



Global Economy  
and Development  
at BROOKINGS

# NATIONAL PERSPECTIVES ON GLOBAL LEADERSHIP

SOUNDINGS SERIES:

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SUMMITRY AND PUBLIC PERCEPTIONS





# NATIONAL PERSPECTIVES ON GLOBAL LEADERSHIP: SOUNDINGS SERIES — SUMMITRY AND PUBLIC PERCEPTIONS

A SERIES OF COMMENTARIES ON HOW THE PERFORMANCE OF G20 LEADERS AT SUMMITS IS PERCEIVED BY THE MEDIA IN THEIR NATIONAL CAPITALS

SUMMITS COVERED:

- LONDON G20 SUMMIT, APRIL 2009
- L'AQUILA G8 SUMMIT, JULY 2009
- PITTSBURGH G20 SUMMIT, SEPTEMBER 2009
- MUSKOKA G8 SUMMIT AND TORONTO G20 SUMMIT, JUNE 2010
- SEOUL G20 SUMMIT, NOVEMBER 2010

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PROJECT LEADER: COLIN BRADFORD

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# ACRONYMS AND ABBREVIATIONS

ANC	African National Congress	SDRs	Special Drawing Rights
BRIC	Brazil, Russia, India, China	UK	United Kingdom
Brookings	The Brookings Institution	UN	United Nations
CIGI	The Centre for International Governance Innovation	UNFCCC	United Nations Framework Convention on Climate Change
EME	emerging-market economies	WTO	World Trade Organization
EU	European Union		
FSB	Financial Stability Board		
G2	Group of Two (United States and China)		
G5	Group of Five (Brazil, China, India, Mexico and South Africa)		
G7	Group of Seven		
G8	Group of Eight		
G8+5	Group of Eight plus Brazil, China, India, Mexico and South Africa		
G20	Group of 20		
GDP	gross domestic product		
IMF	International Monetary Fund		
KDI	Korea Development Institute		
MAP	Mutual Assessment Process		
MEF	Major Economies Forum		
NAFTA	North American Free Trade Agreement		
NATO	North Atlantic Treaty Organization		
NGO	non-governmental organization		
NPGL	National Perspectives on Global Leadership		
OECD	Organisation for Economic Co-operation and Development		
PADB	Inter-American Development Bank		
PBOC	People's Bank of China		

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## PREFACE

The rise of the Group of 20 (G20) to leaders' level summitry — all but replacing the Group of Eight (G8) — raises many questions concerning the relationships of G20 leaders to each other, to the issues and to their respective publics. The global financial crisis, out of which G20 summits were born, generated a three-dimensional crisis of confidence in financial markets, trust in leaders and faith in institutions.

This confluence of economic, political and institutional forces creates a host of issues for policy makers, senior officials, think tank experts, academics and journalists interested in the new dynamics of the global economy, international politics and institutions, and in the nexus between leaders, the media and their publics. In the contemporary era, globalization and polarization seem to feed on each other, creating a complicated interface between domestic politics and international governance, wherein managing global challenges requires domestic political acumen as well as diplomatic skill.

To gain insight into this interface and convergence of forces, The Centre for International Governance Innovation (CIGI) and The Brookings Institution (Brookings) enlisted colleagues from leading think tanks in a dozen G20 countries to observe how national publics perceive their leaders at global summits, as seen through the lens of leading media outlets in each of their capitals. Their findings, published online as short, interpretive commentaries under the general title NPGL Soundings, comprise the main outputs of our National Perspectives on Global Leadership (NPGL) project and give body to its chief premise: *How leaders lead depends on how they are perceived to be leading.*

NPGL has published Soundings after the five most recent summits: the London G20 Summit (April 2009); the L'Aquila G8 Summit (July 2009); the Pittsburgh G20 Summit (September 2009); the Muskoka G8 Summit combined with the Toronto G20 Summit (June 2010); and the Seoul G20 Summit (November 2010). This has provided a substantial body of both factual observations and interpretive insights, which collectively provides raw material for intra- and inter-country comparisons over time, on a wide variety of issues of broad public, official and scholarly interest regarding the relationship between leaders and their publics.

### Communications between Leaders and Their Publics: A Critical Nexus

Based on the results from this work, there is no doubt that communications are a key element of summitry that affect the impact of summits on policy formulation and public opinion, and also the degree to which summits are perceived as forms of global leadership or highly visible manifestations of global tensions.

Leaders are walking a tightrope between rising domestic demands to privilege home advantage and the increasingly obvious fact that global forces penetrate local domains and drive outcomes in ways that require cooperation, give and take, and coordination rather than defensive moves. Indeed, G20 summits have made evident the multivalent forces of domestic politics and globalization, making people more aware of the need for international cooperation, even as they grow more fervent about protecting their own local and national interests.

*How leaders communicate their approach to this global-local interface to their publics, and how publics perceive their leaders to be dealing with these dilemmas, will have an immense impact on the ability to use summitry as a form of global leadership.*

In this sense, the focus on “national perspectives of global leadership” seems to invite, and indeed require, further consideration from many multidisciplinary vantage points, in order to deepen our understanding of the complex constraints and forces that exert an influence on the effectiveness of summits in generating policy outcomes and credible global leadership on international challenges that have great domestic consequences.

Compared to the transatlantic-centric membership of the G8, the composition of the G20 is far more globally representative. We believe that the findings from the NPGL project have revealed that summits are goldmines for capturing the critical structural shifts in international relations in the truly global environment of the twenty-first century.

### Use of the NPGL Findings in Washington and Seoul

The results of the first few sets of NPGL Soundings were discussed during a conference in Washington in April 2010, co-organized by CIGI, Brookings and the

Korea Development Institute (KDI), and again at a large public G20 symposium in Seoul in September 2010, six weeks before the Seoul G20 Summit.<sup>1</sup>

At the G20 Seoul symposium, half a day was spent on the issue of “Leaders, Their Publics and Communications.” Martin Albrow, a sociologist from the United Kingdom (United Kingdom) gave a background paper on “summits as narratives between leaders and their publics.” Bruce Stokes, former international economics columnist at *The National Journal* and now senior transatlantic fellow at the German Marshall Fund, presented fresh results from the Pew Trust’s Global Attitudes Survey in 15 G20 countries. Thomas Mann, from Brookings, discussed “domestic leadership in a polarized and globalized world.”

Wendy Sherman, a communications professional who has US government experience and is currently vice chair of the Albright Stonebridge Group, shared her thoughts on the G20 as “a twenty-first century leadership forum,” while two outstanding journalists, Alan Beattie (with the *Financial Times*) and Paul Blustein (formerly with *The Washington Post* and currently a senior visiting fellow at CIGI) commented on “communications strategies for G20 summits” and “the media as action-forcer at summits,” respectively.

While the pre-summit Seoul G20 symposium anticipated the importance of this connection between leaders, the media and the public, delving into the complexities of this nexus in some detail, actual coverage during the summit revealed more about the media’s intense focus on potential policy divergence among key G20 participants (on currency and other matters) than on the leaders’ accomplishments in policy coherence and cooperation on technical issues, which, in contrast, had a much lower public profile. This echoed similar patterns of media performance at the London and Toronto G20 summits.

### Future Inquiry: The Involvement of Others in NPGL

It is clear that much more thinking, research and analysis needs to be undertaken on the relationship between leaders, the media and the public, and the practical implications for the success of G20 summitry and the effectiveness of global governance generally in addressing global challenges.

CIGI and Brookings are especially eager to invite scholars, journalists, experts and officials with a keen interest in this topic to make use of the material presented

in this publication, and interact with us to push this crucial line of inquiry forward. It is our hope that the NPGL documentation will provide a springboard for other analysts and activists to push the frontiers of knowledge and understanding forward on this subject.

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: [npogl@cigionline.org](mailto:npogl@cigionline.org).

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<sup>1</sup> Publications resulting from these events are a conference volume published by KDI in November 2010 and a Brookings Institution Press volume due out in the spring of 2011. (See references.)

# NPGL SOUNDINGS SERIES NO. 1: LONDON G20 SUMMIT, APRIL 2009

## OVERVIEW: PROMOTING SINGLE-ISSUE NATIONAL PRIORITIES: IMPLICATIONS FOR GLOBAL LEADERSHIP AND SUMMITRY

*Colin Bradford*

These commentaries represent a unique experimental inquiry into the political relationship between national leaders and their publics in the context of the London G20 Summit on April 2, 2009, as revealed in national newspapers in the capitals of G20 countries in the run-up to and immediate aftermath of the G20 summit. The purpose is to assess the degree to which this 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. This restoration of confidence would not only have a political effect, but also an economic impact on the level of confidence in consumer, investor and money markets, potentially contributing to greater stability and growth in the global economy. This overview is a first attempt to identify some common themes and results from this initial inquiry, based on the papers from the dozen G20 countries presented here.

### National Economic Priorities, Political Leadership and Shifts in Public Opinion

The behaviour of leaders at the London G20 Summit in April was not fully transparent, since the meeting itself was behind closed doors. Nonetheless, the run-up to the summit and the press conferences afterward provided a profile of national leadership and a sense of the priority interests of various leaders in summit outcomes.

Of the dozen G20 countries surveyed here, most leaders were identified with single issues, whereas fewer leaders invested in multiple issues. Further complicating perceptions, or manifesting them differently, was the presence of pairs of countries with common interests. There was considerable interest in the degree to which the United States and China constituted a “Group of Two” (G2), since they are among the largest countries with the broadest global reach, even though both countries tried to downplay the G2 idea. Also, the French-German “couple” revived its image by joining forces against the Anglo-American interest in fiscal stimulus, and in expressing the continental priority for strengthening financial regulation. This perceived conflict became the high drama of the

London summit — especially in the run-up to it, less so in the aftermath.

Among the 12 G20 nations surveyed here, a significant contingent clearly prioritized a strong stance against protectionism as their top priority in the summit. These countries tended to be the countries that had not suffered (yet) enormously from the global economic crisis, but which have significant trading relationships, especially with the United States. The four countries with single-issue priority commitments to open trade and anti-protectionism were: Canada, Mexico, Brazil and India.

### The G20: Opportunities for Middle Powers?

Given the significance of the London G20 Summit meeting of 20, rather than only eight (the G8), it implicitly represented an opportunity for medium-sized countries at the table, beyond the G8 and the new superpowers (China, India and Brazil), to capitalize on their presence in the G20 and reposition themselves in the geopolitical structure. For a variety of reasons, this seemed to not happen. Australia, Korea, Indonesia and Saudi Arabia (middle powers not included in this survey) did not appear to be assertive or visibly try to reposition themselves in the geopolitical order.

Among those middle powers surveyed here, India, South Africa and Turkey were in the midst of elections, which deflected public attention from the G20 summit and meant that their leaders were more intent on domestic issues than making major forays in the international arena in early April. Mexico’s President Calderón deliberately struck a higher and more visible profile during his state visit to the United Kingdom a few days before April 2 than he did at the G20 summit itself. Similarly, Turkish Prime Minister Recep Tayyip Erdoğan was receiving President Barack Obama two days later, an immensely higher profile international moment for Turkey than its role in the London summit. Canada’s Prime Minister Harper, suffering low poll ratings at home going into the summit, pushed harder on the relatively low-profile issue of development assistance for poor countries and getting his parliament to agree to an International Monetary Fund (IMF) pledge than he

did on the larger strategic issues of fiscal stimulus and financial regulation.

Albert O. Hirschman is known for using two-by-two diagrams to reveal and clarify pairs of observations together, so as to highlight the interrelationships among the two *contre-temps*. From the commentaries in this project, it is possible to deduce: the degree to which national leaders got a boost in public support as a result of the G20 summit and a distinction between those countries that were assertive in promoting their national economic interests and trying to reposition their country in the global order at the April G20 summit, and those that had domestic constraints (elections, low poll ratings) that drove a lower political profile at the summit and, hence, may have dampened the degree to which they were perceived at home as having improved their own political profile as a result of the summit. The alignment of the 12 countries and their leaders along these two dimensions is shown here.

Hirschman Two-By-Two Diagram

	Assertiveness of National & Global Political Profile	Shifts in Domestic Public Opinion	
High	Argentina, Brazil, China, France, Germany, UK, US	Fernandez, Lula, Hu, Sarkozy, Merkel, Brown, Obama	Up
Low	Canada, India, Mexico, South Africa, Turkey	Harper, Singh, Calderón, Molanthe, Erdoğan	Neutral

### Assertion of Single-Issue Priority vs. Multiple Issue Approach

What is interesting is the degree to which the assertion of a single-priority interest (trade and protectionism) by Canada, Mexico, Brazil and India may have been less effective in projecting a clear profile of national leadership than might have been expected. A plausible strategy for high-profile leadership in a relatively large meeting could have been to select a single issue and become identified with it. To be sure, other factors intervened in determining where countries fall in the two-by-two categories, such as country size and leadership style. But it seems that those countries that took on more issues and the larger strategic issues in the April G20 summit (fiscal stimulus, regulation and the IMF), did better at home than those who pushed a single issue of slightly less consequence, such as trade. The exception to this rule seems to be Brazilian President Lula. While Lula kept a relatively low profile on economic issues by singling out a push against protectionism in trade, he asserted a view on the “historic” nature of the London G20 Summit itself and the fact that it “reflected a shift in world power”

(Gregory/Zinner paper on Brazil). As a result, he was one of the few G20 leaders who explicitly addressed the issue of global political leadership and the role of new powers in it, asserting a higher political profile and getting a positive response from the Brazilian press and public as a result. It is interesting to note that President Cristina Fernández of Argentina seemed to gain ground at home by taking a holistic view of the G20 agenda, embracing both the fiscal stimulus and financial regulatory issues, as well as “the failure of neoliberalism” and defending developing countries as “weak links bearing an unfair burden,” rather than adopting a single-issue approach.

### Implication

For future summits to provide more robust results, more leaders should take a broader approach to summit issues and a more proactive and visible role in pushing for action across the board, rather than projecting a single-issue priority. Active assertion of engagement in the summit agenda as a whole and greater visibility in promoting it may yield both national political benefits and strengthen global leadership at the same time.

### Conclusion

The individual commentaries in this collection need to be read carefully and comparatively to more fully distill their potential insights into the underlying political process of summitry and the relationships between leaders and their publics, which are part of summitry itself. Both this set of commentaries and brief overview are but experimental beginnings in an exploration we hope to continue in relation to future global leadership moments. We would welcome the comments and contributions of others with similar interests in understanding the dynamics of global political leadership at summits, to provide strategic direction for the planet and a sense of responsibility for the public interest of the people.

## ARGENTINA

*Diana Tussie*

### Economic Interests

Argentina’s key objectives for the G20 summit were the injection of liquidity, reform of the IMF — as well as other international financial institutions — and stricter regulation of the credit rating agencies that failed to detect problems in the system. Similar conclusions were reached at the meeting of the non-governmental organization (NGO) Fundación Ideas, where senior figures discussed criticism of the IMF and the World Bank’s roles in the current crisis.

During the summit, Argentina joined several developing countries that demanded a bigger say in world trade rules and a relaxation of international credit policies. As a result, a tripling of IMF lending funds was more than had been expected; however, less was said about the rebalancing of influence sought by developing countries.

The daily *Clarín* emphasized the adoption of new financial instruments with less conditionality for developing countries, as well as the implementation of Special Drawing Rights (SDRs). In this context, the IMF should be more flexible, eliminating or reducing conditionality to a minimum, using financial instruments adequate for the times. This would allow Argentina to access US\$3 billion without Article IV conditions. *Clarín* also mentioned the importance of a massive increase in the funding of international financial institutions, leading to a combined lending capacity of the World Bank and the Inter-American Development Bank (PADB) that, welcome as it is, is equivalent to just a fraction of what was used to aid the insurer AIG, for example.

The financial daily *Cronista Comercial* warned against financial protectionism, such as the repatriation of bank funds from emerging markets. At the London summit, Argentina demanded financial regulations that prevent banks from withdrawing capital from their subsidiaries in emerging countries. I also argued in my article in *Cronista Comercial* that no international financial institution should be subject to the veto power of one country, for example, “condemning trade protectionism whilst — at the same time — practising financial protectionism is hypocrisy.”

As mentioned earlier, the third priority for the summit was the agreement on a revised regulatory and supervisory framework, including a strategy to cleanse the balance sheets of financial institutions in a credible and effective way without accelerating the disintegration of formal intermediary channels, which could result in additional funds drying up. On the trade front, a standstill on protectionism, monitored by the World Trade Organization (WTO), would be more relevant than closing the imbalanced Doha package.

### Political Interests

The G20 summit showed itself to be a meeting that is developing-country friendly, where all members came together in a way they never have before to decide on quite detailed proposals that will reshape the global financial system for a long time. In this context, the Argentinean public’s view of the effectiveness of their leaders at the summit and on the global stage remains positive.

In statements to *La Nación*, Argentinean President Cristina Fernández said she did not see such a stark antinomy between fiscal stimulus and regulation. As a matter of fact, the president was in agreement with both the United States and the United Kingdom to stimulate demand, but also with Germany and France about the necessity of stricter oversight and regulation, especially regarding offshore activities. Ms. Fernández also regretted that the outcome of the summit would not include acknowledgement “of the failure of neoliberalism,” but she predicted that its conclusions would lead in that direction.

In an article in the pro-government *Página 12*, another Argentinean leader, Alfredo Chiaradía, the minister for international economic relations, called for the inclusion of more developing countries at the London summit. He said Argentina and like-minded members of the G20 believe trade finance is crucial to get world trade moving again and argued that the World Bank’s resources should be trebled.

Finally, Alfonso Prat-Gay, the former president of the Argentine Central Bank, argued in *La Nación* that the London summit offered an opportunity to take a fresh and unbiased look at monetary and financial issues. He said that the main problem is US reluctance to change, and suggested that countries like Argentina, Brazil and Mexico have a lot to offer in terms of their own experience in dealing with monetary and financial turmoil.

### International Interests

According to public opinion, President Cristina Fernández is seen as a developing country leader doing everything in her power to get what she thinks is needed to make the international system fairer. From *Infobae*: “Cristina Fernández emphasized that ‘the reading of the document describes very clearly that there is a strong self-criticism of a system that had no regulation and a very strong criticism of the lack of control over credit rating agencies.’”

The participation of Fernández in the G20 summit has been perceived positively, as she comes out as a Latin American leader trying to have more influence in global decisions affecting vulnerable regional economies.

### Global Leadership

*Clarín* viewed the battle against tax havens as a worthwhile and very relevant measure to stop capital flight, from both the outgoing and incoming ends. This is an opportunity to reform economic policies with a systemic viewpoint and to avoid all the burden of adjustment on developing countries, which have, so far,

been weak links bearing an unfair burden. Argentinean public opinion suggests that this international crisis does not have a direct bearing on their pockets, which might be the reason for the lack of riots and protests.

*La Nación* stated: "The president of Argentina, Cristina Fernández, celebrated today the successes achieved by Latin American countries at the summit of the G20, including the elimination of one paragraph of the statement, which proposed the flexibilization of labour laws as a way out." *La Nación* further pointed out her argument was supported by Brazil, because of the bad experience in that regard.

At the receiving end of neoliberal-framed international economic policies, the country finds the G20 to be an arena to share its concerns in a cooperative and non-antagonistic manner.

## BRAZIL

*Denise Gregory and Tomas Zinner*

### Economic Interests

In Brazil, the government initially took a very optimistic position towards the financial crisis, forecasting a 4 percent growth rate in 2009 and a small impact of the crisis on the economy. But now Brazil's economy is suffering. The contraction in commodity exports and the crunch both in domestic and international credit, together with the problem of very large losses in the exchange derivatives, rising unemployment rates and slowing industrial production, generated a chain reaction that made economists revise their growth forecast downward, and urge the government to take a more realistic position. The most efficient counter-cyclical instrument available to the Brazilian government is monetary policy. Compared to developed economies, there is limited room for fiscal stimulus in Brazil. Brazil has been an active member of the G20 since its foundation, and held its chair in 2008.

The London G20 meeting results were well above expectations. The announcement that a consensus had been reached on important topics, such as tax-haven regulations, support for additional fiscal stimulus and for financial system reform, as well as pledges to "not repeat the historic mistakes of protectionism of previous recessions," was extremely important to rebuild trust in the financial system. The final communiqué received an optimistic, but cautious, welcome in the editorial opinions in Brazil. The media celebrated the summit's decision to strengthen the IMF to help developing countries caught in the international financial crisis and that

those countries had finally been given more power in the decision process and norm setting: "The era in which seven rich countries thought they decided everything for the planet is over" (*O Globo* editorial). President Lula praised the democratic character of the meeting and affirmed that Brazil was considering contributing to the IMF.

There was also widespread support for the announcement of more transparent rules and control over tax havens. Brazil's concern with increasing world trade protectionism in the communiqué was seen as a sign of success, but we have to wait to see how it will be translated into practical initiatives.

### Political Interests

There was a high perception that Brazil emerged from the London summit with more stature and power. The *O Globo* newspaper front-page headline declared that "the Summit has modified geopolitics, giving more weight to Brazil and China." The paper referred to a British Foreign Office document that grouped G20 countries in two categories, according to their importance for the United Kingdom. Brazil, China and India were placed in the first rank, together with the United States, Japan, France and Germany. Brazilian media highlighted the leadership of President Obama and his good relations with Lula, who was referred to by Obama as the most popular politician on earth.

### International Interests

The summit has portrayed Brazil and the other emerging economies as having a central role in the global community of nations, and the G20 was consolidated as the core centre for deliberations on economic and financial issues. Lula himself called the summit "historic," reflecting a shift in world power. He also stressed the fact that the global economic crisis stemmed originally from the rich countries, and that any action taken from now on would have to be multilateral. Lula used the meeting to repeatedly call for measures to fight protectionism.

Small coverage was given to other major issues, such as climate change and investment programs in infrastructure with environment concerns.

### Global Leadership

The final communiqué was welcomed as an important step to restore confidence and as a call for tighter control and greater cooperation. The countries showed unity and great ability to work together. The decisions taken were perceived as correct and in the right direction. The emerging economies influenced the final outcome.

The G20 that emerged from the London meeting is much more in line with the present global geopolitical and economic order. The world had come together in a way that was unprecedented. The G20 has been transformed into a high-level forum with heads of state and government replacing the G8 and perceived as being capable of guiding the necessary reforms in multilateral organizations and avoiding future crises.

## CANADA

*Barry Carin*

Recent polls indicate Canada's current minority government enjoys 33 or 34 percent of popular support. Almost half of those polled said they were unhappy or very unhappy with what Prime Minister Harper had done so far to mitigate the effects of the recession. Without the summit, support might have been dragged down farther by all the troubling economic news. However, the stock market responded positively, closing April 3, 2009, at a three-month high, which was an indication of a growing confidence in the markets. The Canadian dollar's value increased.

Some pique was expressed when the British Foreign Office distributed a limited-circulation agenda rating Canada as a "second division" country for G20 summit purposes, along with Russia and Australia, instead of the "First Division with the debt-crunched US, troubled France, China with its soaring unemployment, anxious India and medieval Saudi Arabia." The tabloid press had fun with the "call of nature" that had the prime minister miss the G20 family photo, which had to be retaken.

### Economic Interests

Canada's principal economic priority for the London G20 Summit was a "standstill" on new trade barriers to investment or trade measures by countries. Integrated as Canada is with the US economy, there is widespread concern that "Buy America" provisions in the American stimulus package could infect procurement. US protectionist measures are major irritants in Canada, given our dependence on US trade and extensive experience — for example, softwood lumber — and security-driven measures that "harden" the US-Canada border. Reports that "Harper wins key support on trade barriers" — the agreement to extend a 12-month pledge not to raise new trade barriers — is seen as a success for Canada.

Canadians reading the fine print of the Leaders' Statement were reassured by the commitment to refrain from competitive devaluation of currencies. Depreciation of the US dollar spells disaster for our export industries.

### Political Interests

The government's position is that Canada has exceeded the targets set out at last November's G20 meeting, and it's now up to other nations to pull their weight. The political opposition characterized the prime minister as "flip flopping on stimulus action."

The Conservative base opposes deficits and government spending — the government has been criticized by supporters for a budget deficit pegged at \$80 billion over the next two years. The prime minister noted: "Canada is not ruling out additional stimulus measures in the future... the government's first priority is to get the current stimulus spending into the economy." The IMF reported that Canada's stimulus this year adds up to about 1.5 percent of output. The Organisation for Economic Co-operation and Development (OECD) concluded that Canada had the "fiscal capacity" to do more to stimulate the economy, forecasting a 10.5 percent jobless rate next year, and urged Canada to provide more stimulus, partly in income support for laid-off workers.

Backing Mr. Obama's call for more stimulus at home would further inflame Prime Minister Harper's critics, and, perhaps, exacerbate nascent tensions within his conservative core. The opposition, perhaps unfairly, argues that in London, Mr. Harper contradicted himself in saying, "... leaders should over act at this point ... I think there would be a risk of under acting. Let's assume that we need dramatic action and let's do it."

### International Interests

The main message received was that Canada will be paving the way in banking reform — the Canadian system could be used as a blueprint for the world. Canada co-chaired the working group that built the consensus reached on the recommendations for international financial reforms. A representative editorial opined, "Canada has a record of performance that suggests that the approach we've taken as a country is the one that works and may be relevant to future global solutions. The combination of our macroeconomic framework, regulatory oversight of our financial sector and the specific management practices of the private sector has resulted in a strong, well-capitalized and successful banking sector. And while not immune, Canadian banks have weathered this storm relatively well."

Canada agreed to contribute \$12 billion dollars to the G20 US\$500 billion commitment to triple IMF resources for struggling countries. Canadian agreement was characterized as the "search for consensus appeared to nudge Mr. Harper toward embracing the more drastic measures for poor countries."

## Global Leadership

There was a sense that the United States has conceded power as in the headline “US takes back seat as power balance shifts.” One influential commentator noted that the G20 summit had marked the end of the postwar era, and that the role of the Bretton Woods institutions and the shape of the world is permanently altered. Until 2009, the fundamental goal of the IMF and its sister organizations was to deregulate the world economy, to remove restrictions from finance capital. Under the April 2 agreement, “those organizations will serve as regulators: As well as keeping the financial system working and rescuing nations from bankruptcy, the IMF and new organizations will aggressively police the worldwide credit, finance and banking systems to prevent a recurrence of the bad-credit spiral that led to the current crisis.”

The results were mixed on whether the G20 could tackle the economic crisis. One editorial stated, “If the G20 cannot solve this current financial crisis, it is seen as a positive mechanism to avoid future economic collapse.” It also referred to “high level damage control,” and commented that, “No single problem is likely to be solved at the end of this G20 meeting. But the formation of consensus among nation-states amounts to an ounce of prevention, which in the not-so-long run may be worth a pound of cure.”

There is little faith in the G20 summit to reverse the protectionist tide. There was skepticism that while all 20 governments shared the pledge against protectionism, it may not mean very much. *The Toronto Star’s* April 3 editorial reads: “G20 leaders put hope before help.”

## CHINA

*Lan Xue*

### Economic Interests

There have been various interpretations of the roots and the long-term consequences of the global economic crisis in China. Some have blamed it on the American economy over-leveraging its economic power at the cost of the global community, and questioned the fairness and usefulness of the current global financial institutions. Following this line of logic, many media reports positioned the G20 meeting as a platform for the global community to address the defects of global financial institutions. The mainstream media were very positive about the significance of the summit. China’s participation was viewed as an important gesture of a responsible partner in the global community. Media also provided full details of the summit agenda.

Despite the media’s enthusiasm, academics and analysts were quite skeptical about what can be achieved from the summit. Some of them felt that the summit is “more about posturing than about real substance,” and “nothing tangible of great significance can be expected.” Others felt that “the sickness of the global financial system cannot be expected to get rid of its problems overnight.” Few predicted any immediate and tangible economic benefits for China in the short term.

Precisely because of the relatively low expectations set prior to the summit, all media were pleasantly surprised by the outcome, particularly the US\$1.1 trillion stimulus package. The “G20 family photo” appeared on the front page of many major newspapers and websites, often with lavish praise. However, this positive mood was not entirely shared by Chinese citizens. A survey by Sina.com, one of the country’s most popular websites, showed that when asked whether the world economy had bottomed out, more than 64 percent of the more than 110,000 respondents said “No,” while 21 percent said “Yes,” and the rest were unsure.

### Political Interests

There have been some intense debates among Chinese Internet users and in some media circles about China’s international strategy in responding to the global economic crisis. On one side is the view that despite the economy’s rapid growth and the country’s growing financial power, China’s international stature has not changed accordingly. It is now time for China to play a more active role in global affairs to address the lack of balance and fairness in the current global economic and financial arrangements. On the other side is the view that China should be careful not to be carried away by the discussion of the G2. One should not forget about the reality of China, which is still a developing country with millions of people living below the poverty line. There remains a demanding agenda ahead in China’s economic and social transitions. The best way for China to make a contribution to global affairs is to maintain its economic growth and social stability.

While the Chinese official position has been more inclined towards the latter view, it is clear that China is making gradual change in becoming more active in expressing its views and exerting its influence in public forums, such as the G20 summit, albeit with “Chinese characteristics.” First of all, weeks before the G20 summit, Zhou Xiaochuan, president of the People’s Bank of China (PBOC), China’s central bank, published three articles on the PBOC website.

One of the key points made in these articles was the need to create a new international currency, which should

be detached from any sovereign country to maintain global financial stability. Some media viewed such an argument as an indirect challenge to the dominant position of the US dollar, and there was speculation about how such a proposal would be pursued by Chinese leaders at the summit. However, President Hu Jintao was quite gentle in expressing China's position in reforming global financial institutions at the summit, signalling China's willingness to wait for a consensus on the issue.

Second, the summit event was used by Chinese leaders as an opportunity to strengthen bilateral relationships. President Hu Jintao held at least eight talks with different leaders of other countries in the 50 hours he was in London, including US President Obama, British Prime Minister Brown and French President Sarkozy. The meeting with President Sarkozy right before the summit was a complete surprise and attracted lots of media attention. Clearly, China has become more sophisticated in diplomatic engagement by taking advantage of international forums such as the G20 summit.

Third, the widely reported story of US President Obama mediating between President Hu Jintao and French President Sarkozy over dropping the "tax haven" tag on Hong Kong seems to indicate that China can be quite firm in protecting its core interests. Overall, Chinese media seemed quite happy about the role played by Chinese leaders — relatively low key, but centre stage. The survey by Sina.com, mentioned earlier, asked whether the G2 had become the centre of global affairs. About half said "No," 30 percent said "Yes," and the remainder were unsure.

## Global Governance

The success of the London G20 Summit has provided hope for a new global governance system that can effectively address global challenges. It was recognized that the dominance of American power has now given way to a new global constellation of powers, where emerging economies, along with European countries, are becoming major forces to contend with. At the same time, it was also clear that neither the emerging economies nor the Europeans wanted to create a completely new global architecture. Current global institutions, such as the IMF and the World Bank, would still be the bedrocks of the governance system if they can adapt themselves to the new global environment. The agenda has been set and the mechanism is working, for the moment. The challenge is how to maintain the momentum and show the world that the G20 summit can become an effective catalyst for a new global order.

## FRANCE

*Jacques Mistrál*

As a brief caveat, it is difficult to pretend that there is a "national" view of the results of the meeting. The skepticism regarding any attempt to make the system work "better" is widespread in France, and not only within the (extreme) left: *Le Monde diplomatique*, for one, trumpets on its first page, "Patches to rescue the Financial Titanic." In this context, it is remarkable that the results of the London meeting are generally taken seriously and positively. Criticizing the traditional Group of Seven (G7) and pleading for "global governance" really are at the core of the most traditional French positions, so that even left-wing websites — like *Rue 89*, for example — describe the two meetings of the G20 and of the North Atlantic Treaty Organization (NATO) as reflecting the emergence of "a new world." Consequently, there is ample curiosity to decipher this "new world" and its "ambiguities." This said, the main arguments can tentatively be summarized as follows.

### Economic Interests

The G20 meeting is commonly seen as a success, because it lays out "new rules for global capitalism." Due to President Sarkozy's emphatic threat "to leave an empty chair at the dinner table" if his proposals were not followed, his personal satisfaction after the meeting is (naively?) considered as sufficient proof that the conclusions are real stuff: in particular, credit is given to the reinforcement of the IMF, to the publication of the tax-havens list (which was goal number one for Sarkozy), to a program described as (relatively) heavy regulation (hedge funds, remunerations, ratings agencies), even if some doubts arise when commenting on the exact content of these intentions. Angel Gurría, head of the Paris-based OECD, has, for example, been interviewed to confirm that "the one who from now on wants to smuggle has no more place to hide," but it is also noticed that this list has existed for 10 years without much effect.

The size of the stimulus, which is naturally mentioned but does not attract much attention, was not a French priority, and even the big number does not stimulate imagination or debate. The commitment to avoid protectionist measures is taken as good sense, even if received with question marks regarding what we will see during the coming months. There are, finally, a few attempts to connect the London rhetoric and measures with expected efforts to "moralize" capitalism (another Sarkozy theme in the autumn). The absence of any reference to the future of the international monetary system is considered a weakness and the issue should be put on the table in the future.

## Political Interests

The foregoing suggests that the French media have chosen to closely link the results of the meeting to the personal action of the president; he is, in effect, credited for what he himself has emphatically described as “progresses without precedent.” This positive impression is possibly reinforced by a purely French argument: the leaders of the major international institutions are described as “back on the saddle”: it happens that Dominique Strauss Kahn, Pascal Lamy and Jean-Claude Trichet are French. The other conclusion of the media is that the “Franco-German” couple is back: the image of a well-coordinated preparation of the meeting and the insistence to adopt new rules and regulations; the common willingness “to resist the Anglo-Saxon temptations of doing nothing,” had been meticulously orchestrated for weeks so that the results are seen as a logical result of these efforts; and pictures of the two leaders, Chancellor Merkel and President Sarkozy, are displayed in every paper as proof of their shared positions and coordinated pressures. Both leaders are also frequently credited for succeeding in “resisting new stimulus expenditures,” which can be considered as an unconventional position for France.

## Geopolitics

This is probably the issue that really reveals a new state of the world; if anything, the meeting is portrayed as the irruption of China as a first-rank actor on the world scene. China is portrayed as playing its hand firmly, as never before, but also with a sufficient flexibility; the Chinese are understood as having a strong interest in the future of an open world trade, and they are credited for their movement regarding the publication of the tax-havens list, which they initially strongly resisted. The exact role of the United States in the London meeting is not clearly assessed, but Barack Obama’s presence alone is additional proof that the new world has arrived, an impression that has been reinforced by his following step in Strasbourg and Kehl; a huge meeting with 400,000 young French and German students is another demonstration that Obama really is “Obama the European” (headline of the *Journal du dimanche*). Other commentators note that, briefly said, America and China have been at the centre of the G20 and that the silence of the European Union (EU) speaks volumes (“but who noticed anything about Mr. Barroso?”), so that the question reads: could we possibly have witnessed the first G2?

## Global Governance

All this being said, the general impression is that this meeting appropriately reflected the urgent need for

international cooperation. The low profile of questions related to Africa or development is considered with regret, but without long developments; American shyness regarding climate change raises sharper questions; the leaders’ commitment to meet again and survey the results in the autumn is positively received (surprisingly, I have seen no comment underlining the fact that — due to successive unintentional events — these meetings are held under Anglo-Saxon chairmanship); and not much to read, as of now, about the institutional future of the G20 and the global architecture.

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## GERMANY

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*Thomas Fues*

## Economic Interests

The assessment of the G20 summit by the German media has clearly been favourable to Chancellor Angela Merkel. She is generally credited with having had a decisive influence on the summit’s proceedings and outcome, in a somewhat unexpected alliance with French President Sarkozy. From a German perspective, the key economic issues of the summit were strict regulation of the global financial sector, safeguarding an open world economy, effective action against tax havens, tight limits to management remuneration and the rejection of a globally agreed upon stimulus package. On all these points, German commentators rate the final document as a sound success of German-French positions over US-British inclinations. Public opinion has also positively responded to the elements of the London outcome in support of developing countries, which is seen as yet another step in tune with the chancellor’s programmatic worldview, emphasizing global justice and sustainable development.

Together with all the satisfaction over the wording of the final document, there is, however, an often-heard note of caution and doubt on future implementation of the London decisions. Most journalists are not yet convinced that all G20 participants are serious about follow-up and fear that many might quickly renege on their high-sounding commitments.

## Political Interests

As indicated above, Chancellor Merkel (Christian Democrats) and Finance Minister Peer Steinbrueck, from the competing Social Democrats, are generally seen as effective representatives of German national interests, while, at the same time, also successfully acting in support of global solutions. The approaching national elections (end of September 2009) have, so far, not brought forth noticeable tensions between the coalition

parties in power, with regard to global challenges. The German public, therefore, is under the impression that the government is in full command of domestic policies, while participating in global governance in a meaningful way. The London summit has consolidated the positive image of Merkel as a key global player in her country. This is a welcome boost for her, since considerable criticism had been building up on the alleged lack of a conservative profile in her governing style and substance. There is also a high degree of satisfaction about Merkel's special relationship with French President Sarkozy, while, at the same time, staying on good terms with the leaders of the United States and United Kingdom, despite profound differences.

### International Interests

In Germany, the G20 is widely interpreted as a suitable big-power arena for the projection of national interests, particularly in comparison to other multilateral contexts, like the United Nations (UN), where individual European states must channel their foreign policies through the consensus-building mechanisms of the European Union, often leading to watered-down positions of the least common denominator. The significant influence and reach of German representatives within the G20 also helps the country to hold on to its cherished self-image as a global leader, in the face of growing anxieties of becoming increasingly marginalized as the core of the global economy shifts to Asia. Still, German diplomacy has yet to find satisfactory answers to two unresolved issues. First, what shape should the summit architecture take? The German government will need to find an answer on G8 expansion versus the establishment of the G20 at the level of leaders. Second, can individual European nations, even those as powerful as Germany, expect to maintain a place at the global apex on their own, or should they focus on an integrated European representation of interests to get on an equal footing with the United States and China?

