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Working Paper

Think big! Future prospects of the international summit architecture – the G20, G8, G5, and the Heiligendamm Dialogue Process

Discussion Paper, No. 6/2009

Provided in Cooperation with:

German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), Bonn

Suggested Citation: Leiniger, Julia (2009) : Think big! Future prospects of the international summit architecture – the G20, G8, G5, and the Heiligendamm Dialogue Process, Discussion Paper, No. 6/2009, ISBN 978-3-88985-454-4, Deutsches Institut für Entwicklungspolitik (DIE), Bonn

This Version is available at:

<http://hdl.handle.net/10419/199316>

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Deutsches Institut für
Entwicklungspolitik

German Development
Institute

Discussion Paper

6/2009

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international summit architecture –
the G20, G8, G5, and the
Heiligendamm Dialogue Process

Julia Leininger

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Bonn 2009

Leininger, Julia: Think big : future prospects of the international summit architecture – the G20, G8, G5, and the Heiligendamm Dialogue Process / Julia Leininger. – Bonn : DIE, 2009. – (Discussion Paper / Deutsches Institut für Entwicklungspolitik ; 6/2009)

ISBN 978-3-88985-454-4

Dt. Ausg. u. d. T.: Think big : Zukunftsperspektiven der internationalen Gipfelarchitektur ; die G20, G8, G5 und der Heiligendamm-Dialogprozess / Julia Leininger. – Bonn : DIE, 2009. – (Discussion Paper / Deutsches Institut für Entwicklungspolitik ; 2/2009)

ISBN 978-3-88985-456-8

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Foreword

The subject of the present discussion paper is the ongoing processes of change in the international summit architecture, which has developed a high level of dynamism since – at the latest – the global financial crisis broke out in 2008. The paper centres on the altered role played by five anchor countries (Brazil, China, India, Mexico, and South Africa), which have joined forces to form the Group of Five (G5), a mover that now enables them to exercise substantial influence on efforts to reshape the international summit architecture. The study that follows is the revised and expanded version of an advisory paper on the future of the G8's Heiligendamm Dialogue Process prepared, in January 2009, on behalf of the German Ministry for Economic Cooperation and Development (BMZ).

Work on the present discussion paper was concluded on March 12, 2009. I wish to take this opportunity to extend my heartfelt thanks to Marthe Roch for the effort and care she put into compiling the data for the present paper. It would not have come about in its present form without the cooperative spirit shown by numerous interview partners in German ministries, the German Bundestag, non-governmental organisations, and national and international research institutions. My thanks to them as well. Finally, I wish to extend my thanks to Dr. Thomas Fues und Dr. Tilman Altenburg for the invaluable and unflagging support they provided in discussing and commenting on the first draught of the present paper.

Bonn, May 2009, Julia Leininger

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Abbreviations

| | |
|--------|---------------------------------------------------------------------------------------------------------------------------------|
| AU | African Union |
| BMWi | Bundesministerium für Wirtschaft und Technologie / Federal Ministry of Economics and Technology |
| BMZ | Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung / Federal Ministry of Economic Cooperation and Development |
| DC | Development Cooperation |
| ECOSOC | Economic and Social Council of the United Nations |
| GDP | Gross domestic product |
| G8 | Group of 8 |
| G5 | Group of 5 |
| G20 | Group of 20 |
| G77 | Group of 77 |
| HDP | Heiligendamm Dialogue Process |
| IMF | International Monetary Fund |
| L20 | Leaders' Summit |
| MEM | Major Economies' Meeting |
| MDGs | Millennium Development Goals |
| O5 | „Outreach Five“ |
| ODA | Official Development Assistance |
| OECD | Organisation for Economic Co-operation and Development |
| UN | United Nations |

Executive summary

Think big! The international dynamic to which the global financial crisis has led in the international summit architecture offers a grand opportunity to effect the global governance reform that had begun so auspiciously in the period leading up to 2005, the year of UN reform, in order then to falter. Here the Heiligendamm Dialogue Process (HDP) can play an important role as a forum for intensive, policy-specific, and in-depth reform debates. The Heiligendamm Dialogue Process, created by the G8 in 2007, may play an important role as a forum for intensive, policy-specific, and in-depth reform debates, providing a contribution to giving North-South relations a new and more inclusive shape. The present paper analyses what results the HDP has generated thus far, inquiring into the conditions required if it is to be continued successfully. The paper offers suggestions for various reform scenarios, taking current global dynamics into account (in particular the G20 financial summit). The study is based on the premise that global problems like the financial crisis or climate change can be effectively addressed only with the aid of a more inclusive and representative coordination body at the top level of global governance.

In sum, the study comes to the following findings:

Assessment of the HDP's first phase (2007–2009)

- The first phase of the HDP (2007–2009) may be said to have been a success story. Most of the objectives set by the G8 have been met. The assessments made by the individual G8 and G5 countries involved have also been positive. The greatest merit of the process, geared as it is to confidence-building, is that the regular, informal meetings it involves have contributed to developing relations between government staff members of the G8 and G5 countries and broadening the knowledge each side has of the other. This has served to increase the stability of expectations in international relations. While the dialogue between G8 and G5 has for the most part proven successful, within the G8 it has led to tensions between advocates (the UK and France in particular) and opponents (the US and Japan in particular) of a G8 enlargement.
- The HDP has contributed to forming the G5 coalition, which is in the process of developing a marked self-conception as a group. In the recent past the G5, represented by Mexico, showed a good measure of proactive diplomatic engagement in efforts to prepare the groundwork for the G20 Summit in London in April 2009. The process of building this coalition sparked some frictions with the G77, a group of developing countries that see itself as an advocate of the global South, and whose traditional members include the G5 countries.

Conditions required for a successful second phase of the HDP (starting in July 2009):

- All of the countries involved – i.e. G5 and G8 alike – need to define, with sufficient clarity, what additional functional value they expect the HDP to have in the global summit architecture. If the countries involved come to the conclusion that the HDP will, in the future, offer them no additional functional value for global governance, the process must be terminated as soon as the final report is released in July 2009.
- The new strategic reorientation adopted for the second phase of the HDP (starting in July 2009) needs to ensure that the HDP remains flexible and capable of being adapted

to the current, highly dynamic situation in the global governance architecture, including in particular the new significance that the G20 has acquired.

- It would therefore be recommendable to open up the HDP's inward-oriented structure, which is keyed to the internal relations of the countries concerned, giving the second phase an outward-looking orientation. If the G20 proves unable, in the near term, to establish itself as a new global governance coordination body, it would be essential not to drop the issue of G8 enlargement; it should and instead be placed on the G8 agenda for open negotiations. G8 enlargement could in this way assume the character of one stage on the road to a comprehensive reform of the summit architecture. In addition, the G8's credibility and its in any case fragile legitimacy hinge crucially on the groups' willingness to enlarge.
- The HDP's new orientation will have to be based on the consent of all the countries involved, and this consent should be the result of an open and equal goal formulation process in the period leading up to the G8 summit in July 2009. Accordingly, all of the HDP countries would need to declare their willingness to make substantial contributions to the HDP structure, e.g. by providing financial resources or making expertise available.

