Asia-Pacific Economic Cooperation (APEC) and East Asia summits. So, it seems that China should not only think about the G20 separately, but should consider its international position for these three summits together. China's media began to shift the focus of their reports to President Hu's travel to APEC, very soon after the Cannes summit.

Euro Crisis to Centre Stage

Before the summit, China's media mainly focused on the European debt crisis and wondered whether the summit could solve this problem. For example, during a media interview with the lead author, nearly all of the journalist's questions were about the European debt crisis. Because there was a publicly reported telephone communication between President Hu Jintao and French President Nicolas Sarkozy regarding the European debt crisis before the summit, the Chinese media's focus was whether China would provide some financial assistance to Europe. The Chinese government's attitude was quite clear: to solve its current problem, Europe would have to rely mainly on itself. China's public certainly shares this perspective and worries that China might lose more of its foreign reserve if China invests heavily in European bonds. In fact, since the global financial crisis started in 2008, how to deal with its huge foreign reserve has always been a hot topic in China. The general answer to this question has become quite clear — China has to change its development model and should not rely too much on overseas markets. Meanwhile, China should try to increase its imports and develop its domestic market, not only for its own sake, but also for the whole world.

In addition to the European debt crisis, China's public was definitely aware of the uncertainty of the world economy as a whole in the future. It seems a consensus has emerged in China that the global economic crisis is far from over and it is not clear when the global economy can fully recover or whether the economy will come back again. The Chinese media was also very concerned about China's exchange rate issue and any international agreements on the issue that may hurt the Chinese economy further.

Other Issues

China's media was very focused on development issues. This has been a consistent concern, since China is still a developing country and sees development issues as the root cause of many of its problems. For example, according to the United Nations, more than 100 million people are still living in poverty. Thus, Chinese media and academic circles hoped the G20 could discuss more development issues and pay greater attention to the developing world. In fact, during President Hu's speech in Cannes, he talked a great deal about development issues.

With regard to development, one point should be highlighted. Countries belonging to the Organisation for Economic Co-operation and Development (OECD) have tried to pursue some form of development cooperation

between China and themselves to provide joint assistance to other developing countries, particularly African countries. From President Hu's speech, it is quite clear that China is not ready for this kind of proposal, and China will continue to work with developing countries under the framework of South-South cooperation.

Communications

The Ministry of Foreign Affairs spokesman gave a very short speech about the result of the Cannes summit.

Other Leaders, Leading

President Obama and President Sarkozy's press conference on the Iranian nuclear issue was reported in China. It seems China's media is quite cautious in reporting on global security issues. When we observed the international news reports of the two days on which the summit was held, the Chinese media, in fact, treated this security issue with as much importance as the G20 summit. Some people in China worry that the United States may launch military action against Iran in the near future. Obviously, this may not only make the future of the world economy become more uncertain, but it could push the whole world into chaos.

Lan Xue is a professor in and dean of the School of Public Policy and Management at Tsinghua University in Beijing.

Yanbing Zhang is assistant professor in the School of Public Policy and Management at Tsinghua University.

FRANCE

Jacques Mistral

Euro Crisis to Centre Stage

The euro crisis was constantly reported in Paris as the major issue of the Cannes summit. Coverage started on Wednesday, November 2, with the press conference of Chancellor Angela Merkel and President Nicolas Sarkozy, which was subsequently identified as a turning point in the Greek referendum drama. Reporting continued with the announcement of the elimination of the referendum on Thursday, and with the joint press conference of President Barack Obama and President Sarkozy on Friday, where they eloquently congratulated themselves on the effectiveness of the summit in dealing with the euro zone crisis.

At the end of the day, the message was that the G20 had encouraged the euro members to do their homework, but that it could not and would not do what the Europeans had decided upon, but had to accomplish on their own.

All of this was a good summary for TV shows, but does not mean that other issues were absent from the printed news, in particular on Friday and Saturday.

Among the most frequently commented on issues were the new role of emerging countries, the unrolling agenda on financial regulation, tax havens and a common report from the business community and labour organizations. As of Saturday, attention had moved away from the G20 towards new austerity measures aimed at preserving the AAA rating of France.

Other Issues

The essential message in this regard was growth, growth, growth. Naturally, observers recognized a contradiction between austerity measures imposed practically everywhere and the non-specified coordinated action needed to stimulate growth.

The financial transactions tax, which has for decades been a basic ingredient of the political discourse in France, has been strongly endorsed by President Sarkozy (never forget his statute as a non-campaigner non-candidate) and the apparent support, or at least the non-explicit-rejection, by President Obama — interpreted as a major help in providing credibility to the idea.

Regarding other priorities of the French presidency, the harvest was modest. A few comments mentioned some progress on food security; the institutionalization of the G20 was briefly mentioned through the idea of a troika; and the reform of the international monetary system, which had been trumpeted as a major ambition until the spring, was not even mentioned.

Communication

The summit was a constant exercise in communication by President Sarkozy; through his continuous efforts, the summit rescued the euro with the help of Chancellor Merkel, and with the help of President Obama, the summit rescued the world. The rescue of the euro was explicit and substantial (see below), while "saving the world" was more elusive and rhetorical.

A new and important message was made clear on Wednesday, November 2, which was the fate Greece would have had to endure should the referendum result turn out badly. For the first time, Sarkozy and Obama said that the will of the Greek people would, naturally, be respected, but that, should they reject the bailout plan, Greece would be left alone and the only priority of the euro zone members would be to protect their own interests and the euro. The referendum was cancelled hours later. This is an important step, due to the vague,

but simmering debate on the merits of an exit from the euro. Now, the case seems to have been closed.

Other Leaders, Leading

Interestingly, the Chinese president was less visible than expected, given that he is considered a central player; however, his meeting with President Sarkozy on Wednesday evening was cancelled (priority was given to the meeting with Chancellor Merkel). On the other side, President Obama was extensively pictured on the front pages: Obama's participation in the euro zone summit on Thursday and, more importantly, his press conference with Sarkozy on Friday were placed among the most important events in Cannes. Greek Prime Minister Papandreou was described as being close to committing political suicide, Italian Prime Minister Berlusconi as the man under the strongest peer pressure, and UK Prime Minister Cameron, despite his supposed reporting on the governance of the euro zone, was absent from the French media, as were the other leaders.

Jacques Mistral is head of Economic Studies at the Institute Française de Relations Internationales in Paris.