### Global Leadership

The London summit is generally seen as an important step forward in managing the global crisis. The German financial markets have reacted strongly on this perceived sign of global leadership and the media shares this sense of confidence. The present successful efforts of global policy coordination are often contrasted with failures in international cooperation during the Great Depression. In the face of historic experiences with Nazi terror and the suffering from World War II, the German public highly appreciates the positive political implications generated by coordinated crisis response and economic prosperity. Effective global governance is seen as a key prerequisite of domestic stability and democracy. In general, the

impending transition from the G8 to a G20 world is regarded with high sympathy among policy makers and the public alike. However, there are some critical voices, particularly within civil society and academia, which question the legitimacy of club governance where major powers make decisions that affect all of humankind. They would prefer a reformed UN to become the privileged locus of global decision making in economic affairs. Still, Chancellor Merkel's proposal of a new global economic council under the umbrella of the UN has, so far, met with little support in the media.

## INDIA

*Pratap Mehta*

Perceptions of the G20 summit are not independent of broader ideological and theoretical commitments of commentators and their sense of the causes and effects of this crisis. It would be, particularly for a country like India, hard to pretend that there is a unified perception. Indeed, the debate is quite vigorous, and is also overshadowed by two contexts. Since it was election season in India, the amount of sustained attention a summit such as this can garner is limited. While India has also been hit by the global downturn, there is, domestically, not quite the same sense of crisis as there is globally. The summit was probably also helped by low expectations; after all the pessimism leading up to the summit, the communiqué came as a relief. However, the following points stand out.

### Economic Interests

In a narrow sense, India's performance is being judged by three concerns. The first was warding off incipient protectionism in the world trading system. On this measure, the summit is being seen as something of a success, but there is some skepticism regarding whether countries will walk the talk. After all, even after meetings in November, serious commitment was expressed in this direction, but protectionist measures are increasing. The second core interest was eliciting a series of measures to restore confidence in the world economy. On this measure the summit is being seen as, at best, a partial success. While the figure of injecting \$US1 trillion dollars into the global economy grabbed headlines, most commentators seem to believe that this injection is somewhat notional. It includes US\$250 billion dollars already committed (most of it will be in the form of SDRs). Although there is some appreciation of the commitment shown to developing countries, there is also some skepticism that the commitment will turn out to be less substantive than promised. In short, the total fiscal stimulus is still smaller than might turn out to be necessary. India is being given high marks for making this point. The

third core interest was reform of international financial institutions. This is also seen as a partial success — a work in progress whose outcome is yet not clear. There is widespread sympathy over the clamping down on tax havens. It has even become an issue in the political campaign. On this point, it is felt that India could have been more assertive and sought stronger action against illicit money flows.

### Broader Issues

In a broader sense, there is a great disquiet about the summit. The Hindi media particularly highlighted the crisis of authority facing the financial community and economics profession. There was a sense that the main “intellectual” protagonists in the summit, whose views national leaders reflect, whether in the United States or in India, have lost all credibility. To put it crudely, the people whose ideas and performance caused the crisis in the first place are still running the show. This suggests that many of the leaders are still unwilling to countenance more radical steps; they are prisoners of past points of view.

This point is a serious one because there is a sense that the summit did not manage to convince people that there is even a consensus around the root causes of the crisis. Almost everyone agrees that the architecture of financial regulation had a lot to do with it. There is some skepticism, however, about whether merely fixing the financial sector can address deeper long-term challenges of systemic global imbalances and a crisis of overproduction. The debate over the summit is, in part, a debate over whether this is merely a crisis of finance, or something deeper. There is still a sense that global leaders exude — with the exception of Angela Merkel — an undue faith and deference to financial capitalism. In short, the real challenge for the G20 is yet to come, when it really begins to negotiate deeper structural imbalances in the global economy.

### Political Assessment

It would be difficult to deny that many people see this summit in the context of global geopolitics. In some ways in India, “exclusive” clubs now have more prestige than the UN, and the G20 is seen as a long overdue grouping. There is also a paradox in Indian attitudes to leadership in the summit. Barack Obama still generates enormous interest, and his persona almost overshadows discussions of deep structural issues. He is the source of much of the remaining confidence that the G20 can be a source of leadership. There is great appreciation of the fact that he does not seem to have pushed the US line too hard and seems to listen.

But the summit is being read as an example of the decline of American authority and the true emergence of China on the world stage. While India’s performance is seen as quite satisfactory, there is deep interest in how China now drives the global debate. Prior to the summit, there was a great deal of debate over the implications of China’s suggestion that the US dollar no longer act as a reserve currency. There were two readings of this. First, this was seen as a marker of Chinese power. But it was also, implicitly, a vote of confidence in the American economy. The dance of “the G2” within a broader “G20” is a subject of considerable interest, but there is no determinate view on how this will turn out. In this context, it was recognized that India is not as big a player as it would like to think it is. On the whole, there was satisfaction that India acquitted itself in protecting its own interests. The summit was a success in that it calmed the nerves and is keeping the conversation going. But the real hard work is ahead.

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## MEXICO

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*Andrés Rozental*

### Economic Interests

Mexico’s primary objective at the London G20 Summit was to plead for the international community not to be swayed by protectionist sentiment in order to keep vital trading links open and as free as possible. This comes at a time when Mexico, acting quite differently from several other members of the G20, has decided to lower or eliminate tariffs on a whole series of goods as a way of stimulating the domestic economy and making the country more competitive in the global marketplace. With the exception of a bilateral North American Free Trade Agreement (NAFTA) dispute with the United States related to trucking, which led Mexico to raise tariffs on several key imports from the United States, the Calderón administration has bent over backwards to preach the free trade, anti-protectionist gospel everywhere it can, including at the G20. It is difficult at this stage to judge whether the good intentions expressed in the communiqué will translate into practical measures on the trade liberalization front.

Little or no importance was given in the Mexican media to the additional commitments for developing countries, except for the increase in IMF funding, since Mexico used the G20 meeting to announce that it was the first country to sign up for a \$47 billion IMF facility under the Fund’s new, non-conditionality scheme.

## Political Interests

Mexico's role at the London summit was rather opaque from the media's point of view. President Calderón spoke about guarding against trade protectionism and appeared in the group photo, but this was somewhat overshadowed by the pomp and circumstance of the state visit to the United Kingdom that took place immediately prior to April 2, and the fact that Mexico's president was the only G20 leader to be so honoured. There is still a vestige of admiration and awe for monarchies and the trappings that go with it. Our media was much more enthralled by the carriages, dinners and events during the state visit than by Calderón's participation in the G20, which, unlike the visit, had to be shared with other, often more popular, leaders.

## International Interests

There was little interest in the Mexican media in the political importance of the G20 and the country's role as a member of this elite group. This is mainly due to the fact that the preparation for the London summit (as was the case for the first Washington gathering) was in the hands of the Ministry of Finance and the agenda was mostly technical. There is still no thought being given to the G20 as a forum of leaders that could address other major issues on the global agenda, such as climate change and weapons of mass destruction. There is a degree of complacency evident in that Mexico, a member of the Group of Five (G5) — consisting of Brazil, China, India, Mexico and South Africa — and the G20 and a non-permanent member of the UN Security Council, therefore "sits at all the tables." But there doesn't seem to be an overall strategy on how to maximize Mexico's participation and whether or not to be seen as a "leader" of the developing world, as are Brazil, India and, perhaps, South Africa.

## Global Leadership

Here, too, Mexican media was not particularly interested in the global aspects of the summit. Much of the coverage focused on the Obama phenomenon and the various bilateral meetings between the US president and the Chinese president, Russian president and other country leaders. No mention was made of the decision to hold another G20 summit in the fall in New York, nor of the various geometries that have been discussed relating to a more permanent institutional architecture for global governance. Therefore, I don't think that Mexican public opinion has focused on how the G20 can place the country at the forefront of global leadership; this is, perhaps, also a result of the economic crisis affecting us at the moment and the problems in our bilateral relationship with the United States.

## SOUTH AFRICA

*Peter Draper*

### Economic Interests

The South African economy is heading for its first recession since 1992, after 16 years of uninterrupted, albeit somewhat anemic, growth. Consequently, the first priority was to ensure that the short-term agenda outlined during the Washington summit was adequately addressed, with appropriate measures taken in the major developed countries to underpin growth. Whilst no new fiscal measures were announced in London, and both the United States and continental Europeans were unwilling to coordinate their fiscal stimulus packages, enough was done prior to the crisis to ensure this was not a major issue for South Africa.

Similarly, the South African financial sector has emerged from the crisis relatively unscathed. Hence, the G20's regulatory agenda, whilst regarded as important in order to promote global financial stability, was not of first-order importance to South African policy makers. However, recognizing the importance of the financial sector to South Africa, there is substantial interest in having more say in how regulations evolve at the multilateral level. Therefore, the decisions to create the Financial Stability Board (FSB) and to buttress it with a greater role for the IMF in global surveillance, were both important outcomes for South Africa.

Ensuring continued access to finance, both for South Africa and other African economies, was also important. South Africa faces continued pressure on its current account, which has been in escalating deficit for some years now. That deficit has been financed by short-term portfolio inflows. In the context of the global credit crunch, there remain concerns that financing for the deficit would dry up, precipitating a currency crisis. Whilst the London summit outcomes did not address this issue directly — since South Africa is unlikely to resort to IMF or World Bank financing on a substantial scale — the positive mood embracing financial markets after the summit has allayed fears to some extent.

Many other African countries also face current account deficits in a context of donor-funded fiscal revenues; consequently, their concerns have been twofold: development assistance drying up as developed countries engage in fiscal expansion, and private flows (the primary source of growth in recent years) sharply declining. South Africa has a strong interest in maintaining economic and political stability on the continent, since a growing proportion of our value-added exports and outward foreign direct investment

are destined for African markets. Hence, the London summit outcomes were very positive, particularly the announcements concerning IMF capital injections, overseas development assistance flows for poor countries and increased trade finance funding. South Africa is very conscious of its position as the only African country represented in the G20 and, therefore, actively advocates on behalf of other African states on the basis of consultations in various forums prior to the Washington and London summits. An outstanding question, however, concerns the conditionalities likely to be applied to such financing, especially from the IMF, and the extent to which governance reform of those institutions can be sped up and made relevant to African interests. In this respect, the decision on executive appointments to the IMF and the World Bank was positive, as was the decision to accelerate quota reform. However, regarding the latter point, it remains to be seen whether this can be expedited.

### Political Interests

Strangely, this has not featured in the public debate in South Africa. Media coverage focused on the various schisms amongst developed countries and China's growing global role. The most likely reason for this lack of attention is the fact that South Africa has a "caretaker" president who is essentially keeping the seat warm for his likely successor, Mr. Zuma, who should take office in the next three weeks. Consequently, the coverage and debate has been focused on the performance of the finance minister, Mr. Trevor Manuel. The business media continue their love affair with him; as a result, coverage has been positive, with very few dissenting opinions aired.

### International Interests

International interests will most likely enhance South Africa's standing to the extent that the leadership is able to forge pragmatic alliances in pursuit of common interests. Whilst the Treasury remains in the overall lead, that will not always be the case. After the April 22 elections, the situation will become much more fluid. There is a strong lobby within the African National Congress (ANC)-led government that wishes to "clip Treasury's wings." This could result in the presidency taking the overall coordinating role at a time when the discussions are moving into substantive, technical detail. Depending on the balance of power amongst competing factions within the ANC and its alliance partners, the overall foreign policy thrust could become more anti-liberal and possibly anti-West. This would result in a more ideological foreign economic policy, which could lead to substantial curtailment of alliance possibilities within the G20 forum and, therefore, relatively diminished standing in the geopolitical order.

## Global Leadership

As already discussed, the G20 summit has received some attention, but is regarded as peripheral to solving the difficulties associated with the economic crisis. The primary forums for the latter are recognized as being domestic, principally the Central Bank, through easing monetary policy, and government, broadly defined through a multi-stakeholder process intended to lead to rescue packages for various "distressed sectors." The London summit outcomes generally received favourable reportage, and the G20's efforts are, consequently, seen as making a positive contribution. I suspect that if the summit had failed, then domestic constituencies would have been far more concerned about the role the G20 is, or should be, playing.

## TURKEY

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*Eser Şekercioğlu*

This has been an exceptionally busy week for Turkish foreign and economic policy makers. The G20 and NATO summits were immediately followed by Barack Obama's visit to Turkey, which happened to be the president's first official visit outside North America (except for attending the international summits in London and Prague).

This extraordinarily intense week meant, at least partially, that the public had to prioritize. Unfortunately, the "Rasmussen crisis" in the NATO summit and President Obama's two-day program in Ankara took centre stage at the expense of the attention needed for the G20 meeting and its long-term implications. Still, the media outlets were generally responsive to the summit, albeit somewhat superficially.

### Economic Interests

The G20 summit has been evaluated, especially when it comes to short- to middle-term economic consequences, not as a stand-alone process with explicit and concrete results, but in conjunction with its implications for Turkey through the IMF. In this regard, the resulting communiqué issued by the G20 leaders was welcomed. In particular, the additional funds made available for the IMF are regarded positively. This perception was buttressed by the speculations that Prime Minister Recep Tayyip Erdoğan might strike a deal with the IMF during the London summit.

For Turkey, the G20 summit's most profound results might prove to be the confident, but cautious, tone of the final document and the commitment of the group to restore confidence in the financial markets and economic

growth. It is still unknown to what extent actual steps will be taken, but one important aspect is confidence, and any step toward restoring confidence should be welcome. This point was generally either overlooked or mentioned only in passing. Then again, in the aftermath of the summit, there was little time to absorb and digest the implications and produce in-depth analyses of the summit and the Leaders' Statement issued on April 2.

Despite these above-mentioned factors that affected the public perception of the summit, the general reception was positive, even if it was a little too romantic. Several newspapers mentioned the summit on their front pages with references to "The end of wild capitalism" and "A new world order." Such headlines were not limited to marginal publications, but were also seen in the mainstream media. The general message from the summit, as it is received in Turkey, is the call for more international cooperation and tighter control of the financial markets.

### International Interests

In the run-up to the summit, Prime Minister Erdoğan tried to publicize the importance of the G20 and Turkey's role in the group. However, naturally, unlike the more heavyweight actors, Turkey's actual weight in the group is limited. One story, however, that has had some impact was the news based on a *Financial Times* story, which "revealed" that the British Foreign Office grouped G20 countries according to their importance for Britain, and that Turkey was in the "second league." There was little outcry about the news, but it still lent support to the impression that the G20's global reach might be limited and that it would primarily serve the wealthier members of the group.

The tension between the "continental" and Anglo-Saxon approaches to financial regulation and the size of fiscal stimulus were largely ignored in Turkish public opinion. Turkey seemed to have refrained from supporting either position in a binding manner. Given Turkey's sometimes conflicting bilateral relations with the United States and the European Union, this position is perhaps understandable.

However, as an economy increasingly dependent on foreign capital and exports for its fiscal solvency, Turkey might have been more vocal against the possibility of a rise in protectionism. The final document of the summit was, generally, perceived as a positive development. However, Turkey is viewed as a recipient of these policies rather than a participant in the decision-making process itself.

As far as domestic reverberations of the summit go, the G20 summit was left in the shadow of the "Rasmussen crisis" at the NATO summit and Barack Obama's visit. Both developments were regarded as having more important and immediate implications for Turkey. I shall focus on these points more in the Political Interests section.

### Political Interests

On the domestic front, the G20 summit had little impact. Two reasons can be identified: first, the NATO summit and Obama visit took centre stage in Turkish politics. The NATO summit was seen as quite important even without the "Rasmussen crisis." France's return to the military wing and Turkey's response to it (that is, whether to make Turkey's support conditional on a positive change in France's attitude towards Turkey's accession to the European Union) was an important subject. But the NATO summit turned out to be even more dramatic with the selection of Anders Rasmussen as the secretary-general. Prime Minister Erdoğan's public objection was well publicized in Turkey and bolstered his image among his supporters. It could be debated whether this was a sound foreign policy choice, but it cannot be debated that Erdoğan earned some political capital at home. Most newspapers declared this so-called "Rasmussen crisis," and its resolution through some vague concessions, as a victory for the prime minister. Any political impact of the G20 summit was bound to be left in the shadows.

Second, Turkey's actual role in the G20 meetings and shaping of policy was limited. Unlike in France, Britain and Germany, there was little, if any, political capital to be transferred from the summit to domestic politics. In fact, in the newspapers, Prime Minister Erdoğan's short conversation with Barack Obama was given more emphasis than whatever role he had in the summit. As a prelude to the impending visit of the US president, this short conversation was deemed more newsworthy than the actual processions of the summit.

### Global Leadership

Overall, the London summit was viewed as a positive and constructive step towards managing the global crisis, and may be the first indications of a reformed capitalism and less volatile market system. At least the summit produced a document that focuses unequivocally on increased international cooperation, which is perceived quite positively in Turkey. However, there seems to be no clear role drawn for Turkey. The transition from G8 to G20 is not only viewed positively, but was publicly endorsed by the prime minister himself. A couple of months before the summit, Prime Minister Erdoğan, on a few occasions, talked about the need for an expanded

group of leading economies to discuss and decide on international economic issues. In the meantime, he also tried to portray Turkey as an active member of this leading group. Despite his efforts, both because of other developments that are deemed more important and Turkey's actual weight within the G20, it is hard to say that the G20 summit in London had any consequential change in Turkey's international standing. After all, it seems that size matters. What characterized the overall perception of the G20 summit in London was an initial positive response based on superficial evaluation of the summit and a lack of in-depth analysis in the aftermath, due to factors discussed above.

## UNITED KINGDOM

*Martin Albrow*

### Economic Interests

The global crisis has opened up the issue that has long been dormant in British politics: whether it is in the national interest to be so dependent on the financial sector. In recent years, all political parties have effectively signed up to an open borders, globalization agenda that appeared to enjoy sustained success, and led to London displacing New York as the top global financial centre. It underpinned the credit boom and housing bubble. Warning signs were disregarded and critics marginalized. Government response to the crisis domestically has been: to underpin banks through public ownership, guaranteeing deposits and insuring against bad risks; to rely on the Bank of England to reduce interest rates and to expand the money supply; to run an ever-increasing budget deficit by easing the VAT; and bearing the costs of unemployment and selective bailout measures. A 30 percent decline in the value of the pound has been accepted in the hope it would reduce the British trading deficit.

These measures have opened up political divides and the Conservative opposition, which has been directly critical of expanding government debt, has welcomed the Bank of England governor's statements as calling a halt to further expansion. The government's dilemma is that the more it stresses the global determinants of the domestic economy, it draws attention to the limits of domestic policy and to its role in championing globalization over the last 12 years. It rests its hopes on coordinated global fiscal expansion, but the G20 summit has not provided any sufficient extra boost to what was already in the pipeline, and appears to offer nothing domestically. No one is suggesting any significant structural shift for the British economy is likely, while the banks, though villains of the piece, are now even more central to future recovery.

### Political Interests

The summit was about as good as it can get for Gordon Brown. Plaudits came from all sides of the political spectrum, summed up best, perhaps, in the fact that on April 3, both the left-wing *The Guardian* and the right-wing *Daily Mail* (though adding an exclamation mark) carried the same headline: "Brown's New World Order." *The Mail*, in its editorial comment, declared, "This has been an impressive week for Mr. Brown...Nor should anyone underestimate Mr. Brown's achievements," though it showed its underlying animus by saying it "could have done with less of the ersatz celebrity trappings." ("Ersatz?"...Obama, the Queen?) Any criticisms of Brown were largely related to presentation, to his "practised technique of presenting old information as if it were new" (*The Times'* leading article). Like *The Times*, the Murdoch-owned newspaper *The Sun* put the dagger in with a smile: "While the PM's words may have echoes of movie baddie Dr. Evil, he may yet emerge from the global financial crisis as a superhero." The extraordinarily fulsome tributes to Brown from President Obama were repeatedly shown on television. Even Vince Cable, the Liberal Democrat politician, enjoying the prestige in Britain on the financial crisis equivalent to Obama's in the United States on Iraq, has said Brown "deserves some credit for bringing things together."

The paradox, in terms of British politics, is that the more Brown appears as the global statesman and emphasizes the dependence of British jobs and prosperity on the global economy, the more it highlights his own earlier role as chancellor in positioning Britain in this way. There is a general view that his success at the summit will do little for him in the longer run. *The Economist* (April 2) goes as far as to say that his power is ebbing, irrespective of the summit, and opinion polls since show a boost of a mere three points for Labour, still lying seven points behind the Conservatives. Chancellor Darling has lowered expectations by saying the recession will last this year, but prepares us for recovery next year — that is, election year. But 13 years of New Labour rule? The voters will say, "Give us a break."

### International Interests

In the run-up to the summit, the main international story was of a tension between Germany and France on the one hand, and the United States and the United Kingdom on the other, on the appropriate amount of extra fiscal stimulus for the global economy and on the degree of regulation the global system needed. This worked around the long-standing theme of the contrast between Anglo-Saxon and European models of capitalism. The story gained headline appeal through President

Sarkozy's grandstanding on possible walkouts, and the joint press conference he and Chancellor Merkel gave the evening before the summit. Brown fed into the story through repeated calls to combat protectionism, code usually for criticism of the French. This choreography was a net effect of interacting national stereotypes of the other, rather than a reflection of underlying national interest. Evidence from the IMF on overall stimulus when automatic stabilizers are added to special measures suggests the main countries are all injecting around 3 percent extra expenditure, and evidence from the Bank of England suggests that nearly all the G20 countries have taken protectionist measures.

But the appearance of a crafted compromise with the healing balm and blessing of the US president, coupled with genuine cooperation at the official level and the fact that the event was in London, combined to strengthen the British self-image of "bridge" between the United States and Europe, while being very dependent on both (one walks over bridges). The expansion of the summit to a G20 (plus) helps Britain to go a step further to being what the Foreign Office describes as a "global hub," but caught as it is in the tension between the United States and Europe, the United Kingdom is likely to find itself marginal to US-Asia or US-Latin American relations, and ever more likely to find itself subsumed in a European bloc. The London summit is probably the maximum influence the United Kingdom will ever exert on international relations, but as we move away from zero-sum games to an interdependent world, that should not reduce its international engagement nor indeed its dependence on, and contribution to, an ever-developing system of global governance.

## Global Leadership

The summit has done an enormous amount to dramatize and portray the United Kingdom for its public as having a central role in a global community of nations. The theatre of Buckingham Palace receptions, Michelle Obama in a London school (of the nine-page coverage in the *Daily Mail*, she was pictured in six of them) and group photographs, gained more attention than the substance, but, at the same time, needed the substance to match the imagery: for example, "rewriting the rules of capitalism" (*Daily Mail*) and "the G8 is now eclipsed by the broader G20" (*The Daily Telegraph*). The tabloid *Daily Mirror's* opening front-page sentence: "Gordon Brown and Barack Obama last night emerged triumphant from the G20 Summit with a [US]\$1 trillion global rescue deal has the general effect in a nutshell." *The Times* grudgingly applauds, "Its achievements were predictably modest, but it was not in vain." Mary Dejevsky in *The Independent* says, "Britain has a future as host to the world," but on its front page, the paper's headline is: "Obama hails

the new world order," with subtext "Markets roar after President brokers 'historic' G20 deal between world leaders to bring end to recession."

Broadly, while there were comments about how the summit in itself would not solve the crisis, there was an acceptance that it was an effective and intrinsic part of bringing the world together in a common cause. The expense and the logistical complexity, while noted, never became prominent issues, except in so far as they testified to the importance of the occasion. In the United Kingdom, it signalled the debut of the new multilateral presidency of the United States, a new kind of leadership and a British hosting of the global community of nations. Obama's media skills made this kind of summit, pageantry with purpose, a perfect vehicle for global leadership.

## UNITED STATES

*Colin Bradford*

### Economic Interests

Headlines varied on April 3, with *The Washington Post* giving favour to the European agenda by heralding "Nations Craft Hard-Fought Pledge to Repair World Financial System" while *The New York Times* stated, "Obama Ties U.S. to World in Seeking Blue Print for Global Recovery." The much-discussed US priority, of course, was the fiscal stimulus package. *The Wall Street Journal* in its "G20 Scorecard," clearly stated under "Losses" that the G20 "didn't agree on a fiscal-stimulus target."

The editorial opinions were dour: *The New York Times*: "They fell short"; *The Washington Post* editorial headline echoed Obama: "'We Did Okay': The G20 summit produces a few useful economic steps — but misses a big opportunity." But, a *New York Times*/CBS News poll taken between April 1 and 5 during the G20 summit and Obama's European trip, showed that "the percentage of (American) people feeling the economy is getting better grew from February to April." Obama's willingness to yield rather than push his priorities, in the end seemed to enhance his standing among G20 leaders and also at home. The conservative *Washington Times* front-page headline declared: "Obama yields to 'collective action'; U.S. wants to cooperate, not dominate." A cartoon inside showed Obama at the summit resigned to realities, saying: "Well, there's another proposal we can't agree on."

### Political Interests

But none of these difficulties over economic priorities or disagreements on issues seemed to affect the American

public's view of the effectiveness of the new president at the G20 summit and on the global stage. More than a few commentators remarked on his ease and confidence in the summit setting and his ability to interact with a variety of leaders and present a positive, but realistic, explanation of what was happening. *The New York Times*/CBS poll revealed that "two-thirds of respondents said leaders of other countries had respect for Mr. Obama."

It was impressive to see Obama chiding Brazilian President Lula, "you are the most popular politician on the planet"; engaging with Turkish Prime Minister Erdoğan and others after the photo op; talking intently with German Chancellor Angela Merkel in the background, while the world focused on whether Michelle Obama or the Queen had broken new ground in royal protocol; and, of course, playing along with the Berlusconi thumbs-up caper with Russian President Medvedev. But most important was the fact that Obama was seen to broker an agreement between French President Sarkozy and China's leader, President Hu Jintao, on tax havens, by taking each aside and talking to them individually.

### International Interests

As a result of these actions and perceptions, President Obama seemed to Americans to have emerged from the G20 summit not only as effective, but also having made progress in restoring confidence, trust and stature to the United States' position in the world. While the summit was perceived to have fallen short on substance and the United States was seen as unable to get its priorities fully met, the overall impression was that America's position in the world was adapting to new global realities and taking a strong leadership position in what Gordon Brown called "the new global order." As Philip Stephens aptly put it in the *Financial Times*, "the US president has grasped that if America is to hold on to its pre-eminent role in the world it will be with a system in which others have a stake. Mr. Obama shows wisdom beyond his years in realizing that to understand the extent of US power — and it is still unrivalled — a president must also map its limits."

### Global Leadership

The American public, along with the global public, was seeing the G20 summit in the context of a broader array of highly visible international engagements, during which, the new president was making his first major appearance on the global stage. Differences of views among G20 leaders were clearly evident, as the cartoon in *The Washington Times* shows. But even though some agreements "fell short" in the view of many, the headlines, articles and editorials still revealed concerted, if not coordinated, action on financial system

reform, international resources for addressing gaps and crises in global finance, and pledges to "taking whatever action is necessary" to "accelerate the return to trend growth," to "not repeat the historic mistakes of protectionism of previous eras," to "ensure our domestic regulatory systems are strong," to "rebuild trust in our financial system" and "to recognize that the current crisis has a disproportionate impact on the vulnerable in the poorest countries." Real resources and processes for monitoring implementation were put in place, and the international institutions for advancing the G20 agenda will be strengthened to better deal with the global dimensions of the crisis. The image, impression and profile of the London G20 Summit were ones of "collective action," as *The Washington Times* put it. Leaders were doing the public's business. Even though it was not seen as a stunning success in America, it was seen as progress.

The lead sentence in *The New York Times* front-page report on *The New York Times*/CBS poll at the time of the G20 summit (April 1–5) reveals: "Americans have grown more optimistic about the economy and the direction of the country in the 11 weeks since President Obama was inaugurated, suggesting that he is enjoying some success in his critical task of rebuilding the nation's confidence." Americans see their president as doing his job, taking charge, going in the right direction. The G20 summit seemed to reinforce the perception of a leader who knows how to work with others, and others seemed glad to work with him. Together, G20 leaders seemed intent on "repairing" the global financial system, recovering global economic growth and restoring public confidence. Somebody is minding the store again. "Now the G20 has come of age," opined the *Financial Times* on April 4. Perhaps, slowly, a sense of global leadership is coming into being, with America pulling its weight.

## NPGL SOUNDINGS SERIES NO. 2: L'AQUILA G8 SUMMIT, JULY 2009

### OVERVIEW: UNEXPECTED STEPPING STONE ON SUMMIT ISSUES AND IN SUMMIT REFORM

*Colin Bradford*

#### New Issues, Insights and Inquiries

The second Soundings series of commentaries regarding public perceptions and perspectives on global leadership at summits, as viewed through national press reports in 10 G20 countries, has revealed more insights into the issues facing G20 nations and raises more questions for further thought, observation, analysis, interpretation and exchange of views. These have to do with the fundamentals of the inquiry.

For example, Martin Albrow (United Kingdom) raised an important issue about whether “leaders’...domestic political standing, their relations with each other and to the meeting rather than their stands on issues occupied press interest.” This then raises questions about the role of the press in shaping public perceptions of leadership by what they choose to focus upon. Albrow suggested that “It is the meeting itself that is the event, the staged occasion rather than the substantive discussions, which are simply episodes in the long running narratives.” Press coverage suggests that the meetings are news for the light they throw on leaders, rather than any leadership on issues.” His colleague, Olaf Corry, asserted that the NPGL inquiry itself highlights that “the very idea of public engagement in a summit of global leaders is a relatively new construct that in itself represents a sign of the creeping globalization of national politics.”

Pratap Mehta (India) pointed out the potential for determining “whether India’s international position (on climate change) should crowd out domestic discussion of India’s development path,” and that for India, the possibility of “linking itself with China” on climate change has triggered “some recognition that India does need to think about the nature of its own development path and (that) following China may not be desirable.” This interface of domestic determinations with international issues, with the international debate forcing domestic introspections and reflections, is a fascinating dynamic that works from outside in, rather than the reverse, which might have been thought to be the case. Peter Draper’s observation that South Africa’s lack of coverage by national journalists and the

necessary reliance on foreign news feeds “not critically filtered from a South African perspective,” implicitly questions whether a national public can be expected to have distinctive domestic perspectives if it does not have direct coverage by national journalists. Uniquely indigenous perspectives on the issues, interests and individual actors involved are the connecting link between summits and domestic publics.

#### Global Leadership at the Italian G8

Given the foregoing comments on the role of the press, it is interesting to note that of the 10 country papers (all but China and France from the first round of Soundings), four report low public attention: Argentina, which was not invited to the G8; South Africa, which had virtually no direct national news coverage from Italy; Turkey, where the worst first-quarter growth rate since 1945 seized public attention; and the United Kingdom, where “public attention seems to be basically elsewhere.” Not surprisingly, leaders of these four countries were seen to have etched a low profile at L’Aquila, except for a foray by Turkish Prime Minister Erdoğan, who “criticized Chinese authorities for their conduct in Xianjiang” (Şekercioğlu). The other six leaders did better in public perceptions of their leadership, as reflected in the national press in Brazil, Canada, Germany, India, Mexico and the United States. But this success relied less on press coverage than on already strong domestic political positions of leaders (Lula, Singh and Obama), on strong positions on issues (Merkel on the G20; Calderón as coordinator; Harper on a “hat trick” of three issues — climate, stimulus and aid; Singh on trade; Obama on climate, non-proliferation and aid to Africa; and Lula on Iran); and on interpersonal relationships, with Lula and Obama taking centre stage, both individually and together.

#### The G8, the G8+5/6, and the G20

The questions authors addressed in this round concerned the degree to which the broader agenda of the G8, the sequence of different configurations of countries and the relevance of the G8 might diminish and detract the trajectory toward summit reform and global leadership that has characterized the response to the economic

crisis beginning with the first G20 summit in November 2008 and carried forward by the London summit in April 2009. The overall conclusion seems to have been that the Italian G8 summit served as a stepping stone toward the Pittsburgh G20 Summit in September and the UN Climate Change Conference in Copenhagen in December, despite the fact that no major shifts in substantive issues occurred at L'Aquila.

The most stunning revelation in these papers was the turnaround in the German position from one of explicit support for the G8+5 (the Heiligendamm Process) to "unequivocal" support for the G20. First, was German Chancellor Angela Merkel who, "in a parliamentary debate one week before the Italian summit...declared her unequivocal commitment to the G20 as the 'overarching structure.'" Second, was Social Democratic Party figure Hans Eichel, who stated in parliament that "the G20 is the only format of the future, and nothing between G8 and G20." And third, was the German Council on Foreign Relations, which Thomas Fues reports as saying, "the time of G8 outreach is over; a new summit architecture has to be put in place."

This echoes what Pratap Mehta found in India, where "there is by and large a consensus that the G8 itself is an anachronism that has outlived its usefulness," and what Andrés Rozental found in Mexico, where "there seems to be a growing consensus that the G8 format by itself is no longer useful or valid." *The Mail & Guardian* in South Africa deemed the G8 to be "a farce," according to Peter Draper. Martin Albrow cites *The Times* as saying that "real decision making power has shifted upwards from the G8 via the G13 to the G20." *The Daily Telegraph* warned that "the challenge for the G8 Summit is for it to matter." Denise Gregory found that in Brazil, "President Lula prefers to strengthen and consolidate the G20 as the centre for deliberations on economic and financial issues. The G20 has transformed into a high-level forum with heads of state and government replacing the G8."

But our observers of the United States, Mexico, South Africa and elsewhere, found the matter of the composition of the summit to be "not cast in stone" and that a compromise would end up somewhere between the G8+5 and the G20. Andrew Cooper quotes Canadian Prime Minister Stephen Harper, host of the G8 in 2010, as saying that he would aim to "try to find comfortable ground between the vintage eight-only G8" and the 40 plus found at L'Aquila. Cooper indicates that Harper would prefer "a couple of formats" for the G8 he will chair in 2010, much like the Italian G8 just completed. This may encounter hostility in several quarters, most likely in Brazil and South Africa, among others. China's preference is unknown: this is blurred by the absence of President Hu Jintao at L'Aquila and of a country paper in this round

of Soundings. The political dynamics among the leaders and their interactions with their own publics will drive the continuing evolution of the composition and size of the summit grouping as the G8/G20 sequence rolls forward toward 2010.

## Other Issues

Diana Tussie makes the point that public opinion in Argentina was not focused on the Italian G8 summit, because Argentina was an "outsider" — not invited to L'Aquila in any of the configurations as it had been to London and Washington as a member of the G20. One has to wonder, by extension, about the degree to which there is a lack of interest among both the press and the public in all the countries not included in the summits of whatever configuration, and the impact that has on perceptions of global leadership throughout the world. If this is a general problem for successful global leadership, it would not appear to have easy answers.

In the first Soundings on the London G20 Summit, it was observed that leaders who engaged in multiple issues across a broad range seemed to do better in generating a higher profile at home than those who focused on a single issue, even though it was initially thought that a single-issue focus might be more effective in conveying leadership. In this second round, there were some differences between countries on whether the public seemed more or less engaged in summit deliberations, because of the broader agenda at L'Aquila.

But on the whole, it seemed that the broader agenda did engage publics more than the narrower focus on the economic crisis in London in April, even though that was the most pressing problem at the time. The agenda appears to attract a broader array of public interest groupings and to convey a stronger sense of addressing current challenges in the larger, rather than the narrower, more technical, problems of the global economy.

## ARGENTINA

*Diana Tussie*

Given that Argentina was not part of the G8 summit gathering, the view is that of an outsider country. In fact, the G8 summit received limited attention from the local media. The main focus has been centred on the efforts of the G5 — especially the Brazilian role — to pledge US\$20 billion in farm aid to help poor nations feed themselves. In this context, the daily *Clarín* (with its permanent correspondent in Italy covering the gathering) clearly highlighted President Lula's role on the world scene as a trusted interlocutor not only on issues of regional concern, but also global ones. In this

regard, *Clarín* mentioned Obama's request to Brazil to dissuade Iran on nuclear arms development.

The wider agenda of the G8+5 (plus Egypt, Indonesia, Korea and Australia) summit did not appear in the media to be directed to broaden the debate nor to do much in terms of enhancing democratic governances. The press stressed the differences between the G8 and the G5 on climate change, and the demand of the former to the latter not to worsen the global economic crisis. On climate change, the skepticism (and even antagonism) of the G5 and Egypt on the G8 proposal to target 2050 as the date for achieving the reduction of global warming without limits on emissions, was highlighted. The point made by China, India, Brazil and Egypt that the target was not "credible," was given attention, in addition to Russia's disengagement from the G8 agreement and President Lula's remark that an intermediate target date in 2020 was necessary. Much was made of the issue that climate is of second-order importance, after the major problems of poverty and underdevelopment.

Since Argentina was not invited to participate in the summit, the impact of the issues discussed was limited at the domestic level. There may be confusion (or fatigue) in the public eye as to the multiplicity of summits, but this is not specific to this instance, given the plethora of summits already in existence in which Argentina participates (including the Summit of the Americas, the Iberoamerican Summit, European Union-Latin America, the Rio Group and the Organization of American States).

The difference between the G8+5 summit and the G20 was clearly manifested, due to Argentina's membership in the latter forum. One of the most relevant issues approached has been related to the strengthened legitimacy of the G20 as a result of the reaching out of the G8. Over and above that, it seems evident to the public that both fora are independent, despite the overlap and the connectivity in trade and financial issues. G8+5 appears to be less binding on these latter issues, but has the added dimension of security, such as nuclear disarmament and the enlargement of the UN Security Council, which the G20 does not touch upon.

In the way it has been presented, the G8 seems to still be a "blast from the past," but with a "spark of hope" coming from the invitation of some of the G20 leaders to participate in the summit. The G8+5 and Egypt doesn't seem to be the best option for Argentina, since it does not have a voice in the forum. At the same time, it allows Brazil a larger international audience, an issue used as a justification to criticize the Kirchner administration's management of foreign and economic policy.