Reform scenarios for the summit architecture and the HDP's additional functional value

- In view of the simultaneous nature of complex development problems calling for collective action, and in a situation marked by an urgent need for reform of multilateral mechanisms and institutions, what is needed is a governance group more effective than the G8. The aim should therefore be to carry out a comprehensive summit reform leading to a Leaders' Summit of the G20 countries (L20). The only approach that would ensure a continuous process of dialogue and policy coordination would be for the L20 to be able to fall back on the technical, logistical and substantive support provided by a "lean" and effective secretariat. Here the HDP could serve as a model that could be taken up by the L20.
- If comprehensive reform proves impossible in the near term, the G20 could, for a transitional period, continue to coordinate international financial policy and move ahead with reform of the international financial institutions (IFIs), with the G13/14 (enlarged G8) dealing with other global challenges. If, though, the aim should be to enlarge the G8, the HDP would serve as a forum for preparing and negotiating the substantive cornerstones of a G13/14. In the overall context of the global governance architecture, the HDP would have a bridge function during the reform phase, both between individual summit arrangements (G20, G8, and G5) and between summits and international organisations.
- In all of the reform models under consideration, the HDP would offer additional value for the participating countries. It would in any case lose its pure dialogue character and be geared more to consultations and negotiations. The process involved in reorienting the HDP should be concluded by July 2009, the date set for the most recent G8 summit, so that it would be able to make use of this forum to present the tasks it envisions for itself.

Development policy in the HDP/summit architecture

- Development policy must continue to be one of the pillars of the international summit architecture if collective efforts to address complex global development problems are

to prove successful. Accordingly, development issues must continue to rank high on the summit agenda and in the second phase of the HDP.

- Concrete development issues must be approached with a view to two aspects. On the one hand, the “Development” working group is tasked with coordinating and reaching agreement on policy-based solutions for development problems of global relevance. Their urgency would recommend global food security and sustainable development as issues for the second HDP phase. It is, though, important to ensure that similar process in other institutions, the UN in particular, not be duplicated and that the HDP’s efforts serve, instead, to complement and support these processes. The structural discrimination with which Africa is faced and the growing development engagement shown by some G5 countries in Africa constitute good reasons to retain the regional focus on Africa.
- On the other hand, it is not enough merely to seek to reach substantive agreements on goals. One firm element of discussions on development must be the need to find collective problem-solving mechanisms and to move ahead with the reforms required for the purpose – in the sense of global structural policy. In the HDP framework, the countries involved could, for instance, seek to reach agreement on what international forum would be best suited for the discussions needed on goals, standards, and practices of international development policy – together with developing countries. Appropriate and promising approaches might, for instance, be seen in the existing summit architecture offered by the Economic and Social Council of the United Nations (ECOSOC) in its Development Cooperation Forum, i.e. in the UN framework, or, if a comprehensive reform should materialise, in a possible “Global Council for Sustainable Development.” Care must be taken to ensure that the interests of “small” developing countries are effectively represented in global decision-making processes. At present African interests are underrepresented in the various proposals that have been advanced on models for summit reform. As part of its task of preparing the groundwork for sherpa meetings, the “Development” working group could in this way provide an important contribution to global governance reform.
- Furthermore, in reorienting the HDP’s development component, care must be taken to ensure that the successes achieved in the first phase are effectively consolidated, in particular by implementing the triangular cooperation projects on which agreement has been reached and by achieving greater convergence on fundamental development issues (standards and practices).

The role played by Germany and the BMZ in the summit architecture

- As the HDP’s initiator, Germany plays an important role for the success of the HDP. Germany can make use of its lead role to shore up its influence on global agenda-setting and to ensure that “German” issues are properly represented at the global level.

The Federal Ministry of Economic Cooperation and Development (BMZ) has an important role to play in raising awareness and setting the agenda for Germany’s G8 policy. Not only can the ministry make available, as expertise for the summit process, its decades of experience in development practice, it can also turn its approach to development as global structural policy to account in efforts to move ahead with pending reforms.

“The world has changed and you cannot run it with outdated instruments.”

(M. Alemi, former Italian foreign minister)¹

“...we have come here not as petitioners but as partners in an equitable, just and fair management of the global comity of nations which we accept as the reality in the globalised world.”

(Indian Prime Minister M. Singh after the 2007 G8 Summit in Heiligendamm)²

Introduction

Virtually overnight, the current global financial crisis has transformed the international summit architecture.³ When, in November 2008, then US President George W. Bush convened the members of the G20 (Finance) for a crisis summit, he was falling back on a format that had first proved its worth in the 1999 Asian crisis. Since then meetings of the G20 finance ministers have played a moderately important - though not particularly outstanding - role in the global summit architecture.⁴ Reform proposals advanced from many quarters in 2005, the UN reform year, aimed, unsuccessfully, at assigning the G20 a more significant role. And since then the initiative designed to bolster the G20 by making it over into an L20 (Leaders Summit) has melted away, taking with it the chance to adapt the international summit architecture to a new set of altered power relations.⁵ Now the global financial crisis has propelled the G20 into the centre of the summit architecture (see Fig. 1 for an overview). This has made it clearer than ever before that the club of G8 countries is, on its own, not able to supply adequate responses to global challenges.

The G8's track record is assessed differently by different observers. While the G-8 Research Centre (University of Toronto) generally gives the group good marks when it comes to implementing policy decisions and commitments,⁶ the positions articulated by civil

1 In an interview with the International Herald Tribune on 15 Jan. 2009 on the occasion of Italy's assumption of the G8 Presidency.

2 Cited after Nafey (2008, 127).

3 What is meant here by summit architecture is the sum total of informal foreign-policy instruments used to regularly coordinate the policies of nation-states at the ministerial or heads-of-state level. This is one form of club governance and a component of the architecture of global governance. The latter encompasses both informal and formal and state and non-state elements. Summit architecture stands in contrast to the highly organised, formal decision-making mechanisms typically encountered in international politics.

4 Kirton 2008; Kirton / Koch 2008; for a critical assessment, see Amato (2008) and Hajnal (2007).

5 The L20 reform proposal originated with Canadian Prime Minister Paul Martin. See Cooper / Fues (2005); Martin (2008).

6 See the semi-annual Compliance Reports issued by the G8 Information Centre, which is located at the University of Toronto and headed by John Kirton (www.g7.utoronto.ca). Looking at the field of development, we find that in 1999 the G8 adopted and implemented the debt relief initiative for heavily indebted developing countries. In the meantime the annual G8 summits have come to provide a platform for African development. It must however, be noted that the pledges made have not been implemented consistently. It can, though, at least be said that these commitments themselves generate additional pressure for the G8 countries to take action, pressure that would otherwise not exist.

society movements and organisations in the global North have been largely critical, faulting the G8 as an inefficient club bent solely on representing the interests of the North and largely excluding the global South from its decision-making processes.⁷ We can thus speak of a G8 legitimacy crisis due in large part to the fact that the group, set up in 1975, no longer comes anywhere near representing all of the economies that play a relevant role for the world economy.⁸ In 2003 France responded to the legitimacy and effectiveness crisis besetting the G8 by inviting to the Evian Summit four democratic economic powers from the “global South” (G5 without China, i.e. Brazil, India, Mexico, South Africa) as well as a number of African countries.⁹ After Evian there was to be only one other summit without an outreach element, namely the G8 summit organised by the US in 2004. Starting in 2005, and on the initiative of the UK, the so-called Outreach Five (O5) were invited to attend a short working dinner at the G8’s “side table.”¹⁰ In 2007 the G8 decided to intensify the dialogue with the O5, launching the structured Heiligendamm Dialogue Process. The latter was formulated as an unbiased, open-outcome process, one, though, that was explicitly not to lead to an enlargement of the G8 to form a G13. On the occasion of the 2008 Hokkaido Summit, Japan invited Australia, Indonesia, and South Korea to attend a climate meeting of the “major economies” (MEM) following a summit lunch with the G5 (see Figure 1). And while, against this background, the enlargement issue has come up again and again for discussion, even meeting with proactive support from countries like France and the UK, with the US and Japan dragging their heels, it is only in the wake of the most recent financial crisis that the issue of enlargement has begun to develop a new dynamic. In addition, a number of comprehensive global governance reforms have been proposed by G8 member countries. Quite recently, for example, German Chancellor Angela Merkel has spoken out in favour of a comprehensive reform of the United Nations (UN), including the creation of a World Economic Council.¹¹