GERMANY

Thomas Fues

Euro Crisis to Centre Stage

Turbulence around the euro completely overshadowed German news coverage of the G20 summit, due to the unexpected call for a referendum by Greek Prime Minister George Papandreou. After the successful conclusion of the euro zone leaders' meeting a week ahead of Cannes, the German public believed that the crisis in Greece had been resolved, at least for the moment. The media had expected that Europe would be showered with praise at the G20 summit for its bold action, and that the summit could then move forward on the ambitious agenda of French President Nicolas Sarkozy. The dramatic deterioration of the political situation in Greece, however, evoked a more resolute German-French response than ever witnessed before. Working in unison with the responsible European authorities, Sarkozy and Chancellor Angela Merkel immediately summoned the Greek leader to Cannes and confronted him with an ultimatum: either accept the agreed bailout plan or abandon the euro. German commentators celebrated the unprecedented show of leadership by Merkel; her approval ratings in the polls shot up instantaneously.

In Germany, the Cannes summit is perceived foremost as a turning point in the evolution of the euro and the

European Union as a whole. Member countries will no longer tolerate the violation of common rules; all must accept fiscal oversight from Brussels and fear the threat of effective sanctions for lack of implementation. While a certain regret was articulated over the lost parts of the agenda, German media were generally satisfied with the outcome of the G20 summit, due to the progress made and in Europe's capabilities to contain the debt crisis by its own efforts.

Other Issues

Beyond the euro, public perception of the Cannes summit centred on issues of collective identity and certain policy areas. The European predicament has sharpened Germans' understanding of the tectonic power shifts that work against Germany's position in the global system. While their country is still respected as an economic giant, Germans have begun to face up to their country's declining political clout, due to the ascent of emerging economies. This reversal of roles is felt to be a psychologically painful and humbling experience by commentators. Once a long-time, assertive donor, Europe now finds itself in dire need of external support, and must submit to conditions and terms defined by rising powers such as China, India and Brazil.

The other policy issues discussed in the German media were the enhanced role of the IMF and strengthened supervision of formal and informal financial institutions. The summit decisions on both points were assessed as small, but important, steps forward in global economic governance. There was major criticism for the lack of progress on issues that rank high on the list of public priorities. In particular, the media recognized and often amplified statements from the non-governmental organization community. The French-German initiative on a financial transaction tax found broad support as a promising instrument to have the finance industry pay for the costs of the crisis and, at the same time, raise funds for international efforts on environment and development. US President Barack Obama was blamed for blocking the proposal, while backing by Brazil, Argentina and South Africa was welcome news from Cannes. A number of commentators contrasted the total neglect of global warming at Cannes with the simultaneous report, by coincidence, on a significant increase of greenhouse gas emissions in 2010. Some voices argued that the G20 urgently needs to address unsustainable patterns of growth, and must begin to promote a green transformation of the global economy towards a new model of prosperity. Finally, the Cannes summit was critically evaluated by many for its disregard of growing hunger and poverty in the world, as the French intention of addressing food security did not materialize.

Communications

Due to the prominence of the euro crisis, Chancellor Merkel received enormous coverage at Cannes from the German media. The overall tenor of the reports was explicitly positive when discussing her determination in addressing the Greek (and Italian) drama, in tandem with France. Commentators accepted that there was neither time nor manoeuvring space to move on other points of the original German agenda. Reports from the summit emphasized that Merkel is generally recognized by her peers as a highly effective problem-solver, who knows how to handle difficult relationships. Her down-to-earth, composed, yet friendly and open style of communication resonates very well with the German public. In contrast to previous summits, other members of the German delegation, such as Finance Minister Wolfgang Schäuble, were rarely featured in media coverage from Cannes. The escalating euro crisis, together with the proximity of the summit's location, may be the reason why the Cannes event generated a higher volume of media coverage than previous G20 summits.

Other Leaders, Leading

Beyond Chancellor Merkel, the German media was also highly focused on President Sarkozy, as the duo, also termed a "European G2," assumed an unprecedented leadership role in the face of the Greek crisis. It was, however, broadly reported that Sarkozy completely failed on all other objectives of the French presidency, such as financial markets oversight, financial transactions tax, international monetary reform and regulation of commodity and food markets. US President Obama was widely characterized as a marginal figure, who was mainly concerned about how the fallout from the European crisis would affect his run for re-election. Media coverage of leaders from rising powers remained low, reporting, if at all, on their admonitions to Europe on its inadequate crisis management. Some commentators noted that Chinese President Hu Jintao successfully rejected any advice on his country's currency.

Overall, considering the progress made in dealing with Greece and Italy, and in light of incremental steps towards improving global economic governance (the enhanced role of the IMF, resilience of systemically relevant banks, supervision of shadow banking and tax evasion), the German media painted a slightly positive picture of the Cannes outcome; however, there were also public commentators who criticized the erosion of the G20's authority due to the leaders' lack of moving beyond narrow national interests, and finding a consensual basis for the effective provision of global public goods. From this perspective, the G20 urgently

needs to proactively address the overall framework and direction of global problem solving, to safeguard future stability and prosperity.

Thomas Fues is head of the training department and senior researcher at the German Development Institute in Bonn.

JAPAN

Ryozo Hayashi

The attention of the Japanese public and media to the G20 meeting in Cannes was higher this time than at previous summits. Following the rescue operation for the 2011 earthquake in eastern Japan, economic recovery is a top priority for the Japanese government. One of the biggest obstacles to overcome is appreciation of the yen. The euro crisis made the yen relatively attractive, and a weaker euro pushed up the yen. In addition, the possible global economic slowdown will worsen the environment for Japanese exports. It was expected that international coordination to resolve the euro crisis would be completed at the G20 summit meeting.

Another element in the coverage was Yoshihiko Noda, the newly elected prime minister and former finance minister. A policy rather than politically oriented person, his top agenda items are passing the supplementary budget to deal with the earthquake, the stabilization of the yen and participation in the Trans-Pacific Partnership (TPP).

The possibility of default by the Greek government and the vulnerability of European financial institutions are recognized as the underlying causes of the euro crisis, brought about by global imbalances and the availability of low-interest loans. The central objectives for the Japanese government were the avoidance of a worst-case scenario with regard to Greece, and the stabilization of the yen.