The summit took place the week after the mid-term elections hit the Kirchner administration badly, and it has been overtaken with dealing with the results and cabinet reshuffles. These pressing domestic issues (and the coup in Honduras) have been the main concern of the public, with little room for the L'Aquila summit.

The coordinated efforts of the G8 have, thus, received scarce attention beyond the agreement to give the Doha Round of the WTO another chance. As the daily *Página 12* remarked, the European press pointed out that the final declaration did not contain much substance. It cynically remarked that the repetition of wishful exhortations was "similar to the 2008 summit, which took place while Wall Street was falling apart."

## BRAZIL

*Denise Gregory*

### Public Engagement

The wider agenda seems to engage broader public interest. In the Brazilian press, however, there was much less interest in the L'Aquila summit than there was in the London G20 Summit in April. On the other hand, compared with last year's summit in Japan, this one showed greater relevance. The final balance seems to have been very positive.

Brazilian press coverage was almost exclusively centred on climate change discussions. It was regretted that an agreement on targets for reducing emissions had not been reached, although intermediate commitments had been the object of a compromise. The press pointed out the differences between the G8 and the G5 on the issue. Some experts criticized the Brazilian alliance with China and India. It was said, for example, that "Brazil is on the wrong side about climate change."

There were also references in the press to the setting of a deadline for concluding the Doha Round, but this was viewed with skepticism, since such a commitment had been repeatedly made at every summit, with no practical results.

### Public Focus

The sequence of groupings of countries attending the three different days of the Italian G8 summit creates some confusion in the public perception about the locus of global leadership. However, there is also the perception that arrangements evolve by their nature and are a living process. They should be flexible in order to bring together countries that would most effectively contribute to the particular subject under consideration.

The format and composition of the group should change according to the nature of the problem addressed.

## G8 Relevance

President Lula stressed that rich countries realize that global problems/tensions call for a collective and coordinated action, with Brazil and other emerging economies playing a central role in the decision-making process. He referred to Sarkozy, Obama and Berlusconi's statements during the summit calling for a G8 enlargement to incorporate the emerging countries (a G14). The perception that the G5 now has a stronger voice is very important, although President Lula prefers to strengthen and consolidate the G20 as the centre for deliberations on economic and financial issues.

The G20 has been transformed into a high-level forum with heads of state and government replacing the G8 and being perceived as capable of guiding the necessary reforms in multilateral organizations in order to avoid future crises.

## Global Leadership

There is a growing perception of the importance of Brazil as an active actor in all relevant questions that were discussed at the summit. Bilateral talks with President Obama and his request to Lula to mediate talks with Iran attracted much attention from the press. Brazilian media and television highlighted the leadership of Obama and his good relations with Lula. The front-page photo in the *Financial Times* and in some Brazilian newspapers of Lula and Obama wearing the shirt of the Brazilian soccer team has a symbolic value. Obama was recognized by his active and progressive positions on climate, trade and aid to African development.

With regard to the economic crisis, Lula's perception was that his colleagues were optimistic. The worst of the crisis is over and recovery of the world economy in 2010 is feasible. The meeting was seen as useful for preparing the next G20 summit and all hopes are posted in it. The same rationale applies to the Climate Conference scheduled for December.

## CANADA

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*Andrew F. Cooper*

There is a pronounced split in the Canadian press between those that support the established structure of the G8 and those that advocate change. This has a political dimension, as those that support the established structure also show the most enthusiasm for the way that Prime Minister Stephen Harper demonstrated leadership

at the L'Aquila summit. Those who are critical of the G8 are also critical of the Harper government's approach. Beyond partisanship, however, this split also reveals the extent of a larger debate about Canada's present and future role in the G8.

## Public Engagement: Supporters and Critics

The top issues addressed at the L'Aquila Summit — food security, African aid and climate change — were well covered in the Canadian media, by both supporters and detractors. There remains, however, a muddled picture of how the G8 can address these critical issues in place of other multilateral institutions. Credit is given to Canada for being part of the group of countries that pushed one of the few tangible commitments — a new US\$20 billion initiative on food security, on which greater attention is placed on agricultural development and the untying of Canadian food aid.

Canada, along with the United States and Japan, is also credited with meeting, if not exceeding, its 2005 commitments to double aid to Africa. Prime Minister Harper showcased this issue as one that confirmed the need for accountability: "Countries who have not been living up to their commitments are going to face increasing heat as we go forward." Nonetheless, these views were backed up by celebrity diplomat Bob Geldof, who stated: "When the show rolls into your neck of the woods next year, there is a deep credibility with the leaders, and I think it's quite right that Harper should say, 'We've done it. Where is your stuff?'" On the more critical side, NGOs expressed unease over the food security initiative. Robert Fox, the executive director of Oxfam Canada, calculates this initiative as another promise taken at a G8 that mixes "new" from "additional" monies, another case of double counting.

By way of contrast, the critics concentrated on Canada being out of step with most of its G8 partners on environmental issues. Inuit leader Mary Simon castigated the Harper government's poor performance on this issue, pointing to the manner in which Canada was being lectured to by other governments, most notably France. Reacting to this criticism, Prime Minister Harper argued that the targets on the reduction of greenhouse gases were "virtually identical to ours." However, the environment minister, Jim Prentice, called the targets for industrialized countries to cut emissions by 80 percent by 2050, relative to an unspecified baseline year, "aspirational" and "optimistic."

## Public Focus: Tacit Division of Labour

Far more muted were discussions on economic issues — whether stimulus should be unwound or an exit strategy

implemented. Arguably the central issue for global governance, debate on the world economic recovery, was shelved for future meetings, reflecting the general “wait-and-see” mood of L’Aquila. There was a consensus that these issues could wait, either until the Pittsburgh G20 Summit in September 2009 or the Muskoka G8 Summit in June 2010. In this light, the public is left to presume that the G8 is retreating to a strictly political club, moving away from the economic/financial main game now assumed by the G20.

The G8 supporters in the Canadian media focus on the role of the G8 in political and geostrategic issues. Presently, that involves sending a signal to the Iranian government on human rights abuses and on its aggressive nuclear program. This conformed to the sentiment of the Canadian government going into the summit that: “We obviously view the regime there as extremely dangerous, a serious threat, and [we’re] hoping that the G8 leaders are going to come together to have a dialogue on the issue of Iran.”

Prime Minister Harper’s end of summit press conference offered the primary entry point for the Canadian public into the G8 process. There, he placed the emphasis on not overpromising, but on delivering, and maintained that Canada will do a better job of hosting the G8 in 2010 — the Muskoka summit — by going back to basics. The sentiment that the G8 be a forum of delivery, not of overpromising, came out forcefully. Acknowledgements that the summit process had a credibility gap, “sapping the G8’s moral authority,” the prime minister argued that the response should not be to abandon the G8, but to make it work more effectively. The problem, in his view, has stemmed from countries that “make commitments and...don’t fulfill them.”

### G8 Relevance: Debating the Future of the Gs

Turning the debate from the specifics of the L’Aquila G8 Summit to the future, the critics of the G8 found plenty of defects to jump on. In the lead-up to the summit, Jeremy Kinsman, a former Canadian ambassador, wrote in a scathing article that the G8 was “a throwback to an era that has faded from the scene.” Canada risked “running with the dinosaurs” by resisting the opening up of the process to emerging states.

In contradistinction to the G8 as a “sideshow,” David Crane argued that the real action would take place at the G20 in Pittsburgh, which “should be more disciplined and decisive and it is there that new regimes to manage international finance, coordinate the global economy and deal with the timing and strategies for exiting from the current stimulus programs will be negotiated.” Extending this critique in the aftermath of the L’Aquila

summit, James Travers contended that the Muskoka summit would be more of the same: “big, wordy and grotesquely expensive.” Faced with the effective competition of the G20, which had the advantage of having a more balanced membership, the G8 is no longer the main event.

For the supporters of the established G8, however, the way forward was not a shift away, but closer attention to the core strengths of the summit process. What was needed was greater accountability and attention to core details. Leading into the summit, Canadian officials were seen as defending the credibility of the G8, as it exists. A top foreign policy adviser is quoted anonymously as saying that there was a strong interest in “maintaining the G8 as sort of the core group of countries that can provide...leadership...and forceful leadership.” In this vein, Norman Spector dubbed Prime Minister Harper’s G8 performance as a “hat trick,” providing personal and group leadership on climate, stimulus and international aid.

### Global Leadership: Beyond the Substantive Debates

Given the intensity of the substantive debates around the G8, it is not surprising that the Canadian media also found time to extend the parameter of these debates. For the supporters of the G8, and Canada’s role in the summit process, some time was taken to contrast Prime Minister Harper’s style with that of the host, Silvio Berlusconi. Depicting them as “polar opposites,” Peter O’Neill states that, “While the straight-laced Harper prefers church picnics or hockey games to parties, the billionaire Italian prime minister is usually found deep in a cauldron of controversy.”

For critics, the main cause celebre related to an attack Prime Minister Harper made on the Liberal opposition leader, Michael Ignatieff, for statements that he allegedly made about Canada being at risk of losing its place in the G8, because powerful nations could form a new group and leave Canada out. When it was discovered Ignatieff never made such a statement, a media backlash ensued. Roger Smith said he was surprised by the attack, stating that such a slip-up had the potential for stealing “the kind of message the prime minister wanted to come out of this summit.” The media also reported that Prime Minister Harper, who missed the group photo at the London G20 Summit, forcing it to be retaken, was late for the official G8 photograph.

Looking ahead to 2010, Prime Minister Harper’s views on participation at the Muskoka summit were hinted at in an article written by Eric Reguly and Brian Laghi. Asking how Canada would “fine-tune the G8 to keep it alive and kicking,” some answers were provided in

an exclusive interview with the prime minister, who indicated that he would aim to “try to find comfortable ground between the vintage eight-only G8” and the 40 plus found at L’Aquila. The choice is for “a couple of formats, a G8 and a more inclusive global forum.” Arguably, this position reflects the debate occurring within Canada on what future roles exist for the G8 and G20, which countries need to be at the table and how informal processes can influence global governance.

## GERMANY

Thomas Fues

### Public Engagement

The L’Aquila summit marks a turning point in German perspectives on the G8. Policy makers and public commentators now fundamentally question the relevance of the G8 and put their hope in the G20, with a few dissenting voices still holding on to the original format. An important factor in this paradigm shift has been the unexpected reversal of opinion by Chancellor Angela Merkel. In a parliamentary debate one week before the Italian summit, she declared her unequivocal commitment to the G20 as the “overarching structure” for global policy coordination. Somewhat contradictory to the perceived demise of the G8, the German public followed the event with considerable interest and solid expectations, particularly regarding climate change, economic protectionism, African development and food security. Beyond the substantive issues, public opinion closely observed the extent to which developing countries were integrated into the official proceedings and how they shaped the final outcome. In a show of national pride, Chancellor Merkel is commended for initiating the Heiligendamm process, which has paved the way for an institutionalized dialogue with emerging powers and will be extended for two more years. However, the protest movement Attac, which mobilized a strong following in Germany during the 2007 summit, dismissed the present G8 meeting as “irrevocably delegitimized and irrelevant.” Instead, the group is preparing for the next G20 summit as the focal point of its activities. Switching the label of “rich men’s club” from the G8 to the G20, critical commentators see the UN as the only legitimate body of global decision making.

### Public Focus

Public commentators in Germany are split in their assessment of the different formats used during the Italian summit. While some fear a significant loss of accountability and transparency through the changing constellations of participating countries over the three days, others see such flexibility as key to effective

policy coordination on diverse issues. The national newspaper *Die Welt* approvingly uses the image of an onion to describe the multi-level interaction of leaders: the core being the G8, the outer peel the G20 and in between the G8+5, plus the Major Economies Forum (MEF). Referring to current scholarly thinking, the daily *Sueddeutsche Zeitung* underlines the functionality of flexible alliances in response to unprecedented global challenges. The club structure as such, for example, the G8, is not important; the only thing that counts is impact and effectiveness. Since the range of relevant actors differs widely across policy fields, variable arrangements are a prerequisite to effective problem solving. Still, a good number of German opinion makers criticize the fuzziness of the current summit architecture and call for a clear-cut definition of membership and responsibilities. Some especially emphasize the need to eliminate the overlap between the MEF and the G20. Others focus on the inclusion of individual countries or regions, particularly with regard to Egypt and Africa. Chancellor Merkel has urged that the frequency of summit meetings be cut down, since leaders’ capacities are overstretched by the present multitude.

### G8 Relevance

As indicated above, most public commentators in Germany follow Chancellor Merkel’s sudden change of mind that the G8 should be degraded to a preparatory caucus of industrialized countries in relation to the G20. The first prominent German politician to support the notion of a G20 at the leaders’ level, former Finance Minister Hans Eichel from the Social Democratic Party, opines: “G20 is the only format of the future, and nothing between G8 and G20” (Bundestag, July 2). Still, the Italian summit is generally perceived as a useful interim step towards the G20 meeting in September in Pittsburgh and the critical climate conference in Copenhagen at the end of the year. The daily *Frankfurter Allgemeine Zeitung* quotes an anonymous member of the German delegation as half-jokingly asserting that “L’Aquila will certainly not be the final G8 summit, meaning that the glory days are over but the club will not be immediately closed down.” The influential weekly, *Der Spiegel*, speaks of an “impotent G8.” A certain sense of awe is expressed about the “sensational speed” by which the G20 has, within months, replaced the G8 as the locus of global leadership (weekly *Die Zeit*). It has become common knowledge in the German debate that global governance can only succeed if developing countries are adequately included. Due to the growing weight and assertiveness of emerging powers, the time of G8 outreach is over; a new summit architecture has to be put in place (German Council on Foreign Relations). A small minority of commentators insists on holding on to the G8 (sometimes explicitly excluding Russia)

as a group of like-minded industrialized countries that stand for pluralism and democracy (weekly *Der Stern*). Serious concern is developing in Germany over the future representation of European countries in global institutions like the G20, IMF and World Bank. Analysts and policy makers understand that the European presence has to be reduced, but they do not see how that could possibly be accomplished on a consensual basis among affected countries.

## Global Leadership

Public opinion in Germany is generally positive for the outcome of the summit, as expectations have been exceeded (*Die Zeit*). Progress is seen in substance (climate change, development assistance, food security, Iran and trade) as well as in process, by getting the emerging powers on board. Policy makers and the media are particularly pleased about the new consensus on limiting global warming to 2 degrees Celsius. However, since the outcome documents are weak on implementation, many NGOs are skeptical of how such aspirations will be translated into reality. One example: even within the European Union (Germany and United Kingdom), national interests clash over new regulatory mechanisms for financial markets. Many commentators also refer to the rift between the climate ambitions of the Obama administration and the status quo position of the US Congress. Still, there is widespread hope in Germany that leaders are beginning to address pressing global challenges and that an inclusive summit architecture such as the G20 could make an important contribution. In contrast, minority voices, including those from the Green Party, emphasize the leadership role of the UN and call for the creation of a UN Global Economic Council, an idea that has also been propagated by Chancellor Merkel.

## INDIA

*Pratap Mehta*

The G8 summit was followed very closely. This had less to do with the importance of the G8 itself than it did with a whole series of other events associated with the summit (such as the G8+5 and the MEF), and because of a keen interest in the positions of particular countries, especially the United States and China. There is, by and large, a consensus that the G8 itself is an anachronism that has outlived its usefulness. Some commentators put it even more strongly. The unwillingness of a number of European nations to give up their seats at the global high table has itself become an obstacle to global governance reform. The Indian prime minister's strong letter to the G8 called for the reform of the UN Security Council, and for global governance to adjust to new power shifts in world politics. India's prime minister got high marks for reiterating this

stand, and several G8 members were presented as being obstacles to change in global governance.

On other substantive issues, there was a sense that India protected its interests quite well. The commitment of all countries to fight protectionism and conclude the Doha Round has been loudly applauded, though there is some uncertainty of what compromises this might entail on India's part. But there is a sense that India does not want to be seen to play spoiler on trade issues, and so progress may be possible after all.

There is a perception that on climate change issues, both the G8 and the associated meeting did not make any major breakthroughs. The fact that there are still significant differences between Americans and Europeans on emissions targets, lends credence to developing countries' view that the developed world is still not serious about discharging its responsibilities in cutting emissions. There is a sense that most of the key issues — baselines to be used for emission cuts, funding and technology transfer regimes — still remain deadlocked. Against this backdrop, developing countries are right to dig in their heels and not agree to any binding targets. The two thoughts in the final communiqué that have drawn the most attention on climate change issues are the request to G20 finance ministers to come up with concrete suggestions on financing before the next G20 summit, and the possibilities of global cooperation on energy. But there is no confidence yet that the summits have produced a credible road map on climate change.

Interestingly, opinion was somewhat divided on India linking itself with China on this issue, for two reasons. First, China's per capita emissions are considerably higher than India's. There is a line of argument that it is not in India's interests for India and China to be clubbed together, either by the developed world or through a form of self-identification. Second, domestically, there is beginning to be some recognition that India does need to think about the nature of its own development path, and following China may not be desirable. While there is overwhelming support that India should not take on binding targets, the summit at least provided an opportunity for some discussion on whether India's international position should crowd out domestic discussion of India's development path. President Obama's views on nuclear proliferation, the Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons and the status of the Comprehensive Test Ban Treaty were matters of considerable interest to India. But on these matters, there is, by and large, a wait-and-watch attitude in India.

As always, there was a great deal of interest in China's position. President Hu Jintao's early departure

dominated news reporting of the summit. This was for two reasons. First, the intrinsic importance of the story as an indicator of how serious the unrest in Xinjiang might be. But there is also a summity dimension to it. Do summits, by their very existence, also act as an informal peer pressure group on domestic happenings? Certainly there was considerable press speculation on this. However, the very fact that this issue is being discussed raises an interesting question about the relationship between summits and domestic matters in particular countries. In a slightly more farcical vein, it has to be said that Prime Minister Berlusconi made more news than the G8 summit, adding to the general perception that the G8 was relatively inconsequential.

There was also considerable interest in China's strong signals about moving away from the dollar as the default reserve currency. There was some relief that countries seem to have committed themselves to not engaging in competitive devaluation. But China's position on "alternative" reserve currencies has aroused considerable interest. The signalling war between the United States and China on American economic policy and its implications for both currency values and the value of Chinese assets, is a matter of great global interest.

To conclude: the G8 itself did not arouse much interest; the G8+5+1 and the MEF were seen as meetings of greater importance. There was a sense that no country seems to be in a position to exercise leadership to break significant deadlocks on issues like climate change. If there seems to have been progress on issues like trade, it is not because of leadership. It is simply because the interests of countries on that particular issue may be converging at the moment. Whether summits bring this convergence, or the convergence is a precondition for a summit to work, remains an open question.

## MEXICO

*Andrés Rozental*

### Public Engagement

As stated by Prime Minister Berlusconi during his press conference at the end of the summit, it appears that a G13 or G14 grouping dealing with a broader array of topics has a better chance of engaging a larger public around the world. A single focus on the financial crisis or on climate change, is less interesting for the average citizen. On this occasion, there was more coverage and interest in the Mexican press precisely as a result of the wider agenda. Special emphasis was given to President Calderón's participation in the climate change discussions, in the setting of a target date for finalizing the Doha Round and in giving the G5 greater autonomy and an agenda

going forward. The L'Aquila G8 Summit was indeed many things to many people, and based on the number of analysis and opinion pieces in the media, that seems to have given it a greater degree of public interest.

### Public Focus

The L'Aquila summit took place only a few days after mid-term elections in Mexico, which resulted in a major political defeat for President Calderón and his PAN party. Public attention has been focused almost entirely on the aftermath of the elections and on several other relevant domestic issues. However, as compared with last year's summit in Japan and the London G20 Summit, this gathering was treated with greater relevance and importance. The main reason for this would appear to be President Calderón's press conference, as coordinator of the G5, during which he discussed a wide ranging set of issues and announced the convening of a G5 leader's summit immediately prior to the next G20 meeting in Pittsburgh, to set a specific G5 agenda for financial institution reform, the economic crisis, growing trade protectionism and climate change. In spite of the fact that there was no underlying agreement during this summit between the developed and developing countries on a common position going into the Copenhagen meeting on climate change in December, there was a series of intermediate commitments by both sides that might allow for a compromise.

### G8 Relevance

There seems to be a growing consensus that the G8 format by itself is no longer useful or valid. There still is no agreement on whether a G13 (or G14, including Egypt) is the way to go in the future, or whether the Italian model of dozens of leaders invited to various parts of the three-day summit works better. From a public opinion perspective, the variable geometry model with different leaders participating in consecutive events does not seem to arouse a great deal of confidence. It would clearly be preferable to have a limited group of between 13 and 20 heads of state and government to gather annually, discuss burning global issues and make concrete commitments and recommendations that are easily understood and measured from year to year in terms of compliance. The vague nature of decisions reached at L'Aquila this year, together with the complex agenda of each of the major parts of the three-day summit, certainly didn't "grab" anyone outside of the meeting. Media coverage focused on the failure to reach agreement on greenhouse gas emissions, on Berlusconi's personal soap opera, on the criticisms by Kofi Annan and others with regard to not fulfilling aid commitments to Africa and on the lack of any concrete idea of how to move out of the current global financial and economic crisis.

## Global Leadership

In the case of Mexico, President Calderón's G5 coordinating role was emphasized by the media in coverage of the G8 summit. However, other events, such as the first ladies' audience with the Pope, also received coverage. As with the G8 summit last year and the London G20 Summit, there was little coverage of the substance of Mexico's participation or proposals.

Bilateral talks with the new president of South Africa and the decision by Brazil and Mexico to issue another condemnation of the coup in Honduras, attracted as much media attention as the summit itself. It would be difficult to expect that public opinion could be reassured by the results of the summit as they relate to bringing the economic crisis to an end, because there were no clear decisions or commitments on how and when to do that.

## SOUTH AFRICA

*Peter Draper*

From a South African perspective, the G8 summit passed without much coverage in the print media. This lack of publicity seems to be indicative that the G8 summit was not as significant as the G20 summit. Most of the coverage on the G8 summit in South Africa's print media was sourced from international news agencies, such as Reuters or AFP, and simply reprinted. One journalist indicated to me that the reason for this is simple: South African publications do not have the funding to dispatch journalists to cover the summit in detail. Only once the summit concluded did several publications offer editorials.

## Public Engagement

Given the lack of coverage, it is difficult to tell the level of public engagement. The issues that received some airtime here were the obvious ones (climate change, food security and world trade talks) and the African agenda. This demonstrates some commitment on the part of the publications concerned to do some justice to the issues, but given that the articles were sourced from foreign newsfeeds, coverage was necessarily not critically filtered from a South African perspective. This leads to the conclusion that the wider agenda tends rather to diffuse public attention — as mediated by the South African media.

## Public Focus

According to one opinion piece, the significance of the G8 summit for South Africa is that by the second day, the G8

"effectively ceased to meet on its own, joining up instead with the G5." It was more a summit of inclusiveness and represented a new dimension of world politics. This manifested in the permutations and combinations beyond the original G8 membership that discussed various issues: climate change was discussed by both the G8 and the MEF on energy and climate change; for the first time there was a joint G8-Africa Statement; and particular countries were included on particular issues — for example, Australia, Korea and Indonesia were part of talks on global trade. Hence, the G8 summit was also labelled a "summit in waiting, rather than a summit in itself." Many of the issues tackled by the G8 were viewed to be decisions that feed into further, focused meetings. For example, climate change target discussions were viewed as feeding into the December Copenhagen meeting, and the G8's discussion of the economic crisis seemed minor in comparison to that of the G20 leaders during the London summit.

## G8 Relevance

In a report released by *The Mail & Guardian*, the G8 is described as "increasingly unrepresentative of the world and it lacks both legitimacy and power...the G8 cannot tackle the world's most urgent problems...the only solution out of this mess is to cast petty politics aside and to democratize the G8 and expand it to the G14." While acknowledging that replacing the G8 with the G20 would have practical constraints, because the intimacy and informality of discussion would be lost, there were still calls for a reconstituted G14 (or a variation thereof) to signify that global distribution of power is not set in stone. The present construction of the G8 was deemed a "farce, where declining and self-important Western nations celebrate themselves and believe that the West can still fix the world." The same article asserted that, to remain effective, the G8 must regain the ability to address three things: global problems, legitimacy and practicality. Inclusion of the increasingly powerful G5 would help the G8 regain its ability to address global problems such as climate change. The example cited in *The Mail & Guardian* was that any agreement to reduce emissions that did not include China, India and Brazil would not contribute to lasting change.

## Global Leadership

Generally, the G8 was praised for its recognition of new emerging powers in the international order. But the relevance of the G8 as a decision-making body was questioned, largely because it represents a construction of the world as it existed in 1980 and not 2010. Managing the economic crisis did not receive much airtime, no doubt because the G20 is regarded as a more effective forum for this. While some advances were made in

terms of climate change, increased commitment in the allocation of aid money and food security for Africa, these commitments were diluted by a lack of specificity as to how these objectives would be achieved. The announced increases in aid were welcomed with caution, since these utterances were made at Gleneagles in 2005, with some states not honouring those commitments — not least the hosts.

From a South African perspective, it is significant that the G5 countries were able to be the voice for developing countries in the global arena. This was partly due to their consensus on key issues: they agreed on the agenda and goals for the summit and they hold similar views on the representativeness and focus of multilateral institutions such as the UN Security Council and World Bank on issues such as climate change. However, one article in the *Sunday Independent* cautioned that it may take awhile for the G8 to become the G14 by including the G5 (plus Egypt), because some leaders in the G8 countries that do not have permanent seats on the UN Security Council fear that such a move would dilute their clout in world affairs.

## TURKEY

*Eser Şekercioğlu*

### Public Engagement

Compared to the London G20 Summit, the G8 summit held in L'Aquila failed to engage the public opinion in Turkey in any considerable way. The most potent reason why Turkish public opinion was largely oblivious to the G8 summit seems to be the increasingly worse news about the state of the economy. The modest interest in the G20 summit was created, in part, by Prime Minister Erdoğan's publicizing and, in part, by the summit's focus on managing the global crisis. Now, with neither an engaging focus on the economic crisis nor any special interest shown by the top echelons of the politicians, major media outlets chose not to run any detailed stories about the summit culminating in the lack of public interest. Perhaps the wider agenda set for the summit played a role in the low level of public engagement, but it was not the main reason. A more concentrated agenda on the economic crisis would have engaged the Turkish public more. However, it is still curious that Turkish media and, hence, the public was not more interested and engaged than they were. Turkey was among the countries invited to participate in the last two days of the meetings and some of the major issues that were discussed — Iran's nuclear policy and global economic crisis — were of particular relevance for Turkey.

### Public Focus

A G8-G20 comparison worth analyzing has not emerged in the wake of the G20 meetings in Italy as far as the major media outlets and general public mind are concerned. Turkey was among the countries invited to the meeting, and Prime Minister Erdoğan participated in the last day of meetings. However, despite involvement at a high level, news on the summit was limited in scope and failed to induce a public debate on the roles of the G20 and G8 in world leadership. This is somewhat surprising since the future role of the G8 and several formulae proposed to extend the framework to 13 or 14 countries were also among the major discussions that made their way through international media outlets. In Turkey, a couple of major newspapers mentioned the discussions about the role of the G8, but only superficially, and no widely read and followed commentator picked up the issue. This is interesting, because while Turkey is an active participant in the G20 framework, it is not part of the G8+5 formula that has been functioning since 2007. It appears as if Turkey's invitation to the last day of the meetings was perceived as if the country was included in a sort of G8+X format. One major newspaper even misquoted Silvio Berlusconi to mention his satisfaction of extending the G8 to G8+6 to include major emerging powers, including Turkey. Of course, in reality, Egypt was the additional sixth country to participate on the second day of the meetings. In short, what appeared to be a good opportunity to compare G20 and G8 meetings with respect to Turkey's involvement and implications for the interests of the country was largely ignored.

### G8 Relevance

The main rationale behind the initiation of the G20 meetings was to create a group that included all major industrial and developing economies. That was perhaps a tacit acknowledgement of the limitations of the G8 summits, which were increasingly seen as exclusive, elite and unapproachable, and cities where the summit gathers have become the main venue of anti-globalization demonstrations. The G20 meetings were welcomed in Turkey partly because Turkey itself was a participant, but perhaps more importantly because the new grouping of countries seemed more inclusive, bringing together leaders of both developed and developing economies. In addition, the Turkish public has always been somewhat suspicious of the all-exclusive Western look of the G8 summits. So, the public mind in Turkey is relatively more positive towards more inclusive formulae. In addition to other factors (for example, the prime minister's publicizing efforts and end of capitalism references made in various media outlets in the wake of the G20 meetings), this is why the G20 meeting was positively perceived in Turkey. If

properly informed, a similar warmer attitude towards an expanded G8 might be expected, but there was not a progressive buildup towards the summit as there was for the G20 meetings.

## Global Leadership

Despite the crowded docket of the summit, the global economic crisis was inevitably one of the major subjects. However, all that has been reflected in the Turkish media was Berlusconi's declaration that the worst of the crisis is behind us. In the wake of the growth rate data for the first quarter (-13.8 percent, the worst quarter since 1945), such optimistic messages with no concrete steps did not stir the Turkish public opinion. On top of the limited public engagement came Prime Minister Erdoğan's comments on the situation in China concerning the incidents in the Xinjiang region. Erdoğan once again chose the setting of an international summit to make some incensed comments about a third party. In Davos during the World Economic Forum's annual meeting, he almost engaged in a quarrel with the Israeli prime minister over Gaza, and from L'Aquila he harshly criticized Chinese authorities for their conduct in Xianjiang. In both cases, the main motive was domestic in nature; the message was intended for the Turkish public to perceive Tayyip Erdoğan as a strong leader. While Erdoğan may have somehow increased his political capital at home, the summit failed to assure the Turkish public about how the crisis is being handled, and fell short of creating an optimistic outlook for the coming months, as the G20 meeting in London managed to do.

## UNITED KINGDOM

*Martin Albrow and Olaf Corry*

### Public Engagement

*Albrow:* Compared with the April G20 summit, which gathered world leaders in London and gave the British public the impression that Gordon Brown was both hosting and leading the world in addressing the economic crisis, the L'Aquila summit could not avoid being seen as less newsworthy and more pedestrian. For the "red top" press it never reached the front page.

Reports on the first day from the four main tabloids all gave as much coverage to the fashion choices of the leaders' wives as they did to the agreement on climate change. Throughout the period, *The Guardian's* main story was its own campaign against the practices of the Murdoch press (first seven pages in the Friday edition). The climate change story made the front page headline of only one broadsheet paper, the Thursday edition of *The Independent*, which discussed the US agreement to

cut carbon emissions by 80 percent and reported on the many cross-currents of the climate change discussions: the reluctance of India and China to sign up, Brown's own carbon fund proposal and green groups' criticism. Apart from the *Financial Times*, which covered both issues on each day, the papers were divided on whether to focus on climate change or the economy; *The Telegraph* and *The Guardian* covered the global economy on the first day and climate change on the second day, but on the second day, it was Brown's announcement that the United Kingdom's nuclear weaponry could be subject to future summit talks on disarmament that captured the most attention in the press. On Saturday, Obama's food security plan competed for space with Brown's meeting with Gaddafi.

Other storylines in the period were the summit arrangements, development aid, relations with Iran, meetings with the Pope, China's criticism of the role of the dollar, Obama's Africa visit, Michelle Obama, Carla Bruni, Sarah Brown's objections to veal and a miscellany of "human interest" angles, including Berlusconi's colourful persona. The diversity of issues probably does not detract from public interest, but it does create an impression of a convention or world exhibition — a festival of issues. It is the meeting itself that is the event, the staged occasion rather than the substantive discussions, which are simply episodes in long-running narratives.

*Corry:* The very idea of public engagement in a summit of global leaders is a relatively new construct, that, in itself, represents a sign of the creeping globalization of national politics. However, compared to the G20 summit held in London, hosted by the embattled Prime Minister Brown and subjected to large street demonstrations, public engagement in the G8 meeting is low in Britain. Demonstrations or other signs of public interest have been relatively minor, leaving the "riot angle" unusable on this occasion. Although this is partly blamed on Berlusconi's last-minute relocation to the earthquake-shattered town of L'Aquila, the lack of a street-level dimension appears to have made the summit less newsworthy in other ways.

Public attention during the run-up to the summit was dominated by speculation about the also-embattled Italian Prime Minister Silvio Berlusconi, and worries about Italian organizational problems. *The Guardian* newspaper speculated that Italy was about to be ejected from the G8 for not delivering on earlier aid promises. Newspaper headlines on G8 subjects on the final day of the summit in Italy were dominated by domestic scandals (concerning *News International's* phone tapping of celebrities, politicians and dignitaries) and a new wave of fatalities suffered by British forces in the war in Afghanistan. For the BBC's correspondent, it was clear

that “we shall soon forget the announcements on climate change and food aid. But the image of another prime minister once again having to defend and explain what is, for some, an unpopular war will linger on.” Public attention seems to be basically elsewhere.

All the same, certain issues have been afforded airtime, including the first meeting between Libya’s Colonel Gaddafi and Gordon Brown, and, in particular, the issue of climate change and possible UK reductions in nuclear arsenals mooted for future multilateral talks to be hosted in Washington.

## Public Focus

*Albrow:* The burden of this question is how global leadership is shaped and perceived through the summit. This summit, with its ever-expanding circles of attendance and intricate series of meetings with different membership displayed the elaborated layering of contemporary international relations much more than any organized collaboration on global issues. Press estimates of leaders’ attendance varied from more than 20 to 40, and their domestic political standing, their relations with each other and to the meeting, rather than their stands on issues occupied press interest. In the British press, three leaders stood out. Berlusconi’s role as host attracted interest throughout. At the beginning, it looked as if he was being set up as the buffoon fall guy, by the end, he gained certain grudging admiration for carrying the whole event off without disaster. Brown, beleaguered at home, initially appeared to be targeting Italy as the villain in order to promote himself as the responsible voice for the global economy and for poor countries, but it was the Obama-led food security initiative that sealed American global leadership. Perhaps Obama’s simultaneous public display of friendliness to Berlusconi and attentiveness to Brown were sufficient to calm British fears and *The Guardian’s* overall verdict was that it was Brown’s “best week since he hosted the London G20 Summit.” It was not enough for the Oxfam spokesman, who said it was a case of: “for Obama it was yes we can.” For Berlusconi’s G8, “it’s no we won’t,” and that the next meeting in Canada would be the end of the road for the G8. By openly discussing the composition of the G meetings (*Financial Times* July 11-12) while taking the lead on issues, Obama effectively reasserted American global leadership, whatever the format of summits. Press coverage suggests that the meetings are news for the light they throw on the leaders rather than any leadership on the issues.

*Corry:* Compared to the days when the G7 meant seven leaders discussing the economy, the G8 meeting of 2009 is a sprawling affair. The changing themes and actors of the current G8 summit have spread attention and created a more blurred image of who was prioritizing

which global issue. Attention shifted from the early negotiations that led to a climate change deal that fixed a 2-degree Celsius limit (but not the corresponding carbon emissions limits), to the question of food security and aid to Africa to that of nuclear weapons and non-proliferation (in particular, Iran).

This is, however, not purely a weakness. In a sense, the G8 has quietly evolved in the eyes of the British press, from being a closed economics summit to becoming a “flatter” broader forum charged with navigating a wider global agenda — more of a “plateau” than a summit. Increasingly resembling a small version of the World Economic Forum that meets in Davos, it provides not just decisions, but discussions and diplomatic moments, and is seen as a chance to prepare for other events on the world leader calendar, including, in this case, the climate change summit planned for Copenhagen later this year. A successful G8 is seen as one that grapples with and delivers upon a wide agenda of security and progress.

## G8 Relevance

*Albrow:* There is no real debate in the United Kingdom on the future of the summits, only a deeply conflicted and confused official consensus of establishment opinion that the G8 is on the way out, but at the same time there is a British investment in the G8 process, which they have to maintain somehow. Whatever the direction of future summits, the default solution is to stay on the same page as the United States.

At the outset of the summit, the best way to conceal this inner conflict appeared to be to attack the Italians, and Berlusconi in particular. The 2005 Gleneagles poverty and Africa agenda has not lost its public appeal, and British Aid Minister Douglas Alexander, a close ally of Prime Minister Brown, issued a white paper immediately before the G8 reiterating those commitments and calling for countries that fell short on them to be “named and shamed.” On July 7, Julian Borger in *The Guardian* newspaper reported deep official dissatisfaction with the Italian leadership, both for failing to deliver on promises and for chaotic preparations for the summit, a report that Berlusconi rebutted as coming from “a small newspaper.” These comments were directed towards raising the whole question of summit organization, and suggested American officials were working towards a 13–16 strong replacement of both the G8 and G20.

*The Daily Telegraph* editorial on July 8 was headed, “The challenge for the G8 is for it to matter.” A leading article in *The Times* on July 8 was entitled, “Talking Shop” and declared that “real decision making power has shifted upwards from the G8 via the G13 to the G20,” suggesting that no progress would be made on reforms of global

governance that everyone agreed were necessary. Its pre-meeting report also pointed to Berlusconi's self-inflicted loss of international standing arising from his personal life.

On July 11, *The Times* said this summit would be the last of its kind. The *Financial Times* summed up the meeting as a "glorified but vacuous photo opportunity" with the food security initiative giving the G8 "a chance of relevance." However, *The Guardian's* reporting at the end indicated that British anxieties might have been overblown. Columnist Marina Hyde paraded old-fashioned British "fair play": all the attacks on Italy had been quite overdone, and who were the British to point to others' corruption in high places? And the BBC's Bridget Kendall, reporting at the end, complimented the Italians for a minimalist summit, set in earthquake ruins, with an air of austerity that brought correspondents closer to the leaders.