The G8 Heiligendamm Dialogue Process (HDP), launched in 2007 with a view to reaching a cautious rapprochement between the G8 and G5 countries,¹² was itself caught unawares by the global financial crisis. While this high-level dialogue was geared to an informal exchange of views and experiences as well as to confidence-building, the global financial crisis now calls for rapid action and hard-and-fast arrangements. The question that needs to be asked against the background of these international developments is what additional value the HDP may entail in the future and what functions it should assume in the global governance system. In view of the present crisis situation and the new enhanced

7 Altwater (2007); Joffe (2007); Nuscheler (2007).

8 Cooper / Jackson (2007). In 1975 the G8, then referred to as the G6, was created by Germany and France, followed by the UK, Italy, Japan, and the US. In 1976 Canada joined the group, and since 1977 the European Union has participated in all of the group’s summits. The group’s most recent member is Russia, which was officially invited to join in 1998, giving birth to today’s Group of Eight.

9 Evian must be seen as part of a longer tradition, and France was the first G8 member to invite other heads of state and multilateral organisations to attend a summit: In 1989, parallel to the G7 summit, a dinner held in Paris included as guests the G5 countries as well as other global leaders. In 1996 heads of state and international organisations were invited to attend a lunch following the G7 summit. Moreover, the Evian summit was the first to which Russia was invited to attend as a full member; see Kirton / Panova (2007).

10 See Kirton (2008, 51).

11 At the international level, Angela Merkel advanced this proposal at the annual World Economic Forum meeting in Davos on 30 December 2008. In Germany she first presented the proposal at a CDU party congress on 1 Jan. 2008.

12 G8 = Germany, European Union, France, the UK, Italy, Canada, Russia, US; G5 = Brazil, China, India, Mexico, South Africa.

role of the G20, has the HDP now become just another old story? Can the now-familiar HDP format still be developed into an effective and innovative element of global governance? What additional value do the G8, the G5 countries see in it? What conditions need to be met if the HDP is to be made into an effective instrument of club governance? Figure 1 shows that club governance is growing increasingly complex and that the parallel development of G20 and HDP calls for a clear definition of both functions in international politics and what the notion of additional value implies in this context.

| Figure 1: Status quo of the summit architecture at the beginning of 2009 | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|-------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------|
| | | | G20 Summit | | | G8 Climate / MEM^a | | | Afrika-outreach of the G8 |
| G8 Summit | <u>MM^b</u> <i>Foreign Affairs</i> | <u>MM^b</u> <i>Science and Technology</i> | <u>MM^b</u> <i>Financial Markets</i> | <u>MM^b</u> <i>Justice and Interior</i> | <u>MM^b</u> <i>Energy</i> | <u>MM^b</u> <i>Environment and Climate</i> | <u>MM^b</u> <i>Agriculture</i> | <u>MM^b</u> <i>Employment / Labour</i> | <u>MM^b</u> <i>Development</i> |
| HDP (G8 + G5) | | | <u>20 participants^c</u> : G8 (incl. EU) + G5 + AR, AU, ID, KOR, SA, TR | | | <u>16 participants:</u> G8 (incl. EU) + G5 + AU, ID, KOR | | | <u>Participants:</u> G8 (incl. EU) + G5 + AU + ca. six African heads of state ^d |
| *Innovation | | | | | | | | | |
| *Investment | | | | | | | | | |
| *Energy | | | | | | | | | |
| *Development | | | | | | | | | |
| Working groups | | | | | | | | | |
| <p>Key G8 = Germany, European Union, France, UK, Italy, Canada, Russia, US; G5 = Brazil, China, India, Mexico, South Africa.</p> <p>^a The first <i>Major Economies' Leaders Meeting</i> (MEM) on climate issues came about on the initiative of Japan and the US in September 2007 in Washington, D.C. ^b MT = Ministerial Meeting, held annually. The issues addressed by the ministerials differ in keeping with the agenda set by the current G8 presidency. While the meetings of the foreign, finance, justice, energy, and labour ministers have already become an established element of the G8, the meetings of the development, environment, agriculture and science ministers are a more recent development. ^c G8 (incl. EU) + G5 + Argentina, Australia, Indonesia, Saudi Arabia, South Korea, and Turkey. ^d In addition to South Africa, a G5 country, Algeria, Ethiopia, Ghana, Nigeria, Senegal, and Tanzania also participated in the summit <i>outreach</i> at the Hokkaido G8 Summit.</p> | | | | | | | | | |
| Quelle: Own compilation | | | | | | | | | |

The need to further develop and to redefine the HDP is a result not only of ongoing global developments (external pressure) but also of the Heiligendamm Process itself (immanent pressure): In July 2008, on the occasion of the G8 summit in Hokkaido/Japan, the G8 and the G5 publicly presented their joint interim report on the results of the HDP. One thing the report made clear was that open-endedness is a constitutive feature of the HDP. No decisions were taken either on its continuation or on its format beyond the year 2009. It is the concrete interests of the countries involved that will decide on whether and in what form the HDP will be continued. These interests will be reflected in the final HDP report due to be presented to the world public prior to the G8 summit set to be held in Maddalena, Italy, in June 2009. Against this background, the present analysis will discuss the future prospects for the HDP and its possible articulation in the period after the 2009 G8 summit.

The point of departure for the considerations that follow is an assessment of the HDP, that is, of the results it has achieved since 2007. This will also include an attempt to define the place and the significance of the HDP in international politics as well as the ways in which the process relates to other international fora and organisations. This will be followed by a discussion of the conditions that need to be met for the HDP to be continued successfully and the formats that could prove well suited to the purpose. The final section then deals with the HDP's development pillar, and in particular with whether or not would make good sense to continue on with the "Development" working group and what, in the latter case, the ongoing global discussion would seem to suggest as the most appropriate thematic focus for the second (post-2009) phase following the La Maddalena Summit.

1 Assessment of the first phase of the Heiligendamm Dialogue Process (2007–2009)

"The establishment of the HDP [...] was a significant development in the evolution of the G8/G5 relations, primarily as recognition of the phenomenal shifts in global balances of power in recent years."

(Jacob Zuma, ANC President, 21 April 2008)

The first phase of the HDP (2007-2009) has centred on building confidence between the G5 and G8 countries. In the run-up to the G8 summit in Maddalena the countries involved will now have to decide whether or not they wish to embark on a second phase after July 2009. If they decide in favour of a second phase, a further decision will have to be made on the form in which the dialogue process is to be continued. Would it be best to continue on in the "accustomed" informal mode geared to intensifying the working relations between the two groups, or would it be preferable to modify the dialogue's functions, goals, and, if need be, its formats?