Media attention began with the European summit on October 26. The further relaxation of monetary policy by the European Central Bank was followed by a lowered economic forecast for Europe and the United States. On October 31, intervention by the Japanese central bank pushed the yen down to 79.2 yen per US dollar. This action received the most attention in Tokyo. News continued quietly, with discussion of the Federal Open Market Committee, the European ministerial meeting, the proposal to strengthen the IMF and so on. But coverage turned 180 degrees, when Greek Prime Minister George Papandreou announced plans to hold a public referendum and it was reported that MF Global would file for bankruptcy protection. These news stories were accompanied by sharp fluctuations in the global stock market.

When the G20 summit began, the meeting appeared to be hijacked by the Greek situation. The rising yield levels of Greek government bonds, a higher credit default swap rate for European banks, the Greek government confidence vote and referendum, the possibility of a Greek government default, the euro currency crisis and the European banks' access to the US dollar need to be addressed, or the stock markets of the United States, Europe and Japan will collapse. Japan, as one of the non-European participants in the G20, wanted to ensure that these problems would be solved. However, the European decision needed to be addressed first, most of the summit meeting time was consumed by the European process. Fortunately, the Greek prime minister withdrew his plans for a referendum, and the Greek crisis was diminished for the time being.

At this G20 summit, the position of the Japanese government appeared solid. It shared the acknowledgement that sustaining global economic governance and avoiding economic crisis is critical. Prime Minister Noda promised to raise the consumption tax to strengthen Japan's fiscal standing. This has been a long-standing position of the Japanese Finance Ministry in domestic politics, and the prime minister was, rightly, convinced to support this position. Japan will continue to participate in strengthening the global financial system and support European decisions on the Greek crisis, including the European Financial Stability Facility. Japan will, however, be a follower in this context.

In summary, the immediate crisis was avoided, but the problems in Greece will continue, and the European crisis is not yet over. The Italian situation, for example, has to be carefully monitored. Concrete measures to cope with the euro crisis were not decided at the meeting, and fundamental issues were left unresolved.

Although relieved that the immediate crisis was averted, the Japanese media did not give the G20 meeting high marks. Public attention moved quickly to the APEC meeting, where Prime Minister Noda is expected to announce Japan's participation in TPP negotiation, which is domestically more controversial.

Ryoza Hayashi is a consulting fellow at the Research Institute of Economy, Trade and Industry, IAA, and professor at the Graduate School of Public Policy, University of Tokyo.

KOREA

Wonhyuk Lim

What a difference a year makes. As chair of the G20 summit in November 2010, Korea was deluged with G20 news at this time last year. This year, even on the days of the summit, news coverage was thin and the general public paid very little attention. This decline in general interest had a lot to do with Korea not being the chair of the G20 summit. The stop-and-go pattern of the ongoing euro zone crisis, combined with the failure to manage expectations leading up to the G20, was an important factor as well. After a few false "breakthroughs," the public came to discount the significance of yet another landmark agreement in the euro zone — as the soaring yields on Italian debt would make it obvious in the next few days. In addition, although the initial French proposal to reform the international monetary system had attracted media attention in Korea, the lack of subsequent progress on this, and other ambitious agenda items, cooled public expectations for the Cannes summit.

The Cannes summit was overshadowed by domestic electoral politics, which were heavily influenced by the outcome of the Seoul mayoral election on October 26. One of the leaders of Korea's civil society movement, with no formal party affiliation, ran as the candidate for the united opposition and soundly defeated the ruling-party candidate. With the next general elections coming up in April and the presidential election set for December 2012, the outcome of the Seoul mayoral election was a loud wake-up call for the members of the National Assembly. In the aftermath of the election, even the members of the ruling party started placing greater distance between themselves and President Lee Myung-bak and his pro-business policy. This also contributed to the lack of interest in the Cannes G20 Summit.

Euro Crisis to Centre Stage

To the extent that the Korean media and public paid attention to the Cannes G20 Summit, the euro crisis dominated all other issues. However, Korean perspectives on the euro crisis — or, for that matter, the global financial crisis — have been rather different from European or American perspectives. Since the onset of the global financial crisis in 2008, the Korean media and public have tended to look at the ongoing crisis through the lens of the 1997-98 Asian economic crisis, with a sense of *déjà vu*, and of anger and bemusement at the hypocrisy of it all.

When the euro zone countries began to ask China and other emerging countries for financial assistance, the general reaction was one of disbelief. Although many

interpreted this request as being symbolic of the shift in global power and wealth, some saw it as a thinly veiled attempt on the part of the euro zone to use other people's money to save the euro, without risking their own money and changing their policies. When the euro zone leaders celebrated the latest major agreement to deal with the Greek crisis, only to be surprised by Greek Prime Minister George Papandreou's call for a national referendum, there was speculation as to how much prior consultation had taken place. It seemed likely that French President Nicolas Sarkozy had wanted to time the announcement of the agreement just prior to the Cannes summit for theatrical as well as substantive reasons, but the surprise between him and Prime Minister Papandreou might have been more mutual than unilateral.

In the wake of the summit, more platitudes about the need for effective policy coordination appeared in media commentaries. What the G20 needs now, however, is clear thinking, not coordination per se. After all, when you do something stupid together, it may be good for coordination, but not so good for solving problems. It makes no sense to reaffirm the idea of "expansionary contraction," as encapsulated in the Toronto agreement, when the G20 needs a combination of macroeconomic expansion and structural reform to reduce moral hazard and boost productivity.

Epilogue

The euro zone countries should change their disastrous policies and mobilize their resources to tackle the stock and flow dimensions of the euro zone crisis. Instead of making matters worse by continuing to perpetuate uncertainty about the magnitude of potential losses on the stock of nonperforming loans, the euro zone must agree on a clear debt restructuring strategy with a credible stress test for residual risks. The euro zone must also address the "original sin" of borrowing in someone else's currency by making the European Central Bank the lender of last resort for all euro zone countries, in return for imposing macroeconomic discipline on these countries. For the flow dimension of the problem, the euro zone countries must rebalance by reducing price-productivity disparities, while maintaining the single currency. This international, intra-euro zone rebalancing would be easier if creditor countries adopt expansionary policies while debtor countries try to consolidate, rather than forcing debtor countries to assume the entire burden of adjustment through austerity and deflation. The European project has helped to ensure peace and prosperity for Europe since World War II, and served as a source of inspiration for other regions of the world. It would indeed be a shame if this project falls apart due to "zombie" ideas that should have been put to rest a long time ago.