*Corry*: Compared to the excitement generated by the Live 8 concerts in 2005 in the campaign to make poverty history, however, this year has been low key in the British public imagination. With the arrival of the G20 and the corrosive effects of the financial crisis on the power of the G8 countries, some grassroots organizations have concluded that the G8 has been superseded as a forum for global decision making.

More fundamentally, global summits have tended to be viewed with suspicion on both the left and the right in the United Kingdom, at least since the defining summits following the end of the Second World War. The conservative daily newspaper *The Daily Telegraph* pours scorn on the whole idea, assuming power resides elsewhere: "The challenge for the G8 Summit is for it to matter." For the left-leaning *Independent*, the problem is accountability — that "too often the group's optimistic resolutions and promises have been forgotten or discarded." Pragmatic voices see the G8 as a limited yet indispensable institution that simply needs to get its priorities right concerning global food security, climate change and the economic crisis.

Currently, such questions of substance are partially obscured as the event activates a particularly dominant theme on the UK political agenda, namely Gordon Brown's leadership. Seen as being "in his element" when at global summits, this is contrasted with the image of a national leader out of touch with his domestic constituency. According to *The Independent*, Brown "clearly feels at home when talking about the global economy, climate change and aid to poor countries — the main items on the G8 agenda" — an escape from domestic troubles, in other words. For the right-wing *Spectator*, Brown's "doom mongering on the world stage

is simply intended to provide the same escape route as it did prior to the G20 summit: in the case that the green shoots don't grow rapidly enough, Brown can blame the 'inaction' of other countries."

The global summit is resolutely viewed through a national political prism and personal dramas.

## Global Leadership

*Albrow*: As far as the global economic crisis is concerned, to which this question relates, the overall impression in the United Kingdom is that the L'Aquila summit was almost a "time out." It was known that Obama would be chairing the G20 when it meets later in the year in Pittsburgh, and opinion is divided both between economists and countries whether the measures adopted both before and after the London G20 Summit in April have been effective or not. The disagreement on the need for further stimulus for the world economy as opposed to countries reining in public spending, with Angela Merkel leading the call for restraint, is mirrored internally in the United Kingdom with the Conservative opposition taking a similar line to Germany's. Gordon Brown was reported as saying the summit was a second wake-up call, but equally, the summit agreed to discuss exit strategies from the current spending levels. "Leaders can only paper over the cracks" was a *Financial Times* judgment, and the papers were at one in emphasizing the precarious state of the global economy. The early place of the economic discussion on the agenda and its interim and tentative character shifted the weight of the summit to climate change and food.

*Corry*: Buoyed by the presence of newly elected President Obama, this year's G8 is loaded with higher expectations concerning global leadership. The "can do" ethos of the American president coupled with (grudging) respect for Gordon Brown's command of international political economy has contributed to this. Progress on kick-starting the global economy, increasing aid and food security in Africa, laying the foundations of a global climate regime and weaving stronger multilateral harnesses on nuclear proliferation are seen as relevant themes that the G8 is right to give priority to.

However, cynicism about delivery, unfavourable comparisons with the G20 that includes China, Brazil and India, and doubts about the host nation Italy, overshadowed this British near-consensus on the necessity of global governance in general. High projected levels of public debt undercut faith in the ability of global leaders to follow up on promises given at L'Aquila, as well as on pledges made in former years, not least the 2005 meeting in Gleneagles, where higher foreign aid levels were agreed to. The overriding worries

in the British public domain are currently levels of debt incurred to offset the economic downturn, the faltering war in Afghanistan and what is seen as the corruption of the political class after the MPs' expenses scandals. None of these problems, except perhaps the question of national debt, are seen to be tackled at the G8 summit.

## UNITED STATES

Colin Bradford

### Broader Agenda — Broader Engagement

Unlike the London G20 Summit, the G8 summit in Italy took on a host of other issues beyond the economic crisis, and in fact made more progress on those than on the economic crisis itself, which continues to be the front-burner issue, even if there is nothing much more that requires a head-of-state decision right now. In our summit Soundings on the London G20 Summit, one of the issues that seemed to emerge was that leaders who engaged across the broad spectrum of economic issues cut a higher profile at home and seemed to advance national interests at the G20 summit more than those who specialized in a single issue. What the G8 summit in L'Aquila seems to have shown, is that summits that embrace a broader range of issues demonstrate greater global leadership than those that limit themselves to a single issue.

In the American press, President Obama was seen to be actively involved in: promoting a shift from food aid to investment in agriculture in poorer countries; making progress on climate change negotiations; breaking the Doha trade deadlock by working with newly re-elected Indian Prime Minister Singh; and working on Iran's sanctions, nuclear proliferation and aid to Africa. In April, the world was looking for global economic leadership. The G8 summit, which morphed into a sequence of larger groupings, became an opportunity to demonstrate leadership on a broader range of issues of consequence to the national publics of the leaders present, but also to global society.

### Broader Engagement — Broader Impact

The second day of the three-day Italian G8 summit was dubbed the G8+5+1 (Egypt) + 5 (Turkey, Australia, Indonesia, Korea and Denmark [the United Nations Framework Convention on Climate Change (UNFCCC) chair]) summit grouping to discuss climate change, with US President Obama co-chairing the session with Italian host, Prime Minister Silvio Berlusconi. This session brought into public view the real tensions involved in reaching a global climate change agreement. Thursday's *New York Times'* headline read "Poorer Nations Reject

Developed Countries' Target on Emission Cut," while *The Washington Post* ran a headline stating that "Group of 8 Agrees on a Ceiling for Temperature Rise: Broader Carbon Proposal Is Rejected." But Obama faced the music directly, stating his understanding that countries had different priorities and politics. In a breakthrough, he then called on G20 ministers of finance to meet to prepare proposals for financing climate mitigation in the developing world, the real stumbling block, by the time of the Pittsburgh G20 Summit at the end of September.

There is no doubt that the post-Kyoto climate change framework cannot be negotiated by the G8 alone, as both this G8 summit and the headlines starkly revealed. The 16 member countries of the MEF are all G20 countries, and only Saudi Arabia and Argentina from the G20 were not present in the expanded G8 summit in Italy. The broader, ever morphing groupings present in L'Aquila enabled the climate change issue and others to inch forward. Even though no major decisions were reached, the larger-than-G8 groupings provided the dynamics necessary for the forward movement.

### G8 Feeder to the G20

So was this eclectic summit of ever-changing constellations of leaders a "three ring circus," as Nina Hachigian suggested, confusing to the aware public? Or was there clarity despite complexity, a clear meaning coming through the shifting scenarios? By and large, it looked as if the Italian effort to keep the G8 at the centre of summit dynamics and fudge the issue of who is in charge by morphing the groups could not hide the fact that most observers would agree with the *New York Times'* headline on July 10 that read: "Group of 8 Is Not Enough, Say Outsiders Wanting In." Mike Froman, US Sherpa for President Obama, stated: "We view this meeting and this discussion as a midpoint between the London G20 Summit and the Pittsburgh G20 Summit" (*The New York Times*, July 7, 2009). Veteran summit scholar John Kirton said in the same article, "you'll always need the G-8," which is probably also true.

There is little doubt that for most of the smaller members, the G8 will continue to serve a useful purpose of, among other things, keeping their star bright in the firmament and dealing with transatlantic-trilateral issues of consequence within the circumference of their interactive reach, which is now more circumscribed in a world of rising, new powers than it was in the last half of the last century. But as a global steering committee, this G8 summit proved more clearly than ever that the days of the G8 dealing with global issues by itself is over, and that the presence of other powers is necessary for global leadership, not a courtesy.

## Global Leaders for Global Leadership

Once underway, the Italian G8 summit appeared from the United States to be more coherent than chaotic, more focused than frantic and more business-like than a PR opportunity. President Hu's absence was highly significant, and visibly important. But attention shifted to Manmohan Singh and Luiz Inacio Lula da Silva as representing the big emerging market powers. The ever-effervescent Silvio Berlusconi didn't steal the show, as he did in London with his adroit intrusion into a photo with Obama and Medvedev. This time, Lula's gift to Obama of a yellow and green Brazilian soccer shirt caught the world's attention on the front page of Friday's *Financial Times*. Gordon Brown, Nicolas Sarkozy and Angela Merkel were visibly important players, but less prominent, curiously, than at the London G20 Summit. While not being overbearing, US President Obama seemed to quietly and gradually emerge as the leader of the emerging constellation of world leaders composed still, and importantly, of Europe, Japan and Russia, but now also including China, India and Brazil and other emerging market economies, and Australia and Canada. Slowly, steadily and eclectically, a new global steering group is coming forward to provide global leadership. Happily, and, to some extent, unexpectedly, the Italian G8 summit seems to have contributed to and clarified that transition rather than blurring it.

# NPGL SOUNDINGS SERIES NO. 3: PITTSBURGH G20 SUMMIT, SEPTEMBER 2009

## OVERVIEW: FROM G20 ASCENDANCE TO G20 EFFECTIVENESS

Colin Bradford

### Big Picture Take-Aways

The G20 emerged from the Pittsburgh summit as the “premier forum for international economic cooperation.” Almost all the countries surveyed in Soundings Series No. 3 indicated widespread public support for this change; a G20 framework elevates the 10 emerging market economies to the high summit table with the G8 countries (plus, significantly, Australia). According to the NPGL country commentaries, this was welcomed nearly everywhere, and is seen in most countries to be a significant change in the “world order” — a realigning of global leadership to twenty-first century economic and political realities, rather than basing them on the mid-twentieth century power relations embodied in the G8.

Nonetheless, concerns were expressed in the media in most countries regarding the effectiveness of the G20 in generating concrete policy action and its yet unproven capacity to implement action and follow through in terms of full compliance with new norms and practices. While Pittsburgh seems to have been successful both in form and content, the truth is that many issues have not yet matured to the point where new, concerted action is warranted. Therefore, Pittsburgh was another “stepping stone,” as was the Italian G8 in July, from the “grand strategy” articulated by the G20 at the historic London G20 Summit in April to the now-crucial Canadian G20 summit to be held in Toronto in late June 2010. By that time, issues like “exit strategies,” financial regulatory reform, international financial institution reform and even rebalancing global growth, will have ripened to a point where more robust action will be required.

### National Leadership at Global Summits

Based on the 13 NPGL country commentaries on Pittsburgh, questions arise in three areas: the degree to which national leaders are trying to use summits to address the issues of public confidence and trust; the degree to which they are asserting national economic interests at summits in order to contribute to global outcomes, represent the national public interest and be seen to be doing so at home; and the degree to which the national media in some countries are actually following and portraying the profile of national leaders to the public.

### Leadership Profile

Media Coverage	Low	High
Low	South Africa, Mexico, Non-G20 developing countries	
High	France, Turkey	Argentina, Australia, Brazil, Canada, China, Germany, UK, US

We resort again to a Hirschmanesque (Albert O. Hirschman is a former scholar and mentor to some of us) two-by-two matrix to illustrate the combinations of the degree of media coverage with assertiveness in national leadership. This time, as compared with London, there are some stronger contrasts in both media coverage and behaviours.

First, it is clear that media coverage was high in most (11) of the 13 countries reporting, and that President Barack Obama, Prime Minister Gordon Brown, President Luiz Lula da Silva, Prime Minister Kevin Rudd, Chancellor Angela Merkel, President Cristina Fernández and Prime Minister Stephen Harper were each portrayed in their national media as having exercised initiative in playing assertive roles and projecting high-profile leadership. Surprisingly, it seems that French President Nicolas Sarkozy was in a more low-profile stance at this summit and was less rambunctious than in Washington, London and L’Aquila. His pre-announced idea to implement a G8+5+1 (Egypt) — a G14 — summit in France in 2011, was overruled by the decision to have the G20 become the “premier forum.” Russia, Mexico, South Africa and Turkey have now been hard hit by the economic crisis and domestic issues, and tensions have taken precedence over projecting international leadership, such that Russian President Dmitry Medvedev, Turkish Prime Minister Recep Tayyip Erdoğan, Mexican President Felipe Calderón and South African President Jacob Zuma, were not assertive in Pittsburgh.

What is disturbing, however, is the degree to which asserting international leadership seems not to automatically project back into domestic opinion in a

positive and enduring way. The most dramatic example is the United Kingdom's Gordon Brown. Olaf Corry wrote from London: "Gordon Brown's apparent success in leading a concerted push for a global new deal... tends to reinforce the negative *domestic* image of him as a 'systems operator' or lofty world actor who remains distant from, and unable to cope with, the realities of British politics. *The dominant national narrative of failure clearly overrides the global narrative of accomplished statesmanship.*" (Emphasis throughout added.)

From Turkey, Eser Şekercioğlu wrote that, despite the fact that "this time, in Pittsburgh, the G20 summit was much higher on the foreign issues hierarchy, hence the increased media coverage.... There was little expectation that Prime Minister Erdoğan could play an important role in the actual proceedings of the meetings.... *Since there is little direct political capital to be transferred from the summit to the domestic front, little could have happened in the first place.*"

From Mexico, Andrés Rozental wrote that "the low-profile participation by President Calderón and the very sparse media coverage didn't contribute at all to enhancing his own global leadership role.... *This government does not appear to have any interest in continuing the country's traditional leadership on global issues.*"

In South Africa, national media coverage was non-existent, with all the coverage being sourced by international news services like Reuters and Bloomberg. Peter Draper wrote from Johannesburg: "I can safely conclude that zero media interest was expressed in President Zuma's participation in this key forum.... International issues paled into insignificance compared to coverage of domestic political issues, which dominated the local media space. The conclusion I draw is that as the Zuma administration starts to bed down, in the face of enduring and growing questions about who is really calling the shots on domestic economic policy, so the media's attention is almost entirely focused on the ensuring power struggles.... *There is a huge gap between this imperative [enhancing South Africa's global leadership position through participation in the G20] and raising the importance of this issue in the public space.*" These stark examples illustrate that even positive participation in global summits does not necessarily generate stronger domestic political support for the assertive leader. If this is a fact of life in summitry, then there are serious constraints on the incentives for leaders to exercise leadership in summits for either the national or the global good. These observations are consistent with the behaviours of two other leaders, Calderón and Zuma, who appear to have decided not to try to take advantage of the potential visibility of summits to enhance their difficult political position at home, as seeming proof of

Şekercioğlu's proposition that it would not work, even if they tried. Lula, Obama, Harper, Rudd, Merkel and Fernández, on the other hand, seem to have been able to make summits work for them domestically.

But the constraints highlighted by the examples noted above raise serious questions about whether even the new "premier forum" will provide the venue for strong contributions by leaders of emerging-market economies (EME), especially, or whether they will keep a low profile. There will be limits on the degree to which summits can restore public trust and confidence, if leaders themselves feel there is little benefit in using summits to advance their national interest or contribute to the global good. Running this issue down in terms of further evidence and practice is a key task for this inquiry into "national perspectives on global leadership."

The role of the media is crucial. Consider the extreme example of South Africa, where there was no direct national news coverage of the events in Pittsburgh by the South African press. The fact that all the news coverage was supplied by foreign sources raises the question of whether a leader, under those circumstances, could project leadership back to his nation even if he tried. National media coverage of Calderón in Pittsburgh was also low. Is this a reflection of the fact that neither Zuma nor Calderón tried to assert themselves in Pittsburgh, or is their lack of assertion due to the fact that because there are no domestic implications, there was little or no direct national news coverage? Turkey provides a contrast where there was high media coverage, but still no sense that national leadership on the global stage would make an impact domestically. On the other hand, the NPGL country commentaries on Rudd in Australia, Harper in Canada, Lula in Brazil, Fernández in Argentina and Obama in the United States seem to indicate a keen national interest in how the leader was doing in representing the national and geopolitical interests of his/her country in a rapidly changing global context. The commentaries on these countries by Mark Thirlwell, Andrew F. Cooper, Denise Gregory and Georges Landau, Diana Tussie and Melisa Deciancio, and Colin Bradford, respectively, also make clear that each of these leaders went to some length to involve themselves in a variety of issues of consequence to their countries, and worked on communicating their involvement to their publics. Leadership does work, it seems, if leaders work.

### From Ascendancy to Effectiveness

Despite the breakthrough at Pittsburgh on the emergence of the G20 as the apex forum for global leadership, there was increasing concern regarding the enduring

effectiveness of the G20 in reaching, implementing and enforcing decisions. Thomas Fues wrote from Germany that “recognition of the benefits associated with such club governance goes hand in hand with growing *uneasiness* about the inherent limits of informal, selective arrangements.... There is also a widespread feeling that governments in the G20 may shy away from difficult decisions, such as addressing global imbalances, protectionism, supervision of financial institutions and rating agencies as well as protection of global ecosystems.” From France, Jacques Mistral wrote that G20 “commitments are sufficiently vague that few would qualify the wording of the communiqué as strong... In short, London was followed by hope; Pittsburgh produced *skepticism*.” And Yanbing Zhang wrote from China that some “economists in China are *not optimistic* the summit results will secure China’s economic interests.... Among them, some think that deeds may not be consistent with words, since this kind of multilateral international forum cannot take concrete actions to prevent protectionism.”

A new perspective in this third round of Soundings comes from Homi Kharas, former leading World Bank economist and now senior development fellow at the Wolfensohn Center at Brookings, who rendered a highly relevant perspective of how the Pittsburgh G20 Summit looked from the vantage point of non-G20 developing countries, most of whom are much poorer than the EME members of the G20. According to Kharas, “The leaders’ statement is full of promises, including a reiteration of those already made; however, these increasingly lack credibility.... It is irritating to many of those who are excluded to think that the rich countries feel that the new, developing country members of the G20 represent their views.... The new G20 effort to assume the mantle of global economic leadership will not be complete until these issues are also addressed.”

Much has been accomplished in the last year, but clearly G20 summits are not magic bullets. Strong leadership by the G20 has addressed the global financial crisis and emerged from the early stages of the crisis with sufficient credibility to rise to the apex of international governance; however, the G20 still needs to elicit stronger national contributions by leaders to make it work and to be effective. Beyond that, leaders need to inspire greater concerted and coordinated efforts by ministers and senior officials of their countries to generate more concrete policy decisions and more vigorous oversight and enforcement mechanisms. Finally, G20 leaders need to think carefully about how this more representative forum can become still more inclusive without weakening its effectiveness. The success of the G20 does not mean the global leadership vacuum is now solved and that progress in effective concerted action

is guaranteed. More work lies ahead. Our Chinese colleague, Yanbing Zhang concluded: “Thus, in order to assert global leadership effectively, the G20 summit still has a long way to go.”

## ARGENTINA

*Diana Tussie and Melisa Deciancio*

### Economic Interests

The summit held in Pittsburgh has been the most important of the G20 summits for Argentina. Compared to the last two summits — in Washington and London — this one has had greater publicity in the local media. Argentina has especially benefited from the decision to reinforce the G20, which eliminated the possibility of a reconfiguration that could have led to the instituting of the G14 (G8+5+1), the French proposal for 2011, whereby Argentina would have been left out.

This summit, and the meetings President Cristina Fernández held in New York before it began, have been used by the president to show her willingness to begin negotiations with both the IMF and the Paris Club and recover international trust. The likelihood of the acceptance of an audit of the evolution of the Argentine economy, as foreseen in Article IV of the IMF charter, has had a great impact in the major newspapers, particularly Fernández’s affirmation that “the fact that the IMF could come to audit the national economy doesn’t mean that it is going to tell us which policies to adopt.” Another issue of special interest to the national media was the negotiations between the Argentine and French finance ministers in order to open the Paris Club negotiations over Argentina’s debt.

The acceptance of Article IV audits and the Paris Club has been marked as a turning point.

### Political Interests

In Pittsburgh, Fernández claimed a victory, inviting — with the support of the Brazilian President Lula Da Silva — the International Labour Organization to join the summit under the conviction that jobs should be the priority in the way out of the crisis. She also insisted that the main focus of the solution must be on the real economy.

At the same time, the claim for equality among G20 members with no distinctions was reiterated by President Fernández and reproduced in most of the media — even those from the opposition — as the voice of the weaker countries in an international organization that should not focus only on solving financial crunches,

but also, and more importantly, on reducing the impacts of the crisis on the weaker links. Fernández highlighted the importance of an active role of the state to confront the actual situation, following what the government has been promoting at home.

Another issue that attracted the interest of most of the newspapers — especially the pro-government *Página/12* — has been the support of the Argentine government to the ousted Honduran President Manuel Zelaya. In the meeting she held with Spanish President José Luis Rodríguez Zapatero, Mexican President Felipe Calderón and Brazilian President Lula Da Silva, Fernández expressed her intent to raise the case in the UN Security Council. In the same meeting, they agreed to file a proposal for the capitalization of the PADB, which is one of Latin America's major demands for the G20 summit. They also vowed to keep pressing for more restrictions on tax havens, something that Argentina regards as a “decisive step” in the effort to seek a new, more solid global financial order.

### International Interests

Cristina Fernández had prior meetings with Spain, Mexico and Brazil to jointly champion the restitution of democracy in Honduras, emphasizing the multilateral solution to the problem. G20 issues were also addressed, most probably the implications of opening negotiations with the holdouts and the Paris Club. During the subsequent summit of Latin American and African countries held in Venezuela, the agreement establishing the Bank of the South came to light with an initial capital investment of US\$20 billion, to which Argentina pledged US\$2 billion.

These strings of summit meetings reflect the features of Fernández's foreign policy since 2003, oriented to forge closer relations with Latin America, not as a regional leader, but as a committed country with regional interests.

### Global Leadership

In Argentina, the leadership issue has not been strongly addressed. Argentina is not among the big players in the world system, although it is trying to keep its relevance in the region in contrast to the Brazilian ambition to become not only the regional leader, but also a world player.

President Fernández showed a strong commitment to the restitution of democracy in Honduras and pressed for a multilateral solution to the problem that would not only include Latin American countries, but also the entire UN Security Council. She supported the Brazilian leadership in the summit, and in the meetings held before and

after it. At the same time, she took the opportunity to meet President Calderón of Mexico and Spanish Prime Minister Zapatero on the sidelines of the UN General Assembly to agree to head towards Pittsburgh with a call for the world to remain vigilant, even if it appears to be starting to recover from the global economic crisis.

In this sense, Argentina's victory may have been in remaining part of the club. Public opinion seems to agree with these efforts to create a stronger international image for Argentina. Some sectors continue to see Brazil as a threat in the global scene and view the Brazilian leadership of the global South as inevitable. At the same time, there is a considerable part of the public that still does not understand the scope of the G20 and the impact of its decisions on their daily lives, completely ignoring the purpose it serves.

## AUSTRALIA

*Mark Thirlwell*

### Economic interests

Australia has had a longstanding interest in securing the installation of the G20 as a more representative and hence more legitimate and more effective body than the G7/8 at the apex of the international economic architecture. Not at all coincidentally, this would thereby secure Australia a seat at the world economy's top table and, moreover, do so alongside a significantly expanded Asian presence.

Australia owes its place in the G20 to its activist and independent-minded economic diplomacy during the 1997–1998 Asian financial crisis. Since then, successive Australian governments have championed the grouping, with current Prime Minister Kevin Rudd and Treasurer Wayne Swan building on earlier work by Treasurer Peter Costello. In particular, Rudd and Swan have worked hard to try to ensure that it is the G20, and not some other, smaller, Australia-excluding body, such as the sometimes mooted G14, that will steer the global economy. Hence, the declaration in the Pittsburgh communiqué designating the G20 as the premier forum for international economic cooperation represents the successful culmination of Australia's key objective.

In addition, Australia has significant interests in the coordination of economic policies, the delivery of sustainable international growth, and the structure and scope of any future international financial regulation. It also has strong views on the need to reform the IMF in order to boost the representation of the major emerging markets, and in particular, those in developing Asia. Here, the Pittsburgh summit will be judged to have at least made some moves in the right direction, albeit with

such judgments subject to the usual caveats regarding the gap between intentions and implementation.

Finally, Australia remains strongly committed to open global markets in general and a successful conclusion to the Doha Round in particular, and here the summit will likely be judged to have made minimal progress.

### Political interests

Given that Australia succeeded in its main objective for Pittsburgh, the early reviews have been positive. Although sporting finals dominated the front pages of most of the national newspapers at the weekend, the G20 still merited inclusion. For example, the front page of the *Weekend Australian* included a story with the title, “PM wins place at new seat of power,” and the opening sentence, “Australia is a founding member of the world’s new premier forum for global governance and economic management.” Similarly, the *Sydney Morning Herald’s* front page offering had the title, “G-whizz: high-flying PM changes the world” and the opening line, “The Prime Minister, Kevin Rudd, has won a significant victory for Australia with the Group of 20 largest economies replacing the G8 as the world’s leading forum for economic co-operation,” while the equivalent headline for Melbourne’s *The Age* was, “Major win for Australia as G20 permanently replaces the G8.” *The Australian Financial Review* had a banner headline on “Rudd’s new world order” and a story on page two headed, “A global role for Australia in G20’s rise.”

Not surprisingly, Prime Minister Rudd is likely to be rather pleased by all this, not least since it represents a fairly potent rejoinder to past opposition jibes about unnecessary prime ministerial international grandstanding, as captured in the snarky sobriquet “Kevin 747” that was aimed at the current PM’s apparent willingness to jump on an aircraft at the drop of a hat.

There are also some secondary benefits for Prime Minister Rudd in terms of an international stamp of approval for his own government’s economic response to the global financial crisis, perceived as very successful domestically, although the adverse impact of the crisis on Australia to date has been very modest by international standards.

### International interests

Australia’s desire to see the elevation of the G20 in the global economic architecture is part of a much broader and extremely ambitious push by the Rudd government to see the country become a more important player across a range of international issues. These include the current campaign for a non-permanent seat on the UN Security Council in 2013–2014, the talk of forging an Asia

Pacific Community, and policy ambitions regarding nuclear non-proliferation and an international climate change agreement.

With respect to the G20, Rudd and Swan have sought to leverage Australia’s position as one of the best-performing developed economies and the kudos that this has attracted for the functioning of the country’s policy regime and financial sector, as well as draw upon Australia’s increasingly deep economic integration with the dynamic Asian region, to help make the case that Australia has something worthwhile to contribute to international economic policy making.

The outcome of the Pittsburgh summit represents a significant success for the new strategy and — at least to some extent — a validation of the case for Australia’s enhanced international role. In addition, Australia’s presence in the G20 alongside a range of key regional players — China, Japan, Korea, India and Indonesia — represents an important opportunity to further develop important bilateral and regional relationships.

### Global Leadership

Australia has had a relatively “good” economic crisis to date, and while there is recognition that the G20 meetings have played their role in helping stabilize the overall international economic environment, the limited economic fallout experienced so far means that the importance of the G20 in reassuring a worried public has been limited. Instead, the arrival of the G20 in the public consciousness has been viewed more in terms of its part in the ongoing narrative about the economic rise of “the rest,” and, in particular, the growing importance of the economies of developing Asia and the consequent changes in economic arrangements that this shift will entail. It is also seen as signalling recognition of Australia as a global player.

## BRAZIL

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*Denise Gregory and Georges Landau*

### Economic Interests

The editorial opinions in Brazil celebrated the Pittsburgh G20 summit’s historic decision to replace the G8 with the G20 as the decision-making body for international economic cooperation, as well as the decision to give more control to the emerging powers in the IMF and the World Bank by increasing their voting shares. The leaders also agreed to revive talks to complete the Doha Round by the end of 2010. These were the issues on the agenda of the Pittsburgh summit that President Lula’s administration had made top priority.

Lula himself called the summit “historic,” which reflected a shift in world power. And in his opinion, Brazil, Russia, India and China (BRIC) achieved a remarkable and historical victory, which was reflected in the G20 summit’s final communiqué. The rise of the emerging countries and the increase in their international representation, role and weight come as a result of the global financial crisis. Small media coverage was given to other summit issues.

There are relatively few direct implications for Brazil from the Pittsburgh G20 Summit, even if President Lula played a prominent role. It is perceived that the country will benefit from enhanced representation on the boards of the IMF and World Bank, and the incidental reference to resumption of the Doha Round will benefit Brazil as a staunch advocate of multilateralism and international trade. Moreover, the country will benefit from being a full-fledged member of the G20, rather than an invited guest at the G8 deliberations. However, with regard to the elimination of protectionism, the G20’s pious exhortations will not actually benefit Brazil in the absence of effective sanctions.

### Domestic Political Interests

Lula, in his seventh year in office, enjoys a staggering (80 percent) popularity and enviable performance. His very visible stance in international fora reinforces his statesmanlike image, even if, in fact, what he actually said in Pittsburgh were platitudes and generalities. To the extent that his viewpoints were echoed by other national leaders, his domestic image is correspondingly enhanced. Media coverage on the summit was divided with various other international events, such as the UN General Assembly, the UN Climate Change meeting, Lula’s meeting with Iranian President Mahmoud Ahmadinejad, and the return of ousted President Mel Zelaya to Honduras (to the Brazilian Embassy).

### International Interests

Brazil’s stature has been bolstered by the Pittsburgh G20 Summit, which was a distinct progress over the London meeting. Advances were made vis-à-vis representation of the emerging economies in the multilateral financial institutions, as well as with respect to commitments by industrialized nations to honour climate change targets.

### Global Leadership

Perceptions in Brazil about these twin issues are confined to a small informed segment of society and to selected media. The Congress, for instance, is blissfully indifferent to developments at the G20 summit. Brazil was relatively less affected by the global crisis than the other three BRIC countries, and early on adopted counter-cyclical

policies that mitigated its effects. Thus, the amount of public unrest was minimal. It appears unlikely that the Pittsburgh G20 Summit contributed to that result. What is clear, however, is that Lula’s leadership took Brazil’s role in multilateral fora to a new and higher level, contributing to the country’s enhanced participation in such arenas.

## CANADA

*Andrew F. Cooper*

The Canadian discussion about the Pittsburgh G20 Summit leaders followed in some of the same trajectory as the L’Aquila G8 debates, where some commentators lauded Canada’s performance and others located flaws and pitfalls. However, the partisan edge present during the G8 was far less evident. While early attention was given to Canada’s position on the G20’s core concerns, media coverage was quickly drawn to the announcement that the next G20 summit would be held in Canada.

Alongside the planned Muskoka G8 Summit in June 2010, Canada will now serve as co-host of a G20 summit with South Korea. Once made public, the general tone of the media discussion shifted to one in which a number of writers tried seriously to engage in questions of institutional transformation, with an eye to seeking out what the implications could be for Canada. Overall, political and policy issues were concentrated on a functional basis, while the question of who deserved the credit (or blame) for advancing (or rebuffing) the notion of the G20 vis-à-vis the G8 was treated more speculatively.

### Public Engagement

The core economic concerns at the centre of the G20 agenda got heavy coverage in the run-up to the summit. Canadian officials signalled that movement was being made on the bank capitalization issue, an item that had divided the position of the United States from some major European countries, most notably France and Germany, with the requirement for banks to have an appropriate ratio between money on hand to balance loans. Canadian officials also signalled that a compromise was being sought that linked bonuses to long-term performance of financial institutions, with remuneration being clawed back if, and when, bank profits suffered because of accentuated risk.

The government of Prime Minister Stephen Harper devoted most of its attention on getting the balance right between continuing the recession-fighting stimulus packages and implementing a collective exit strategy when the recovery was ensured. But the time was not

yet right to move from the one stage to the next. “While we are seeing signs of recovery, the gains are at best fragile. We must stay on course,” Mr. Harper said. In a significant move of political outreach, Mr. Harper took this message to different constituencies, most notably to a pre-summit meeting with labour leader Ken Georgetti, in which Harper said he had no intention of letting up on stimulus, and would urge other countries to stay the course. Georgetti, president of the Canadian Labour Congress, said in an interview that the prime minister “acknowledged that this crisis isn’t over, and that government support will continue.”

Outside of the core concerns dominating the G20, Mr. Harper focused his attention on two other issues. The first target was the issue of Iranian nuclear aspirations. Following the public line adopted by US President Barack Obama, British Prime Minister Gordon Brown and French President Nicolas Sarkozy, Mr. Harper expressed Canada’s concern with the revelations that Iran has been building a covert uranium enrichment facility for several years.

Yet Mr. Harper took a multilateral view, urging the International Atomic Energy Agency to investigate the facility, and called on Iranian authorities to cooperate with any forthcoming inspections. He went out of his way to label the question of whether Canada would support military air strikes as “highly speculative.”

The second issue is related to the development agenda, a key focus for the planned G8 summit. Immediately prior to the G20 meeting, Mr. Harper announced that Canada would temporarily make \$2.6 billion available to the African Development Bank, so that it could increase its lending base and improve financing conditions in Africa.

### Public Focus

The Harper government acknowledged that not everything had been accomplished at the G20. One gap was the standstill on protectionism. Another gap was on the overall level of commitments made by the G20 to the developing world. At the G20, Prime Minister Harper stated that “We haven’t lived up to every commitment,” pointing to broad statements against protectionism. He added that the summit could have done more to reduce poverty and increase humanitarian assistance and infrastructure development.

That being said, Mr. Harper lauded the G20 substantive achievements as “historic.” He noted that a year ago, stock markets were falling at a precipitous rate and financial institutions were collapsing in ways not seen since the 1930s, and “now we are seeing signs of growth.” In his view, the G20 has worked well as a crisis committee. If it

had not been possible, for the first time in history, to get the leaders of the major economies together in one room to put their minds to the collective interest of humanity and coordinate their policies, the result could have been very different.

At his post-summit press conference, Prime Minister Harper was far more effusive. Positioning Canada as a country with a strong banking system as well as other positive attributes, he stated that the Canadian role was that of a problem solver not as part of the problem: “We’re the one country in the room everybody would like to be.”

On the core issues faced by the G20, the Harper government received little criticism in the Canadian media. Rather, its weakness in the arena of climate change, and more generally on the connections of the G20 to environmental policy, was expounded. “I think there will be pressure on President Obama to deliver something at the G20 on financing climate mitigation and adaptation in developing countries,” said Dale Marshall, a climate policy analyst for the David Suzuki Foundation. Mr. Harper was viewed by such critics as having tied Canada’s climate change plan to President Obama’s in an effort to arrive at a common North American initiative on greenhouse gas reduction, while neither country has been given credit for adopting a clear plan.

### Debating the Future of the Gs

It is the future of the Gs, and especially the relationship between the G8 and the G20, that generated the most attention in the media. As noted, this debate was carried out in a serious fashion. In national leadership terms, some kudos was allotted to former Canadian Prime Minister Paul Martin for his role as champion of the G20 — an idea at odds with orthodox thinking of the day. One article elaborated in some depth on this championship, in the context of the attacks made by then-opposition leader Stephen Harper in 2003, when he pronounced that Paul Martin’s G20 served as an example of Canada’s “weak nation strategy.”

Other commentators, though, concentrated on Stephen Harper’s adaptive process in support of the G20. If not an original champion, he had become committed to the initiative. In Pittsburgh, he stated that the G8 is “not a sufficient group [anymore] to deal with major economic and financial issues.” He went on to say that the G20, though a bit unwieldy, has proven its value since leaders first met last November in Washington at the height of the financial shocks.

In terms of Canada’s diplomatic status, the debate centred on whether or not Canada’s international role

was strengthened or weakened by the accession of the G20 as the hub of global economic governance and the G8 concentrating on security issues. Mr. Harper acknowledged that Canada's voice in the world on economic issues could become watered down. He explicitly stated: "Will Canada's role and Canada's voice be diluted [in the G20]? Well, look, it would be crazy for me to deny that in some degree. Obviously if you are one of 20 instead of one of eight it is a different dynamic." What was not looked at in the Canadian media was whether Canada — along with other countries, such as Japan and Italy — tried to block the move to institutionalize the G20 beyond a crisis committee. Nor was there any analysis about where Canada stood in the way of the reform of the IMF, with a rebalancing in voting power and voice.

The positive assessments concluded that Prime Minister Harper and the Canadian government were left with some considerable diplomatic strength, even amidst this transformation. As the co-host of the G20 with South Korea in June 2010, Canada could reinforce its credentials as a country with solid diplomatic and economic strengths. But as the host of the Muskoka G8 summit, Canada could not only shape the agenda in the way it wanted, but do so in a way that reinforced the G8's like-minded ethos. "They will be distinctive summits," said Mr. Harper. "The G20 process has proven critical to our collective response to the global recession. This represents an unprecedented opportunity for Canada to demonstrate leadership as we continue our work on the economy and in defining the path forward."

At the same time, however, Mr. Harper emphasized that the G8 will not disappear. While it will no longer be the premier body on economic issues, he noted that the G8 has taken an active role in other areas, like development and international peace and security: "We view it important that these kinds of discussions continue."

## CHINA

*Lan Xue and Yanbing Zhang*

It seems the worst time of the global economic crisis has passed and the world economy is in the process of recovery, though it is also widely believed that the recovery has not been stable. The Pittsburgh G20 Summit has just been held within such a context, as the continuation of the previous two summits, which had mainly dealt with saving the world economy from a great recession. Several key decisions have been made at this summit; for example, continuing stimulus policies in order to secure the recovery and restructuring of the IMF and the World Bank to build up a sound international financial system. The most important one among them,

obviously, is to replace the G7/G8 with the G20 as the premier forum for global economic cooperation. A new framework of global governance has launched.

### Economic Interests

China expected the summit to achieve concrete progress in promoting world economic recovery, settling the problem of global imbalance, and fighting against trade protectionism. These expectations reflect how deeply China has been integrated into the world economy, and how eagerly it wants an open global market plus a stable international financial system.

Since the global economic crisis started, China's economic policy makings and the relevant public debates have mainly been around four key issues. The first is how to keep China's gross domestic product (GDP) growth around 8 percent this year. It has been reported recently that this will certainly be guaranteed by a surge in credit and fixed investment. The second is how to make sure that China's investment in the United States is safe. Since the US financial system has been rescued and has stabilized, it seems the so-called "miserable 2 trillion foreign reserve" is still safe, at least in the short run. The third is the underlying causes of the financial crisis. China's policy makers and influential intellectuals are fully aware of these reasons: global economic imbalances, the problems of the international financial system and China's domestic demand deficiency. China has tried to boost domestic consumption, but it will take a long time to change its export-oriented development model. The last one is how to prevent the emergence of trade protectionism and commit to free trade.