The assessment of the HDP's successes and challenges will constitute the basis for future decisions. For only when the G8 and G5 countries have assessed what additional value the process has entailed and determined whether it has developed into an effective policy instrument will it be possible to realign their foreign policies accordingly. Since the HDP is situated squarely in the context of global developments – indeed may even said to be an component of them (the HDP being an element of club governance) – an assessment of the HDP in the narrow sense would not be sufficient. This will be followed, finally, by a brief

look at the role Germany, the initiator of the HDP, has played and a presentation and discussion of scenarios worked out to illuminate various possible future developments of the HDP.

1.1 The HDP's successes and challenges

The criteria needed to measure the HDP's successes can be derived on the one hand from the written agreements formulated by G8 and G5 at the beginning of the process and on the other from the expectations and political objectives formulated in 2007 by the German G8 presidency, which initiated the HDP; in concrete terms:¹³

- a) the targets set in the joint **G8/G5 Summit Declaration of June 8, 2007**,¹⁴ namely to formulate and organise, for a period of two years, a structured and informal high-level dialogue on global challenges;
- b) the **policy goals** formulated at the outset of the **German G8 presidency**,¹⁵ namely to build confidence between the G8 and G5 countries and to provide a forum for an exchange of experiences and views on global issues; to reform the global governance system; to bolster the G8's legitimacy; and to create corridors for negotiations in international organisations ("pathfinder" function).

Instead of according equal treatment to the HDP-related objectives and expectations named here, Germany, the EU, and the other countries involved in the process defined a set of priorities, with paramount priority assigned to informal dialogue and confidence-building on the basis of intensified working relations between the G8 and G5 countries, while efforts to systematically dovetail the HDP with the global governance architecture were defined as desirable but not of the highest priority. This prioritisation follows a transparent and plausible logic: International cooperation is based on stability of expectations, and this in turn presupposes trust between the countries engaged in cooperation. Only when the working relations between government staff members has been intensified and they have gained more knowledge of one another is it possible for them to build, step by step, a solid relationship based on trust. Only then will they be able to engage in constructive discussions and negotiations on changes of a systemic nature and to move ahead with collective efforts to address global challenges. The basis of mutual trust between the G8 and the "rising powers from the South" is still relatively "thin" (at least compared to the relations between the OECD countries). This is why it is only logical to see in the informal dialogue between the G8 and G5 countries an indirect precondition for global government reforms, with informal dialogue giving rise to more intensive working relations that may serve to bolster trust. Any attempt, at the outset of the HDP, to pursue the two objectives, viz. confidence-building and global governance reform, simultaneously would have overstrained the capacities of all the actors involved.

The HDP's main focus, confidence-building, clearly implies that the process' primary orientation is inward and that it is geared only marginally to other structures of club gov-

13 Fues / Leininger (2008).

14 When the HDP got underway, the G5 was not yet formally constituted as a group, and in G8 jargon the later G5 countries were referred to as the O5, which stands for "Outreach Five."

15 In autumn 2007 the author conducted a number of personal interviews to inquire into the policy goals and expectations of the German G8 presidency. See also Benterbusch / Seifert (2008).

ernance and global governance. What this means in effect is that there are limits set to efforts to subject the process' successes and challenges to a transparent and plausible assessment, particularly in view of the fact that both the process itself and the documents available pose obstacles to any transparent reconstruction and interpretation by outside observers. The following picture emerges against this background (see Table 1, p. 13 for a summary overview):

Assessment of the successes achieved in meeting priority goals as well as of unintended collateral effects¹⁶

- Establishment of a structured, informal, high-level dialogue between G8 and G5

In 2007 the HDP had trouble getting off the ground, with some G8 countries voicing scepticism about the process's prospects. The US and Japan in particular expressed fears of any enlargement of the G8, an undesirable development in their eyes. The G5 countries likewise harboured reservations, voicing their unwillingness to see themselves coopted by the "club of the industrialized nations" and harnessed to their policies, without having the right to participate on equal terms in the G8's work¹⁷ - especially in view of the fact that any intensification of the cooperation between G5 and G8 countries would inevitably lead to frictions with other developing countries in general and with the G77 in particular.

Despite these difficulties, though, the initiators of the HDP did succeed in institutionalising the dialogue process. Here too, the success must be seen in the process' innovative format, which consists in a steering committee that receives its input from four thematic working groups. The core aspect of the HDP is its informal dialogue character, that is, the HDP serves as a forum not for negotiations but for an exchange of experiences and views on global issues like investment, development in Africa, energy, and innovation. Since October 2007 the working groups have come together with the steering committee for a total of 26 meetings, with the meetings taking place more and more frequently and regularly, reaching a present average of three per year.

Even though the dialogue has taken place on a regular basis, it has not necessarily always been conducted at a high level. However, to ensure that the issues discussed in the HDP framework are used as feedback, as inputs for national policy-making, it is essential that high-ranking representatives of each country attend the meetings.

- Intensification of working relations as a contribution to building mutual trust

According to reports from the working groups, the informal discussions conducted in the HDP framework have provided an important contribution to breaking down stereotype notions that the one side may hold of the other.¹⁸ It has been emphasised that it is

16 The G8 and G5 declarations referred to in what follows can be downloaded from the official HDP website; see: http://www.oecd.org/document/49/0,3343,en_21571361_40549151_41691249_1_1_1_1,00.html (accessed on 24 Feb. 2009).

17 While the unequal treatment accorded to the G5 countries is alone sufficient to explain their distance and reservations towards the G8, this does not imply, conversely, that all G5 countries would be interested in being admitted to the G8 club, even if they were invited to participate on equal terms.

18 These working group reports have been obtained from G8 circles. No final assessment will be possible until the G5 countries themselves have been heard on the matter.

the informal character of the meetings has proven conducive to a candid exchange of views and has thus far been the main reason why the working relations in the HDP have intensified. This is confirmed by G5 circles as well – for instance in a press briefing given by the Indian foreign minister in the run-up to the 2008 Hokkaido Summit: “It is in fact the very informality of the process which is the useful process.”¹⁹

Against this background, it is safe to assume that the HDP in fact contributes to boosting the stability of the expectations held by both sides when it comes to individual policy fields. However, the informal dialogue format runs up against its limits when it comes to bringing about any firm stability of expectations. This would require a negotiating format in which binding positions could be agreed on and coordinated.

- Unilateral agenda-setting

The institutional innovation in global governance to which the HDP has given rise stems from the G8 countries. In its preparatory work for the HDP, the German G8 presidency not only developed both the organisational and institutional framework and the informal dialogue format, following consultations with the other G8 countries, it also set the political-thematic agenda for the HDP. Four themes, investment, energy, innovation, and development (especially in Africa), were placed on the agenda without any prior consultations with the G5 countries. Even though the G5, in a joint declaration issued in June 2007, proposed a number of divergent themes, including e.g. migration and global governance reform, these proposals were not included on the agenda.²⁰ Roughly the same can be said of the “joint” summit declaration adopted in 2007, which was formulated and made public without any prior consultations with the G5 countries.²¹

This clearly indicates that the G8 countries were – at least in the initial phase of the HDP – somewhat reluctant to invite the G5 to their table as equal partners.

- O5 goes G5 – Establishment of the G5 in the autumn of 2007

The G8 launched the HDP in the framework of the outreach process it had initiated with a number of African countries in 2001. Only since the 2003 Evian Summit in France have Brazil, China, India, Mexico, and South Africa been invited to sit, for a brief time slot, at the “side table” of G8 summits. This is also the tradition in which the German G8 presidency introduced the HDP in 2007, calling on the countries then known as the O5 to participate in a structured and medium-term exchange of experiences and views. Once they had accepted the invitation, the O5 countries set up a group of their own, the G5.²² The move may be seen as a sign of these countries’ bol-

19 Special Media Briefing by Foreign Secretary on Prime Minister’s forthcoming visit to Japan to attend G-8 Summit, 04 July 2008; see <http://meaindia.nic.in/secframe.php?sec=pb> (accessed on 28 Feb. 2009).

