

## A G20 “Non-Secretariat”

President Nicholas Sarkozy’s Conversations with Philosopher Lao Tzu, Strategist Sun Tzu and Clio, the Muse of History

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"The G20 decided it would be the “main global forum” for economic and financial issues. But it must still give itself the means to work more effectively. Shouldn’t we create a G20 Secretariat to continuously monitor the implementation of decisions and deal with issues in conjunction with all pertinent international organizations? ”<sup>1</sup>

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A little known fact is that deep in the cavernous basement of the Louvre in Paris, there exists a time machine. It is a closely held secret; the machine is made available only to the President of France, restricted for use to help resolve only the most intractable problems. President Sarkozy, host of the 2011 G20, decided to use the time machine and go back to 495 BC to consult the wise Lao Tzu at the height of his powers. What follows is the transcript – any errors or omissions are the fault of the translator working from Mandarin and French.

**President Sarkozy:** My dear sir, please excuse me for dropping in unannounced, but I desperately need some advice. I am hosting a meeting of the Leaders of the world’s most powerful countries in a year’s time. The issues on the agenda are extraordinarily complex – coordinating global fiscal policies, with each country facing difficult economic conditions, as well as financial regulation, safety nets and development. There is constant pressure to expand the agenda to include multifaceted problems like climate change, trade, and nuclear proliferation. There are high expectations, intense media scrutiny and resentment from excluded countries and international civil society – everyone clamors to provide input if not be at the table. We Leaders lack technical expertise, and despite our different cultural approaches to decision making, and, are supposed to effectively deal with these issues, as well as the crisis of the day, in an informal two day meeting, with little preparation time.

I think I need a new institution – it is impossible to reform the existing international organizations. To make progress and provide continuity, an institutional memory is required. The new institution must be nimble and flexible, controlled by our informal group of Leaders, not run by some invisible elite. We

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<sup>1</sup> President Sarkozy, [http://www.diplomatie.gouv.fr/en/ministry\\_158/events\\_5815/speech-by-the-president-of-the-republic\\_14177.html](http://www.diplomatie.gouv.fr/en/ministry_158/events_5815/speech-by-the-president-of-the-republic_14177.html)

need a mechanism to direct the extensive preparations for our two day meeting, to manage the outreach and consultation efforts. We must have an apparatus to report on the various invitations and requests for reports that we extend to international organizations, our ministers and working groups, and to discretely monitor and report on the performance of our own commitments.

**Lao-Tzu<sup>2</sup>:** I understand. Governing a large country is like frying a small fish. You spoil it with too much poking. The solution to your problem is simple. You need a “Non-Secretariat”.

**President Sarkozy:** A “Non-Secretariat”? Please do not speak in riddles. I need your best advice.

**Lao-Tzu:** Some say that my teaching is nonsense. Others call it lofty but impractical. But to those who have looked inside themselves, this nonsense makes perfect sense.

**President Sarkozy:** But with all due respect- a “Non-Secretariat” – that is a paradox.

**Lao-Tzu:** True words seem paradoxical. Nothing in the world is as soft and yielding as water. Yet for dissolving the hard and inflexible, nothing can surpass it. The soft overcomes the hard; the gentle overcomes the rigid.

**President Sarkozy:**OK A “Non-Secretariat”. What kind of institution is that?

**Lao-Tzu:** When you have names and forms, know that they are provisional. When you have institutions, know where their functions should end.

**President Sarkozy:** All right, I think I see. “Provisional” means no permanent staff to prevent the process being captured by an entrenched elitist bureaucracy. So the “Non-Secretariat” will be composed of seconded staff borrowed from interested countries for a limited period of time.

**Lao-Tzu:** When the Master governs, the people are hardly aware that he exists.

**President Sarkozy:** Are you serious? Can we make progress without a powerful central organization?

**Lao-Tzu:** We join spokes together in a wheel, but it is the center hole that makes the wagon move. We shape clay into a pot, but it is the emptiness inside that holds whatever we want. We hammer wood for a house, but it is the inner space that makes it livable. We work with being, but non-being is what we use.