Other Issues

In addition to the euro crisis, the Korean media covered progress on the agenda items Korea had put on the table last year — namely, development and global financial safety nets. They reported 11 regional infrastructure projects recommended by the High-Level Panel and also noted progress on agricultural development and food security issues, including the establishment of the Agricultural Market Information System. Some also mentioned the expansion of the Precautionary Credit Line into the Precautionary and Liquidity Line, as part of the effort to provide global financial safety nets.

Communications

President Lee did not hold a press conference on the Cannes summit. The Office of the President (Cheong Wa Dae or the Blue House) did issue a few press releases highlighting the president's keynote speech at the business summit and his meetings with Herman Van Rompuy, president of the European Council, and Ban Ki-moon, Secretary-General of the United Nations, as well as a general briefing on the outcome of the Cannes summit.

Other Leaders, Leading

Other than French President Nicolas Sarkozy and German Chancellor Angela Merkel, no leader or group of leaders really stood out in the public profile of the Cannes summit. Even these two leaders were portrayed as basically reacting to the unfolding Greek crisis. The image of the G20 leaders that prevailed in Korea was one of a confused and ineffective bunch.

Wonhyuk Lim is director of Development Research, Korea Development Institute.

MEXICO

Andrés Rozental

Euro Crisis to Centre Stage

Even in the midst of an agitated domestic political and security agenda, in Mexico the Cannes summit was almost totally overshadowed by the Greek crisis, the frantic European and US attempts to calm international markets and ongoing euro zone issues. If one compares the final communiqué with media reports on what the results of the summit actually were, there was almost no mention of the economic, financial, development, agricultural or other subjects that the text covers. Although there was ample coverage this time, compared with previous G20 summits, it was mostly devoted to

the travails of Greek Prime Minister Papandreou and the speculation around his future, the referendum issue and whether the Papandreou government would survive the week.

Together with the European crisis, Mexicans focused on the fact that Mexico will be the 2012 host of the G20 summit (June 18-19 in Cabo San Lucas) and President Calderón's participation in the B20 private sector gathering on the margins of the leader's summit. Ample photo coverage in most print media showed Calderón in the front of the group photograph, and highlighted his interventions on food security, the Green Fund and development issues. During the week of the summit, Mexico's financial markets see-sawed like everywhere else, the peso depreciated vis-à-vis the US dollar and economic growth projections were reduced by the OECD, the IMF and the Central Bank, all of which galvanized attention beyond the substantive agenda of the summit

Other Issues

In stark contrast to previous G20 summits — or most other multilateral gatherings of leaders — the Cannes summit was given unusually prominent attention in the Mexican media and among economic and financial analysts. Expectations were high leading up to the summit that, at the very least, the Greek and euro zone crises would be “fixed” by the Europeans, Americans and international financial institutions in Cannes, so that President Sarkozy could claim that his leadership had averted a major global financial meltdown. Since this didn't happen quite the way the French expected, many outside observers — in Mexico and elsewhere — characterized the Cannes summit as a failure. Most commentaries concentrated on the inability of the French and Germans to get their act together, and on the relatively low profile of the emerging market countries. The fact that no specific goals, financial commitments or timelines were set for the principal agenda items included in the communiqué, was highlighted in commentaries that focused on why the leaders' level G20 is not really the “premier” forum its founders proclaimed it to be and why its very existence as a global steering committee is at stake. Even in more normal times, a summit such as the G20 Cannes event would have been of minor interest to a Mexican public distracted by domestic politics and the current drug trafficking and street violence situation. Had the G20 focused on the latter as a global problem affecting all member countries, there might have been greater interest in the agenda itself.

Communications

As mentioned above, there was ample photographic and press/television coverage of President Calderón at

Cannes, simply because Mexico will be the next host. He was shown touring the meeting and press facilities with the Mexican Sherpa, and shaking hands with Sarkozy (this was of media interest because of a bilateral dispute involving the jailing of a French national convicted of kidnapping in Mexico, which led to the freezing of Franco-Mexican relations since the beginning of this year) and chatting with the Brazilian president. No photo of Calderón shaking hands with Obama, Harper or the Chinese leader appeared in the Mexican press. President Calderón held a press conference after the summit, but the questions were almost all related to domestic politics, the assassination of a city mayor in the state of Michoacán and the ongoing political reform debate in Mexico's Congress. There didn't seem to be much interest in the summit itself or its results, except for the fact that at the outset, Calderón called on the developed economy leaders to quickly resolve the Greek and euro zone crises. Calderón himself has, so far, not appeared to Mexicans to explain what transpired during the summit, nor to outline his role or the priorities that Mexico sees for the G20 summit in June 2012. This may happen in the coming days, but it hasn't so far.

Other Leaders, Leading

The leaders who appeared most prominently in the Mexican media were, of course, President Sarkozy, the host, Chancellor Angela Merkel, the pre-summit summons to Prime Minister Papandreou to come to Cannes, President Barack Obama and IMF Managing Director Christine Lagarde. There was very little coverage of other leaders from either developed or emerging market nations, most of whom appeared to be on the sidelines of the emergency discussions around the Greek and European crisis. An exception was OECD Secretary-General Gurría who, because he is Mexican, was interviewed by at least one television anchor after the end of the meetings. Even the US president was seen to be on the sidelines of the centre-stage issue of Greece's travails.

Conclusion

The Cannes summit did little to advance the credibility or legitimacy of the G20. This may not have been entirely the fault of the leaders who attended, but the fact remains that the group is identified with the inability of the participants to really commit to specific targets within specified timeframes. The communiqué is full of lofty rhetoric similar to any multilateral gathering of political leaders, with very few specifics. The feeling among Mexican analysts was that little was accomplished, either in resolving the euro zone and US financial crises, or in deciding how to promote “balanced and sustainable growth.” Given the short interlude between Cannes

and Cabo, it will be a real challenge for Mexico and the “troika” to set a realistic agenda for the next summit in June. The longer the G20 is seen to be impotent in addressing global economic and financial issues and produce results, the less relevance it will have to people inside and out of the member countries.

Andrés Rozental is a member of the Operating Board of Directors and International Board of Governors, CIGI, and eminent ambassador of Mexico.