China had hoped the summit would pay more attention to the development issue and to boost the world economy to achieve long-term and sustained growth. Although some economists in China have pointed out that the recovery of the world's economy is, or will be, on the way, many have feared that a premature withdrawal of stimulus measures could lead to a double dip, which may consequently take a heavy toll on the Chinese economy. The Pittsburgh G20 Summit has assured the Chinese that policies to promote sustained economic growth will be kept until a durable recovery is secured.

The agreements to reform the regulatory system are also welcomed by the Chinese public, including plans to raise capital standards, to implement strong international compensation standards aimed at ending practices that lead to excessive risk taking, to improve the over-the-counter derivatives market and to create more powerful tools to hold large global firms to account for the risks they take. Some other

economists in China are not optimistic the summit results will secure China's economic interests. They are quite skeptical about the agreement to fight trade protectionism. Among them, some think that deeds may not be consistent with words, since this kind of multilateral international forum cannot take concrete actions to prevent protectionism.

### Political and International Interests

As far as the results concerned with political and international interests achieved in this summit, many of them are perceived quite positively in the Chinese media. Although from an international perspective, China is a rising power and has played a more and more important role globally, it still defines itself as a socialist and developing country, in the league of the third world. Ideologically, it still tries to keep its distance from the West or the G8 countries regarding its own political concerns. Thus, China did not want to join in the G8 and had also formally rejected the idea of the G2. G20 means something different, because it highlights global economic cooperation and recognizes the importance of EMEs, including China.

In such a background, namely to replace the G8 with the G20, in which China has formal membership, has been perceived as good news for China. It has been perceived as a big step forward since the London summit. Some media argue that to replace the G8 with the G20 means the world economic order has completely changed; the media declared that "a new era has started." But in general, it is admitted that it is still impossible for developing countries to have similar rights or status as developed ones at this stage. At the same time, some media have warned that the G20 is still dominated by the United States, and China should be careful about its role within the G20. Although the G20 provides a platform for developing countries to speak up, many difficulties and challenges still remain. More measures to improve the developing countries' rights are needed, and some newspaper articles urge China to take on more responsibilities.

### Global Leadership

China has always advocated the reform of the international financial system on the global level and it seems some progress has been achieved at the Pittsburgh G20 Summit. The G20 committed to a shift of at least 5 percent in the IMF quota share to dynamic emerging-market and developing countries, as well as an increase of at least 3 percent of voting power in the World Bank for developing and transition countries. It implies that the reform of international financial institutions is speeding up and developing countries' rising strength is

recognized. Chinese media generally welcome it warmly and described it as "a breakthrough [that] has been made for international financial institutions' governance reform."

To institutionalize the G20 summit and to give developing countries more power in the IMF and the World Bank means that the G20 summit works and that the global governance framework is changing. However, the divergence among major powers is also quite clear, for example, the different views between the United States and the European Union about how to regulate financial institutions and the sensitive issue between the United States and China about their currency exchange rates. Some analysts warned that China should have a clear idea of the complexity of international environments it is confronting now, and should not be optimistic about the future development of global governance architecture. Thus, in order to assert global leadership effectively, the G20 summit still has a long way to go.

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## FRANCE

*Jacques Mistral*

### Debriefing of the G20 Pittsburgh Meeting in France

It was quite remarkable that the results of the London meeting had been taken very seriously. Criticizing the traditional G7 and pleading for "global governance" are traditional French positions, so even left-wing websites — like *Rue 89*, for example — describe the two meetings of the G20 and of NATO as reflecting the emergence of "a new world." There was consequently ample curiosity to decipher this new world. Now, it is more apparent that the media are unlikely to have a "national" view of the results of the G20 meetings, which are sort of usual political business. The president declared himself relatively happy with the results, and will get more next time, and the opposition party sees nothing more than rhetoric. This said, the main arguments can tentatively be summarized as follows:

### Economics

The results of the meeting are commonly seen as poor; François Bourguignon, former chief economist of the World Bank, for example, wrote an op-ed entitled "A summit with a limited scope." Due to President Sarkozy's emphatic insistence to get "something serious done about the bonuses," this aspect of the conclusions is trumpeted as a French victory. Any complete report will comment on various aspects that are of special interest in France — capital ratios, Basel II, accounting standards, tax havens and so forth. Some commentators qualify them as promising, but the commitments are

sufficiently vague that few would qualify the wording of the communiqué as strong. Enthusiasm has vanished; the mood really is one of “wait and see.” The willingness to “moralize” capitalism (another Sarkozy theme in the spring) has mostly gone out of the radar screen. The reference to global imbalances is considered by the most specialized observers as a distinctive — and long waited for — innovation of this meeting.

## Politics

The foregoing suggests that the French media have chosen to report the results of the meeting in a way that is less directly connected to the expectations and actions of President Sarkozy (as compared with London, where the president’s initiatives were simply qualified as “progresses without precedent!”). The main exception to this summary is the final public appearance by President Obama, Prime Minister Brown and President Sarkozy for their declaration about the Iranian nuclear case: at that moment, it was felt by the media that something great was happening again. The role of the IMF, and the TV presence of its boss, Dominique Strauss-Kahn, also helped to give a French flavour to the meeting. Attention to German positions, which is always of interest in France, was at that time mainly focused on the ongoing elections. There was little attention paid to common Franco-German positions prepared for this meeting.

## International Interests

According to French observers, the conclusions of London were clear cut; the world was entering a new era. Well, Pittsburgh is now seen as a traditional meeting with a lot of national interests. One major newspaper carefully analyzed the strategy and goals of the nine major players and painted them as not having much in common. The exact role of the United States and China, for example, was not as prominent in these reports as was the case after London. In my previous analysis I went as far as asking: “Could we possibly have witnessed the first G2?” According to the French, Pittsburgh is not a clear step in this direction. To be frank, the direction after Pittsburgh is not evident.

## Global Governance

The idea of replacing the G8 with the G20 is generally welcome, but the substance of the change remains to be revealed. It is good that national leaders are meeting and speaking regularly in such a difficult economic period, but what else? The low profile of questions related to Africa is always considered with regret but without long-term developments, and American shyness regarding climate change raises sharper and sharper questions. What the leaders do is probably the best they can,

given their mandates. But the rules and scope of future meetings remains unclear, and expectations are more muted. In short, London was followed by hope; Pittsburgh produced skepticism.

## GERMANY

*Thomas Fues*

The Pittsburgh summit received extraordinary coverage in the German media. This may be partly due to the fact that the event took place just a few days before national elections, thus presenting an ideal photo opportunity for Chancellor Merkel. The other part of the explanation may be due to the widespread acceptance of the G20 as the new format for global policy coordination. The traditionally positive perception of Merkel’s international performance is, however, giving way to a more critical assessment of her effectiveness. Similarly, the enhancement of club governance through the integration of emerging powers is a cause of growing concern regarding what this could mean for the excluded rest of the developing world and for the UN.

## Economic Interests

Germany’s economic agenda for Pittsburgh was strongly focused on effective regulation of financial markets, including the strengthening of banks’ equity positions, limits to management compensation and action on tax havens. To this effect, Merkel had re-enacted the German-French connection leading up to the summit while her finance minister, in a parallel move, voiced open criticism of British recalcitrance. The chancellor was also keen on deflecting blame for global imbalances by embedding the structural surplus of her country’s current account into the more or less even balance-of-payments position of the European Union (*Spiegel*). An innovative element of the German agenda, as seen by some commentators, was the support of a global tax on all cross-border financial transactions (Tobin tax), which represented a clear policy reversal on a controversial proposal of scholars and NGOs (*Frankfurter Allgemeine Zeitung*).

Uniformly, German media lamented the fact that, despite Merkel’s insistence, climate change did not make it onto the Pittsburgh agenda. While the chancellor is generally credited by the national media to have skillfully represented the country’s economic interests (*Zeit, Frankfurter Allgemeine Sonntagszeitung*), criticism is building up that she may have focused on the wrong priorities. According to other commentators (*Zeit, Spiegel*) she has been too focused on symptoms of the financial crisis, such as management compensation, in order to play on the emotions of the electorate. According to

this view, she should have instead addressed structural issues, such as banking supervision, an international register of credits and global imbalances (*Financial Times Deutschland*).

### Political Interests

Public assessments of Merkel's role in the Pittsburgh summit tend to underline her positive image as an assertive negotiator driven by the search for practical solutions (*Handelsblatt*). However, her call for a "Charter for sustainable economic activity" is seen, by some, as one-sided in concentrating on public debt while neglecting the private sector (*Spiegel*). Also, her credibility is put into question by suggesting that Germany could have acted more forcefully at home on limiting the excesses of unfettered financial markets (*Zeit*). German media also commented positively on the harmonious collaboration between Merkel and her finance minister, Peer Steinbrueck, from the competing social democrats in the heat of the election campaign. The results of national elections just two days after the summit have brought this successful tandem to an end.

### International Interests

German media have generally perceived the Pittsburgh summit as an affirmation of the key role played by the country in global affairs. The decisions on financial markets are generally interpreted as a success of Merkel's negotiating strategy (*Welt*). Since nobody expected immediate results on the German proposal for a Tobin tax, some commentators emphasize the long-term benefit of taking the lead on this issue and expect a later convergence of positions (*tageszeitung*). NGOs also note the possibility of raising funds for development purposes through this instrument (*Sueddeutsche Zeitung*). With regard to climate change, domestic media are disturbed by the fact that Germany and Europe's clout did not suffice in having the issue included in the summit agenda (*Frankfurter Rundschau*). There are also some persisting doubts with regard to the adequate form of European representation in global bodies as the influence of individual nations from the continent wanes (*Spiegel*).

### Global Leadership

Building on the dramatic turnabout of official and public opinion in support of the G20 at the L'Aquila summit, nobody in the German media now challenges the permanent replacement of the G8 with a new summit architecture. The G20 is basically trusted as an effective organ of global economic governance, which has prevented the world economy from slipping into major disintegration and catastrophic trade wars.

However, recognition of the benefits associated with such club governance goes hand in hand with a growing uneasiness about the inherent limits of informal, selective arrangements. For one, influential voices caution against the possible sidelining of the UN (*Zeit, Frankfurter Allgemeine Zeitung*). Others articulate the concern that the interests of the developing world, particularly low-income countries and Africa, will be further marginalized as traditional and emerging powers close ranks and find new modes of accommodation in exclusive circles.

There is also a widespread feeling that governments in the G20 may shy away from difficult decisions, such as addressing global imbalances, protectionism, supervision of financial institutions and rating agencies as well as protection of global ecosystems. Some NGO commentators even go as far as questioning the future of liberal capitalism altogether since it is claimed that the system cannot deliver social equity, prosperity and stability in times of deepening global crises. This seems to indicate that, at least in the eyes of some part of the German public, the G20 may soon become the target of fundamental societal opposition which has traditionally been directed towards the G8.

## MEXICO

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*Andrés Rozental*

### Economic Interests

Mexico's primary interest in the G20 summits has been to ensure that the country sits at the table and is part of the process. Although Mexico has been a member of the G20 since its inception as a body of finance ministers and central bank governors, there was no guarantee that it would continue to be accepted as one of the major players. Even its membership in the G5 grouping that has been invited during the last few G8 summits to join the major industrialized countries for a short meeting to discuss common global issues, such as development assistance to Africa, climate change and poverty, does not, in itself, constitute a sufficient antecedent to be assured a spot in the "new" G20 at the leaders' level.

Mexico has a direct interest as well in the summit discussions on the global financial and economic crisis. As one of the economies most negatively affected by the downturn in the United States, Mexico's overriding objective is to see its neighbour's economy restored to a pattern of growth and dynamism, which, in turn, will allow the NAFTA partner to resume trade and investment flows to levels similar to those existing prior to the crisis.

As a result, Mexico's participation in the Pittsburgh G20 Summit was centred on the above objective. Issues such

as executive pay and bonus caps, greater regulation of the international banking system and higher capital requirements for financial institutions, were less of a priority for Mexico than the discussions on reforming the IMF and World Bank, for example.

The results of the Pittsburgh G20 Summit seem to have focused more on the issues that I have described above as secondary to Mexico's primary interest. Although there was a lot of rhetoric surrounding the supposed "bottoming out" of the global recession, countries like Mexico have not yet seen quantitative positive changes to negative growth, unemployment, drying up of foreign direct investment flows or increased protectionism. Although much of the final statement issued at the end of this summit relates to a resumption of sustainable economic activity, there is still a long way to go before the Mexican economy can begin to show concrete signs of recovery. Little of what was committed to at Pittsburgh would contribute directly to that objective.

As with previous G20 summits, or indeed G8/G5 annual meetings, there is not much public interest in the process, nor has the government made a special effort on outreach to explain the process or the reasons for Mexico's participation. Media coverage on this occasion was divided between the various other meetings that took place in New York (the Climate Change summit convened by the UN Secretary-General, the UN Security Council meeting chaired by Barack Obama on nuclear proliferation and the annual parade of leaders who speak at the UN General Assembly). This year was especially active, with the US president getting a lot of media attention with his activities and speeches in New York, Presidents Ghaddafi and Ahmadinejad's appearances at the UN, and Iran's second nuclear processing facility. As a result, coverage in Mexico of the G20 summit itself was rather subdued and limited to the group photograph and a few of the salient points from the communiqué. President Calderón's intervention in the UN Security Council on the importance of addressing global conventional arms flows, in addition to nuclear weapon proliferation, was covered by the local press, but there continue to be too many burning domestic issues that are seen to be much more important to public opinion than the president's trips abroad.

### International Interests

The only change since London appears to be the discussions that took place prior to and during the summit about replacing the G8 with the G20. Although the final statement speaks of an agreement for the G20 to be the premier forum for international economic cooperation, there were considerable differences of opinion on what the ongoing role, if any, of the G8 should be. Canada's

selfish interest in not jeopardizing hosting the next G8 summit in 2010 ensures that this forum will continue to exist — albeit with a questionable mandate — until the French jointly host the G8 and G20 summits in 2011.

### Global Leadership

Mexican public opinion did not focus much on the issue of global leadership (as mentioned above). For those of us in the academic, think-tank world, it is obviously of great importance to see Mexico at the table, but the low-profile participation by President Calderón and the very sparse media coverage didn't contribute at all to enhancing his own global leadership role. As a matter of fact, several issues extraneous to the G20 process (the fact that Calderón has yet to make a state visit to the United States after half of his term has passed, his not having addressed the UN General Assembly in any of the years since he has been president and his rather dismal foreign policy) have led to a very low-profile international role both for Mexico, and for the leader himself. Although many observers lament the fact that Mexico has been overtaken by Brazil, Chile and even Venezuela in terms of foreign policy activism, this government does not appear to have any interest in continuing the country's traditional leadership on global issues.

## NON-G20 DEVELOPING COUNTRIES

*Homi Kharas*

### Economic Interests

It is easy to see how the G20 operated in Pittsburgh. China and other developing countries benefited from a greater say in the IMF, but gave in on the issue of enhanced monitoring of their economies. The Europeans got their way on stiffer curbs on remuneration for bankers and progress on cutting fossil fuel subsidies, but lost clout in the IMF. The United States deflected criticism of its role as the originator of the crisis and seems to have maintained its veto power in the IMF, but had to yield on bankers' pay and on multilateral surveillance. In other words, the leaders did exactly what was intended: they traded across issues in order to arrive at compromises in a range of areas.

It is, therefore, not surprising that for those who were not at the table, the non-G20 developing countries, there was nothing offered. The leaders' statement is full of promises, including a reiteration of those already made; however, these increasingly lack credibility, like the Gleneagles aid pledge and the reaffirmation of the Millennium Development Goals, but are short on specifics. Non-G20, low-income countries wanted more resources for development through new concessional

funds, a disproportionate share of IMF gold sales and more liberal interpretation of the Debt Sustainability Framework, which currently acts as a straitjacket for low-income countries trying to preserve core development spending in the face of falling government revenues. What they got was a promise of support, on a voluntary basis, for new trust funds for food and fuel programs — not additional money, but earmarked money.

That said, all non-G20 countries have a strong stake in a well-functioning global economy. They benefit from the stabilization of the system, the agreed commitment to maintain stimulus programs until the recovery is more robust, and the decision to push towards concluding the Doha free trade agreement. They should be thankful that a global group has emerged that is prepared to take on the task of collectively providing global economic public goods that the rest of the world depends upon.

### Political Interests

Non-G20 countries see that yet again, when it comes to global politics, money talks. The selection of which countries sit at the G20 table was based on GDP, not on population, although, from a technical point of view, there exists perfectly good formulae that would have combined GDP and population to balance effectiveness and representation of the world's people in a better way. It is irritating to many of those who are excluded to think that the rich countries feel that the new, developing country members of the G20 represent their views. For Colombians, it matters little that Mexicans and Brazilians are at the table as well as Americans and Europeans. The Pakistanis do not feel better because India is a member of the club. South Africa does not represent other African countries. Developing countries are a very heterogeneous group. Having a few in the club does not make them represent the interests of many who are excluded, even if, on the margin, there is some solidarity.

The G20 has inadvertently weakened the hands of reformers in non-G20 countries. The massive interventions in key banks and industries, and the tactical use of trade tariffs, have been legitimized by the G20 in an atmosphere of coordinated connivance. These policies are damaging to non-G20 country economic and political interests.

Perhaps the best political news is the renewed determination of the G20 to crack down on corruption and tax havens. Maybe now the process of democratization and political legitimacy will be strengthened in non-G20 countries. They will benefit from this if enforcement is strong. But right now, the measures are being taken to protect the G20 country tax bases, not to root out corruption. There's a coincidence of interests in the

short run, but no guarantee this will persist in the medium term.

### Geopolitical Interests

The G20 leaders make much of being more inclusive in the governance of the international financial institutions. This will make a difference to large G20 developing countries, like China. But the decision to increase the voting share of developing countries by a paltry 3 percentage points in the World Bank, is a clear statement that it is unnecessary to hear the voices of poor, developing countries in order to set development strategies. The G20 promised to protect the share of votes of poor countries, but protecting almost nothing still leaves poor countries with little voice in the new system.

Politics matter. Connected developing countries, like those in Eastern Europe, got access to huge funds to run counter-cyclical policies. So did other middle-income countries that got access to multilateral development bank and IMF non-concessional resources. But poor countries have been told they have no fiscal space (based on very conservative and questionable methodologies), so they should contract. The World Bank estimated that low-income countries need US\$11.6 billion to protect core infrastructure, safety net and social services. Little of this has been forthcoming as yet, although there are promises to look favourably on International Development Association and African Development Fund replenishments when these come up.

It seems clear that global institutions will pay less attention to the specific needs of development in each of the non-G20 countries and more attention to global public goods. Regional institutions, and regional powers, now call the shots.

### Global Leadership

Small countries swim in a big pond. The G20 provides some semblance of global economic leadership on which others can get a free ride. In many instances, the non-G20 country interests coincide with those who sit at the G20 table, for example, on trade talks, climate change and energy security. But no one in the G20 spoke up for the fact that average incomes in the United States are now 44 times the average income in sub-Saharan Africa (compared to only 17 times in 1980). That is also surely a sign of global economic imbalance. Perhaps, in time, global imbalances will come to mean more than Asia should spend more and the United States should save more. As Donald Kaberuka has noted, "low income countries' priorities are still an appendix, a footnote." The new G20 effort to assume the mantle of global economic leadership will not be complete until these issues are also addressed.

## SOUTH AFRICA

*Peter Draper*

### Prequel

I have spent the last couple of days poring over the pages, both physical and web, of the six major newspapers in South Africa searching in vain for some signs that the South African media establishment is seriously interested in the G20 process. Unfortunately, my search proved fruitless. As was the case with the L'Aquila G8 Summit, although in a more extreme form this time, there was zero South African writing on the topic (for L'Aquila we picked up a couple of editorials). Every single article I came across was sourced from Reuters, Bloomberg or Sapa. There were no editorials.

The closest I came was two pictures: one of President Zuma's first wife (he has four) and, hence, the first lady with Michelle Obama; and one of Zuma and the first lady with the Obamas. Besides anodyne captions there was no attempt to put these meetings into the G20 context and therefore to profile President Zuma on the international stage. I can, therefore, safely conclude that zero media interest was expressed in President Zuma's participation in this key forum. Indeed, the G20 was outcompeted in the media space by the UN General Assembly opening; the Latin America-Africa Summit and President Chavez's pronouncements on South-South collaboration and Iran's missile test. Even these international issues paled into insignificance compared to coverage of domestic political issues, which dominated the local media space. The conclusion I draw is that as the Zuma administration starts to bed down, in the face of enduring and growing questions about who is really calling the shots on domestic economic policy, so the media's attention is almost entirely focused on the ensuing power struggles.

### Economic Interests

In my estimation, South Africa's main economic interests in Pittsburgh were the same as those going into the London summit. As I outlined in my commentary for Soundings Series No. 1, and briefly summarize here, these consisted of:

1. Ensuring that appropriate fiscal and monetary measures were taken in the major developed countries to underpin growth. This time around the concern was more with sequencing exit strategies, on which there was no South African media coverage.

2. The G20's regulatory agenda, whilst regarded as important in order to promote global financial stability, was not of first-order importance to South African policy makers. Whilst there is substantial interest in government in having more say in how regulations evolve at the multilateral level, the media did not cover any issues related to this other than through the international media perspectives referred to above.
3. Ensuring continued access to finance, both for South Africa and other African economies, was also important. Yet there was no independent (South African) coverage of this issue.
4. The London summit outcomes concerning IMF capital injections, overseas development assistance flows for poor countries, and increased trade finance funding were very positive and reflected South African policy positions. The major breakthroughs were made there, however, and partly for this reason there was no focus on them in the South African media this time around.

### Political Interests

Since there was no print media coverage of this issue, I have to conclude that "the nation" does not have a perception of the leader's effectiveness in this forum, and that, therefore, his performance (whatever that was) does not matter at all in terms of internal ramifications. An alternative conclusion is that the G20 is not of much interest, or, related to this, that it is being well-run and, hence, does not require investment of media resources into figuring out what is going on from a national interest perspective.

### International Interests

My view remains that our participation in this forum is of direct national interest, particularly from the standpoint of building up a global leadership position. Clearly, there is a huge gap between this imperative and raising the importance of this issue in the public space. This also has implications for democratic oversight of the positions our government takes since, unless one is an insider in an overwhelmingly executive driven process, one does not know what positions are being taken.

Having said this, the major change since London is that the economies of the BRICs seem to have formally constituted themselves as such with their finance ministers issuing a joint statement in London. This has sent some shockwaves through our international

relations establishment since it has highlighted what has been obvious to some observers, this one included, for a long time: we are not a BRIC! This will have implications for how other countries interact with us, which could be favourable or not, depending on what is being considered and with whom we are interacting.

## Global Leadership

The media coverage did not address this dynamic at all, since it was entirely sourced from foreign agencies. It may be that over the next couple of weeks various political actors will wake up to the fact that the G20 has now replaced the G8 with South Africa as a privileged participant, but the intensifying domestic power struggle will quickly eclipse this if it transpires.

## TURKEY

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*Eser Şekercioğlu*

The Pittsburgh summit, to my surprise, has generated more media coverage and attention in the major Turkish media outlets than both the London summit and the G8 summit in Italy. Unlike the previous summits, media coverage was not limited to narrow news strips. Both before and after the summit, several high-profile columnists mentioned the G20 summit. A few major newspapers even analyzed and reported on the resulting 23-page long Leaders' Statement. Perhaps the reason for this increased attention is the lack of a more urgent and immediate international crisis and/or event. In London, both Prime Minister Recep Tayyip Erdoğan and the Turkish media were preoccupied with President Barack Obama's imminent visit to Turkey and the impending NATO Summit. This time, in Pittsburgh, the G20 summit was much higher on the foreign issues hierarchy, hence the increased media coverage. Some interpretations were fairly romantic, like the over-optimistic evaluations of the London summit. There was a tendency to overestimate the importance of the Leaders' Statement and the implications of the quota shifts in the IMF. Still, as far as the Turkish public's responses are concerned, this summit was followed far more attentively.

## Economic Interests

Turkey's main economic interest, or, more accurately, Turkey's main economic expectation from the G20 framework, was, in fact, indirect. Turkey's history with the IMF and the possibility of a new stand-by or similar agreement means that the primary goal is to clarify the relationship with the IMF. The G20 meeting's importance lies in the expectation that in the wake of the global economic crisis major economies sounded

willing to modify the financing and administration of the IMF and World Bank funds. A secondary expectation from the G20 would be the overall approach to the management of the global economy and whether the preferences of the G20 group would benefit the Turkish economy's export sectors. With this prioritization in mind, it is safe to argue that the Pittsburgh summit was quite fruitful.

Items 19, 20 and 21 in the Leaders' Statement, namely, the announcement that the G20 will be "the premier forum for our international economic cooperation" and the new commitments on the financing of the IMF and the World Bank funds addressed Turkey's economic interests to a certain extent. This fact did not escape the radar of the Turkish commentaries in the mainstream media. Several columnists declared that Turkey returned from the summit with tangible benefits. Most pundits focused on the implications of item 19 of the Leaders' Statement and emphasized that the G20 has become more than an appeasement for the non-G8 economies, who had been complaining about the exclusive nature of the G8. The Turkish media, which focused on the general implications of the London summit and was somewhat distanced towards the practical implications of the G20 meetings, welcomed the Pittsburgh summit in a more perceptive way. Thus, the announcement that the G20 is to become the primary vehicle of international economics was also perceived to be more than just words.

## Political Interests

As with the London summit, there was little expectation that Prime Minister Erdoğan could play an important role in the actual proceedings of the meetings. In that regard, the Turkish public and media are quite realistic. Since there is little direct political capital to be transferred from the summit to the domestic front, little could have happened in the first place. And since there were no other major international events — the previous summit in London was within a week of Barack Obama's visit to Turkey and the NATO Summit — Prime Minister Erdoğan presented a relatively low profile. Still, his short conversation with Barack Obama and their subsequent meeting after the summit naturally made their way into the news. It is possible to argue that the location and the timing of the summit was particularly advantageous for Prime Minister Erdoğan, allowing him to arrange a meeting with the president of the United States with little fanfare and expectations. Again, this is only a remotely G20-related benefit, but still, the fact that the Turkish prime minister is now regularly situated in this leading group is bound to have secondary benefits.

## International Interests

For the leaders of the larger economies like the United States, Germany and Japan, the connection between their activities during the processions and their roles as international leaders is more straightforward. Since their preferences inevitably carry more weight, they also could assume credit for the results and global implications of the G20 summits. For smaller economies, such connections are more subtle and less well pronounced. That said, Turkey's role in the emerging global geopolitical order is perceived more clearly after the Pittsburgh summit than the London summit for two reasons. First of all, the announcement that the G20 will become the primary forum for economic cooperation means that even smaller members of the group will take part in the decision-making process and such a role will not be overshadowed by the ghost of an upcoming G8 meeting. Second, the changes made in the structure of the IMF means that some non-G8 countries, including Turkey and China, will now have more weight in the institution's decision-making processes. Since Turkey is one of the most faithful beneficiaries of the IMF, a shift in the power structure is more than welcome, whether or not it means additional funds are made available. Therefore, it is safe to assume that the Pittsburgh summit addressed Turkey's international interests far better than the London summit. While the London summit summarized the wishful expectations with no or very little actual benefits for Turkey, the Pittsburgh summit provided some tangible and intangible international benefits for Turkey.

## Global Leadership

Unlike the London summit, which offered a glimmer of hope, albeit through abstract and vague resolutions, for the crisis-stricken economies, the Pittsburgh summit offered little crisis-specific messages for the Turkish audience. At least this is the way almost all pundits perceived and interpreted the summit. Despite quite a few decisions that will lead to concrete steps to be taken in the coming months and years, the Turkish public did not evaluate the Pittsburgh round through the global crisis prism. Whatever global leadership capital is gained, it is gained through the three items of the Leaders' Statement mentioned above. Item 19 announced that the G20 will become the primary medium of international economic cooperation, and items 20 and 21 announced the changes introduced to the IMF and the World Bank, respectively.

## UNITED KINGDOM

*Olaf Corry*

### Economic Interests

The United Kingdom continues to be highly dependent upon a global recovery. With its heavy dependency on the financial sector, a return to something resembling normality on the financial markets is particularly vital for Britain's economic fortunes. Earlier this month, the OECD adjusted its economic forecast downwards, predicting that the UK economy would shrink by 4.7 percent as opposed to the 4.3 percent forecast in June. This meant three things for British economic priorities at Pittsburgh. The first was to make sure the stimulus packages in operation in the G20 zone were not withdrawn "prematurely," to ensure as speedy a revival as possible for the United Kingdom. Secondly, it was considered a priority to make sure agreement on reform of the financial sector secured more trust and stability in the world of finance, while not harming London's (in part bonus-driven) financial industry. The third perceived priority was to help prevent the spread of protectionism, which again could hurt the "green shoots" of recovery thought to be discernible.

The result was a partial success in line with these aims. The final communiqué urged G20 members not to drop stimulus packages prematurely (but each country could work out when it wanted to make use of an "exit strategy," albeit in "a cooperative and coordinated way"). The issue of bonuses stayed out of the text (a French suggestion to cap bonuses was first grudgingly accepted as something to be "explored" and then dismissed as unworkable by Chancellor Alastair Darling during the meeting), but other rules to mitigate excessive financial risk-taking and anti-bubble measures were put forward, including the creation or formalization of a FSB to oversee and coordinate finance ministries. Finally, G20 leaders warned against protectionism and reiterated their collective commitment to the Doha Round of trade talks at the World Trade Organization (but added nothing much new on this front). On balance, all three developments probably furthered Britain's national economic interests understood in terms of securing short-term recovery and long-term durable and sustainable growth.

### Political Interests

Gordon Brown is well known to be effective in matters of global governance and so another solid performance does not make for many headlines. On the other hand, although he was not seen as the ringleader (that role was seen to belong squarely to President Obama), the image of the consummate global operator was not harmed by

events at Pittsburgh and may even have been enhanced when he received the 2009 “World Statesman of the Year” award from the Appeal of Conscience Foundation for his global leadership. The final communiqué bore a clear resemblance to Brown’s rhetoric, warning against complacency about the nascent economic upturn, praising the stimulus package agreed upon in London and emphasizing the need for a new “global architecture.”

However, domestic coverage of Gordon Brown’s leadership in Pittsburgh was not overwhelming, except, symptomatically, for the rumor that President Obama had snubbed the Brown camp, which had apparently been pushing for a bilateral meeting. The view of the British premier as an ailing leader headed after Pittsburgh for a final desperate Labour party conference in Brighton dominated the media picture. Comments by his chancellor, Alastair Darling, that the Labour leadership had “lost the will to live” overshadowed any sense of leadership and dynamism that may have emanated from the G20 summit. Speculation regarding a possible leadership challenge to Brown inevitably resurfaced.

In a curious way, Gordon Brown’s apparent success in leading a concerted push for a global new deal of sustainable economic recovery, better global rules for finance and a reformed system of cooperation between nations tends to reinforce the negative *domestic* image of him as a “systems operator” or lofty world actor who remains distant from and unable to cope with the realities of British politics. The dominant national narrative of failure clearly overrides the global narrative of accomplished statesmanship.

### International Interests

The G20 continues to be considered an innovation that chimes very well with the United Kingdom’s post-war commitment to multilateralism — something that has only become more explicit after Gordon Brown replaced Tony Blair. Worries that Britain’s influence will somehow be watered down by the expansion from G8 to G20 are conspicuously absent from public debate. Unlike debate on reform of the UN Security Council, where Britain’s membership of an exclusive group of permanent members is seen as vital (justifying modernization of nuclear weapons capabilities, for example), there appears to be a wide, albeit unarticulated, consensus that Britain can best look after its global interests by working within a new global architecture that includes the major players and a majority of the world’s population. On the other hand, this lack of concern about being joined at the G8 table by other rising powers, such as Brazil and India, in a G20 may also reflect widespread skepticism about the

efficacy of either institution, often accused by skeptics of being a “talking shop.” Nevertheless, the replacement of the G8 with the G20 (rather than the French model of a G14) is generally seen as an Anglo-American victory and is being led by none other than President Obama — who is still hugely admired in the United Kingdom.

One important development since London was the appointment of Shriti Vadera, Brown’s close adviser on international aid and development policy, to a new post as adviser to the G20. This is seen as a move that strengthens British influence on the moulding of the emerging G20 institution — although it was also interpreted as another sign of rats fleeing the sinking ship under the troubled Brown captaincy.

### Global Leadership

The British government insists that the “common action” taken at the G8 and G20 levels to counter the economic downturn was effective. According to the loyalist daily, *The Mirror*, Gordon Brown predicted a “new boom” in Britain by 2010 thanks to the interventionist and globalist approach he adopted. At a news conference in Pittsburgh he said that “The action we took at the London summit has worked. The economy has been prevented from descending from a recession to a great depression as a result of co-ordinated action.” This view is probably widely shared. The impression that the United States and the United Kingdom “won” the battle over bank bonuses is also widespread. New standards ensuring that bonuses, though not capped, will be deferred and “subject to clawback if traders’ bets go wrong,” as *The Daily Mail* put it, are generally approved of. The public confirmation that the G20 was now the central forum for global regulation and coordination was also met with approval, as were the agreed adjustments to the IMF, giving a greater say to developing nations.

On the other hand, rumblings of disquiet about the continued size of banks and the failure of the G20 to secure a break-up of commercial and merchant banks, leaving them publicly funded but still “too big to fail,” were voiced. Also, the G20 is seen to have danced around the fundamental question of gross imbalances in the global economy between debtor and creditor nations. However, these critiques serve to emphasize the perceived salience, if not the efficacy, of the G20 as the forum in which such problems ought to be tackled.

Meanwhile the major question of public concern in the United Kingdom, which is not seen to be relevant to G20 action, is the question of how high public spending and debt resulting from the action taken on the crisis is to be recovered. This is seen squarely as a “domestic”

problem, which partly explains why Gordon Brown is having trouble translating global policy success into domestic political capital.

## UNITED STATES

*Colin Bradford*

### Economic Priorities and Summit Outcomes

The United States and the Obama administration had high-priority interests in all the major items on the Pittsburgh G20 agenda, including macroeconomic stimulus and coordinated “exit strategies,” financial regulation and reform, especially with regard to establishing high capital requirements for banks, and international institutional reform. The final G20 statement manifested progress on each of these points; also particularly noteworthy was President Obama having been seen as pushing the Europeans to agree on bank capital requirements. The United States also got agreement on cutting subsidies for fossil fuels, which broke new ground. Where the Obama administration was eager to duck criticism and avoid overreach was on trade. After the controversy stirred up by the Obama administration’s actions to raise import tariffs on tires from China, President Obama was vulnerable to criticism for engaging in protectionism while at the same time the G20 was trying to restrain it. Other issues so dominated the Pittsburgh G20 Summit that the trade issue did not erupt into a visible point of discord, but rather was smoothed over by a call to complete the Doha Round to benefit developing country exports of agricultural products as a source of economic recovery for those nations.

### Domestic Political Impact of Summit Leadership

Around the world, but especially perhaps in the United States, the G20 summit was overshadowed by breaking news that the existence of an additional nuclear site in Iran, and the consequences for the efforts to forge a stronger nuclear proliferation regime; and international support for forcing Iran to be transparent and adhere to international norms on nuclear energy. In fact, the domestic political impact of Obama’s international leadership was generated over most of the week, with a climate change summit at the UN on Tuesday, chairing the UN Security Council meeting on nuclear proliferation and Iran on Wednesday, and the G20 summit in Pittsburgh on Thursday and Friday.

President Obama’s withdrawal of US nuclear missiles from Poland and the Czech Republic seemed to pay off in terms of greater support from Russian President Medvedev mid-week, as well as gaining strength on

Friday after the revelation of the nuclear site in Iran. This, along with the visible and vocal support of UK Prime Minister Gordon Brown and French President Nicolas Sarkozy, were the most palpable manifestations of Obama’s high-profile global leadership during “summit week.” Also, the fact that President Obama got the results he wanted at Pittsburgh at week’s end, and seemed masterful at orchestrating the G20 leaders toward agreement on a broad range of issues, was icing on the cake in providing the American public with a sense that US international interests are in steady hands. But nuclear and security issues overshadowed the economic crisis and the Pittsburgh G20 Summit in terms of opportunities to demonstrate leadership at the global level, but to the same effect.

Obama visibly demonstrated firm and determined international leadership throughout the week and a clear commitment to working with other nations, rather than going it alone, whether on climate change, nuclear security or economic recovery. His call for international cooperation in his UN General Assembly speech was strengthened by his actions on major issues throughout the week. This is not just an approach the rest of the world wants from the United States, but is an approach Americans now want from their government, in the wake of the Bush administration. The opportunity to demonstrate the effectiveness of his international approach in various forums on many issues throughout the week strengthened domestic political support for the Obama administration as a result.

### Geopolitical Repositioning

President Obama consulted with all G8 leaders, and Australia, and with the 10 leaders from emerging market economies, and moved everyone forward in Pittsburgh to agree on the most significant reform in the international system since the Second World War, as Gordon Brown put it. By agreeing to make the G20 permanently the “premier forum” for international economic cooperation, “the G20 eclipses the G8,” as CNN encapsulated the news in a box on the screen. “G20 Grabs Bigger Role in Global Economy” bellowed *The Washington Post* front-page headline on Saturday after the summit. Only a few weeks ago, President Sarkozy vowed to permanently establish a G14 in 2011 when France hosts the G8, and Canadian Prime Minister Stephen Harper was, and maybe still is, reluctant to convene the G20 as chair of the G8. Nevertheless, the G20 Statement indicates: “Finally, we agreed to meet in Canada in June 2010 and in Korea in November 2010. We expect to meet annually thereafter and will meet in France in 2011.”