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<sup>2</sup> **Tao Te Ching** Written by Lao-tzu

From a translation by S. Mitchell <http://academic.brooklyn.cuny.edu/core9/phalsall/texts/taote-v3.html>

**President Sarkozy:** I am not sure I understand. It seems that your advice is a contradiction in terms.

**Lao-Tzu:** The gentlest thing in the world overcomes the hardest thing in the world. That which has no substance enters where there is no space.

**President Sarkozy:** What about a communication plan?

**Lao-Tzu:** Those who know don't talk. Those who talk don't know. True words aren't eloquent; eloquent words aren't true. Wise men don't need to prove their point; men who need to prove their point aren't wise.

**President Sarkozy:** I am not sure I understand. Should I not publicize this brilliant Non-Secretariat initiative?

**Lao-Tzu:** Look, and it can't be seen. Listen, and it can't be heard. Reach, and it can't be grasped. Approach it and there is no beginning; follow it and there is no end.

**President Sarkozy:** But making progress on this global quandary will help my reelection efforts. Should I not take credit for the “Non-Secretariat”?

**Lao-Tzu:** The Master doesn't talk, he acts. When his work is done, the people say, "Amazing: we did it, all by ourselves!"

## II

President Sarkozy returned to the Élysée in 2010 and had dinner with Carla. He was enthusiastic about his conversation with Lao-Tzu and recounted the Taoist idea of a “Non-Secretariat.” Carla was skeptical. She advised him to get a second opinion, from the other end of the philosophical spectrum. President Sarkozy agreed and, after cognacs, returned to the basement of the Louvre. He dialed in The Kingdom of Wu in the 5<sup>th</sup> century BC and located Sun Tzu, the author of “The Art of War”.

**President Sarkozy:** Excellency, please give me some advice on a matter of state, albeit a non military problem. I have to chair a meeting of 19 other Leaders of major countries – most speak neither French nor Mandarin. They are not experts, but are expected to make progress on complex global deadlocks.

**Sun Tzu:** Excuse me, you think you have problems! I have just been commanded to train a harem of 180 concubines into soldiers.

**President Sarkozy:** What do think of the concept of a “Non-Secretariat” - an informal support unit to prepare summits, led by a Troika and comprised of seconded agents of the other countries involved?

**Sun Tzu:** Be extremely subtle, even to the point of formlessness. Be extremely mysterious, even to the point of soundlessness. Thereby you can be the director of the opponent's fate.

**President Sarkozy:** One problem with this secondment idea is that I have no control of the caliber of people seconded by other countries.

**Sun Tzu:** The skilful employer of men will employ the wise man, the brave man, the covetous man, and the stupid man.

**President Sarkozy:** Will advice and preparation performed by the Non-Secretariat work?

**Sun Tzu:** The enlightened ruler is heedful, and the good general full of caution.

**President Sarkozy:** I worry that with a low profile "Non-Secretariat" I won't get any credit.

**Sun Tzu:** The general who advances without coveting fame and retreats without fearing disgrace, whose only thought is to protect his country and do good service for his sovereign, is the jewel of the kingdom.

President Sarkozy summoned his G20 Sherpa and his Foreign Policy Advisor. He instructed them to listen carefully and laid out the blueprint for the G20 Non-Secretariat. They concurred, but advised him to act now, before another G20 Leader decides to propose a permanent G20 Secretariat. They noted that some Canadians had already published an op ed. suggesting it would be worth it for Canada to sound out the other G20 countries and offer to place a permanent secretariat, and to pay for some of the costs, in an international city such as, say, Montreal. The Canadians' argument could be persuasive:

*"Canada could argue that it is not a major power such as the United States or China, and not a European country, there already being too many international institutions located there. Canada does know how to organize events, is relatively innocuous yet more or less efficient, and once had a reputation for being constructive, even innovative, in international affairs."<sup>3</sup>*

President Sarkozy decided to act, preempting the Canadians. He placed phone calls to President Lee Myung-bak and President Calderon. He noted that the G20 needed a more integrated approach between G20 administrative, technical and logistical functions. He suggested that the G20 summit be prepared and managed by the Korean-French- Mexican Troika sherpas. He encouraged them to assign their G20 Personal Representatives to help co lead the preparatory

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<sup>3</sup> Roy Culpeper and Joe Ingram <http://www.theglobeandmail.com/news/opinions/make-canada-the-g20s-permanent-home/article1664535/>

effort. The three sherpas forming the troika, could remain in their host countries and manage secretariat work remotely. He also invited the South Koreans and the Mexicans to second senior trusted officials, to be resident, in Paris to work as an integral part of the sherpa team preparing the 2011 G20 Summit.

President Sarkozy had a plan to staff the “Non-Secretariat”. His staff would invite G20 member countries and international organizations to second administrative and technical staff. Liaison contact points and implementation reporting requirements would be established in the key international institutions that were tasked with following up on G20 summits. The OECD Secretariat, located in Paris, would be asked to provide analyses and be especially responsive to requests from the “Non-Secretariat”.

In the first year, the budget of the secretariat, except for salaries of seconded officials, would be funded by France. In subsequent years, President Sarkozy suggested that the operating costs be funded in equal parts by the members of the serving troika. The fact that salaries of seconded officials would be borne by their own home organizations would finesse the fear of an independent bureaucratic organization. Leaders would feel comfortable that they indeed controlled the process, rather than an invisible illegitimate organization.

Sarkozy, Lee and Calderon agreed the functions of this “Non-Secretariat” secretariat would be to provide support for:

- Preparation of the summits (agenda and technical background);
- Follow-up of summits (monitoring implementation of commitments); and
- Managing relations with non-member countries and organizations.

President Sarkozy, a voracious reader, had seen an article by Johannes Linn that suggested that given the sensitivity concerning expansion of international bureaucracy and the aversion toward the formality of a new structure, it may be better to refer to the proposed “Non-Secretariat” by an innocuous term. He agreed and henceforth the “Non-Secretariat” would be referred to in public in all G20 countries as the G20 Summit Staff.<sup>4</sup>

### III

A few days after President Sarkozy decided to establish the G20 Non-Secretariat, Clio, the muse of history, was in Paris doing some research. She dined with President Sarkozy; she was well aware of his commitment to reform international institutions. Clio asked for an update her on current developments in international governance.

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<sup>4</sup>Johannes Linn (2009) [www.kdi.re.kr/upload/15230/2-3.pdf](http://www.kdi.re.kr/upload/15230/2-3.pdf)

**President Sarkozy** (quoting Valerius Flaccus) *Clio . . . "to thee, O Muse, has been vouchsafed the power to know...the ways by which things come to be".<sup>5</sup>* Aren't you up to date on all these developments, such as the recent G20 Leaders meetings and the upcoming event in Seoul?" Clio responded that she needed a briefing to ensure that she inspired future historians appropriately.

**Clio:** I just re read Barbara Tuchman's "The March of Folly" which traces human foolishness across the millennia. Her thesis is that even when political leaders have the information they need to make an intelligent decision, and know what decision ought to be made, they consistently fail to make it. They act against both common sense and self-interest. Why would we expect different outcomes from the G20?

**President Sarkozy:** The challenge is to craft governance institutions to maximize rationality. The G8 summit has been replaced by the G20, with all the key players involved from the beginning. The G20 summit will be well-prepared by a unique Non-Secretariat, a governance innovation invented jointly with the Korean and the Mexicans. Paul Martin, the former Canadian Prime Minister is one of the parents of the idea, both for the G20 and for this mechanism that will make it work. Working together in this Taoist-type entity, officials and experts are highlighting common sense options which will lead to win-win-win legacy-enhancing outcomes. Intelligent decisions can be made and both enlightened self interest and the global public good will result.