SOUTH AFRICA

Peter Draper and Memory Dube

Euro Crisis to Centre Stage

There is no doubt that the European crisis, in particular the rapidly unfolding events in Greece, dominated South African media reporting and analysis of the Cannes summit. Print media headlines in the buildup to the meeting were preoccupied with developments in Greece and their broader ramifications, mainly for the financial system. Electronic media paid some attention to the implications of a disorderly Greek default for South Africa’s growth prospects, given South Africa’s strong trade and investment links to Europe. *Business Day* also ran an article on the decision by the new head of the European Central Bank to reduce interest rates on his first day in the job. Again, this was connected to the European crisis. The broader G20 agenda did receive some attention, notably in *Business Report*, but coverage was, by and large, cursory. A number of publications ran stories on how the European crisis was overshadowing all other issues on the G20’s agenda, before, during and at the close of the summit (South African Broadcasting Corporation (SABC), *Engineering News*, *Sowetan Live*, *Times Live* and *Fin24*). In terms of presentation to the public, the summit was projected as being mostly about how to resolve the European crisis in order to avert another global economic crisis.

Other Issues

The issues that received some print media attention included the mooted financial transactions tax, President Obama’s performance on the global stage, the G20’s statement regarding currency intervention, protectionism and World Trade Organization negotiations. In the electronic media, the G20’s decision to enlarge the IMF’s resources and establish a new credit line was carried. Other than an interest in the issues that South Africa would be advocating at the summit, which were largely discussed just before the summit, it is difficult to say what other issues the South African public would have been interested in, since there is relatively

little public attention paid to G20 meetings. The business media retains an interest in the event, which explains the dominance of the European crisis in domestic media coverage. But other, more popular, publications do not have the technical readership or market interest to cover these esoteric issues. The flip side of this is that the South African media is strongly focused on domestic political developments, which are rapidly unfolding as the African National Congress leadership succession drama plays out on a daily basis. The only platform that seemed to carry a more in-depth and technical analysis of the summit, the issues that were discussed and the communiqué, is *Fin24*, but this makes sense because it is a targeted publication with a readership that would be familiar with the more in-depth issues.

Communications

President Zuma’s pre-Cannes press conference was the subject of the main headline story in *Business Day* and various other publications, such as *News24*, *SABC* and *Times Live*, which covered his agenda and objectives in some detail, each picking their own focal point across a range of issues he discussed, for example, infrastructure, development, job creation and enhanced growth. They also covered his plea to the G20 in Cannes to prioritize the needs of least developed countries, in particular those in Africa. *SABC News*, the main state-owned television broadcaster, also covered his request for the G20 to prioritize job-creating economic growth. *Business Report* carried articles focusing on Zuma’s support for the “Robin Hood” tax, and African vulnerabilities to climate change. None of these issues received the same level of attention granted to the bilateral meeting between the General Secretary of the Congress of South African Trade Unions, Zwelinzima Vavi, and French President Nicolas Sarkozy, in which the former was perceived by the business press (*Business Day*, *Business Report* and *Moneyweb*) to be prioritizing issues different to President Zuma’s agenda. Careful reading of Vavi’s statements, however, suggest he was taking, broadly, the same line as Zuma, especially taking into consideration the press reports on Zuma’s pre-Cannes press conference, where job creation was one of the issues that he was going to canvass at Cannes. This apparent misinterpretation probably reveals more about South African political realities than any real differences between the two men. Also, upon his return, there were reports of President Zuma’s satisfaction with the G20’s commitments on unemployment, job creation and other commitments made at the summit (*News24*).

Other Leaders, Leading

President Sarkozy featured quite prominently as the summit host. Greek Prime Minister George Papandreou, while not a G20 leader, was, however, more widely

featured — for obvious reasons. Other leaders, such as German Chancellor Angela Merkel and Italian Prime Minister Silvio Berlusconi, also figured in the context of the Greek/euro zone crisis, with Merkel commenting on the Greek crisis, while with Berlusconi, he was mentioned in the context of the potential debt crisis in Italy (SABC, *Sowetan Live*, Fin24 and *Times Live*). These leaders' political futures were also discussed, looking at upcoming elections in their countries as being tied to recent developments in both the G20 and euro zone space. IMF Managing Director Christine Lagarde also got some mileage in the press, again in relation to the Greek/euro zone crisis (*Times Live*, SABC and *Engineering News*). President Obama graced a few publications and was pictured on national television. Overall, this summit did not seem to attract much focus on differences between national leaders regarding particular items on the agenda. Again, the explanation can be found in the overwhelming immediacy of resolving the European/Greek crisis, which really dominated media attention and created a sense of common purpose and, perhaps, destiny. Surprisingly, media coverage was not cynical, such as ridiculing the G20's role, which we have witnessed in the recent past. Again, this probably was due to the magnitude of the issues at stake, and in that sense, probably most closely resembles the political dynamics around the London summit.

Peter Draper is a senior research fellow, Economic Diplomacy Programme, at the South African Institute of International Affairs (SAIIA).

Memory Dube is a research and project manager at SAIIA.

UNITED KINGDOM

Martin Albrow and Olaf Corry

Since the Conservative/Liberal coalition came to power in May 2010, G20 meetings have lost their allure for the United Kingdom. The then-Prime Minister Gordon Brown's widely acknowledged star performance at the London 2009 meeting could not be repeated, if only because current British Prime Minister David Cameron and his Chancellor, George Osborne, made the rejection of Brown and all his works a dividing line with the past. But behind the scenes, there has been considerable continuity, and the official in charge of the British contribution to the 2009 summit, Sir Jon Cunliffe, remains in his post through to the present. The public has been unaware that Prime Minister Cameron was asked by President Nicolas Sarkozy to produce a report on global governance for Cannes, which was duly presented and welcomed. The only issue to make any significant headway in the public sphere, apart from the euro zone crisis, was the closely related long-term

version of it: global financial regulation (for the Left) and the fundamental weaknesses of the euro (for the Right).

Euro Crisis to Centre Stage

Effectively, this has given the Cannes summit a prominence that it would not otherwise have gained, albeit as a sideshow to the real arena of the Greek Parliament. As *The Times* put it on Monday, October 31, three days before the summit, "The European currency drama moves to the Festival Palace in Cannes this week." While the *Financial Times* sought, the same day, to point to basic issues of financial regulation, boosting global growth and social issues, in fact it was the "drama" that effectively dominated all else, carrying forward older plot lines from an overarching narrative of the United Kingdom's relations with Europe. Cameron's recent survival of an unplanned vote in the British Parliament on staging a referendum on the United Kingdom's membership of the European Union (EU), had effectively put on the political agenda a theme the right wing press has been zealously promoting since before the last general election, and which is now the major rallying point for opposition to the coalition government from within the Conservative Party. Former Prime Minister Brown was reported to be calling for a reignition of the idea of a growth pact between countries, although this didn't make it past more specialist blogs. The director of the National Institute of Economic and Social Research and former chief economist at the Cabinet Office, Jonathan Portes, along with others, also tried to put the question of the United Kingdom's austerity program on the domestic agenda by calling, on his blog, for Cameron to put his weight behind the IMF and President Obama's administration's focus on jobs and growth rather than austerity.