As a consequence of Obama’s leadership, global summitry has been transformed from a parochial

Western-dominated G8 with false pretenses to act as a global steering committee, to a more inclusive, representative and now proven-to-be more effective G20 summit that restructures global leadership into a new grouping. This new grouping balances the West and the non-West into a cooperative relationship. This move, initiated by Obama, but obviously supported by the other leaders, repositions the emerging markets in the global order, providing them with visible roles in global leadership, which are more clearly defined than in other more complex international institutional reforms that are currently underway. The emergence of the G20 as the world's global steering committee is a blockbuster reform, which will now become a more powerful driver of other international reforms.

### Global Leadership and the Public Interest

The momentum for summit reform was bolstered by the success of the G20 at the leaders' level in establishing a track record in taking public responsibility for the public interest in economic recovery in the wake of the 2008 financial crisis. The London G20 Summit was clearly pivotal in laying out the pathway involving macroeconomic coordination, financial system reform, and international institutional reforms which dovetailed into an effective, concerted strategy for dealing with the crisis that affected everyone everywhere. The fact that six months later, the world economic downturn had been halted and signs of recovery were appearing, testified to the fact that the G20 acting together was able to have demonstrable effects. This evidence clearly has had the benefit of reassuring publics everywhere that someone is minding the store, there is a focal point for global leadership and that trust and confidence in markets, institutions and leadership, perhaps the most crucial ingredients in the recovery itself, are creeping back into the global economy. The G20 has been instrumental in restoring confidence by being effective in addressing the global crisis with a global response.

The elevation of the G20 to fill the void at the apex created by the lack of representativeness, legitimacy and effectiveness of the G8 acting alone, is a logical result of the critical role the G20 and G20 countries, and their leaders have played in charting a new mode of global leadership for the twenty-first century.

# NPGL SOUNDINGS SERIES NO. 4: MUSKOKA G8 SUMMIT AND TORONTO G20 SUMMIT, JUNE 2010

## OVERVIEW: STEERING INTERNATIONAL LEADERSHIP FORWARD

Colin Bradford

The key message is clear: the G20 prevails over the G8 in the public mind of G20 emerging market countries, with continuing ambivalence in public perceptions in some G8 countries. The divergence between Cameron-Harper-Merkel and the Obama administration, with support from Brazil and India, on fiscal consolidation versus fiscal stimulus, left a dominant impression of disunity among G20 leaders on fundamental issues. This, along with the delay on conclusive financial regulatory reform, which was anticipated, and discord on bank levies and transaction taxes, fed the notion that the Toronto G20 Summit was less successful than the Washington-London-Pittsburgh sequence. Except for Japan, the G20 “Framework for Strong, Sustainable and Balanced Growth” was not a visible part of the Toronto G20 Summit, nor was it a template for understanding, communicating and strategic thinking about the divergence in fiscal stances. The Canadian emphasis on implementation and assessment of the degree of follow-through on previous commitments backfired; first, at the G8, where not having met the Gleneagles commitments on development aid generated consternation in international NGO communities, and then at the G20, where there was greater focus on current tensions and future prospects, leaving “achievement” as something important to professionals but of little consequence to the larger public, and even in the opinion of the elite. These observations lead to some rather obvious conclusions, which appear at the end of this synopsis.

### The Role of the G8 in the G20 Era

The rise of the G20 seemed to be confirmed in the public media and opinion in all of the emerging market economies surveyed, and in most of the industrial countries reviewed.

*Brazil:* “Given the weakness and obsolescence of other fora, such as the UN, the G20 has emerged as the leading venue in global governance.”

*China:* “Overall, it seemed clear that China supports the G20 rather than the G8+.”

*South Africa:* “The G20 had replaced the G8 as the premier international policy coordinating forum.”

*Argentina:* “After the Pittsburgh summit, public opinion in Argentina welcomed the pre-eminence of the G20 over the G8.... There has been no coverage on the relationship between the G20 and the G8 or on the effectiveness of the G8 during the present economic crisis.”

*Mexico:* “Most of the analysis surrounding the Toronto summit also dealt with the future of the G8 and the fact that the issues the group addressed in its meeting were of less ‘consequence’ to Mexico than those on the G20 agenda.”

*Turkey:* “The Pittsburgh decision that the G20 would be ‘the premier forum for international cooperation’ was welcomed by the Turkish public — at least as far as public media commentary and elite editorials were concerned. It appears that most commentators consider the issue settled.”

*Australia:* “It is worth noting that while the political obituaries of Rudd penned to date have been quite critical, they have also stressed that one of his most significant foreign policy achievements involved his role in securing the recent elevation of the G20, which is still seen as a major win for Australia.”

*Canada:* “There was discussion on how the emergence of the G20 was sidelining the G8 and establishing a more representative forum for international economic cooperation.”

*Germany:* “There is a clear sense in the German media that the G20 has taken over from the G8 as the premier forum of global policy coordination.”

*United Kingdom:* “Post-summits, however, the mood seems to be that the G20 has ‘eclipsed the G8’” (*The Independent*) and “that if it (the G20) did not exist, it would have to be invented (*The Guardian*).”

In several advanced countries, however, there was a sense of ambiguity, reflected first by the sequence of the G8 and G20 summits organized by the host country, Canada, and then also by the ambivalence observed in France, Japan and the United States. Jacques Mistral reports that French President Nicolas Sarkozy may have

decided “to separate the two meetings” by holding the G8 in the spring and the G20 in the autumn, a major improvement over the decision by Canadian Prime Minister Stephen Harper to hold the G8 the day before the G20, giving the impression of the traditional powers making decisions before the large G20 summit taking place the following two days.

## G20 Conflict or Cooperation

Much like the run-up to the London G20 Summit when there was a major debate between the United States and the United Kingdom on one side and Continental Europe on the other about whether automatic stabilizers counted as discretionary fiscal stimulus, the run-up to the Toronto G20 Summit was characterized by a deep debate regarding fiscal consolidation versus fiscal sustainability between the United States on the one side and Germany, the United Kingdom and Canada on the other, with Brazil and India weighing in on the side of continuing stimulus to keep export markets growing. This was, without a doubt, the main storyline from the Toronto G20 Summit, just as it would have been from the London G20 Summit, if leaders in London had not trumped it with the announcement of US\$1 trillion in financing for the IMF as the fallback story. In the NPGL country commentaries on the Canadian summits, there is evidence that the divergence on fiscal policy was the dominant story in all media markets, which made the Toronto G20 seem less successful than previous G20 summits.

## The G20 Framework

Except in Japan, where “‘strong, sustainable and balanced growth’ was not unfamiliar” as a domestic political discourse, and in Australia, where there was “a degree of elite engagement with the concept of a G20 ‘Framework,’” the G20 Framework was invisible in the G20 capitals surveyed here, despite the rancorous debate about fiscal policy.

“Public engagement on the Framework is definitely not in cards, given that the elites are not focused on it,” writes Olaf Corry from London. The G20 Framework “was indeed ‘too woolly’ an issue to arouse serious interest by the business and financial communities” in Brazil, writes Georges Landau from Sao Paulo. Eser Şekercioğlu indicates that “there is little public engagement on the subject” in Turkey; and Jacques Mistral reports that there is “absolutely no reference to the Mutual Assessment Process (MAP), the framework or any institutional topic” in France. And from Melisa Deciancio, we learn that, “Given the scant coverage of the G20’s ‘Framework for Strong, Sustainable and Balanced Growth’ in Argentina, one must conclude that the details may indeed be too complex to be of broader public interest.”

## G20 Record of Achievement

The unanimous view of all of the country commentaries in this round of NPGL Soundings is that while the Canadian effort to take the issue of implementation and fulfilling summit commitments seriously had meaning to the policy makers and professionals involved, it was not an important issue in terms of the viability of G20 summits in the public mind. The public and opinion leaders seemed more concerned with content than process. While international NGOs rallied over the failure of the G8 countries to meet the Gleneagles commitments on official development assistance, there was little interest in the accountability matrix of G20 summits itemizing commitments and measuring results. It seemed that implementation was more a technical accounting exercise than a political accountability process. What this seems to mean is that while this effort needs to continue as part of the G20 work program to keep the process going, there is not an alert, engaged public “out there” eager to hold G20 leaders’ feet to the fire. Implementation seems to have little valence as a manifestation of political leadership, and may not gain much ground with public opinion as a “messaging” or summit communications strategy, either.

## Conclusions

Looking at these country commentaries and reviewing the thrust of the observations in the G20 countries surveyed in this round, several conclusions seem to be apparent.

First, leaders failed to embed their fiscal policy debate in an integrated global economy perspective, in which the real issue is whether expansionary fiscal and monetary policies in some G20 countries will be sufficient to offset contractionary austerity policies in other G20 countries. Instead, there was a push for all G20 countries to agree on the same fiscal policy path, rather than an attempt to evaluate the divergent policy preferences now within a longer-term global economy perspective.

This is both a policy and communications failure, which means it is a failure of political leadership. This must be addressed. It is not just that the public does not understand the real game of G20 summits: the G20 leaders themselves have not yet risen to the new game they are playing and grasped the significance of the difference between the larger, more diverse G20 and the smaller G8 or regional summit settings, where an integrated vision is not possible as all of the systemically significant players are not there.

Second, the utter void in the articulation of the G20 “Framework on Strong, Sustainable and Balanced

Growth” as a communications vehicle for explaining the fiscal debate and embedding it in a longer-term, more integrated framework, meshes with the mismanagement of the fiscal policy debate. The G20 Framework was precisely the communications tool that would have helped bridge the gap between deficit “hawks” and deficit “doves” and convey a sense of common strategic direction over the medium term.

This opens up an opportunity for the Korean leadership of the Seoul G20 Summit to not only focus G20 ministers and leaders on the Framework as a policy process for evaluating, adjusting and reconciling the macro-policy paths in G20 countries over the medium term, but also to get the message straight in advance of the Seoul G20 Summit in November, thereby avoiding a third recurrence of policy divergence dominating the headlines before, during and after G20 summits.

Ordinary people around the world look to political leaders to work together to coordinate their actions to both avoid another financially induced economic crisis and to steer the global economy toward recovery. The public wants to see leadership move toward a more stable and dynamic future, in which economic growth is “strong, sustainable and balanced.” The G20 Framework is not an overly complex intellectual construct. It is a strategic vision that represents the aspirations of people everywhere.

Leaders are required to act in ways that realize this vision and communicate in ways that convey it as a shared vision that is a political and policy imperative, not a fancy construct. This can be done if leaders commit to the G20 Framework and its MAP and G20 peer review as mechanisms to make it work. Once on this common path, leaders need to explain it to their publics, take ownership and use it as a tool for demonstrating leadership toward a shared common vision. Anything less threatens the stability and growth potential of the global economy and undermines the international leadership necessary to steer it forward on a sustainable and balanced trajectory.

## ARGENTINA

*Melisa Deciancio*

### The Role of the G8 in the G20 Era

After the Pittsburgh summit, public opinion in Argentina welcomed the pre-eminence of the G20 over the G8. The idea of a larger group defining the future of the global economy, including Argentina, was perceived as an opportunity for the country to gain influence in the global arena.

Little attention was paid to what happened at the Muskoka G8 Summit, as Argentina is not a member of that group. The local media did cover some of the issues of the meeting, in particular, Iran and Turkey’s nuclear plans, as this issue is closely related to Argentina’s claim that Iran is responsible for the terrorist attacks on the Israeli embassy and Asociación Mutual Israelita Argentina (AMIA) in the 1990s. Ahead of the G8 summit, Argentina had supported the United States’ proposal at the UN Human Rights Council to sanction Iran for abuses of human rights. Aside from this issue, the G8 had little impact on Argentine public opinion. There has been no coverage on the relationship between the G20 and the G8 or on the effectiveness of the G8 during the present economic crisis.

### G20 Conflict or Cooperation

The divergence between the G20 members was noted by all of the media, especially given that President Cristina Fernández has been a strong advocate on the side of those against adjustment and in favour of supporting effective demand. The discussions on whether to remain with or exit from the stimulus packages clearly divided the group. Regarding this issue, Argentina went to the summit with a specific agenda: President Fernández once again made a call for the reform of the IMF, criticizing the effects continuous adjustment policies have had on the Argentine economy, ultimately leading to the 2001 meltdown. Foreign Minister Héctor Timerman stated that such policies, “Will deepen the global crisis” and that “the people should not be made to absorb the cost of the crisis.”

One of the issues that had considerable impact on public opinion during the summit was the debate between President Cristina Fernández and French President Nicolas Sarkozy. The media — even those politically opposed to her — celebrated Fernández’s response to President Sarkozy when he pointed out that Latin American countries do not understand the pressures that Europe is currently facing. Fernández quipped that Latin American countries understand what a crisis is very well and that Argentina is very interested in the survival of the euro because the Argentine central bank holds euro-denominated reserves.

### The G20 Framework

Given the scant coverage of the G20’s “Framework for Strong, Sustainable and Balanced Growth” in Argentina, one must conclude that the details may indeed be too complex to be of broader public interest.

## G20 Record of Achievement

The limited achievement of the G20 summits, especially after the Pittsburgh commitments, was reflected in the media, but not in a strongly negative sense. President Fernández indicated her satisfaction with the summit, although no serious commitments were made. In the media, she affirmed that taken together, the inclusion of the term “decent work” and the acceptance by the more powerful countries that “one size does not fit all” and all countries need not undertake adjustment, the summit could be perceived as a success. She also pushed for the end of fiscal havens, the control of credit rating agencies and regulation of speculative capital flows. Despite the lack of progress on these particular issues since Pittsburgh, Fernández was positive that more progress could possibly be achieved at the next summit in Korea.

For Argentina, the lack of implementation is a significant issue. Most of the commitments relevant to Argentina made in the past have not been achieved, especially those proposed by developing countries and related to Argentina’s policy interests. Despite the lack of progress and the looming disagreements, there was no doubt cast on the value of Argentina’s continued participation and cooperation with other developing countries to influence global rule making.

## AUSTRALIA

*Mark Thirlwell*

Australian media interest in the G20 (and G8) summit in Toronto in 2010 was significantly lower than was the case with last year’s Pittsburgh summit. Back in 2009, news of Australia’s inclusion at the world economy’s new top table merited space on the front pages of the serious newspapers, along with plaudits for Prime Minister Kevin Rudd’s success in delivering this coup. In 2010, those same front pages have been dominated by news of a different kind of coup: the ruling Labor Party’s decision to replace Rudd with former Deputy Leader Julia Gillard.

The news that Rudd was in trouble came on the evening of June 23 and he was gone by mid-morning the following day. With 2010 already scheduled to be an election year, the story of Rudd’s fall has dominated the media, leaving little space for other issues, including international summits. The same holds true for the new prime minister’s initial agenda: Rudd’s place at Toronto was taken by the new deputy prime minister, Wayne Swan, while Prime Minister Gillard opted to stay at home: “Who needs Canada when Canberra calls,” was the headline in the *Sydney Morning Herald*.

When the summit did make the front pages, it was with reference to Australian domestic politics. *The Australian* had “Swan field coup questions” leading off a story on how Australia’s man in Toronto had to spend his time explaining to bemused foreigners what had happened to Kevin Rudd.

Finally, it is worth noting that while the political obituaries of Rudd penned to date have been quite critical, they have also stressed that one of his most significant foreign policy achievements involved his role in securing the recent elevation of the G20, which is still seen as a major win for Australia.

## The Role of the G8 in the G20 Era

Since Australia is a member of the G20 but not of the G8, it should probably come as no surprise that there was rather more interest in the former than the latter. This relative ranking of the two groupings reflected much more than Australia’s own presence, however. As Australia’s economy has increasingly become linked with the prospects of emerging Asia, in general, and of China, in particular, Australians’ views on the world economy have shifted accordingly. For example, The 2010 Lowy Institute Poll found that 55 percent of respondents identified China as the world’s leading economic power as opposed to 32 percent picking the United States, and just 8 percent choosing the European Union. A grouping that does not include China (and the other big emerging economies) is, therefore, seen with strictly limited relevance when it comes to dealing with international economic issues. Moreover, the economic relevance of the G8 economies is widely expected (by policy makers, by business and by the broader community) to continue to decline over time.

That said, there was media coverage of the G8. In particular, with the remit of the G20 still overwhelmingly economic, the press continues to pay some attention to G8 statements on geopolitical issues, such as Afghanistan (for example, “G8 tells Karzai the clock is ticking” in the *Sydney Morning Herald*), Iran and North Korea. There was also been some reporting of the G8’s shifting stance on economic issues, particularly on foreign aid.

## G20 Conflict or Cooperation

As elsewhere, press headlines from the Toronto summit concentrated on the shift to fiscal consolidation: “G20 leaders agree to rein in budget deficits,” in the *Sydney Morning Herald*; “G20 aims for fiscal balancing act amid debt fears,” in *The Age*; and “G20 leaders aiming to halve deficits,” in *The Australian*.

Below the headlines, the accompanying analysis has tended to discuss the way in which the Toronto G20 Summit had to paper over the differences between leaders on issues ranging from the pace of fiscal consolidation to bank taxes. A piece in *The Age* began by noting that, "Differences among the G20 nations on how best to tackle unsustainable debt levels without jeopardizing the global economic recovery appear to have been defused, for now," but then went on to suggest that, "post-summit comments appeared to undercut the...headline achievements...exposing again the divergent thinking among the group." Similarly, in the *Australian Financial Review*, the analysis stressed that "it is much harder to find the same consensus that underpinned coordinated fiscal stimulus when the global economy was looking into a deep abyss," although it also commented that "surprisingly enough then, leaders...did agree on a few things." A piece in *The Australian* delivered a broadly consistent assessment, noting "Issues such as a proposed bank tax and capital requirements for banks were left to individual countries to decide, reflecting widespread disagreement."

### The G20 Framework

There has been a degree of elite engagement with the concept of a G20 "Framework" — at least in the sense that the treasurer (and now deputy prime minister) and the Treasury more broadly have referred to the framework on several occasions. It has also merited the odd mention elsewhere, but it would certainly be a stretch to suggest that there has been any real public engagement with the idea in Australia.

### G20 Record of Achievement

Recent months have brought about some public discussion on what, if anything, the G20 meetings (not just of leaders but also of finance ministers and central bank governors) have delivered in practical terms, as opposed to promises in communiqués, and there are some signs of a bit more skepticism on this front, particularly now that the initial euphoria of Australia's membership in the new elite club has, to some degree, worn off.

With regard to the Toronto summit, a second theme of the analysis (along with that of disagreement over fiscal policy described above) has been the decision to postpone or delay the previously promised measures on financial reform. So, for example, the national broadcaster, the Australian Broadcasting Corporation, ran a story noting that deadlines were "slipping" on financial reform, and that there had been some "watering down" of previous pledges to turn them into more open-ended commitments.

Taken overall, the delivery of past promises is a topic that is starting to get some traction in the public debate.

### Summary

In Australia, media and public interest in the Toronto summit was much lower when compared to last year's meeting in Pittsburgh. As already noted, however, this is almost entirely a product of the dramatic domestic political developments that occurred in the days leading up to the meeting. Not surprisingly, this has squeezed the time and space available in the media, and in public debate more generally, for other issues.

## BRAZIL

*Georges D. Landau*

Brazil was distracted from the G8 and G20 summits by the 2010 FIFA World Cup and the ongoing electoral campaign (in that order of importance). Nevertheless, some articles have appeared in leading national newspapers (*O Estado de S. Paulo*, *Folha de S. Paulo*, and *O Globo*) and some think tanks, such as the Centro Brasileiro de Relaciones Internacionales (CEBRI) and the Centro de Estudos de Integração e Desenvolvimento, both in Rio de Janeiro, have devoted some discussions to these issues, under prodding from foreign foundations.

### The Role of the G8 in the G20 Era

There was scant attention given in the leading national media to the role of the G8 in the G20 era, but those analysts who wrote on the subject tend to agree that the G8 has outlived its usefulness and that the G20 is the forum of choice in which Brazil can, and does, express itself. Given the weakness and obsolescence of other fora, such as the UN, the G20 has emerged as the leading venue for global governance.

The position of the Brazilian government is that the G20 ought to supersede if not replace the G8; while this view is mostly shared by the press and academia, there is not widespread support for either among Brazilian elites. These fora are perceived to be too removed from daily realities, and aside from specialized foreign policy circles, the issues debated in Toronto failed to evoke public interest, let alone concern. When President Lula was still planning to attend, it was expected that his presence in Toronto would again catch the spotlight, but mainly because of his charismatic personality than the substance of his intervention.

In the Brazilian press, reporting on the summits was overshadowed by Lula's absence from the G20, allegedly because he had to remain in Brazil in order to monitor

emergency relief efforts for the victims of the recent catastrophic floods in the northeast of the country. In the opinion of this author (an opinion echoed by the media), this was a lame excuse — the real reason for his absence from this meeting (one he would not otherwise have missed for the world) lay in his desire to avoid criticism and backlash for Brazil's support of Iran in the matter of the UN Security Council's fourth round of sanctions related to Iran's nuclear program. However, this is mere speculation.

Brazil was represented at the G20 by the Minister of Finance Guido Mantega, who happened to already be in Toronto for the summit preparatory meetings. Mantega said that, because of the economic emphasis of the agenda, Lula's presence was not really required and that the president had "reserved" himself to attend the "political" summit of the G20, being held in Seoul next November — that is, shortly before Lula's term expires on December 31.

### G20 Conflict or Cooperation

To the extent that there was analysis in the media on the positions prepared for the G20 summit and emerging from it, the dichotomy between industrial and developing countries was pointed out, as were the divergent positions within the G8. At the Toronto meeting, the European positions on fiscal adjustment — namely, to halve public spending by 2013 — prevailed over those of the United States and Brazil.

The Brazilian media did carry news of what the president would have said in Toronto (and Mantega actually did say), that is, to exhort the developed countries to continue to expand public spending in the face of the financial crisis — which is what Lula's government did in Brazil in the context of the crisis, with positive results in the short term thanks to effective counter-cyclical policies, but questionable corollaries over the medium and long term. Specifically, Mantega said that emerging countries should not be burdened by the global recovery — advanced exporting countries should not make a severe, "draconian, exaggerated fiscal adjustment" at the expense of Brazil. This was also the gist of the president's view on the subject.

### The G20 Framework

The honest response is that the G20's "Framework for Strong, Sustainable and Balanced Growth" was indeed "too woolly" an issue to arouse serious interest from the business and financial communities. Brazil is enjoying an apparent economic boom, fuelled by domestic demand and abundant credit, and a complex subject

like the architecture for global governance is remote from current thinking of the business elite.

A few of Brazil's leading media had meaningful coverage of the summits. This reflects the Brazilian public's general lack of interest on the issues being discussed, which, momentous as they are, are viewed as arcane and esoteric by all but a few in the country's intellectual elite. News about the summits had to compete — in a country obsessed with soccer — with the World Cup and with the ongoing electoral campaign. As a result, coverage was spotty and lacked analysis of the main topics debated. The one exception was extensive coverage by *O Estado de S. Paulo*.

### G20 Record of Achievement

As noted in the previous section, this issue is of immediate interest to only a select group of diplomats, technocrats and a few academics, and has not reached the wider public. While some think tanks, like CEBRI, have focused on G20 issues, the public at large seems unconcerned. This is likely to remain the case as long as the domestic boom prevails.

## CANADA

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*Andrew F. Cooper*

Given that Canada hosted this year's G8 and G20 summits, the Canadian media took a particularly in-depth interest in the summits. The Canadian connection to the elevation of the G20 to the leaders' level was a focal point of discussion leading up to the summits. Former Prime Minister Paul Martin was widely cited and interviewed regarding the G20 process and its evolution. Canada's ability to influence the agenda for international cooperation was also examined.

With the G20 summit being held in the downtown of the country's largest city, Toronto, pre-summit stories covered various logistical issues from road and access closures, to the shutdown of major arts and cultural attractions, and the shift of a Major League Baseball series from Toronto to Philadelphia. Pre-summit coverage also focused on the impact on Canadians in general, with questions relating to security and summit spending highlighted in media coverage.

When the summits drew near, and once they began, the media increased its coverage of the substantive issues surrounding the weekend's meetings.

## The Role of the G8 in the G20 Era

Canada's role in hosting the first, and possibly last, dual summit gained traction in the mainstream press. Coverage focused on the complimentary role of the G8 and G20 summits, with questions asked about the need for both forums. Attention was focused on the differentiation between the two forums as well as the role of the G8 in the G20 era. Canadian Prime Minister Stephen Harper's maternal health proposal, the Muskoka Initiative, drew mixed reviews, but was presented as a means of reinforcing the role of the G8 moving forward.

Reviews were mixed, however, concerning the need for the G8 to continue. Attention was paid to the move by G20 countries to insert themselves into the process, while the G8 countries attempted to maintain their traditional positions. There was discussion on how the emergence of the G20 was sidelining the G8 and establishing a more representative forum for international economic cooperation. Differences between the two summits and the member countries remained a topic of discussion, but attention was also given to whether or not the enlarged G20 forum was even adequate for legitimately and effectively managing the global economy.

### G20 Conflict or Cooperation

The number of different voices within the G20 provided room for debate about how the forum members would work with one another. Various levels of divergence were cited, as was a lack of consensus on key issues. Prime Minister Harper was cited as helping to manage these disagreements and advance his agenda. Compromises between the various positions were regarded as proof of the success of the summit. The need for maintaining solidarity and overcoming differing positions was seen as a crucial test for the G20 in the future. The Toronto summit was viewed as a successful example of overcoming these differences and working towards greater compromise. Fears of a possible double-dip recession or another financial crisis were mentioned as the impetus for causing the G20 leaders to overcome their internal disagreements and stabilize the economy.

While supportive of the G20 leaders in their efforts to achieve compromise, the media also focused on the different positions and interests of the United States and China. For its part, China was viewed as a "winner" at the summits as its pre-summit currency announcement allowed it to avoid criticisms and "fly under the radar." This move by the Chinese was welcomed by both the Canadian media and the Canadian government. Media focus was also given to how national interests seemed to trump international cooperation.

## The G20 Framework

Much of the media's attention on outside engagement was concentrated on the G20 protests that became violent in downtown Toronto. Given that this level of protest and violence had not been seen before by the largely Toronto-based media, they gave prominent billing to the action in the streets. These G20 protests in the host city received negative criticism and, for a good part of Saturday, the violence and protests overshadowed the summit itself. Questions were levied against Prime Minister Harper because of the summit fallout.

Amidst this landscape, the media also gave attention to the voices that were excluded from the summit process itself. Criticisms were leveled that charities, NGOs and other activist groups were unable to give their voice to the discussions and receive attention from the media. The media also provided coverage of alternative summits, including the G(irls) 20 Summit, which sought to promote greater female involvement and perspective in the world's problems, and the G20 Young Entrepreneur Summit.

Focus on the policy work at the summit itself was centred on progress towards greater financial reform. Attention was given to the business community's reaction to the summit. Coverage recognized that the G20's work towards attaining sustained and balanced growth was not over, but that the Toronto summit seemed to be a positive step forward. Room was also given to dissent and criticisms of the G20 leaders. Analysis of how various countries approach and affect the global economy was also provided. Much of the technical discussion on the G20 agenda was overlooked in favour of discussion on national accountability for the summit commitments.

### G20 Record of Achievement

Despite the summit's unprecedented costs, the Canadian media agreed that the summit process is a worthwhile endeavour. Accountability remained a priority for the Canadian media, though, as coverage focused on the need for Prime Minister Harper to ensure the effectiveness of the summits. One newspaper commentator went so far as to outline what would happen at a "successful summit." The media provided coverage of the leaders' concerns over accountability, at both the G8 and the G20. Efforts made by G20 leaders to ensure that transparency and credibility are addressed were welcomed.

## CHINA

*Lan Xue and Yanbing Zhang*

### The Role of the G8 in the G20 Era

The Chinese media adopted three approaches in reporting about the recent Canadian summits: general reports about the news related to the summit events, follow-up analysis and reports of media reports from other countries. They focused mainly on three themes: President Hu's formal state visit to Canada; the G20 summit; and the meetings President Hu had with the leaders of Canada, the United States, the United Kingdom, Russia, Japan and South Korea. There were no detailed reports about the G8 summit in the mainstream media (such as Xinhua News Agency, China's state news agency), nor could one find any analysis of the relationship between the G8 and the G20. However, some Hong Kong and Shanghai newspapers did discuss the G8 and G20, arguing that the G8 was the old global governance mechanism and the G20 was the new one, and it would take time for the new system to replace the old.

There were also some interesting reports about the attitudes of foreign governments toward the G8 and G20. First, at the G8 summit, Japan made an informal proposal to invite China to join the G8. Second, the United States may want the G20 to become only the centre for global economic governance, but Europe hopes the G20 will become the committee to govern all global issues. Third, after the G8 summit, the Chinese media reported that Canadian Prime Minister Harper accepted that, as far as global economic decision making was concerned, the G8 was in decline and the G20 should take on more responsibilities.

Overall, it seemed clear that China supports the G20 rather than the G8+. According to Mr. Yang Jiechi, China's foreign minister, China believes that this G20 summit was successful and will try to work with other countries to make the G20 a real platform for international economic cooperation.

### G20 Conflict or Cooperation

It should be mentioned that the G20 has still not captured the attention and imagination of the general public in China. Reports on the G20 did not appear on front pages of the media. At the same time, scholars and policy analysts are paying close attention to the G20 and have provided many commentaries to the news media.

There were many reports concerning the divergent and convergent views at the Toronto G20 Summit in

the Chinese context. It was quite clear, however, that the former was much more prevalent than the latter. It seemed as though there were several deep divergences among G20 countries on the key issues, and convergence only existed on some general principles — for instance, consolidating global economic recovery, opposing protectionism and promoting economic growth.

China's media mainly reported on two big divergences at the G20 summit. One was the different views between the United States and Europe on stimulus policy. According to their reports, the United States wants to maintain stimulus in order to promote growth, but Europe hopes that stimulus policies will be ended soon to save the euro. The other divergence concerned bank taxes. The United States and Europe support a global bank tax, but countries such as Canada, Japan, Australia, China and India do not accept this idea.

Compared with the previous three G20 summits, the reports on the outcome of the Toronto summit were less optimistic. After reviewing these reports, it was difficult to perceive how "equivalence, consistency and cohesion" were achieved and communicated at this G20.

### The G20 Framework

There was no detailed report explaining what this G20 framework is in the Chinese context. The only reference to the G20 framework was President Hu Jintao's three suggestions concerning this framework — namely, making the G20 the centre of global economic governance, building a new and fair international financial system and defending the global free trade system. According to some analysts, the first suggestion implies there is a need to establish an effective operating mechanism for the G20. Otherwise, the G20 will not be able to play the role people envisioned.

### G20 Record of Achievement

The Chinese media gave quite a positive interpretation of the achievements of the previous three G20 summits. The Washington summit was described as the starting point of reforming the international financial system, the achievements of the London summit were summarized as providing funding to the IMF and enhancing financial regulation and the achievements of the Pittsburgh summit included the consensus among G20 countries on reforming the international financial system and the institutionalization of the G20 as the premier forum for international economic cooperation.

The Toronto summit was defined by the Chinese media as the first G20 summit after the G20 was institutionalized in Pittsburgh. As mentioned above, although there

were many reports on the divergent views among G20 countries at this summit, China's official media gave a very positive evaluation of the Toronto summit, stating that it was a success. Xinhua News Agency declared that the Toronto summit was successful as the G20 worked to achieve the commitments made at the last three summits in addition to creating a timetable for reducing the global deficit and IMF reform, and opposed protectionist measures. More importantly, the Xinhua News Agency argued that the G20 — as a new institution — will be helpful in facilitating reforms of the World Trade Organization, IMF and World Bank, which have been used by the developed world to govern the world economy. In general, within the G20 framework, developing countries, including China, will play a more important role in world economic cooperation.

## FRANCE

*Jacques Mistral*

### Political Context in France

There are three elements worth noting regarding the present political context in France. First, the European sovereign debt problem has been the major issue of the first half of 2010. It has attracted a lot of attention, energy and frustration. The usually positive inclination toward international cooperation has been damaged by the chaotic process of designing the rescue mechanisms. Expectations regarding Toronto are, consequently, lower than one year ago. Second, a series of ministerial blunders (regarding personal benefits garnered from official positions) have raised suspicion and probably tarnished political initiatives; President Sarkozy was questioned about these issues in Toronto. Third, the "ignominious" defeat of the French soccer team in South Africa was the subject of every news story and discussion. The president has even called for a major initiative to rejuvenate French soccer. Attention to the

G8 and G20 summits in Canada and their results were, consequently, significantly lower than last year.

### The Role of the G8 in the G20 Era

France has always been proud to be part of the G8 (from its beginnings as the G6 and then the G7). Last year, however, it welcomed the creation of the G20 as the "premier forum for international cooperation." The G8 meeting this year in Huntsville was, consequently, largely overshadowed by the G20. The disappearance of aid to Africa as a specific common goal, despite the fact that industrialized countries have only implemented half of the commitment made in the Gleneagles Agreement, was frequently cited as a failure of international cooperation. Nonetheless, a few commentators have adopted a different vision: facing the disappointment of big, divided and largely unproductive G20 meetings, "Westerners could rediscover the virtues of the G8." The president was quoted as saying that the G8 "really is a family with common democratic values." As the 2011 chair of both the G8 and G20, it is believed that President Sarkozy will separate the two meetings, with the G8 held in the spring and the G20 in the autumn.

### G20 Conflict or Cooperation

Neither — there was no major conflict, rather there were soft compromises, but there was no cooperation either, with each nation following its own route. News about divergent views between the United States and Germany regarding stimulus measures versus fiscal austerity have been regularly popularized in France, as they were a part of the intra-European discussion about tax measures. The extremely balanced wording of the communiqué was greeted as a perfect diplomatic success — with a positive note, possibly due to our own intermediate position: France is not under financial stress. The government, however, does need to be prudent, but we do not want to push the economy into a double-dip recession. The lack of cooperation on international financial regulation is disappointing, although it is understood that major decisions and outcomes are expected at the fall Seoul G20 Summit. On the other hand, the anticipated US adoption of legislation on financial regulation reveals that Europe is not doing enough on this issue, one in which the old continent was initially more aggressive. The absence of any reference to Doha was also frequently considered as a step in the wrong direction (or at least as bad news).

### The G20 Framework

The G20 "Framework for Strong, Sustainable and Balanced Growth" was a greatly debated issue last year. It is, therefore, surprising to see that there were so few comments devoted to this issue following the Toronto

summit. In the media, there was absolutely no reference to the MAP, the Framework or any institutional topic. In contrast, many specifically national or bilateral issues were given attention, including the fact that Canada was proud of its banking sector; that Ms. Merkel had successfully proposed a conceptual innovation (“growth-friendly fiscal consolidation”); that the United States was the only OECD country without any serious consideration to fiscal consolidation; and that the special relationship between the United Kingdom and the United States was now less special. The two major — but unelaborated — elements related to institutional issues were that Chinese President Hu Jintao, first, had made a successful case for not mentioning the exchange rate regime revision as an international issue, and second, had made a strong impression when presenting his views, in simple terms, concerning the need to reform the architecture of international governance. The French president was said to have supported his views on the need for reform.

## G20 Record of Achievement

Given the above, the performance of the G20 in Toronto was low among French political priorities. Ahead of the Toronto summit, news coverage on summit preparations had reasonably maintained expectations at a low level. The results were in line with expectations — no news. Surprisingly enough, this did not fuel an exaggeratedly negative response; there was a sentiment that specific routes for budget policies are an appropriate compromise and that financial regulations are hard to negotiate. The main conclusion has been: wait for the autumn... and for the 2011 chair. Could it be that some “sources” sometimes expressed satisfaction that there is still much to be done next year?

## GERMANY

Thomas Fues

### The Role of the G8 in the G20 Era

There is the clear sense in the German media that the G20 has taken over from the G8 as the premier forum of global policy coordination. Typical headlines have included: “How the G6 turned into the G20”\* (*Aachener Zeitung*, June 25, 2010) and “From G8 to G20” (*Frankfurter Allgemeine Zeitung*, June 26, 2010). The G20 is generally perceived as the relevant addressee for key German and European proposals on a global tax on financial transactions as well as a worldwide levy on banks.

The G20 is seen as focusing mainly on economic and financial issues; however, the G8 still draws considerable attention as a platform for like-minded industrialized

countries to align their positions on critical foreign policy challenges — for example, North Korea and Iran, on which the G20 definitely would not be able to reach a consensus (*Spiegel Online*, June 26, 2010; *Die Zeit Online*, June 26, 2010). The German public also turns to the G8 in reference to global development and poverty alleviation. German newspapers have extensively covered reports from international NGOs that document how G8 countries have reneged on their promises towards the developing world (*Sueddeutsche Zeitung*, June 26, 2010; *Frankfurter Rundschau*, June 26, 2010). Responding to public concerns, the German government is apparently involved in an initiative with South Korea to establish a G20 working group on development. If successful, this would further strengthen the effectiveness and legitimacy of the G20, possibly rendering the G8 redundant at a later point in time.

Public opinion in Germany on the future of the G8 — its present reach confined to foreign policy and development — is divided. Some influential media want to hold on to the old format, as the G20 is judged to be too heterogeneous and unwieldy for meaningful consensus, as *Handelsblatt Online* (June 26, 2010) stated, “those declared dead often live longer.” In contrast, an editorial from the *Financial Times Deutschland* (June 26, 2010) opined that the G8 is not really needed any longer since the development budgets of industrialized countries are shrinking anyhow, and foreign policy coordination can be handled without costly and time-consuming summits.

There is also a uniform trend in the public debate that acknowledges the disempowerment of the G8 in economic and even foreign policy arenas, which might eventually lead to open rivalry between the UN Security Council and the G20 (*Die Welt*, June 28, 2010). According to this view, member states may find it preferable to turn to the G20 as a flexible, informal forum for the representation of national interests, one that is not constrained by the rigid modalities of UN decision making. Germany, in particular, may be inclined to focus on the G20 rather than on the UN Security Council, where it lacks influence. A different perspective is articulated by one of the most influential daily newspapers. *Sueddeutsche Zeitung* (June 28, 2010) recognizes a new momentum for the reform of the UN Security Council emanating from Toronto. A special European summit will try to define common positions on strengthening the UN and on collective regional representation in the UN Security Council.