20 See Riestra (2007).

21 See the statement made by Indian Prime Minister Premiers Manmohan Singh: “*We were not active participants in the G8 processes, in fact G8 communiqué was issued even before our meeting (...)*”. Cited after Nafey (2008, 127).

22 It was Brazilian President Lula da Silva who, immediately following the Heiligendamm G8 Summit, proposed the establishment of a G5. The other G5 heads of state lost no time in approving the proposal; see India News Online (2007). The first official G5 document was issued in the context of the Hokkaido G8 Summit in 2008; see *G-5 Political Declaration*, 8 July 2008; see <http://pib.nic.in/release/re->

stered self-assurance and an expression of their claim to be recognised by the G8 as equal partners. The G5 has now become established as an autonomous group, and its activities in global politics extend beyond the dialogue with the G8. This is clearly illustrated by the joint declaration issued by the G5 foreign ministers on the occasion of the 2008 UN General Assembly or in the stepped-up preparatory activities in which the G5 engaged in the run-up to the London Financial Summit in April 2009.²³

The HDP may thus be said to have sparked an unintended counter-reaction on the part of the G5 countries, a development that generally deserves to be welcomed. After all, the G8 countries are in need of strong partners with clear-cut positions when it comes to tackling global challenges. The G5's Sapporo Declaration, adopted on the occasion of the 2008 G8 Summit in Hokkaido-Toyako, Japan, is a telling example of this.²⁴ All the same, the cooperation between G8 and G5 has entailed frictions with other developing countries. In the global South the G5 is seen less as an instance of intensified North-South cooperation than as an alternative to the G8, one that represents the positions of the developing world, is headed for confrontation with the industrialized world, and is not steering a course geared to cooperation.²⁵

- Interim report in 2008, but no joint G8/G5 summit declaration

An interim report on the progress and current state of the discussion reached by HDP was in fact prepared for the 2008 summit in Japan. The report centres principally on the common ground between the two groups in various global policy fields. Substantive differences and divergent positions separating the two groups can be found in the independent, political declaration issued by the G5 in Sapporo in parallel to the G8 summit (see Table 1).²⁶ Here we see quite clearly that the HDP was unable to contribute to bringing about an alignment of positions on a number of key issues of global governance, including e.g. problem-solving strategies for climate change or measures to stabilise the world financial market architecture. This may be read as an indication that while efforts to strengthen the working relations between the two groups were successful, no progress was made in creating a comprehensive basis of trust between the G8 and the G5.²⁷ A final assessment of efforts to align the positions of the two groups will be possible only when the final report has been issued.

In connection with the interim report, divergent positions also emerged both within the G8 and between G8 and G5, specifically when it came to inviting parties to attend the 2008 G8 Hokkaido Summit.²⁸ In the history of the G8 it has traditionally been the current presidency that has been responsible for formulating the substantive agenda and inviting parties

lease.asp?reid=40146 (accessed on 3 Jan. 2009). The media of the G5 countries have referred to the group as the G5 since its invitation to attend the Heiligendamm Summit.

23 Press release on the G5 Foreign Ministers Meeting, 22 Sept. 2008.

24 G5 Political Declaration of 8 July 2008; see <http://pib.nic.in/release/release.asp?reid=40146> (accessed on 3 Jan. 2009).

25 See Bidwai (2007).

26 See Myatt et al. (2007) on the contributions made by the individual G5 countries to addressing global challenges like climate change or financial market instability.

27 While this may be said of the two groups in any case, individual G8 and G5 countries have succeeded in building intensive and trust-based relations at the bilateral level; to cite one example, as an OECD member, Mexico already maintains close relations with the G8 countries, in particular with the US.

28 On the 2008 G8 Summit in Hokkaido, see the blog of the Centre for Innovation in Global Governance (CIGI): <http://g8toyako.wordpress.com/>

| Table 1: G5 positions at the 2008 G8 Summit in Hokkaido |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G5 positions diverging from those of the G8 (as of June 2008) |
| <ul style="list-style-type: none"> • Historical responsibility to reduce the greenhouse gas emissions of industrialised countries (reference year: 1990): 25–40 % by 2020 (in parallel to the target set by the EU); 80-95 % by 2050; |
| <ul style="list-style-type: none"> • No obligation for the G5 countries to meet specific emission targets |
| <ul style="list-style-type: none"> • Support for the Chinese proposal on a Climate Change Fund (0.5 % of Gross Domestic Product [GDP] of industrialised countries; in addition to <i>Official Development Assistance</i> – ODA) |
| <ul style="list-style-type: none"> • Transfer of technologies for “low-carbon” economies; review of intellectual property rights on these technologies |
| <ul style="list-style-type: none"> • Improvement of the representation of developing countries in international financial institutions, in particular International Monetary Fund (IMF) and World Bank |
| <ul style="list-style-type: none"> • Measures to strengthen oversight mechanisms in the global financial market |
| <ul style="list-style-type: none"> • Industrialised countries obliged to dismantle their trade barriers |
| <ul style="list-style-type: none"> • Industrialised countries obliged to spend at least 0.7 % of their GDP for ODA |
| <ul style="list-style-type: none"> • South-South cooperation has comparative advantages over ODA (North-South cooperation) |
| <ul style="list-style-type: none"> • Willingness to strengthen multilateralism and to move ahead with reform of the UN Security Council |
| Source: <i>G5 Political Declaration</i> of 8 July 2008, compiled by Thomas Fues |

to attend “its” summit meeting. Accordingly, the G5 countries have virtually always been invited to attend G8 summits since 2003, although the list of additional invited guests has varied in keeping with each host country’s priorities. To cite a few examples: In addition to the G5 members and a number of African countries, one part of the programme of the 2006 Russian G8 summit was attended by the Shanghai Cooperation Organisation; in 2004 the US did not even invite the G5 to attend; and for 2009 Italy is set to invite, in addition to the G5 and a number of African countries, Egypt as a representative of the Islamic world. Japan – usually together with the US (Bush Administration) – has generally tended to take a hard line when it comes to inviting its regional rival China. This attitude posed a danger to the HDP in that it would have been inconceivable to present the interim report in the absence of the partners to the dialogue. Japan gave in only at the last minute, extending an invitation for the G5 to attend a working lunch. While the G5 countries were annoyed about the peripheral nature of the invitation they had once again received, Japan’s behaviour also led to frictions within the G8.