As the summit got under way, the rapidly unfolding nature of the Greek crisis was dubbed by the BBC bulletin at 10 p.m. on Thursday November 3, as "Greece in Turmoil" and Sky News said the summit was dominated by uncertainty in Greece. All this was a "gift" the next morning to those papers that wished to portray Britain's relations with Europe as a story of perpetual friction between an undemocratic Europe and thwarted national democracies. Even the reversal of Greek Prime Minister Papandreou's proposed national referendum on accepting the bail-out plan, crafted by Chancellor Angela Merkel and President Nicolas Sarkozy, was treated as a European rejection of democracy by the "Brussels bullies" (*Daily Mail*). *The Times* saw events in Europe as the outcome of a long series of policy errors going back to the establishment of the euro currency. When it was not Greece that was the focus, then it was contagion to Italy that gained attention. Other comments included "debacle" (*Daily Express*), "madhouse" (*The*

Sun) and “Euro chaos” (*The Independent*).

On Friday evening November 4, the broadcast media reporting the day’s events did little to dispel this impression. The BBC’s political editor said, “It was not meant to be like this,” and Sky News said, “nothing had changed.” On Saturday November 5, the papers’ verdicts were “fiasco” (*The Guardian*) and “clueless world leaders” (*The Sun*).

As soon as it was over, the G20 effectively disappeared from the news stream, as the efforts to stabilize the euro zone moved on from Cannes, back to Athens, Paris and Berlin.

Other Issues

There was never any continuous thread for other issues. Immediately before President Sarkozy’s final report on the summit, both BBC News and Sky News tried to explore the wider agenda. Sky conducted a lengthy interview with Bill Gates on development aid, which Huffington Post UK reported on in terms of his support for the so-called “Robin Hood Tax” on international financial transactions. This was, perhaps, the only long-term policy issue to make it onto the public G20 media agenda in any substantial way, and it was seized upon by development blogs such as one on Bond.org.uk (representing a host of development non-governmental organizations including the Robin Hood Tax Campaign and Oxfam). David Jones, also blogging on Huffington Post UK, argued that “climate change should be the biggest item on the G20 agenda.”

Otherwise, it was firefighting all the way. The BBC declared the test of the summit would be the global economy, but that reverted to a discussion of the advance that had been made in getting Italy to agree to IMF monitoring. The governance issues that have concerned the summits over recent years were addressed largely as a question of whether the United Kingdom would contribute to a Greek bailout. Before the summit, media reports of deadlock on the issue within Europe, focused on the possibility of China stepping in with its US\$3 trillion foreign reserves. When the Chinese poured cold water on this idea, there was hostility to more support from within Europe, which led to questions on the possibility of IMF funding and then to the liabilities of the United Kingdom under existing obligations to the IMF. Both during and at the end of the summit, Prime Minister Cameron, after headlines such as *The Telegraph’s* “Britain is liable for billions as euro crisis deepens,” and in response to the bulk of media questions after his press conference, emphasized that any British contribution to supporting Greece would be through the IMF in its capacity as a shareholder. The IMF would not be

supporting a euro zone bailout fund, but would help Greece as it would any other country in difficulty, and Cameron emphasized he had withdrawn any British support for a euro zone bailout fund from 2013, and he had to “negotiate very hard to get that.”

Communications

In his speech to the press conference at the conclusion of the summit, Prime Minister Cameron listed and spoke to three issues that Britain was interested in: global imbalances; protectionism; and failure of global governance. He took nine questions from the press; all were on the euro zone problems, not one on his agenda. This was always going to be a difficult summit for Cameron to climb, given that the G20 agenda was hijacked by the euro zone crisis, which, for reasons of domestic politics, he had to declare was a problem for the Europeans to sort out, and where, therefore, prominent British involvement in the arguments would appear to contradict that stance. Cameron played it very straight with few photo calls that would emphasize what one journalist described as his “sidelines” position. The choicest television image appeared on both days of the summit, showing Cameron interrupting a three-way conversation between Obama, Merkel and Sarkozy, pushing between the two men to greet Merkel with a kiss, while Sarkozy looked irritated, and then standing back and listening dutifully to the conversation like a junior butting in on a parental party.

The Sun chose to personalize the summit on Friday, with what counts as the most ridiculous front page cameo comment: “World leaders led by PM David Cameron yesterday humiliated France and Germany by launching a last ditch plan to save Europe’s economy,” but the sting for Cameron came on the inside page, which said the plan involved the United Kingdom contributing up to an extra £29 billion to an IMF fund. That page was shared with photos of hotels where the leaders stayed in Cannes, picturing Cameron “slumming” it at £1,680 a night compared with Sarkozy’s £32,000 and Obama’s £30,000 a night rooms. Cameron, ironically, thanked *The Sun* at the press conference for the “slumming reference” (not recorded in the official transcript), a fleeting chink of light on the UK leader’s obsession with the popular press and *The Sun* in particular. Both the *Mail* and the *Express* sought to portray Cameron as avoiding a parliamentary vote on the British contribution to IMF assistance to Greece.

Conservative Home, a prominent Tory blog, also concentrated on euro-skeptic themes, including whether the United Kingdom would be paying for the euro zone bailout while left-leaning blogs such as Sharan Burrow of the International Trades Union Confederation

focused on global financial regulation and inequality. Ben Moxham on the TUC blog Touchstone, commented slightly more optimistically that “beneath the unfolding Greek drama, we’re got some real progress in getting countries to sign up to a Financial Transactions Tax, and commitments to take forward G20 work on employment and social protection, but the spectre of failing to reign in the financial markets remains strong.”

An opinion poll for YouGov, taken over the two days of the Cannes summit, recorded no change in the public’s assessment of Cameron’s performance as prime minister as compared with the previous week. Cameron will probably consider that something of a triumph.