### G20 Conflict or Cooperation

The main thrust of G20 coverage by German media before the Canadian summits emphasized the deep divisions on key economic issues between Germany

and most European countries on one side, and other member states on the other: "Conflict will be everywhere in Toronto," (*Spiegel Online*, June 25, 2010). Chancellor Merkel was portrayed as the most prominent adversary of President Obama in her insistence on budgetary restraint over further stimulus measures. In referring to his country's traumatic historical experience with excessive deficits and high inflation, German Finance Minister Wolfgang Schäuble had criticized the United States with unusually harsh wording: "Governments should not become addicted to borrowing," (*Handelsblatt*, June 25, 2010). In coverage of the event, German media seem relieved that the transatlantic confrontation that was initially feared did not materialize. The summit document's non-binding commitment towards halving budget deficits by 2013 was widely interpreted as an unexpected victory for Merkel, though commentators assume that states will renege on implementation (*Frankfurter Allgemeine Zeitung*, June 28, 2010). The rejection of the German-French proposal for a global tax on financial transactions and of the worldwide levy on banks supported by European and other countries did not come as a surprise to informed observers. German media now expect an initiative at the European or Eurozone level and hope for later support from other continents (*Frankfurter Rundschau*, June 28, 2010).

Notwithstanding the extensive disagreements, German media still views the G20 as an indispensable platform for global policy coordination, which just needs more time to develop effective mechanisms for working in concert with the rising powers of the South. The initial period of trust building with only limited agreement is seen as a necessary investment for future convergence (*Die Welt*, June 28, 2010). *Frankfurter Allgemeine Zeitung* (June 28, 2010) identified the lack of willingness by industrialized countries to listen to rising powers as the most serious danger for the G20. This clearly goes against European intentions for strong banking regulation and a tax on financial transactions. One could read from the statement a certain satisfaction that the European aspiration for comprehensive global economic governance will continue to be frustrated by the free market leanings of powerful developing countries.

### The G20 Framework

German media generally expect the G20 to assume responsibility for global well-being and to support the provision of global public goods. However, the "Framework for Strong, Sustainable and Balanced Growth" did not, to the knowledge of the author, receive any explicit coverage during the Toronto summit. This may be explained, in part, by a growing uneasiness among public observers about lofty declarations that are not translated into meaningful political steps. Critical

voices in the media predict the return of neo-liberal ideas: governments are not getting serious about the regulation of the banking sector and are beginning to cut budgets at the expense of the poor, with the aim of strengthening global competitiveness (*Frankfurter Rundschau*, June 28, 2010). More mainstream commentators have sharply criticized the missed opportunity for effective financial regulation, without which the systemic crisis will deepen in the years to come (*Handelsblatt*, June 28, 2010; *Financial Times Deutschland*, June 28, 2010).

### G20 Record of Achievement

German media have, so far, paid little attention to the implementation record of the G20. This may be explained to some extent by the view that the new summit architecture still needs more time to deliver on its pledges. However, the Toronto Summit Declaration was received with reservation, due to a diffuse distrust in the G20's implementation effectiveness. The *Sueddeutsche Zeitung* is an exception in this regard, giving a detailed account of implementation progress on past G20 decisions. The paper's overall assessment comes across quite positively: "At the technical level, which is more important than political disagreements, many innovative G20 ideas have already been put into practice" (June 23, 2010).

\* All translations are the author's own.

## JAPAN

*Ryozo Hayashi*

### General Observations

During the Toronto G20 Summit, the front page headlines in Japan concerned big national political and social events rather than the summit proceedings. The upper house election is scheduled for July 11 and is expected to be a close call, with the possibility of a coalition change. In addition, the first meeting between Prime Minister Kan and US President Barack Obama captured more editorial attention than the summit itself, as the deterioration of US-Japan relations significantly contributed to Prime Minister Hatoyama's resignation. Furthermore, the unexpected success of Japan's soccer team in the FIFA World Cup occupied many pages in the major newspapers. Sumo wrestling scandals were also bigger issues for the public than summit meetings.

### The Role of the G8 in the G20 Era

A few commentators described the confusion over the role of the G8. Canada, as the chair, tried to make the

G8 summit in Huntsville a meeting focused on political issues, while promoting the G20 as the supreme forum for global economic policy. However, economic policy was the major agenda item discussed by the heads of G8 nations.

While the limitations of the G8 were being widely recognized, Prime Minister Kan suddenly raised the idea of inviting China to G8 meetings, without any previous internal discussion. His remarks, however, reflect general perceptions among Japanese intellectuals. It is expected that the confusion over the role of the G8 in the G20 era will continue for some time.

### G20 Conflict or Cooperation

The big players at the summit were the United States, the European participants (Germany, France and Britain) and China. Other players, besides Canada, did not appear in the Japanese media. On the central issues — financial discipline and economic stimulus, external imbalance and exchange market flexibility and regulation of financial institutions — important differences and conflicts were reported by the media. Japan's exemption from the common numerical target in fiscal discipline was commented on from various perspectives, including: relief for Kan, the seriousness of the Japanese situation, and the expectation of other members for the continuous expansionary economic policy. Chinese manoeuvres on the currency issue were viewed as skillful, but were understood to be interim solutions. The deep conflicts, for which an ideal solution has yet to be found, remained untouched. In the area of financial regulation, the real problems were left for the Bank for International Settlements meetings.

In the end, the summit put forth a show of cooperation (as is usually done), but the wider perception was that any inclination towards real policy coordination has weakened as the crisis level has lowered. The political show for Japanese domestic consumption occupied centre stage. The summit results contained in the Toronto Declaration were essentially the simple accumulation of what had already been decided nationally.

### The G20 Framework

The phrase, "strong, sustainable and balanced growth" was not unfamiliar — Japan has been struggling to achieve this for more than a decade. Prime Minister Kan's economic policy for the election campaign is: "Strong economy, strong fiscal policy and strong social welfare." These catch phrases and directions were understood, but the important details behind implementation were not at all clear.

In general, the Toronto summit engaged the interest of the elite. The outcomes of the summit will not affect the upcoming election results, even though fiscal discipline is the central theme of the election. While the importance of summit meetings was recognized, they are still essentially remote and technical events that are only a part of the background chorus.

### G20 Record of Achievement

The media paid very little media attention to the G20's record of realizing past summit commitments. Similarly, there was not a lot of media attention on the G8 in Huntsville, with some exceptions. The usefulness of continuing anti-protectionism commitments was recognized. It was accepted, unsurprisingly, that there were no new developments regarding the current World Trade Organization negotiations or on the global warming front.

## MEXICO

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*Andrés Rozental and Carla Angulo-Pasel*

There was considerably more media coverage in Mexico of the Toronto summit than for the previous G20 gatherings. This may have been due to the excitement surrounding the exaggerated organization costs and the protests that took place, which made the summit a more interesting "story." During the summit, several newspapers focused on the high level of violence during the protests, which led to hundreds of arrests. However, once the summit concluded, the summit was also thoroughly analyzed by several major media outlets. A couple of newspapers sent reporters to cover the events, although, as is usual, limited press access made them rely on releases from President Calderón's office.

However, President Calderón did not stay in Toronto for more than 24 hours. The persistent domestic violence over the weekend, the upcoming state elections on July 4, 2011, and the assassination of an Institutional Revolutionary Party gubernatorial candidate, Rodolfo Torre Cantu, in the state of Tamaulipas, on June 28, distracted media attention from the summit.

### The Role of the G8 in the G20 Era

The majority of the media coverage in Mexico on the summits referred to both the G8 and G20 and their agenda items simultaneously, treating it as one summit rather than two separate and distinct summits. Most of the analysis surrounding the Toronto summit also dealt with the future of the G8 and the fact that the issues the group addressed at its meeting were of less "consequence" to

Mexico than those on the G20 agenda, with the exception of climate change, an agenda item for both summits. As Mexico will host the sixteenth Conference of the Parties (COP 16), the next major meeting of the UNFCCC, the media reported that President Calderón's presentation to the G20 leaders highlighted both the advances made and the challenges remaining for the meeting being held this November in Cancún (*La Crónica*).

More specifically, reports claimed that Calderón called on G20 leaders not to be distracted from the climate change challenges because of the global financial crisis: "The difficulties of the global economy should not divert attention away from a problem which will not give the world a second chance: global warming," he noted (*El Universal*). His speech appeared to be aimed at the developed nations, which, according to Calderón, must produce stronger, more measurable commitments in order to reduce their emissions. He called on leaders to create concrete policies rather than merely advancing good political will and to establish a new mechanism to facilitate the transfer of sustainable technologies from developed to developing countries.

## G20 Conflict or Cooperation

Most of the substantive media coverage dealt with the two main issues at the summit: deficit reduction and banking regulations. On both topics, the Mexican press emphasized the serious divisions between the United States and European countries. The disagreement between the United States — who encouraged more fiscal stimulus — and the Europeans, primarily led by Germany — who preferred deficit cuts, financial consolidation and structural reforms — led the Mexican media to compare the outcome of this summit to previous G20 summits, where there was definitely more unity among the leaders. At the Toronto G20 Summit, leaders publicly declared their differences and the final declaration allowed each country to adopt its own individual policies (*Milenio*).

## The G20 Framework

Media attention was primarily given to the successful measures Mexico is implementing to achieve a stable economy. Specifically, media coverage centred on the press conference where Secretary of Treasury Ernesto Cordero indicated that Mexico has taken the G20 Framework very seriously by executing several measures to promote economic growth and sustainability. Mexico agreed with the European and Canadian positions of reducing deficits and implementing structural reforms. Still, as an emerging economy, Mexico is especially worried that, without certainty in the global economy and EU countries not being able to keep "their houses

in order," Mexico and other emerging economies would suffer serious consequences (*El Economista*). In order to mitigate the potential impact of the economic uncertainty in Europe, Cordero announced that Mexico has accumulated more than US\$100 million in international reserves (a record for the country).

Cordero was also quick to point out that the Mexican economy is faring much better than other G20 countries, which are struggling with considerable debt. The Mexican economy is expected to grow between 4 and 5 percent this year. Mexico has also fared well by implementing several structural reforms, such as increasing its infrastructure investment, with the ultimate goal of accelerating this type of investment to approximately 3 to 5 percent of the GDP. Similarly, the country has instituted fiscal changes that have increased public revenue by 3 percent of the GDP and has liquidated public companies that were losing money (*El Universal*).

## G20 Record of Achievement

A reporter from *El Universal* wrote an opinion piece discussing the G20 as being less elitist and therefore more representative than the G8, since the G20 represents 85 percent of the world's GDP. Nevertheless, the piece also referenced the results of the summit as more "rhetorical than substantive," especially given the voluntary commitments in the G20 Toronto Summit Declaration.

It was mentioned several times that the G20 did not tackle other burning global issues in any depth or detail, but, by and large, the coverage was primarily positive. *El Universal* reported that, in general, Mexico was satisfied by the G20's final declaration, making sure to emphasize, however, that these agreements should not be detrimental to Mexico's economy, that countries such as Britain and Germany should seriously analyze the implications of their policies and, lastly, that Mexico wants developed countries to further open their markets to emerging economies.

There was a generous amount of coverage given to the formal announcement in Toronto that the 2012 G20 summit would be hosted by Mexico.

## SOUTH AFRICA

*Peter Draper*

### The Role of the G8 in the G20 Era

*The Times* newspaper\* had coverage of the G8 and G20, but only in the context of increased African representation in the latter. The main thrust was on the reform of representation in these two forums.

On June 28, *Business Day*, the premier business paper, unequivocally stated as a matter of fact that the G20 had replaced the G8 as the premier international policy coordinating forum. While mention of the G8's hand in global financial reform was made through a statement that German President Merkel had lobbied her G8 counterparts to pursue solid fiscal policies, the paper clearly relegated the G8 to security issues. This was evident in the way the two summits were reported: the story on the G20 was more prominent and focused on financial reform, while the G8 story appearing on the same page focused on security issues, particularly the sinking of the South Korean warship, allegedly by North Korea.

Both papers failed to shed any real light on the relationship between the G8 and the G20, although *Business Day* did make a clear declaration as to the status of the two with regard to international policy issues.

On June 29, *Business Day* had several articles on the G20, but none of them touched on this issue. One can assume that the G8's relevance has been decidedly downscaled by the paper, and they find it more worthwhile to report on the G20. The June 30 edition of *Business Day* also reported on the G20, but there was nothing on the role of the G8.

## G20 Conflict or Cooperation

The *Business Day* report of June 28 magnified the level of conflict within the G20 by referring to the deal struck on endorsed targets as a "tightrope deal," illuminating the extent of divergence and pointing to a potential unravelling of the deal in the future. The article exposed the divergence of opinion between developing and developed countries, with reports of developing countries, such as Brazil, condemning the deficit targets in the final deal as being "draconian," "difficult" and "exaggerated." Probably unintentionally, the article suggested that the biggest gap to be bridged was the one between the United States, who favoured growth, and Europe, who favoured budget cuts. In essence, the core of the story was the divergence among the G20 countries and the uneasy deal that was struck at the Toronto summit.

*Business Day* continued with this line of reporting in the June 30 edition. Although the stories carried in this edition had different angles, at the core of each story was the G20 leaders' failure to reach consensus. By implication, the level of disagreement has to be a judgment on the failure of the summit, although this is not stated outright in any of the articles. An *Engineering News* article on the value of the G20 also exposed the rifts among the G20 countries, portraying them as irreconcilable.

## The G20 Framework

*The Times* made no mention whatsoever of the Framework specifically. References are made to economic growth, but they are in the context of President Zuma's report on South Africa's position at the summit. The question of how this relates to the Framework is not covered, as the Framework itself was not mentioned.

A similar analysis can also be applied to the three post-summit editions of *Business Day*. Although references are made to economic growth and recovery, there is no specific mention of the Framework and any connections to the Framework have to be drawn from the reader's own prior knowledge.

Overall, both outlets clearly decided not to concentrate on the technicalities of the summit, instead choosing to concentrate on what they perceived to be contentious issues — that is, those that were "newsworthy." The articles do not offer much knowledge to the reader and presuppose the reader's familiarity with the minute details of the G20.

## G20 Record of Achievement

The main thrust of *The Times* article, which relays the positions of President Zuma and the South African government, was on the need for equal representation at the G20, while *Business Day* focused on divergence in policy options for growth and recovery at the G20 summit. The G20's record of achievement in relation to the Canada summit did not receive any coverage.

On the other hand, the stories carried by *Business Day* on June 29 seemed to stress that the G20 had not achieved anything at this summit, compared to other summits; the judgment on achievement was focused more on the Toronto summit than on the G20's general record of achievement. The Toronto summit was condemned for the lack of a "decision" in its declaration. In all four articles related to the G20 in the paper, the leaders were criticized for failing to engage in frank dialogue and come up with decisive measures going forth. The key to this criticism lay in the G20 decision to agree to disagree. Although the G20's record of achievement was really a non-issue, the style of reporting would seem to suggest that past summit decisions, as opposed to achievements, have been very laudable.

*Engineering News* reported on June 28 that analysts are becoming increasingly skeptical of the G20's role as the manager of the world economy and, in general, the article cast doubt on the continued viability and sustainability of the G20. The article posited that the Toronto summit highlighted issues that have long

remained unresolved, leading to the assumption that the G20 has a record of failure.

## General Observations

Three observations come out of the articles consulted:

1. The Toronto G20 Summit was perceived by the media to not have achieved much;
2. The publications all agreed that the conflict or divergences among the members seem to have been more sharply exposed at this recent summit; and
3. The media was not largely concerned with the technicalities and minute details of the G20, such as the Framework, preferring to focus on issues that were more “newsworthy,” notably disagreement among the members.

\* The papers referred to above are: *Business Day*, June 28, 2010, p. 6; *Business Day*, June 29, 2010, p. 2–3, 5, 8 and 10; *Business Day*, June 30, 2010, p. 2; *The Times*, June 28, 2010, p. 12. Other newspapers consulted include *Business Report* (no coverage) and *The Mail & Guardian* (Friday edition — no coverage). *Engineering News*, an online news service, also had a story available at: [www.engineeringnews.co.za/article/do-little-g20-summit-leaves-markets-unperturbed-2010-06-28](http://www.engineeringnews.co.za/article/do-little-g20-summit-leaves-markets-unperturbed-2010-06-28).

## TURKEY

Eser Şekercioğlu

### The Role of the G8 in the G20 Era

The Pittsburgh decision that the G20 would be “the premier forum for international cooperation” was welcomed by the Turkish public — at least as far as public media commentary and elite editorials were concerned. It appears that most commentators consider the issue settled. There was little coverage concerning the timing of the G8 and G20 summits. The media coverage leading up to the summits was mostly centred on the bilateral meetings arranged by Turkish Prime Minister Recep Tayyip Erdoğan. Only a couple of influential columnists voiced their preference for the prominence of the G20, expressing that the G20 Framework was important to coordinate the global economic recovery. Nevertheless, the coverage on the relative importance of the G20 vis-à-vis the G8 was markedly weaker than during Pittsburgh and London summits.

### G20 Conflict or Cooperation

About a week prior to the Toronto summit, news concerning signs of discontent among the G20 members began to circulate in the Turkish media. First, a message from the US secretary of the treasury, Timothy Geithner — warning that the world should not look to the United States for solutions anymore — found its place in the financial pages. Second, a few influential papers covered the pre-summit disagreement between US President Barack Obama and German Chancellor Angela Merkel on how best to reform the financial sector.

During the summit, Geithner’s criticism of the European Union and Japan’s export-led recovery strategies and Brazilian Finance Minister Guido Mantega’s comments about the United States and Europe’s focus on austerity measures instead of stimulus, strengthened the sense that the Toronto G20 Summit lacked the cohesion and unison exhibited earlier in Pittsburgh and London. The pre-summit coverage on conflicts among members was reinforced by the early post-summit coverage: influential papers focused on the decision not to impose a common plan on financial reform, allowing countries to deal with the banking system at their own pace. Market commentators welcomed this development with tongue-in-cheek approval.

While any drastic decisions would likely have shocked the market, and general commentary was positive, several pundits pointed to the lack of unison among the more influential members of the G20. In general, however, disagreements between the European Union and the United States on one side, and the developing-country members who depend on exports to them on the other, were lost in a crowded agenda of domestic as well as international issues. Turkey and Brazil’s concerns over how austerity measures and recovery plans that rely on cuts in public spending will affect their export markets could have been an especially important topic of focus.

### The G20 Framework

The Turkish media — in terms of news coverage, commentaries and editorials published — has a rather superficial approach to international economic problems. G20 meetings and the role of the G20 are not discussed, even in a semi-scholarly fashion. While media commentators are positive about the willingness of G20 members to make the G20 the premier forum for international economic cooperation with their “Framework,” there is little public engagement on the subject. In the last month, the public’s focus has shifted to the increased terrorist activities of the Kurdish separatists — resulting in several military and civilian deaths in recent weeks — and the brewing conflict

with Israel over the humanitarian aid flotilla bound for Gaza. This was reflected in the summit coverage as well. Erdoğan's meeting with President Barack Obama and their correspondence on Turkish-Israeli relations have generated more coverage than the summit itself. Significantly, most of the summit-related news was found in the financial pages, while coverage of the Erdoğan-Obama meeting and anti-globalization demonstrations appeared on the covers. In contrast, during the London G20 Summit, related news could be found in the political pages and produced commentary from a wider range of commentators.

## G20 Record of Achievement

Oddly enough, the Turkish public has yet to rate the performance of the G20. In this commentary and the previous installments, the low levels of public engagement in Turkey have been stressed. For average Turkish citizens and therefore those commentators who address the Turkish public, the G20's performance and ability to deliver on its promises is very low on the priority list. Although the G20's ability to make and implement decisions is likely to have significant effects on the economic recovery, there is little public interest in the G20. The prices at the marketplace and availability of jobs seem to be practical problems far removed from the technical and complex world of policy coordination at the international level. The relatively smooth and unexpectedly swift recovery of the Turkish economy (as far as macro-level indicators are concerned) has likely contributed to the lack of scrutiny on the part of media pundits as well. With the more immediate and important issues of increased insurgent activity in southeastern Turkey and the crisis with Israel, it is not surprising that the G20 does not occupy a more prominent place in the Turkish public's collective mind.

## UNITED KINGDOM

*Olaf Corry*

### The Role of the G8 in the G20 Era

Initially, reporting concentrated on the new prime minister, David Cameron (the self-declared "new kid on the block"), and his debut appearance at the G8 and G20. This overshadowed reflections on the institutional design itself. The G8 and G20 were reported in unison; the G8 flowing apparently seamlessly into the "wider" G20. For some, there was parity between the two; neither was billed as "the real one." Post-summits, however, the mood seems to be that the G20 has "eclipsed the G8" (*The Independent*). There was commentary that if it did not exist, it would have to be invented (*The Guardian*), due to the financial crisis and

rise of new economic powers. On the other hand, there were views that both forums are "talking shops" that need to be scaled down.

David Cameron's criticisms of summitry were widely reported, appearing as globalized versions of his attacks on what he sees as bloated, unfocused and bankrupt government at home. *The Guardian* reported on Cameron's pre-summit article in *The Globe and Mail*, in which he signals a skeptical tone, arguing, "too often these summits fail to live up to the hype and to the promises made." The tabloid, *The Sun*, ran the headline, "Cam demands action not talk."

This was interpreted as a shot at his predecessor, Gordon Brown, who apparently "used such summits to launch headline-grabbing ideas that often did not bear fruit" (*The Guardian*). Instead, Cameron focused on a small number of "key priorities" and on "driving them through year after year" — for example, trade liberalization, a favourite global governance theme for those skeptical of state action. Cutting deficits, flexible labour markets and delivering on previous G8 promises on development aid made at Gleneagles, were also reported to be high on Cameron's list of "key priorities."

This focus on cuts plus poverty alleviation mirrors the domestic public relations strategy of the new government, which is keen to cut deep and hard while attempting to continue "detoxifying" the Conservative party brand by being seen to focus on the poor. For the *Daily Mail*, the top G8 story was "Cameron urges G8 to follow Britain's 'unavoidable' cuts as he faces off Obama at summit." Cameron reputedly favoured a smaller fireside chat model for the summits, with the G8 discussing security and the G20 focusing on economics. According to *The Mirror*, "The new G20 grouping could take on the more formal role of developing and coordinating specific international action on issues like the economy and climate change," whereas the G8 would concentrate on "strategic issues," such as security and aid.

All in all, the parallel between the domestic and global framing of the political agenda was striking, but it was clearly the domestic dog that is wagging the global tail, so to speak.

### G20 Conflict or Cooperation

Policy differences rather than agreement between Europe and North America dominated the headlines: "Rifts in Toronto as US warns EU of double-dip recession risk," (*The Guardian*) and "Divisions emerge on whether to cut or spend," (*The Telegraph*) are typical. Briefings emphasized the "broad consensus" on the dual need to stimulate growth while consolidating fiscally. The overall

impression, however, was that there was a Cameron-Harper-Merkel axis against the Obama administration. This axis was later backed in the G20 by India and Brazil, the latter concerned about growth. Differing views on the need for financial sector reform and Cameron's expression of a "hope" that British troops will be home within five years exacerbated this theme of "splits" in the G8 and G20.

Greater consensus was, perhaps, reported towards the end of the G20, where Obama, in particular, was seen to have toned down initial warnings against synchronized and drastic cuts that might derail a fragile recovery. This was viewed, however, as a climb-down from the United States and more evidence of the passing of the American moment rather than of a meeting of minds. The communiqué is said to have "fudged" the issue by allowing for differentiated action.

### The G20 Framework

The "Framework for Strong, Sustainable and Balanced Growth" itself made only the *Financial Times* in the run-up to the G20 and was difficult to discern in subsequent reporting of the meeting itself. The *Financial Times* notes that although the Framework remains the formal centrepiece of international economic cooperation, uncoordinated budgetary tightening in response to a European sovereign debt crisis has been the reality. Public engagement on the Framework is definitely not in the cards, given that elites are not focused on it.

The main angle of reporting was, however, on whether the G20 supports further coordinated stimulus or early cuts. In the United Kingdom, this was framed largely in terms of whether the G20 backs the controversial budget laid out by the new coalition government or not, with the UK chancellor, George Osborne, claiming full vindication. Tabloids saw Prime Minister Cameron "winning" (*The Sun*) and even achieving a diplomatic "coup" (*The Daily Mail*).

On the opposite side, US officials were reported in more influential media to be saying that the Europeans were secretly happy about the United States maintaining support for growth while they cut spending. Clearly, as political pressures reassert themselves and the crisis-mode palpable in 2009 recedes, consensus action appears less necessary or plausible. The Telegraph reported that, "in a reversal from the unity of the past three crisis-era Group of 20 summits, the leaders decided to adopt 'differentiated and tailored' economic policies for each country." In other words, the Framework has become a forum for mutual information concerning separate actions.

### G20 Record of Achievement

Pre-summit coverage gave earlier G8 promises, particularly from Gleneagles, high priority. Cameron was either praised for following up on the Brown government's relatively good record on delivering foreign aid, or criticized for not holding the other leaders to their pledges. His choice not to insist on a reference to the Gleneagles pledges on doubling aid to the poorest by 2010, was offered as proof of the latter. In *The Guardian*, "the prime minister's apparent unwillingness to bang the table at the G8 suggests that the commitment to development is just skin-deep." Instead, the Millennium Development Goals due to be reached by 2015 and a Canadian initiative on maternal health were advanced.

As the G20 got under way, earlier pledges slid into the background and the future delivery of global financial regulation and stimulus came into focus. Achieving a deal on increased holding capital in banks and a rough timeline for reducing deficits was generally applauded. On the other hand, the G20 was criticized for its weakness as several countries successfully argued for a delayed schedule (to protect vulnerable banks). Reflecting the unlikelihood of agreement, *The Sun* applauded Cameron's government from a national point of view instead: "The summit gave a green light to the Chancellor's plans for a new tax on banks to pay for the financial disasters their reckless speculating caused."

London's yardstick of success for the global summits thus appears to have shifted from achieving global action to garnering support for national policies.

## NPGL SOUNDINGS SERIES NO. 5: SEOUL G20 SUMMIT, NOVEMBER 2010

### OVERVIEW: MULTIPLE VANTAGE POINTS ON THE SEOUL G20 SUMMIT

Colin Bradford

Judging from National Perspectives on Global Leadership (NPGL) country commentaries from 10 G20 countries, the fifth G20 summit, held in Seoul, seems to show signs of a gradual maturing of the process and the forum as a mechanism for communication among leaders and a means of connecting leaders and finance ministers with their national publics. These growing strengths — looking from the G20 capitals toward the Seoul summit contrasted with looking from the summit toward the countries — seemed particularly impressive at the Seoul summit, which was characterized by the most intense policy conflicts yet at a G20 summit.

#### Policy Conflicts and the Trajectory of G20 Summits

The responses to the first question — “Did coverage seem to threaten or enhance the viability of G20 summits?” — seemed to indicate that, despite the conflicts over external imbalances and currency policies, these issues did not threaten the viability of the G20 summits as much as one might have expected. Given the NPGL project’s focus on national leadership, what is interesting about this positive result is that the coverage in the media was not just of the debate itself — it included the portrayal of national leaders at the summit.

With the exception of an excellent and balanced article by Howard Schneider and Scott Wilson that appeared in *The Washington Post* on Saturday, November 13, the coverage in Washington and in the *Financial Times* would lead readers to conclude that the Seoul G20 Summit was less successful than anticipated, and did not enhance the viability of G20 summits as much as the Koreans certainly hoped it would.

“Agreements did not have to be worked out,” Andrew Cooper wrote, quoting Canadian Prime Minister Stephen Harper, “this month or next month in order to avert [a] cataclysm...I’m confident we will make progress over time.”

Olaf Corry reported from London that UK Prime Minister David Cameron was quoted in the *The Guardian* as saying that rebalancing “is being discussed in a proper multilateral way without resort to tit-for-tat measures and selfish policies.”

US President Barack Obama said in his press conference that “in each of these successive summits we’ve made real progress.”

Lan Xue and Yanbing Zhang wrote that Chinese President Hu Jintao “highlighted the importance of (the) framework (for strong, sustainable and balanced growth) and also pointed out that it should be further improved,” a far cry from a rejection of it.

“In contrast to previous summits,” Peter Draper reported from Johannesburg, “President Zuma’s interventions did receive some press coverage at home...To judge from this coverage, he seems to have played his cards reasonably well and to have been visible.”

Melisa Deciancio commented from Buenos Aires that “Cristina Fernandez’s contribution to the G20 summits has always been substantive...She has also called the members of the group [the G20] to work together, cooperate and avoid entering into conflict in relation to the ongoing currency war between China and the United States.”

“Both [German Chancellor Angela] Merkel and [Finance Minister] Schaeuble spent considerable effort to explain the positive aspects of summit agreements and praised the ‘spirit of cooperation,’” reported Thomas Fues from Germany.

In each of the cases above, the leader put forward a positive interpretation of the Seoul G20 Summit and the G20 summit process even in the context of intense policy disputes, which constrained the practical agreements that could have been reached, especially on the global economic adjustment issues. This optimistic stance indicates a forward movement by G20 leaders on a metric of global leadership in Seoul that the four previous NPGL Soundings had found to be wanting in many, if not most, cases.

In some countries, the problem continued with the press focusing on the shortcomings and failures of the Seoul G20 Summit, including the coverage in the influential *Financial Times*. G20 leaders were, however, more aggressive in pushing against the media’s interpretation

of weakness and failures at the G20, advancing an alternative narrative that focused on the gradual progress being made and stronger relationships developing with each G20 summit experience. Leaders now need to assure that the G20 Framework and the MAP of peer review that goes with it, are able to deliver a credible way forward for global economic adjustment by the time of the French G20 Summit in November 2011.

### Global Economic Adjustment as a Visible Theme

With regard to question two—“How was the rebalancing issue dealt with?”—the common thread running through each of the country commentaries is reflected in Olaf Corry’s comment that “explicit mention of the G20’s formal ‘Framework for Strong, Sustainable and Balanced Growth’ is very sparse in UK public debate, but the themes it highlights definitely shine through.” The one exception may have been the explicit, detailed understanding of the issue conveyed by Schneider and Wilson in their *Washington Post* article titled “G20 nations agree to agree; Pledge to heed common rules; but economic standards have yet to be met.” (See US country commentary.)

The G20 Framework and the MAP may not have received much visibility or coverage from the media, but the intensity of the currency wars, the debate about US quantitative easing (QE 2) and the differences over current account targets were all widely covered, and the message communicated to most publics was that global imbalances are a real problem for all countries and a concerted global economic adjustment is essential. The G20 leaders will, therefore, have to do far more than simply explain the process to their publics; they need to continue to push each other and their economic officials to reach agreement on a path forward by the time of the French summit in November of 2011.

The difficulty of doing so is reflected in a comment by Ryozi Hayashi of Japan, who wrote, “Therefore, it sounds wise to let these countries [the United States and China] keep their current policy paths with a political commitment to avoid a currency war and for the G20 to agree to develop economic indicators. It may become urgent or it may become irrelevant as the situation develops. Given the difficulty of establishing agreed economic indicators, the time element would be important.”

### Leadership at Summits and Its Linkages to Domestic Political Support

What emerged more clearly at this summit than in previous G20 summits was the degree to which the role of individual countries and their leaders (or finance

ministers) in G20 processes had domestic political valence in their home countries.

“The amount of attention devoted by the media to this summit was considerably more than previous ones,” wrote Andrés Rozental, “partially because the Calderón administration will host the G20 in 2012 and Mexico is now part of the G20 ‘troika.’”

Thomas Fues commented that “The media also appreciatively noted that Germany had been asked to co-chair the G20 working group on the international currency system, tasked with formulating policy proposals” for the French G20 Summit.

In South Africa, Peter Draper also found that the press paid attention to the fact that it co-chairs the G20 working group on development with South Korea, and “the importance of this group’s work to the future of the G20.”

“In terms of summit diplomacy,” wrote Andrew Cooper, “Harper’s main success was in gaining the role for Canada as one of the co-chairs (with India, supported by the IMF) with respect to the process of working out a set of economic indicators that all members of the G20 could use as guideposts for a stable global economy.”

This is all evidence that G20 activities now generate positive repercussions in domestic public opinion.

Other dimensions of linkages between international committee positions assumed at G20 summits and domestic political capital are beginning to emerge as the G20 matures.

In South Africa, Finance Minister Gordhan’s strong criticism of US QE2 in the international press seems “to have added to his growing reputation at home,” commented Peter Draper.

German Finance Minister Schaeuble’s criticism of the US Federal Reserve’s move as “clueless,” “forced Merkel to reiterate unswerving support of her key official” at the Seoul summit, Thomas Fues noted.

Cristina Fernandez has consistently and adroitly used her substantive policy positions at G20 summits to buttress her position at home. Argentina is head of the G77, so Argentine support for development increases its status as a leader of the South and her domestic prestige. Argentine discontent with the IMF has been legend since the 1990s; President Fernandez’s support for the G20 framework and MAP process arises as an alternative to the IMF article IV exercise, which most Argentines are against, reported Melisa Deciancio.

## Conclusion

Despite media attention being riveted on the showdown between the United States, Germany and China on currency manipulation and external imbalances at the Seoul G20 Summit, leaders did defend the G20 processes for working through these issues over time, rather than emphasizing the failure to reach agreement at Seoul. The leaders and their finance ministers found that taking an aggressive stance on key issues paid dividends in terms of their domestic political support.

Explicit efforts by leaders to link international policies to domestic politics is a positive step forward for G20 summits toward a greater engagement between leaders and their publics. NPGL observers have been watching this dimension of G20 summitry in London, Pittsburgh, Toronto and now Seoul. (See: [www.cigionline.org/publications/paper-series](http://www.cigionline.org/publications/paper-series))

The challenge going forward will be finding a way to align the global economic adjustment policy with domestic political linkages in a consistent and reinforcing manner that will allow for policy convergence rather than the divergence manifested at the Seoul G20 Summit.

## ARGENTINA

*Melisa Deciancio*

### Did Media Coverage Enhance or Threaten the Viability of the G20 Summits?

In Argentina, the general perception of the media seems to be that the results in Seoul were unsatisfactory and the media reflected their disappointment with the summit's outcome, despite the enthusiasm of the minister of foreign relations. The expectations generated from the last meeting of finance ministers and central bank governors on international institutional reform — specifically IMF reform — have been overshadowed by the “currency war” issue and the lack of agreement between China and the United States on how to manage their economies. IMF reform has been a major issue for Argentina's government at the last summits. Argentina is one of the countries that will lose shares as a result of the IMF reform. Moreover, Cristina Fernández's administration is reluctant to allow the revision under Article IV of the IMF's agreement. In this sense, reform of international financial institutions has been one of the main issues for Argentina's media.

The summit's final declaration was viewed as being vague, without clear guidelines for measuring imbalances between developed, undeveloped and emerging economies. However, besides the criticism of

the leader's declaration, newspaper coverage has not reflected a lack of viability of the G20. In Argentina, the summits are always perceived as fruitful, as they provide possibilities for the voices of developing countries to be heard in an international forum and include issues that otherwise would be excluded from the agenda.

### How Was the Rebalancing Issue Dealt With?

The achievement of “collective consistency” has not been deeply addressed by the media. Public opinion in Argentina has not perceived the relevance of the changes promoted by the G20 and their impact on the country. Media coverage has been focused on the president's participation at the G20 forum and other meetings, with little attention paid to explaining the relevance of the economic and governance processes under discussion at the forum.

However, since its creation, the MAP has acquired particular relevance for Argentina. Due to its reluctance to allow IMF surveillance under Article IV, the government has strongly supported the idea that IMF reform be replaced by the G20 with the MAP. As reported in the newspaper *El Cronista Comercial*, at the Seoul summit, Cristina Fernández reinforced this commitment by becoming the first president to present a country's regular financial report to the MAP, showing her willingness to subscribe to the G20 and the MAP processes and not the IMF. With this move, the government is also expecting to negotiate an agreement with the Paris Club with the supervision of the MAP instead of the IMF.

### The Role of President Cristina Fernández

It is clear that Argentina is not among the most relevant players in the group; however, Cristina Fernández's contribution to the G20 summits has always been substantive. At the Seoul summit, Fernández stressed the importance of implementing specific policies aimed at “monitoring the existence of tax havens, plus controlling market volatility and capital flows,” among other issues. This is an issue that President Fernández has held dear in past summits in London and Pittsburgh, and she reinforced once again in Seoul. She has also called the members of the group to work together, cooperate and avoid entering into conflict in relation to the ongoing “currency war” between China and the United States. President Fernández also asked developed countries to increase their efforts to avoid the “currency war,” and not expect developing countries to carry the burden of adjustment, revalue their currencies and slow their growth.

## Reflections on the Role of South Korea

The fact that the G20 summit was held in South Korea was not something the media specially covered.

## CANADA

*Andrew F. Cooper*

### Background

Canada enjoyed a relatively low-key Seoul G20 Summit. Amid all of the public frictions about surplus and deficit trade and current accounts and accusations of currency manipulation, Canada stood in the background, grabbing only selective attention in the international media.

In terms of national outlooks, Canada's attitude to the G20 was usually reduced down to the local level, with the *The Wall Street Journal* contrasting the manner by which "Inconvenienced Torontonians grumbled about the big police presence when they played host" (in June 2010) with the enthusiasm displayed by South Korea (Ramstad, 2010).