**Clio:** Well, thank you President Sarkozy. You have brilliant ideas. And may I say that yours is the most crisp analysis I have received in the last four centuries.

**President Sarkozy:** I guess you haven't checked in for a while. As Herodotus said "Very few things happen at the right time, and the rest do not happen at all: the conscientious historian will correct these defects." Clio, I rely on you, so future historians will give me the credit I deserve, because the Non-Secretariat will ensure the future success of the G20.

## IV

### Conmentary: A Non- Secretariat vs. a Permanent Secretariat

We need a mechanism to ensure effective information collection, outreach, and policy implementation while avoiding bureaucratization. Some may infer that Sarkozy's call to create a G20 Secretariat implies a conventional permanent secretariat rather than a Taoist non-secretariat. There are two major issues. First is the question of a Troika and seconded staff versus a conventional organization

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<sup>5</sup> Valerius Flaccis <http://www.theoi.com/Text/ValeriusFlaccus3.html>

with one Secretary General and permanent staff. Second is the question of location of a permanent organization.

### **The Staff**

We must avoid bureaucratization, loss of Leaders' control and with it the loss of Leaders' commitment. To address concerns about bureaucratization and agenda-setting by unaccountable technocrats, the secretariat, even if permanent, should have staggered secondments from troika-countries for 3 years (e.g. Mexican officials would serve in 2011, 2012 and 2013) and Sherpas from the troika countries should serve as co-Secretaries-General (that is, from Korea, France and Mexico in 2011) to ensure direct accountability to the host countries. There is merit to limiting terms to 3 years and refreshing the staff by turning over one third each year. If Sherpas are running the show, there is no danger of lifelong bureaucrats capturing the process. A troika-based non-secretariat, with seconded staff is workable in practical terms. (Staff would not be restricted to troika countries - it would make sense to encourage the best available people for three year terms.)

### **Location**

One argument for a permanent location for the G20 non-secretariat is that an unenthusiastic host country could wreak havoc on the whole enterprise. It's bad enough that the technical staff would have to move every year, but logistical issues would be complicated by an uncooperative host. Furthermore, in a permanent structure, each G20 member country would probably eventually have a mission at the venue of the secretariat, in the manner of the OECD.

Another argument for a permanent location is the need to build an effective peer-learning and peer-evaluation mechanism. As the G20 issue space expands from macro-financial policy to a growth-oriented development agenda, climate change, and so on, it would become increasingly important to have in place peer mechanisms within the G20 based on rigorous analytical standards (a la OECD). One can argue that only a permanent secretariat with strong technical staff can do an adequate job in this regard. Supporters of the non-secretariat argue that the peer-learning and peer-evaluation mechanism functions do not require permanence- quality staff work and institutional memory can be provided by personnel on three year terms.

A permanent secretariat would need a permanent location, but people will disagree on the criteria for location of a permanent secretariat. There is an advantage to put the Secretariat in Beijing (signaling the recent changes in economic gravity); a good case for Korea and Australia, and a case for New York or Geneva as a UN city. Proponents for Canada will point Canada's critical role in launching the G20 Finance Ministerial and advocating its elevation to the G20 summit, its good relations with all members of the G20, and home of the leading

information center on the G8/G20, and of CIGI, the leading think tank specializing in global governance.

In contrast, a Non- Secretariat would be located in the host country for the G20 summit, and move every year. There is little difficulty moving every year - all the documents are electronic. The officials loaned to the non-secretariat would be elite cosmopolitan experts and would willingly accept two international assignments of a year's length, split by a year at home. Koreans would go to France in 2011 - French secondees would go to Mexico in 2012.

On balance, a "Non-Secretariat" is an idea whose time has come.