Other Leaders, Leading

Since the euro crisis became a drama, it has allowed for a full cast of players. Merkel and Sarkozy, early on, were given considerable exposure, as was Papandreou, who of course was not at the summit, but met with them before. When the time came for an overall verdict, *Financial Times Weekend* splashed on Italy and Berlusconi rejecting an IMF loan, picturing Berlusconi looking defiant with his finance minister, Tremonti, head in hands. *The Guardian* declared leaders could not agree, and quoted Cameron as saying the world couldn’t wait for the euro zone and pictured Merkel and Obama in serious discussion. The *Mail* had a two-page inside spread “Sarko insult to ‘sland’ Britain,” with Sarkozy pictured “snarling.” The whole story was based on one answer to a question from the BBC’s Paul Mason, who had provocatively asked why France and Germany tried to change the Greek government, and Sarkozy responded in kind. *The Sun* spoke of extraordinary bickering, as leaders blamed each other for the mess. *The Independent* pictured Obama smiling (singing?) in the rain, and his comments on having had a “crash course” in European politics underlined his detachment from the whole process. The Chinese, on whom great hopes had been placed at the outset, were nowhere to be seen.

Martin Albrow is an emeritus professor at the University of Wales.

Olaf Corry is a research associate at Cambridge University Judge Business School.

UNITED STATES

Colin Bradford

Euro Crisis to Centre Stage

As surely was the case in other countries, the Greek debt drama, with the proposed referendum, withdrawn referendum and the vote of confidence, overshadowed and seemed to stymie action by G20 leaders in Cannes. But the competing headlines in Washington focused on the jobs report for October, which showed mixed results with public sector jobs falling significantly while private sector employment grew steadily again, and the debate in Congress between Republican and Democratic versions of a jobs bill. CNN’s John King was called upon to comment on the G20 summit from his perch in Iowa, reminding viewers that there was a seamless connection between the president’s efforts to push Europeans to deal with their debt and financial fragility, and his re-election prospects.

There is no doubt that in Washington, Athens was more visible than Cannes, and that the G20 summit took a back seat to the euro crisis. The *Financial Times* opined that the “forum’s high ambitions delivered meager results” as a headline. This certainly is borne out by the communiqué, which indeed did not push forward the specifics of the G20 agenda.

President Obama made his position extremely clear in his actions and words at Cannes, that he regarded the euro crisis as a European problem and the solutions were within Europe’s grasp and did not require outside support for the moment — a geopolitical strategy, which revealed his conviction that Europe is pivotal for the United States economically and strategically, keeping China and Asia more in the background. The fact that the Cannes summit put out an Action Plan on Growth and Jobs and the interdependence of the United States and Europe is the centerpiece for global growth, linked well to his domestic agenda of recovery and employment.

Other Issues

Importantly, the G20 summit approved an FSB report, making public for the first time a list of 29 “too big to fail” banks that would be subject to more vigorous FSB oversight and higher capital requirements, in order to protect taxpayers from bailing out failed banks. This is a highly significant G20 accomplishment, following directly from the seminal London G20 Summit in April 2009, at which the expanded FSB was established, incorporating all G20 countries into what was a highly euro-centric predecessor, and carrying forward the London G20 priority on strengthening national and

global mechanisms for financial oversight, supervision and regulation. Interestingly, only *The Washington Post* carried this story as part of its G20 coverage — no articles on this G20 action appeared in *The New York Times* or the *Financial Times*.

Communications

President Obama's press conference at the conclusion of the Cannes G20 Summit was carried live on CNN late on the morning of November 4, with wide CNN commentary afterward, linking Obama's thrust in Europe with his domestic economic and political agenda. *The Washington Post* on November 5 grasped the strategic point of the president in an editorial: "Cannes heat: President Obama delivers the right message to Europe." *The Post* argued, based on Obama's remarks in Cannes, that "even if we [the United States] had the money to rescue the euro, it's not clear that we should make such an investment, unless and until Europe itself had exhausted its resources, which it has not yet done... if the Europeans mean it when they say that the fate of their union itself depends on saving the euro, they will find a way."

So, whereas the G20 profile receded in the face of the euro avalanche, US global interests were projected clearly and forcefully by the American president to European leaders and to the US public, from his participation in the Cannes G20 Summit. The link between US domestic political imperatives and a global strategic thrust was forged and made visible by Obama's presence in Cannes.

Other Leaders, Leading

The image of the G20 leaders that prevailed in the US media from the Cannes G20 Summit was predominantly Obama with European leaders, not with Asian leaders or leaders from other parts of the world represented in the G20 grouping. Even *The Washington Post* editorial contained a photo nested into the editorial itself of Obama, Merkel, Sarkozy and Cameron talking in an animated fashion with the G20 France imprimatur in the background. This was clearly consistent with the dominance of the euro crisis in the meeting itself, and with Obama's strategic focus and message. In other G20 summits, Obama with Hu Jintao in London, or Berlusconi thrusting himself between Obama and Medvedev in Pittsburgh, were memorable images. In Washington, the West was shown at Cannes as being front and centre stage, with *The New York Times* carrying an amusing and insightful portrait of the relationship between Barack Obama and Nicolas Sarkozy.

Colin Bradford is a CIGI senior fellow and nonresident senior fellow at The Brookings Institution.

CIGI G20 RESOURCES

G20 PAPER SERIES

The Financial Stability Board and International Standards
Eric Helleiner, CIGI G20 Paper No. 1 (June 2010).

Making the G20 Summit Process Work: Some Proposals for Improving Effectiveness and Legitimacy
Barry Carin, Paul Heinbecker, Gordon Smith, Ramesh Thakur, CIGI G20 Paper No. 2 (June 2010).

The G20 and the Post-Crisis Economic Order
Andrew F. Cooper and Colin I. Bradford Jr., CIGI G20 Paper No. 3 (June 2010).

The G20 Framework for Strong, Sustainable and Balanced Growth: A Study in Credible Cooperation
Daniel Schwanen, CIGI G20 Paper No. 4 (June 2010).

The Future of the G20 and Its Place in Global Governance
Paul Heinbecker, CIGI G20 Paper No. 5 (April 2011).

G7 to G8 to G20: Evolution in Global Governance
Gordon S. Smith, CIGI G20 Paper No. 6 (May 2011).