### The Role of Prime Minister Stephen Harper

Freed from the hosting duties that he assumed at the Toronto G20, Prime Minister Harper was not highly visible in the hectic diplomacy key to the summit. In a Korean Herald story on November 12, a survey of President Lee Myung-bak's hectic schedule is provided, highlighting his bilateral meetings with the leaders of China, the United Kingdom, Germany and Brazil (Kim, 2010). Although missing from this list of key actors, Prime Minister Harper was physically visible — standing with President Lee and President Obama in one of the major photo ops.

Avoiding the spotlight, however, did not mean avoiding taking stances on the issues at the centre of controversy. Prime Minister Harper explicitly took sides on the currency issue, saying that he understood why the United States was injecting money into its monetary system and that he supported Washington's position that China must let its currency rise.

### How Did Canada Deal with the Rebalancing and Other Agenda Issues?

In terms of making the Canadian public aware of the core issues, Prime Minister Harper said it would be too costly to the American deficit for Washington to consider further stimulus and there is not much more room for the US Federal Reserve to drop interest rates. "Under the circumstances, the quantitative easing policy is, in

the short term, the only option available to the Federal Reserve," Harper said. "And I'm not sure anyone else has provided any compelling argument as to what alternative policy they would pursue in the short term" (CBC, November 2010).

Nor, unlike the upbeat narrative of the host country, did the Canadian prime minister suggest that the G20 summit would be entirely successful. In his initial comments at the forum, Harper made it clear that he was not entirely confident that G20 leaders would be able to come to a resolution on trade imbalances and currencies — the two key issues surfacing at the Seoul summit. In laying out his priorities, Harper emphasized that these issues needed "to be addressed." But he added: "Will they be addressed at this conference? I'm not so sure" (Reuters, November 2010).

While these comments opened up the possibility that Canada and Prime Minister Harper could be criticized for taking sides (Carmichael and Curry, 2010), this was not the case, at least in open view.

At the bilateral level, the major Canadian effort on the margins of the G20 was to announce that discussions would start on a Canada-India free trade deal. Emphasis was placed not only on the massive market opportunities such a deal would allow, but on India's democratic status (Kennedy, 2010).

In terms of summit diplomacy, Harper's main success was in gaining the role for Canada as one of the co-chairs (with India, supported by the IMF) with respect to the process of working out a set of economic indicators that all members of the G20 could use as guideposts for a stable global economy (Scofield, 2010).

Canada's low-key approach extended to the development agenda, animated by the Korean host's push for the declaration of a "Seoul consensus." Former Prime Minister Paul Martin was accorded some considerable attention due to his support for this initiative. As one newspaper article showcased: "Martin met with Korean officials about their initiative a few weeks ago [and said], 'the real strength here is that, in terms of economic development, no country can speak with the credibility that Korea brings to this issue, because of what they have done over the last 40 years...That makes me feel very optimistic about it'" (Curry, Carmichael and Torobin, 2010).

Canadian government officials, though, remained quiet about their response to the initiative. Moreover, the response by Canadian non-state actors was mixed. Critics emerged from a number of quarters within the community of NGOs, as concern grew that the focus

on infrastructure and economic growth could be used to scale back aid budgets. “We’re concerned about how they define development,” said Michael Switow of Global Call to Action Against Poverty. “Development is not just infrastructure” (Curry, Carmichael and Torobin, 2010).

Just like at the Toronto G20 Summit, Canada kept to a disciplined script. The fundamental theme maintained throughout the summit was that the G20 countries must continue to cooperate at a time of “weakened and uncertain growth prospects” in the international arena. Canada could continue to play up its positive attributes in terms of the strength of its domestic bank regulatory system and its balanced approach between stimulus and deficit reduction. Yet, as it did in Toronto, Canada wanted to avoid proposals with which it adamantly disagreed. In Toronto, the main thrust of this defensive push-back related to the notion of a bank tax; in Seoul, the focus was on ensuring that a Canadian bank (Royal Bank of Canada) was not included in the list of 20 systematically important banks. Acknowledging prior to the summit that he was not a “big fan” of any such list, Finance Minister Jim Flaherty said that in any case, divisions were so great that no breakthrough could be expected (Carmichael and Robertson, 2010).

### Reflections on the Role of South Korea

Korea was credited with running a logistically smooth summit. In terms of substance, there was a marked sense of frustration by the Canadian media — akin to Canadian officials — that the G20 had not progressed as robustly as anticipated. A major article in the *The Globe and Mail* talked of the “diminished expectations” for a forum that had appointed itself the guardian of the global economy at the Pittsburgh summit in September 2009 (Carmichael and Curry, 2010). This stalling may be understandable given the mismatch in national circumstances. Nonetheless, it risked eroding the credibility of the G20’s “premier” standing.

Prime Minister Harper kept to a more open-ended narrative, arguing at the end of the summit that not all was lost and that progress was being made on exchange rates and imbalances. Agreements did not have to be worked out “this month or next month in order to avert [a] cataclysm.” Harper said constructive diplomacy “through the process we’re chairing with India” was the key and stated “I’m confident we will make progress over time.”

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## CHINA

*Lan Xue and Yanbing Zhang*

### Did Media Coverage Enhance or Threaten the Viability of G20 Summits?

In China, the Seoul G20 Summit was overshadowed by other issues. First, the US monetary stimulus policy, quantitative easing (QE 2), launched one week before the summit, was discussed extensively by the media, overshadowing the summit coverage. Chinese commentators were critical of this US initiative and widely reported on the international criticism of the US policy and its potential to damage the world economy. The announcement of QE 2 helped to generate more interest in and attention to the G20 summit, but for the wrong reasons. People were more interested in watching the major powers address the new conflicts generated by QE 2, forgetting that the key theme of this summit was the transformation of the G20 into a major mechanism for international economic cooperation and stability.

The G20 agenda became distorted by the international reaction to QE 2.

Second, the summit was overshadowed by the tension between China and the United States on East Asian security issues over the past year and the tension between China and Japan concerning Diaoyu Island over the last two months. Security issues had become a key concern, weakening the public's interest in the G20 as a mechanism of international cooperation. People paid attention to the summit mainly to see how Chinese leaders interacted with other leaders on security issues.

Third, Chinese media have been busy with several other important events in recent days: the 2010 Asian Games started on November 12; the Asia-Pacific Economic Cooperation (APEC) meeting was held in Japan on November 13, just after the Seoul summit; and China and Portuguese-speaking countries also had a ministerial conference on cooperation on November 13. Therefore, the Chinese media coverage of the G20 summit was diluted because of these other international events.

Generally speaking, the media welcomed the IMF reform, but some opinion leaders pointed out that the IMF was no longer as important in global economic affairs. China also took a positive stance toward "development" as the new G20 agenda item. However, Chinese media's greatest concern and focus was on the response to the devaluation of the US dollar.

### How Was the Rebalancing Issue Dealt With?

China's media focused more on "strong, sustainable and balanced growth of the world" rather than the "framework." Chinese Foreign Minister Yang Jiechi held a press briefing on November 14, where he pointed out three achievements of the G20 summit, including: the effort to promote "strong, sustainable and balanced growth," the focus on development issues and global financial system regulation. "Global imbalance" is understood in China to be a problem that also involves uneven global development, rather than simply the problem of trade deficit and surplus.

### The Role of President Hu Jintao

The media in China highlighted the four key suggestions made by President Hu Jintao at the Seoul G20 Summit, all of which had profound implications. The first was regarding the "Framework for Strong, Sustainable and Balanced Growth." President Hu noted the importance of this framework, and pointed out that it should be improved further. The second suggestion was concerning free trade and anti-protectionism. China has held such a position since the first G20 summit. The third

and most interesting idea suggested pertained to the international financial system. President Hu argued that, as far as International Financial Institutions (IFIs) are concerned, voting rights reform was only a starting point — management should have greater representation from qualified people drawn from developing countries. This suggestion demonstrates that the Chinese government still cares about IFIs and believes these institutions should do more for developing countries through management reform. Further, the international monetary system should be improved. The major reserve currency economy should implement responsible policies to avoid causing risk to other economies, particularly the emerging economies. China understands the problems of the dollar-dominated international monetary system and the vulnerability of the emerging economies within this system, and hopes the United States can become more responsible for this issue. The fourth point President Hu highlighted related to development. Hu's argument is that technology transfer from developed countries is key to fostering sustainable development in developing countries, and developed countries should do more in this area. There is great potential for collaboration between developed and developing countries in the field of technology transfer.

### Reflections on the Role of South Korea

Chinese media did take notice that the Seoul summit was the first G20 summit to be held by a non-Western, former developing country in Asia. South Korea is China's neighbour and it has a very close relationship with China because of historical and geopolitical reasons. China is South Korea's biggest trading partner and has a deep understanding of Korea's achievement of "developed" country status over the last several decades. The media in China has not realized South Korea's ambition to become "Global Korea" and its ambition to play a leadership role in the world by hosting the G20 summit. South Korea has certainly been praised by Chinese leaders and media for bringing "development" onto the G20 agenda. It was widely reported in China that the Seoul summit was successful and the Korean government deserves recognition for achieving the goal of becoming the host of the G20 summit.

## FRANCE

*Jacques Mistrat*

### Did Media Coverage Enhance or Threaten the Viability of G20 Summits?

According to French press reports, the Seoul summit was clearly overshadowed by international monetary questions: "clash between the US and China"

summarizes the substance of many articles that appeared on Friday, November 12. A US-China clash was widely expected, given the US stance on the “rigidity” of the Chinese exchange rate policy. The situation was actually much more complex. Quantitative easing (QE 2) has been widely described as a unilateral move by the US administration, giving the Chinese a strong advantage. President Obama was frequently described as “lonely” and “on the defensive,” and his arguments, as well as those of Tim Geithner, were reported as being moderately convincing. In addition, the apparent alliance of “surplus countries” — Germany and China in particular — was viewed as simply circumstantial; Chancellor Merkel was quoted as saying that “the German surplus is different from the Chinese one in the sense that it is due to the quality and competitiveness of German products not on currency manipulation.”

Focusing on a broader range of issues, media reports on November 13 vacillated between a “serious meeting” without providing sufficient substance for this description, and a “disappointing summit” even though significant results were achieved: the decision to produce new economic indicators related to global imbalances are a step towards establishing balanced and stable global growth; the Basel III agreement demonstrates the possibility of an international agreement on new financial regulations, although more remains to be done to implement these recommendations, while difficult issues (for example, systemically important financial institutions) remain only at a preliminary stage; and reform of the IMF was begun, and is considered to be a significant achievement of the G20 process. Development was almost never mentioned in the French press as having played an important role for the Korean presidency. The failure of the United States and Korea to conclude their free trade agreement was described by the press as having deeply disappointed the business community or the “B20”; 120 CEOs were reported to have asked the leaders to reset the free trade momentum and conclude the Doha cycle in 2011.

### How Was the Rebalancing Issue Dealt With?

Nothing substantial was said in the French press regarding the “rebalancing issue.” The need to achieve a collective global economic stability is clearly understood; the role of the G20 in achieving this was explained, but no mention was made of the actual “framework.” Besides the technicalities of the framework, the mood in France seems to be dictated by what is viewed as the fruitless “peer-review” approach to dealing with existing global imbalances and the currency issue: “What is the matter with a detailed technocratic process if the leaders don’t agree on the basics of the issue?” A distinguished economic journalist, Eric Le Boucher, concluded his op-

ed “The G2 against the G18” by saying: “America should act to extinguish the fire its monetary policy is fuelling; and China should correctly appreciate that populism — and protectionist temptations — are on the rise in the western world.”

### The Role of President Nicolas Sarkozy

The French leader, Nicolas Sarkozy, was widely described by the French media as having made an active contribution to the Seoul summit, which is not surprising given the forthcoming French presidency of the G20. The surprise, if any, was that President Sarkozy, as he said he would, restricted and measured his declarations in Seoul, avoiding any gesture that could have embarrassed or diminished the Korean presidency. *Le Figaro*, a conservative newspaper, summarized Sarkozy’s press conference by announcing a “humble French presidency”; this possibly indicates the president’s new tone in preparation for 2011, with Sarkozy recognizing that “things will be much more difficult than for the past European presidency” and that he was “in a listening mode,” a reference to the Seoul meetings of the European leaders devoted to discussing the Irish crisis.

### Reflections on the Role of South Korea

Holding this summit in Seoul was viewed as a unique choice, as Korea is a non-G7 country and a once-poor, developing country, which has been transformed into a wealthy, developed country. The success that Korea has had in changing its status, its new role on the international scene and the challenges the country is now facing, resulted in several special reports on Korea being produced in the days preceding the summit, although comments on the summit itself did not emphasize these aspects of Korea. However, this summit saw the conclusion of the old, bilateral and contentious matter of the “restitution” of centuries-old manuscripts (some dating back to the thirteenth century) taken from Korea by the French Navy in the late nineteenth century. President Sarkozy is reported to have offered his Korean counterpart a solution to this issue, which was a gesture, according to the press, conveying the special relationship between the two countries.

## GERMANY

*Thomas Fues*

### Did Media Coverage Enhance or Threaten the Viability of the G20 Summits?

Coverage of the Seoul summit in German media was dominated by the conflict between deficit and surplus countries. As German commentators saw

it, the acrimonious feud was triggered by the US government proposing a binding limit of 4 percent for trade imbalances in either direction. This suggestion was forcefully rejected by the Merkel government, and public opinion, as a flawed and unfair approach to deep-seated structural issues and as a step towards a global planned economy. German media noted — with a certain sense of consternation — that the US offensive (quietly supported by France) pushed Germany into an uneasy alliance with China and Russia (*Die Welt, Frankfurter Rundschau*). Judging from their strategic interests, a transatlantic front against China on currency manipulation would have seemed more plausible. The summit outcome, which called for further analytical work on the causes and implications of global imbalances but dismissed numerical targets, was widely interpreted as a resounding success for Chancellor Merkel. One of the few dissenting opinions was published by Financial Times Deutschland in support of limits on trade surpluses. A critical editorial in *Frankfurter Allgemeine Zeitung* lamented that the summit was overshadowed by the trade issue. Consistent with its core mandate, the G20 should have concentrated instead on financial markets and banking supervision.

The other outcomes of the summit, particularly with regard to banking regulation and IMF reform, also received considerable (positive) attention in the media (*Der Spiegel*). It might come as a surprise that the shift of IMF voting rights from Germany to China and other rising powers was not negatively received. This could be seen as public acceptance that Germany's position in the world economy is shrinking and that the country must make room for the new economic powerhouses. The adoption of the Seoul Development Consensus did not make it into press reports. Besides a generally positive assessment of summit results, the majority of German commentary underlined the significance of the G20 as a platform of informal dialogue and policy debate, especially in light of global power shifts.

### How Were Agenda Issues Dealt With?

The G20 “Framework for Strong, Sustainable and Balanced Growth” was not explicitly mentioned in the summit coverage. Also, the ongoing medium-term efforts of the G20 towards collective consistency and mutual assessment were not addressed. However, positive mention was made of the enhanced role for the IMF in providing analytical support for a better understanding of systemic challenges in the global economy (*Sueddeutsche Zeitung*). In general, the G20 is seen by German media as a useful framework for short-term measures, but not (yet) as a global steering committee for economic policy. They are convinced

that the ad hoc approach worked well, as long as the urgency of the crisis forced governments to compromise. Now that the worst seems over, the G20's effectiveness threatens to be undermined by narrow national interests and old-style rivalries. In light of growing divisions among member states, the *Handelsblatt* sees the G20 at a crossroads: it must either move forward in assuming the functions of a world economic government or it is doomed to fall apart due to the lack of a common mission.

### The Role of Chancellor Angela Merkel

German media extensively highlighted Chancellor Merkel's successful performance in the struggle with the United States over trade imbalances. Contrary to previous summits when the German government proactively lobbied for policy innovations such as the financial transaction tax, this time around the German agenda was focused on defensive action. Detracting attention from summit dynamics, German media reports gave considerable space to the controversy around Finance Minister Schaeuble, who attended the meeting together with the chancellor. Growing criticism of his policies at home forced Merkel to reiterate unswerving support of her key official. Both Merkel and Schaeuble spent considerable effort to explain the positive aspects of summit agreements, and praised the “spirit of cooperation” in their relations with leaders from rising powers as an indispensable prerequisite of effective global governance (*Die Zeit*).

### Reflections on the Role of South Korea

There was no specific comment in German media on the location of the summit or on South Korea's position in the global system. A possible explanation could be that the country has already been accepted into the fold of the industrialized world and, due to its modest size and liberal policies, is not perceived as a threat to the West. It is striking, however, how the Seoul summit has been interpreted by German media across the political spectrum as the dawn of a new world order, characterized by a strong decline in US influence and a rise of emerging powers to the top, as observed, for example, by the conservative *Aachener Zeitung*, as well as the left-liberal *die tageszeitung*. Support for the G20 seems to be growing, even in the ranks of critical NGOs — in an interview in *die tageszeitung*, one of Germany's leading national activists accepted the new summit architecture as a useful innovation and called for the inclusion of further countries to enhance its global representation (G25). Several German media have already turned their attention to the French chair of the G20 immediately after the Seoul summit. For example, *Die Welt* provided a detailed account of President Sarkozy's ambitious reform agenda on the currency system, commodity markets and

international organizations, but doubts if he will be able to deliver during the run-up to his bid for re-election in May 2012. The media also appreciatively noted that Germany had been asked to co-chair the G20 working group on the international currency system, tasked with formulating policy proposals.

## JAPAN

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*Ryozo Hayashi*

### Did Media Coverage Enhance or Threaten the Viability of the G20 Summits?

The media in Tokyo paid less attention to this G20 meeting than previous G20 meetings. This was due, in part, to the three major meetings held in Asia within the past two months — the East Asian Summit, the G20 and the Asia-Pacific Economic Cooperation (APEC) — especially since Japan was the host of the APEC meeting this year in Yokohama.

Another reason for the lack of media interest is the result of recent incidents in bilateral relations between China and Russia. The islands of Senkaku and Kunashiri occupied the Japanese public's attention and political focus. The bilateral meetings with China and Russia became the biggest news events, with these two incidents viewed as "side effects" of the deterioration of US-Japan relations over the past year. Consequently, the meeting between the United States and Japan is another focal point for the media.

### How Was the Rebalancing Issue Dealt With?

With regard to the G20 summit, it was widely acknowledged that the G20 was only successful in avoiding failure. The G20 managed to maintain its status as the central vehicle for global economic management, but it clearly lost the sense of urgency to come up with a solution at any cost.

Signs point to a weak recovery — in particular, the high unemployment rate in the United States and Ireland's financial crisis. The most urgent agenda item for the G20 was to make a commitment to not engage in the currency devaluation race involving China and the United States. The perception was that the United States failed to form an alliance that would force China to accept a more flexible exchange rate policy. The loose US monetary policy was perceived as a threat to emerging countries' capital markets. These countries echoed China, denouncing the irresponsible US monetary policy. It was reported that, facing opposition from developed countries such as Germany, the United States failed to reach an agreement on economic indicators to monitor

macroeconomic management of nations. In addition, the G20 agreed to allow emerging countries to restrict capital flows under certain conditions.

At G7 meetings in the past, Japan participated in discussing both global macroeconomic policy coordination (in 1978) and economic indicators (in 1987). In 1978, the United States urged other countries to share the role of "engine" for global economic growth, asking Japan and Germany to shift their economy towards domestic demand-oriented growth. It was easy to ask, but hard to deliver. There was no follow-up on the issue, as one year later the situation had changed and the second energy crisis became the centre of the discussion. In 1987, after the Plaza Agreement, the stabilization of the exchange rate became the central issue. A deal was struck between Japan and the United States to reduce external surplus and to reduce excess consumption.

Currently, the strong consumer demand of the United States is important, while, at the same time, it inevitably accompanies the risk of outflow of capital from the United States to emerging countries' capital markets. In addition, China's economic growth also plays a critical role in keeping the global economy afloat. This has been accomplished on the basis of the current management of the exchange market. It therefore sounds wise to let these countries keep their current policy paths, with a political commitment to avoid a currency war, and for the G20 to agree to develop the economic indicators. It may become urgent or it may become irrelevant as the situation develops. Given the difficulty of establishing agreed economic indicators, the time element would be important.

## MEXICO

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*Andrés Rozental and Carla Angulo-Pasel*

### Did Media Coverage Enhance or Threaten the Viability of G20 Summits?

The general media opinion on the Seoul summit was that the G20 leaders were unable to bridge their differences on two key points: the global rebalancing issue and the commitments to avoid further protectionism of exchange rate manipulation. The view was that there were too many issues for leaders to resolve in a day and a half, when their finance ministers and Sherpas had been unable to find common ground in the weeks and months preceding the summit. In that respect, the summit was branded as a "half success" on the issues where there was general agreement and a "half failure" on those where there was not. The Mexican media paid a great deal of attention to the China-US spat on renmibi revaluation and on the differences between

the European countries and the United States on fixing specific trade imbalance targets that would trigger rebalancing.

Mexico's role was again not given a high profile, but the amount of attention devoted by the media to this summit was considerably more than previous ones, partially because the Calderón administration will host the G20 in 2012 and Mexico is now part of the G20 "troika."

### How Was the Rebalancing Issue Dealt With?

As a whole, the media in Mexico did not go into the details concerning the processes involved in the rebalancing issue, mainly because they are quite complex and do not lend themselves to general coverage. Analysts have yet to weigh in on the substance of the issue, but there was attention paid to the fact that the Mexican peso has strengthened considerably over the last few weeks and especially after quantitative easing (QE2) was announced in the United States. This is seen as worrisome by much of the private sector, already concerned at Mexico's competitive disadvantage resulting from the war on drug cartels and its resulting violence. As a 20-year member of the OECD, Mexico is very familiar with the peer review process and, thus, it didn't get as much media attention here as might be the case in other developing G20 countries. There is a general worry with the global economy and the threat of further recessionary pressures with our largest trading partner, the United States. As a rule, Mexican analysts have approached the G20 agenda with the bilateral US-Mexico relationship as a defining parameter.

### The Role of President Felipe Calderón

Felipe Calderón appeared at the front and centre of the group photograph for the first time, resulting in more graphic coverage of the summit than on previous occasions. Calderón co-signed an opening public statement along with other leaders at the summit, and this was given a fair amount of media coverage. The president has not yet held a press conference, but the broad impression is that, as at previous gatherings, he didn't play a central role at the summit.

### Reflections on the Role of South Korea

By and large, Korea's "breakthrough" as host of the G20 went unnoticed as an important milestone, mainly because Korea is geographically far away from Mexico and also given that there are many other meetings (such as Asia-Pacific Economic Cooperation, Association of Southeast Asian Nations, and others) that the Mexican president attends at venues in Asia and other developing countries. Most Mexicans tend to make comparisons

between Mexico and Brazil, rather than Korea. Instead, media attention was focused on the video widely circulated via social networks of the "heated discussion" between the American and Chinese leaders.

## SOUTH AFRICA

*Peter Draper*

### Background

In previous commentaries, I have noted the paucity of print media coverage of the G20 in South Africa. This time around, substantial domestically generated media coverage was evident in the four publications I covered — *Business Day*, *Business Report*, *Engineering News* and *The Mail & Guardian*. Much of the coverage in the buildup to the summit focused on the "currency wars," a popular topic with the media globally and domestically. In the final days before the summit, *Business Report* provided some insight into South Africa's thinking regarding IMF reform in particular. The significance of this development, from my perspective, lies in the fact that *Business Report* is now part of a "P20" grouping of print media publications — a grouping I have not yet investigated. This suggests, perhaps, a new seriousness — at least for this publication — with regard to reporting on G20 summits.

### Did Media Coverage Enhance or Threaten the Viability of the G20 Summits?

Reportage on the summit was mostly focused on the "currency wars." Particular attention was paid to South African Finance Minister Pravin Gordhan's remarks concerning the US Federal Reserve's quantitative easing (QE 2) policy — remarks which received international media attention from the *Financial Times*, among other publications. Later in the week, Gordhan's comments were qualified, and this qualification (he broadened his criticism of competitive devaluations beyond the United States without naming specific countries) also received some coverage. However, in the final few days before the summit, *Business Report*, in particular, began to report on other aspects of the summit agenda, notably reform of the IMF and the finance minister's stated goal of securing one board seat for South Africa and an African constituency. *Business Report* seemed to have a direct channel to the finance minister — probably by virtue of its "P20" membership — that other publications didn't or chose not to exploit. Immediately after the summit, the finance minister held a press conference, and *Business Day* quoted him as noting that "there will be a lot of discussion" in the G20 during the next six months on the matter of reserve currencies, including SDRs.

It is difficult to say whether this relative coverage either threatened or enhanced the G20's viability in the public's eye. There is much skepticism regarding the potential for the G20 to resolve the imbalances problem, as captured in the title of a *Business Day* editorial printed as the summit got underway: "Little the G20 can do to shift the trend." Many of the independent commentators quoted (including this one) were skeptical whether anything would be achieved on this front. However, while this issue dominated the headlines prior to the summit, *Business Report* (which has a wide circulation) was offering broader insights into IMF reform and the "Seoul Consensus" on development as the summit was drawing to a close. *Engineering News* reported on a G20 discussion that drew minimal attention from *Business Day*: the potential for establishing "global investment rules" (which, for the record, President Zuma publicly opposed).

### How Was the Rebalancing Issue Dealt With?

Very little attention was paid to the dynamics of rebalancing. The focus, for the most part, was on the "currency wars"; reactions to the US QE 2; the potential for trade wars to break out, which exercised *The Mail & Guardian* especially; and the broader differences among G20 states on these matters. To crudely summarize, one had the impression that a prize fight was taking place and no one was overly concerned about the rules governing it, although there was some attention paid to the girls carrying the signboards!

### The Role of President Jacob Zuma

In contrast to previous summits, President Zuma's interventions did receive some press coverage at home, particularly in *Business Report*, but also in *Engineering News*. The quotations were generally offered in neutral tones, and the substance of his quoted remarks seemed sensible. In short, judging from this coverage, Zuma seems to have played his cards reasonably well and to have been visible. Furthermore, Finance Minister Gordhan also received substantial coverage locally for his stances on the currency issue and IMF reform; again, he was favourably quoted, which seems to have added to his growing reputation at home.

### Reflections on the Role of South Korea

This dynamic did not receive much attention, bar two articles in *Business Report*: the first, prior to the summit, highlighted precisely these dynamics and quoted South Korean President Lee speaking approvingly of his relationship with President Zuma; the second, went into some detail on the development working group (which South Africa co-chairs with South Korea) and the importance of this group's work to the future of the G20.

## UNITED KINGDOM

*Olaf Corry*

### Did Media Coverage Enhance or Threaten the Viability of the G20 Summit?

The G20 moved from being seen as a firefighter to more of an engineer: though condemned for its ineffectuality at the crisis-pumps, the G20 is increasingly being judged instead by its ability to provide a long-term framework. This shift can be traced to two separate narratives.

First, the buildup to Seoul was dominated by a predicted "showdown" between China and the United States on currency balancing and exchange rates, raising the spectre of a return to the drama of a bipolar conflict (albeit only a shadow of the old East-West conflict). This lowered expectations of significant substantive progress, with Prime Minister David Cameron admitting "it was never going to be solved over night," but also, it seems to have underscored the necessity of managing the world economy and the conflicts emerging from it. Thus, the BBC's political editor framed the summit as weak on tangible results, but chose to emphasize the importance of face-to-face dialogue rather than having G20 leaders "shouting through megaphones from opposite ends of the world" (BBC Today Program, November 12, 2010). Even those who dismissed the G20 as a "waste of space" did so on the grounds that it doesn't provide a forum for meaningful debate ("The G20 is a complete waste of space," *The Telegraph*, October 22, 2010) — implying that meaningful debate is what is needed. In an otherwise skeptical piece, a commentary in *The Times* on "an unwieldy body lacking direction" admitted that "ungainly as the G20 is, it is very difficult to come up with an obvious alternative" (*The Times*, November 12, 2010).

Second, the G20 was also evaluated against the backdrop of a wider multipolar world in which no country can dictate or coerce terms upon other leading players. This contributed to the atmosphere of frustrating, but necessary, incrementalism in the management of world affairs. For Hamish McRae, "this meeting is the start of a 20-year debate as to how [adapting to new conditions] should be done" (*Independent*, November 12, 2010). UK Chancellor George Osborne appeared on the BBC to sell the result along such lines, in terms of beginning a process within which currency and trade balancing could begin to be managed. Cameron is reported as saying that rebalancing "is being discussed in a proper multilateral way without resort to tit-for-tat measures and selfish policies" ("Crisis in the world economy – live," *The Guardian*, November 12, 2010).

The result is a subtle shift in the criteria of success applied to G20 summits in the UK media towards a growing acceptance of the G20 as a forum for process rather than instant cures and dramatic action.

### How Was the Rebalancing Issue Dealt With?

The failure to deal decisively with rebalancing the global economy was reported clearly and negatively. However, rather than focusing on the failed US proposal to impose a 4 percent limit on national trade deficits and surpluses, the UK government had some success in talking up the wider G20 processes of promoting free trade, regulating the banking sector and creating a forum for defusing the “currency war” further down the line. In this vein, the G20 is framed as a forum useful for socializing new “great powers” into international society. For UK Chancellor George Osborne, “indicative guidelines” agreed at the summit in Seoul marked “a significant step forward in shaping a new global economic framework for the post-crisis world” (*Press Association*, November 12, 2010). Explicit mention of the G20’s formal “Framework for Strong, Sustainable and Balanced Growth” is very sparse in UK public debate, but the themes it highlights definitely shine through.

Significantly, the slower pace of progress and commitment to collective action in the G20 is explained not via the classical logic of each nation looking after itself in hard times, but by an opposite mechanism: the receding prospect of economic disaster. This suggests an underlying assumption among UK observers that, in today’s world, crisis creates a push towards collective solutions rather than the traditional wisdom that times of plenty are conducive to cooperation, and crisis means a retreat to national bunkers. The global systemic nature of the rebalancing problem thus seems well established in the UK public sphere.

### The Role of Prime Minister David Cameron

In the eyes of the press, UK Prime Minister David Cameron has moved on from his “new-kid-on-the-block” position at the last G20 summit, but there is not yet agreement on what his role is, or should be, at such events. Possible roles include something along the lines of “reluctant guest” and “strategic middleman” — both can be discerned.

Expectations of Cameron’s ability to play a leading role were limited from the outset by the idea of a currency war “showdown” effectively sidelining all players other than China and the United States. Coming to South Korea after a state visit to China, Cameron was already

framed as a junior and economically weakened partner in economic difficulties in relation to the bigger players. Political opponents also made unfavorable comparisons with Gordon Brown’s confident global statesmanship, some suggesting that the global governance agenda itself undermines the Conservative-led coalition government’s domestic political theme tune, which seeks to place the blame for the UK deficit squarely with the outgoing Labour administration rather than a global crisis (“PM accused of losing G20 focus,” *Financial Times*, November 8, 2010).

However, some media saw the United Kingdom as a middle figure positioned between surplus countries arguing in favour of cuts in public spending (such as Germany and China) and deficit countries critical of what they see as currency manipulation (such as the United States). Keen on cuts but critical of large surpluses gained by lowering a currency, Cameron was supposedly able to play a middle position. A British contribution to “resolving” the late night diplomatic impasse between China and the United States also put Cameron nearer to the centre of the action, and his main reported message was one of the danger of protectionism and a return to the 1930s: “protectionism, trade barriers, currency wars, countries pursuing beggar my neighbour policies — trying to do well for themselves but not caring about the rest of the world. That is the danger” (*The Telegraph*, November 11, 2010).

### Reflections on the Role of South Korea

Korea was noted as a conscientious host, but not as a rising star itself. The general feeling of lost momentum in the G20 in comparison to Pittsburgh, as well as an apparently failed attempt at a bilateral US-South Korean trade deal, added to the sober tone concerning the South Korean role. The main media story concerning the hosts was one about the apparent risk of North Korean hostile manoeuvres timed to disrupt proceedings. Hillary Clinton, the US secretary of state, is reported to have “urged the Chinese to use their influence with the unpredictable dictatorship to discourage it from trying anything provocative during what is the most important diplomatic gathering ever on the Korean peninsula” (*The Guardian*, November 12, 2010). A regional or great power would not allow such looming insecurity in relation to its neighbour or need to have other powers pull strings behind the scenes.

## UNITED STATES

Colin Bradford

### Did Media Coverage Enhance or Threaten the Viability of G20 Summits?

The week before the Seoul G20 Summit was one in which the main newspapers read in Washington (*The New York Times*, *The Washington Post* and *Financial Times*) all focused their primary attention on the “currency war,” global imbalances, the debate on quantitative easing (QE 2), the struggle over whether there would be numerate current account targets or only words, and the US-China relationship. As early as Wednesday, November 10, *The Washington Post* front-page headline read: “Fed move at home trails US to Seoul; Backlash from Europe; Obstacles emerge for key goals at G20 economic summit.” By Thursday, November 11, things had gotten worse. “Deep fractures hit hopes of breakthrough; governments are unlikely to agree on a strategy to tackle economic imbalances” reads the *Financial Times* headline on Alan Beattie’s article from Seoul. On Friday, November 12, *The New York Times* front-page headline declared: “Obama’s economic view is rejected on world stage; China, Britain and Germany challenge U.S.; trade talks with Seoul fail, too.” By Saturday, the *Financial Times* concluded in its lead editorial: “G20 show how not to run the world.”

From these reports, headlines and editorials it is clear that conflicts over policy once again dwarfed the progress on other issues and the geopolitical jockeying over the currency and imbalances issues took centre stage, weakening G20 summits rather than strengthening them. Obama was painted as losing ground, supposedly reflecting lessening US influence and failing to deliver concrete results. China, Germany and Brazil were seen to beat back the US initiative to quantify targets on external imbalances. Given the effort that Korean leaders had put into achieving positive results and “consolidating” G20 summits, it was, from this optical vantage point, disappointing, to say the least.

### How Was the Rebalancing Issue Dealt With?

At lower levels of visibility and intensity, however, things looked a bit different and more positive. In the Saturday, November 13 edition of *The Washington Post*, Howard Schneider and Scott Wilson gave a more balanced view of the outcomes. Their headline read: “G20 nations agree to agree; Pledge to heed common rules; but economic standards have yet to be set.” They discerned progress toward new terrain that went beyond the agreement among G20 finance ministers in October at Gyeongju, which other writers missed.

“By agreeing to set economic standards, the G20 leaders moved into uncharted waters,” they wrote. “The deal rests on the premise that countries will take steps, possibly against their own short-term interests, if their economic policies are at odds with the wider well-being of the world economy. And leaders are committing to take such steps even before there’s an agreement on what criteria would be used to evaluate their policies.”

They continued: “In most general of terms, the statement adopted by the G20 countries says that if the eventual guidelines identify a problem, this would ‘warrant an assessment of their nature and the root causes’ and should push countries to ‘preventive and corrective actions.’”

The Schneider-Wilson rendering went beyond the words of the communiqué to an understanding of what was going on in official channels over time to push this agenda forward in real policy, rather than declarative terms. As the Saturday, November 13, *Financial Times* editorial put it, “below the headline issues, however, the G20 grouping is not completely impotent,” listing a number of other issues on which progress was made, including IMF reform, which the *Financial Times* thought might actually feed back into a stronger capacity to deal with “managing the global macroeconomy.”

### The Role of President Barack Obama

Without doubt, the easy, simple, big-picture message coming out of Seoul was that Obama and the United States took a drubbing. And this did not help the G20 either. The seeming inability of the United States to lead the other G20 leaders toward an agreement in Seoul on global imbalances, the criticism of US monetary easing and then, on top of it all, the inability to consummate a US-Korea trade deal, made it seem as if Obama went down swinging.

But again, below the surface of the “simple,” one got a different picture. Obama himself did not seem shaken or isolated by the swirl of forces around him at the Seoul summit. At his press conference, he spoke clearly and convincingly of the complexity of the task of policy coordination and the time it would take to work out the policies and the politics of adjustment.

“Naturally there’s an instinct to focus on the disagreements, otherwise these summits might not be very exciting,” he said. “In each of these successive summits we’ve made real progress,” he concluded. Tom Gjeltn, from NPR news, on the Gwen Ifyl Weekly News Roundup commented Saturday evening that the G20 summits are different and that there is a “new pattern of leadership” emerging that is not quite there yet. Obama

seems more aware of that and the time it takes for new leadership and new patterns of mutual adjustment to emerge. He may have taken a short-run hit, but he seems to have the vision it takes to connect this moment to the long-run trajectory.

## Reflections on the Role of South Korea

From a US vantage point, Seoul was one more stop in Asia as the president moved from India to Indonesia to Korea to Japan. It stood out, perhaps, in higher profile more as the locus of the most downbeat moments in the Asia tour, because of the combination of the apparent lack of decisive progress at the G20 along with the needless circumstance of two presidents failing to find a path forward on something they both wanted.

From a Korean vantage point, the summit itself was an event of immense importance. It marked Korea's emergence on the world stage as an industrial democracy that had engineered a massive social and economic transformation in the last 50 years, culminating in being the first non-G8 country to chair the G20 summit. No one can fault Korea's efforts to reach significant results. However, the fact is that the Seoul summit's achievements — which even in the rebalancing arena were more significant than they appeared to most (see Schneider and Wilson), but included substantial progress on financial regulatory reform, international institutional reform (specifically on the IMF), on development and on global financial safety nets — were seen to be less than hoped for. This was not the legacy the Koreans were looking for, unfortunately.

Conflicts among the major players on what came to be seen as the major issue all but wiped out the serious workmanlike progress in policy channels. Among ministers of finance, presidents of central banks, G20 deputies and Sherpas (where the policy work really goes on), the G20 policy process has reached a highly significant degree of systemic institutionalization; however, interactions at the leaders' level at G20 summits have yet to catch up. On its watch, Korea moved the agenda in the policy track forward in a myriad of significant ways. It will be left to the French and French President Nicolas Sarkozy to see if they can bring the leaders into the positive-sum game arrangements taking place in the policy channels and raise the game level of leaders to that of G20 senior officials.

## CIGI G20 RESOURCES

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### REPORTS

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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](mailto:npgl@cigionline.org).

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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.

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