- Issue-driven coalitions beyond the existing G8 und G5 formats (cross-cutting exchange of experiences and views)

One positive collateral effect of the HDP is that it has led to the building of cross-cutting coalitions within the thematic working groups. This clearly indicates that the dividing line between joint and divergent positions is not defined by G8 or G5 membership, indeed that the line may run across group boundaries. This insight could serve to improve the chances for an enlargement of the G8 or for the formation of issue-driven coalitions for decision-making processes in other international bodies or institutions.

| Table 2: HDP: Successes and challenges | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Successes | Challenges |
| <ul style="list-style-type: none"> • Formal establishment and institutionalisation of the HDP • Guarantee that G8/G5 meetings will be held on a regular basis • Intensified working relations between G8 and G5 countries • Formation of a coalition of the O5 countries to constitute the Group of Five, in autumn 2007 • Issue-driven coalitions beyond the existing G8 und G5 formats (cross-cutting exchange of experiences and views) | <ul style="list-style-type: none"> • Steps to ensure that the dialogue is and remains high level in nature • Creation of altered global framework conditions by upgrading the role of the G20 • Joint formulation of new goals, efforts to prevent unilateral agenda-setting • Efforts to reform the HDP's institutional structure (secretariat) – because the OECD has no legitimacy base in the G5 • Efforts to systematically dovetail the HDP with the global governance architecture, in particular with the UN, in order not to undermine international institutions • Clarification of the HDP's pathfinder function |
| Source: Own presentation | |

Assessment of the efforts undertaken to reach subordinate goals

- Reform of the global governance system shelved

Although the HDP itself represents an innovative element of club governance, the countries involved in it have never placed it in any plausible, systematic relation to other elements of global governance, and reform of the global governance architecture has not been a subject of the HDP's informal dialogue. Despite the demand voiced in many quarters for a long-overdue reform of the traditional architecture of global governance, the G8 countries declined to place the issue on their HDP agenda. And when, in the run-up to the 2007 G8 summit, the G5 countries explicitly called for the issue to be placed on the summit agenda, their demand fell on deaf ears. Accordingly, expectations that the HDP could contribute to efforts to reform the global governance system have not been met.

- Lack of systematic efforts to achieve progress on the HDP's "pathfinder" function

For outside observers it is difficult to discern clearly whether the HDP could contribute to creating corridors for negotiations in international organisations (e.g. elaboration of procedural proposals, coordination of issues and agendas, etc.). The confidential nature of the HDP virtually rules out the possibility of creating a viable and plausible link between the HDP dialogue and international negotiations. And this in turn makes it difficult to assess whether the HDP has played a pathfinder role in international decision-making processes. The only hard evidence available for the purpose would be the two declarations prepared by the G8 and the G5 on the occasion of the 2008 Japanese summit in Toyako, each of which was issued separately by the group that authored it. In them each of the groups sets out different positions of their own, e.g. on global climate and financial issues. These divergences indicate at least that while the two groups were unable to find a corridor for joint positions, the HDP may well have enabled them groups to work out their differences in more clear-cut terms. This may provide a positive contribution to creating a realistic horizon of expectations in negotiations.

- Bolstering the G8's legitimacy²⁹

The HDP has not been able to tangibly boost the G8's legitimacy – in particular in view of the circumstance that the ongoing global financial crisis has shown that the G8 is no longer able to act on its own in global crisis situations. Still, it was widely noted positively in the international media that the invitation of the G5 countries to a G8 summit was a “step” in the right direction, although the G8 was also faulted for seating the G5 heads of state at a “side table,” as it did on the occasion of the 2008 summit.

1.2 The HDP and change in global politics: Club governance, G20, and world public opinion

The HDP has not met with a particularly positive response in world public opinion, a circumstance not especially surprising in view of the HDP's informal character and the fact that the first phase was explicitly designed in such a way as to generate little visible external impact. Indeed, some comments in the international media have even gone so far as to question whether the HDP in fact really exists. And one is surprised to see that civil society opponents of the G8, who year for year have been highly successful in mobilising the followers on the occasion of the annual G8 summits, have devoted very little critical scrutiny to the HDP in connection with their G8-related activities. The main reason for the silence on the HDP in the global South would appear to be that the G8 is quite largely unknown there.

The few voices that have come to be heard in world public opinion are those of G8 critics from NGO circles and the academic community in G8 countries, although official criticism has also come from the poorest developing countries and the G77, with civil society critics and the media in the G5 countries voicing their disapproval as well. As a rule, the arguments used here are little more than replications of the arguments advanced against club governance in general. The first and most frequent point that has come in for criticism is that the G8 is simply not the right forum for an institutionalised dialogue between “North and South.” What is needed instead, it is argued, is a permanent cooperation mechanism in the UN system that could serve to ensure universal participation in efforts to come to grips with global challenges.³⁰ In the second place, some media and intellectuals from the G5 countries have come out against any attempt to merge G8 and G5 to form a G13, arguing instead that the global South would be better advised to create a policy body of its own that would serve as an alternative to the global North's G8.³¹ A third argument we encounter is that the HDP is – in much the same way as the G8 or a G13 – simply not representative in that the Heiligendamm process does not represent the majority interests of developing countries and coalitions between the G8 and the “major” emerging developing countries could even serve to further marginalise the world's poorest countries.³²

Power shifts at the level of international politics have long since become matter of course. In scholarship, and in practice for the most part as well, there is a broad measure of agreement that the structure, organisation, and functional logic of today's international

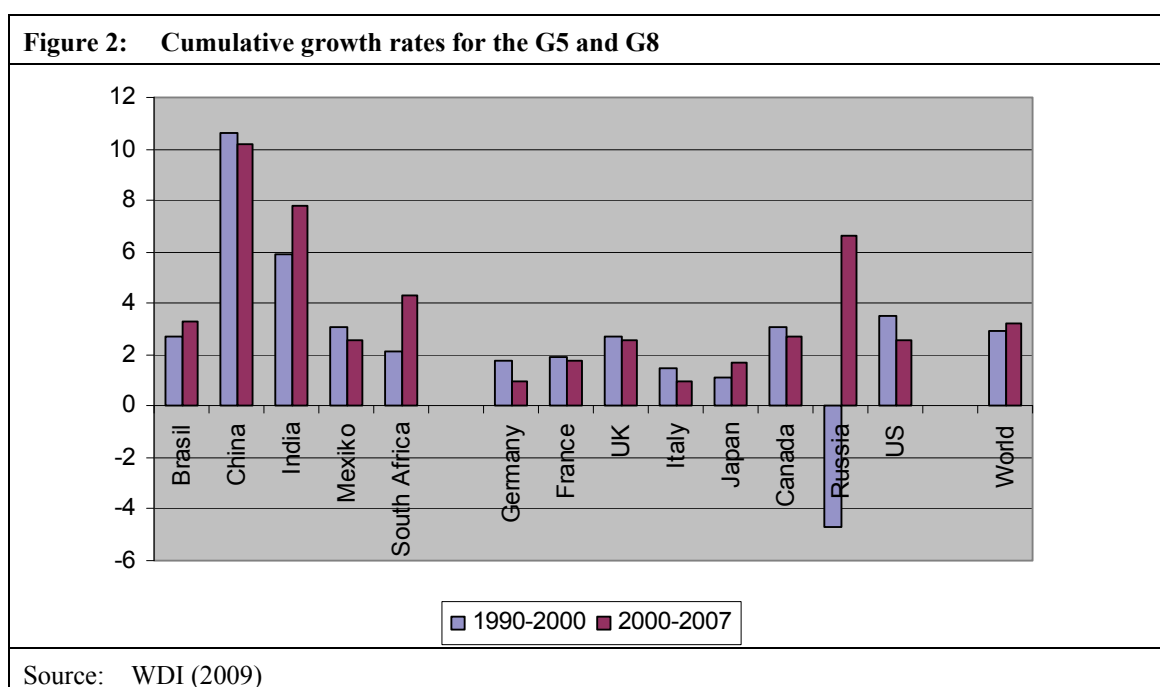
29 An assessment of the G8's legitimacy would call for an in-depth analysis of media reports that have appeared in the past 24 months as well as surveys among the political elites and populations of the G5 countries. This would have gone beyond the scope of the present study.