COMMENTARIES

Lagarde and the IMF: The Unlikely Winners of the Cannes G20 Summit
Bessma Momani (November 2011)

The G20 Battens Down the Hatches
Daniel Schwanen (November 2011)

What Next for China in the G20? — Reorienting the Core Agenda
Gregory Chin (November 2011)

Giving Up (Some) Sovereignty Is Hard to Do: The Continuing Neglect of Global Economic Governance
Pierre Siklos (November 2011)

No Fairy Tale at the Cannes G20 Summit
Barry Carin (November 2011)

The G20 Returns to Crisis Committee — with Positive and Negative Implications
Andrew F. Cooper (November 2011)

REPORTS

Flashpoints for the Pittsburgh Summit
Edited by Andrew F. Cooper and Daniel Schwanen, CIGI Special G20 Report (September 2009).

The Future of the International Monetary Fund: A Canadian Perspective

Bessma Momani, Debra Steger, Eric Helleiner, Thomas A. Bernes, Eric Santor, Randall Gemain, C. Scott Clark, Dane Rowlands, Robert Lavigne, Roy Culpepper and James A. Haley, CIGI/CIC Special Report (September 2009).

The Financial Stability Board: An Effective Fourth Pillar of Global Economic Governance?

Edited by Stephany Griffith-Jones, Eric Helleiner and Ngaire Woods, CIGI Special Report (June 2010).

Leadership and the Global Governance Agenda: Three Voices

Alan A. Alexandroff, David Shorr, Wang Zaibang, CIGI Special Report (June 2010).

Challenges and Opportunities for the French Presidency: The G20 — 2011 and Beyond

Colin Bradford, Barry Carin, Paul Jenkins, Deanne Leifso and Gordon Smith, CIGI-IFRI Conference Report (March 2011).

The G20 Agenda and Process: Analysis and Insight by CIGI Experts

Compiled and with an introduction by Max Brem (March 2011).

Preventing Crises and Promoting Economic Growth: A Framework for International Policy Cooperation

Paola Subacchi and Paul Jenkins, Joint CIGI and Chatham House Report (April 2011).

Prescriptions for the G20: The Cannes Summit and Beyond

Thomas A. Bernes, Colin Bradford, Barry Carin, Gregory Chin, Jennifer Clapp, Andrew F. Cooper, John M. Curtis, Eric Helleiner, Paul Jenkins, Deanne Leifso, Daniel Schwanen and Gordon Smith, Special Report (October 2011).

NATIONAL PERSPECTIVES ON GLOBAL LEADERSHIP

National Perspectives on Global Leadership: Soundings Series — Summitry and Public Perceptions

A joint CIGI-Brookings Institution Project, Colin Bradford (March 2011).

NPGL Soundings Series: www.cigionline.org/npgl

ABOUT NPGL

The National Perspectives on Global Leadership (NPGL) project is a collaborative effort between CIGI and the Brookings Institution Global Economy and Development Program. The purpose of NPGL's research and convening is to assess the degree to which a broader summit grouping — in the context of the global economic crisis — can restore the confidence and trust of people in the capacity of national leaders acting together to take public responsibility for the public interest in economic outcomes.

The NPGL project aims to generate a stimulating inquiry into various economic, political and international dimensions of national and global leadership as manifested in summitry.

NPGL will continue to develop ideas on global leadership and the leading issues on the G20 summit agenda, by additional Soundings at future G20 and G8 summits and by further interactions among experts in the NPGL network and with other colleagues in research institutions, universities and public institutions.

We invite you to contact us with your comments, queries, insights and analysis of the NPGL Soundings that appear in this publication by emailing us at: npgl@cigionline.org.

NPGL Soundings Series: www.cigionline.org/npgl

Partners

- The Brookings Institution: Global Economy and Development Program
- Facultad Latinoamericana de Ciencias Sociales (FLACSO), Argentina
- Centro Brasileiro de Relacoes Internacionais (CEBRI), Brazil
- Centre for Global Studies (CFGS), University of Victoria, Canada
- School Public Policy and Management, Tsinghua University, China
- Institute Francaise de Relations Internationales (IFRI), France
- German Development Institute;
- Centre for Policy Research, India
- Consejo Mexicano de Asuntos Internacionales (COMEXI), Mexico
- South African Institute of International Affairs (SAIIA)
- Centre for Policy Studies, Sabanci University, Turkey
- Centre for the Study of Global Governance, London School of Economics, United Kingdom

ABOUT BROOKINGS

The Brookings Institution is a nonprofit public policy organization based in Washington, DC. Our mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations that advance three broad goals:

- Strengthen American democracy;
- Foster the economic and social welfare, security and opportunity of all Americans and
- Secure a more open, safe, prosperous and cooperative international system.

Brookings' Global Economy and Development examines the opportunities and challenges presented by globalization, which has become a central concern for policymakers, business executives and civil society, and offers innovative recommendations and solutions in order to materially shape the policy debate.

Global scholars address the issues surrounding globalization within three key areas:

- The drivers shaping the new economy
- The road out of poverty
- The rise of new economic powers
- The program is directed by Kemal Dervis, vice president and Edward M. Bernstein Scholar.

ABOUT CIGI

The Centre for International Governance Innovation is an independent, non-partisan think tank on international governance. Led by experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI's research programs focus on four themes: the global economy; the environment and energy; global development; and global security.

CIGI was founded in 2001 by Jim Balsillie, co-CEO of RIM (Research In Motion) and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario.

Le CIGI a été fondé en 2001 par Jim Balsillie, co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l'appui reçu du gouvernement du Canada et de celui du gouvernement de l'Ontario.

For more information, please visit www.cigionline.org.

CIGI MASTHEAD

Managing Editor, Publications
Senior Publications Adviser
Assistant Publications Editor
Publications Coordinator
Media Designer

Carol Bonnett
Max Brem
Jennifer Goyder
Matthew Bunch
Steve Cross

G20 WORKING GROUP

Project Officer

Deanne Leifso

COMMUNICATIONS

Communications Specialist

Declan Kelly
dkelly@cigionline.org (1 519 885 2444 x 356)

Public Affairs Coordinator

Kelly Lorimer
klorimer@cigionline.org (1 519 885 2444 x 265)

EXECUTIVE

Executive Director
Vice President of Programs
Vice President of Government Affairs
Vice President of Public Affairs
Vice President of Operations

Thomas A. Bernes
David Dewitt
Mohamed Hamoodi
Fred Kuntz
Neve Peric



CIGI 
57 Erb Street West
Waterloo Ontario N2L 6C2 Canada
519 885 2444 | cigonline.org

 **Recycled**
Supporting responsible use
of forest resources
www.fsc.org
© 1996 Forest Stewardship Council