30 For representative views, see Cooper / Fues (2005); Martens (2007).

31 For a representative view, see Bidwai (2007).

32 For a representative view, see Ellmers (2007).

organisations no longer reflect ongoing changes in politics.³³ This in turn limits the integrity and effectiveness of the international system. The G8, too, is an informal element (club governance) of an entrenched international system sorely in need of overhaul. And despite its claims to the contrary, the G8 is no longer at the centre of international power (representation gap). While it is true that the G8's annual economic summits continue to attract considerable public attention, the decisions made by the circle of eight industrialised nations have lost a good measure of the clout they once had. To cite one example, the G8 is no longer able to address international financial market issues – traditionally “its core business” – without participation of the governments of other major economies, in particular those of China and India. And this is reflected in the macroeconomic data: While the G8 countries continue to account for a very high share of global GDP (44 %),³⁴ in 2005 the G5 countries already accounted for one quarter of global GDP (26 %). If we also take a look at the growth rates posted by G5 countries, and above all by China and India, we cannot help but conclude that the share of global GDP for which they account will continue to rise in the future (see Figure 2).³⁵



The G8's representation gap G8 has entailed a deficit in terms of effectiveness and efficiency: As long as some crucial actors are excluded from efforts to come up with solutions and strategies, there is no reason to expect any sweeping successes in dealing with global challenges. It is not least the global financial crisis and climate change that show unmistakably that the only way to effectively meet global challenges is for the G8 to work side by side with the rising powers from the South. This is the reason why, in 2007, an attempt was made to redress, at least for the time being, the G8's representation gap and efficiency

33 Drezner (2007); Müller (2008).

34 Ten years ago the figure was nearly twice as high, namely 80 %.

35 The role played by the rising “powers from the South” has been documented, for instance, in a number of DIE publications (see overview in Annex 3) as well as in Cooper (2007); Drezner (2007); Messner / Gu / Humphrey (2008); Müller (2008); Husar / Maihold / Mair (2009); Flemes (2007).

deficit by launching a regular, informal dialogue, the HDP, with the G5 countries.³⁶ In keeping with its functional logic, the HDP was, in its initial phase, assigned the role of an informal – and thus at the same time necessarily intransparent – forum for an international exchange of experiences and views. Internally, the G8 have in fact made use of the informal dialogue to intensify their working relations with the G8 countries – but without arriving at any sustainable joint decisions on global issues, and that is to say, without achieving much in the way of tangible and externally visible results.³⁷

Toward the end of 2008, however, it was the informal G20 (Finance) that had moved squarely into the centre of international politics.³⁸ All of the HDP countries are members of the G20. When, in the midst of the global financial crisis, it became clear that the only way to restore financial stability was to involve all of the world's pivotal countries in a reform of the international regulatory machinery and financial architecture (the Bretton Woods Institutions in particular) did the then US president, George W. Bush, convene a G20 summit. Unlike the other G20 meetings, though, this summit included not only the finance ministers but also the heads of state of the G20 countries. This meant in effect creating a negotiating round that had been called for since 2003, in particular by the Canadian government and members of the international research community.³⁹ What we are looking at here is a proposal to further develop the G20 (Finance) into an L20 (Leaders Summit).⁴⁰ Although this reform proposal has been called for publicly from many quarters of the world, it has not (yet?) been taken up in a proactive manner by the countries concerned. A US spokesman, for instance, recently – i.e. after the inauguration of President Obama – announced: *“There was no discussion of that [L20/G8 enlargement] today, and no decisions or real discussion within the administration that I’m familiar with.”*⁴¹ While the international press and academic community have often predicted that the G8's significance and clout would decline if the group were transformed into an L20,⁴² in the run-up to the next summit the G8 countries are coming to realise that there is now a greater need than ever for coordination between G8 and G20. And the dynamic of the internal G8 enlargement debate has in fact increased significantly.⁴³

Looked at against this background, the dialogue between the G8 and G5 countries provided for in the HDP appears to have been overtaken by international developments. The HDP could, though, assume a bridge function in the coordination process between G8 and

36 To be sure, critics of the summit architecture have rightly noted that an exclusive group of thirteen countries could hardly claim to be representative of the international community, and above all that such a group would not represent the interests of small and developing countries; see Martens (2007) for a representative view.

37 See Section 1, above: The HDP's successes and problems.

38 In 1999 the G20 (Finance), a regular summit of the G20 finance ministers, was launched in response to the Asian financial crisis. See Figure 1 for a list of the G20 countries.

39 Martin (2008).

40 Kirton (2008, 49); Martin (2008). Both authors emphasise that the selection of additional countries for the group is bound to an arbitrary one. If it comes to a reform, Martin in particular would be in favour of keeping the circle of participants as small as possible in order to preserve the “informal atmosphere” of the meetings.

41 Press briefing with White House Press Secretary Robert Gibbs on 19 Feb. 2009; see http://www.whitehouse.gov/the_press_office/Press-Gaggle-by-Press-Secretary-Robert-Gibbs-and-Deputy-Press-Secretary-Jim-Steinberg-Aboard-Air-Force-One-2/19/09/ (accessed on 26 Feb. 2009).

42 Maihold (2005).

43 See the press releases on the official website of the Italian G8 presidency: <http://www.g8italia2009.it>

G20 and the further development of the G8. The following section will seek to work out the role it has played thus far in the context of the global developments outlined above.

1.3 Where HDP and G5 stand in relation to summit reform

The continuing global financial crisis has moved the issue of G8 enlargement into the centre of international discussions, and the present state of the debate would seem to indicate that a gradual enlargement of the G8 to form a G13/14 or an L20 has become not only desirable but at the same time more likely. This has confirmed the opinion of many experts who had predicted that it would take a global crisis to get a reform of the international summit architecture off the ground. This reform of the summit architecture (G8 and G20) is likely to be issue-oriented and to proceed e.g. from the financial or the climate sector. However, one important obstacle to necessary reforms must be seen in the self-conception of some G8 countries, which continue to see themselves as the centre of international power, despite the manifest growth the power of the G5 countries has shown. Nor does the current development of the G20 render the discussion on an enlargement of the G8 obsolete. While the assumption here is that an L20 is worth aiming for in the short term, it is likely that several intermediate stages and political bargaining processes will be required for the purpose. One such intermediate stage could be seen in an enlargement of the G8 to form a G13/14.⁴⁴

The HDP is directly linked with the G8 enlargement issue (see Figure 1 and Table 3). Even though German Chancellor Merkel has always underlined that what the HDP is designed to achieve is not G8 enlargement but an unbiased and open-ended dialogue process, the question of G8 reform is constantly perceptible as an undertone in the ongoing debates:

First, there already is an *enlargement debate* in progress *within the G8*. On the one side we find the US and Japan in particular voicing reservations towards the HDP, suggesting that it may take on a dynamic of its own, encouraging an undesirable and uncontrolled enlargement of the G8 (see Table 3). It remains to be seen what position the new US administration under President Obama will take on the issue. On the other side we see the UK and France campaigning for an enlargement of the G8 to form a G14 (G8 + G5 + Egypt as a representative Muslim nation).⁴⁵

Second, the debate on G8 enlargement, both scholarly and intra-G8, has been conducted with a view to *normative aspects*. Even though Russia was admitted to the G8 in 1998 – for reasons, be it said, that had to do more with power politics than normative considerations – the G8 countries are now engaged in a discussion over whether to open their circle for non-democracies like China.

Third, the HDP is perceived by the general public as a *qualitative advancement of the outreach process* launched in 2001 with the invitation extended to a number of African countries. While the donor-recipient perspective is an obvious element of the relations between

44 On this point, see Cooper (2008).

45 In this regard, the main model under discussion in scholarship and practice is a G13/G14, that is, an enlargement of the G8 to include the G5 and one Muslim country. The countries regularly cited as appropriate for the last-named slot include Egypt, Saudi Arabia, and Indonesia. A minority has come out in favour of the proposal to broaden the G8 to include Brazil, China, and India, i.e. to form a G11. The G20 summit in November 2008 and the climate meeting of the “major economies” held in the framework of the 2008 G8 summit have also served to reinvigorate the debate over an L20.

the G8 and African countries (excepting South Africa), the G5 is a group that for the most part competes with the G8 in the world market and is gaining growing influence on global processes. The HDP is conceived as an affirmation of the special quality of the relations between the G8 and the G5 Outreach countries, which are seen as “strategic powers” whose cooperation is needed to meet most global challenges.⁴⁶ Bargaining and discussions with them have a quality and orientation that differ from what we see when it comes to dealings with African countries.

Fourth, due to the ongoing debates on representation gap and efficiency deficits, the HDP has always been viewed, in the world media and international scholarship alike, in the context of a possible G8 enlargement – a reality that the G8 countries are unable to ignore. In other words, the G8 will be forced to decide, in the near term, whether to opt for a future “club of OECD democracies” or to move towards enlargement, with a view to creating a power-driven instrument for coordinating and cooperating on global issues.⁴⁷ If the G8 fails to define a position on enlargement prior to the next G8 summit, it will, in effect, be permitting the dynamic unfolding in the G20 and the open-ended structure of the HDP to create a set of facts that it may no longer be able to influence.

| Obstructive factors | Conducive factors |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Divergent positions within the G8 (at present opposition to enlargement especially on the part of Japan and the US) | Practical constraints and reform pressure generated by the global financial crisis and the growing weight of the G20 – with the G8 at the same time losing significance |
| Normative motives and self-conception of the HDP countries (G5 = representatives of the global South; G8 = representatives of the OECD world / democracy) | Growing willingness within the G8 (in particular change in US administration) |
| Increasingly complex summit architecture, tending to marginalise the G8 | Growing reform pressure from public opinion worldwide (G8 legitimacy crisis and L20 debate) |
| | Representation of developing countries in informal summit architecture (G5 perspective) |
| Source: Own presentation | |

Looking beyond the G8, it will be up to the G5 to decide whether G8 enlargement appears practicable in the first place. While some G5 countries wish to remain aloof from the G8 and are at least sceptical as regards group membership (see Box 1, below, for the positions of individual countries), none of the G5 countries has yet officially announced its rejection of the idea of a G13/14. Indeed, most of the G5 countries hold ambivalent positions on this issue and prefer to pursue multi-track strategies. On the one hand, they continue to view themselves as advocates of the developing world, keying their external coalitions and networks to their partners in the “global South” (South-South coalition). This foreign-

46 Bradford (2009, 8).

47 In view of Russia’s G8 membership, efforts to consistently pursue this idea are likely to prove impossible, or at least implausible.

policy orientation would seem at first glance militate against a G13/14. On the other hand, though, one benefit the G5 would see in a reformed summit architecture (with the G13/14 as the core group) is the possibility it would afford them to better represent their own interests and positions at the global level (see Table 3).⁴⁸ The G5 countries need for this reason to consider carefully whether participation in a G13/14 would prove compatible with the South-South cooperation strategy they have adopted or whether they might be better advised to turn down participation for the medium term.

On the whole, expert circles – including e.g. the renowned G8 Information Centre at the University of Toronto, the Institute for Global Dialogue, Midrand, SA, or the Centre for International Governance in Waterloo/Ontario⁴⁹ – regard the HDP as an innovative instrument of international politics, one has taken some first steps towards bridging the divides separating global South and North.⁵⁰ However, experts are unanimous in pointing out that the HDP offers no long-term alternative to a G8 enlargement or an L20. It must furthermore be assumed that the open-endedness of the process, in conjunction with the regular participation of the G5 in it, amounts in effect to a de facto enlargement. The G8 would therefore be well advised to develop a proactive strategy on the enlargement issue before the process takes on an unintended dynamic of its own.

Box 1: G5 positions on HDP and summit architecture reform

One of the HDP's principal aims is to contribute to strengthening and deepening cooperation between G8 and G5 countries. Indirectly, the issue of enlargement of the G8 to form a G13/14 is also at stake. While the G5 countries are unanimous in their support for the HDP, their position of admission to the G8 is ambivalent. The G8, though, assumes implicitly that the G5 countries would welcome admission to the G8 because the move would bring them closer "to the centre of power."^a However, the political discourses in and the foreign-policy guidelines of all G5 countries are focused not on club governance but on comprehensive global governance reforms centred on the UN. With the exception of Mexico, all of the G5 countries have consistently pursued this orientation vis-à-vis the G8 since the St. Petersburg G8 Summit (2006). One noteworthy fact is that the G5 governments are forced to justify the dialogue at home, and this need is clearly reflected e.g. in the press briefings held after the summits in Heiligendamm (2007) and Hokkaido (2008). What we see here is the G5 heads of government defending the dialogue as a necessary instrument of their external commercial policies. Furthermore, multilateralism plays an important role for the G5 as an approach to foreign policy, and these countries have just recently started to develop a set of informal mechanisms (e.g. South-South coalitions, engagement in the G20 (Finance)). Differences in the positions held by the G5 countries are attributable mainly to the specific roles they play in the HDP, what they expect of the G8, and the substantive orientation of their policies.^b

Brazil: Instead of developing a new profile in the course of the HDP and the summits in Heiligendamm and Hokkaido, this South American country is determined to adhere to its strategy of seeking allies "in its own camp" (i.e. in the developing world) with a view to boosting its own weight in negotiations with industrialised countries, e.g. on eliminating agricultural subsidies. The strategy has its roots in pattern-of thought traditionally typical of the country's political elite^c as well as in the marked inclination of Brazil's foreign policy to seek its orientation in a South agenda. What this means that the country's foreign policy has been geared to seeking opportunities for cooperation in the South, including e.g. a trilateral coalition with South Africa and India, intensified cooperation with Lusophone countries in

48 See Nafey (2008, 126).

49 See articles in Cooper / Antkiewicz (2008).

50 Fues et al. (forthcoming).

Africa, and close relations with countries in its own region. Accordingly, President Lula da Silva provided proactive support for the establishment of the G5 and is now seeking allies within the group to build a coalition against “the rich” and to convince the latter of the need for equitable global governance structures.^d Brazil’s aim, like India’s, is representation in formal international institutions, and in particular on the UN Security Council. On the other hand, though, Brazil is also determined to make its mark as a partner of the North when it comes to international regulatory challenges.^e For instance, Lula da Silva has no doubts as to whether Brazil should belong to a G13, even though in 2008 he voiced scepticism on the enlargement issue, pointing to reservations on the part of the G8 countries: *“The one or other may offer resistance, because no one likes migrants, while we are important migrants.”*^f He is furthermore convinced that G8 enlargement is simply a matter of time.

China: In the context of the Evian G8 Summit (2003) the Chinese government was still unwilling to consider any formal participation in the G8. Since then, though, China has shown a growing measure of proactive engagement in connection with the G20 (Finance), recognising the benefits that club governance may entail for it and adjusting its foreign-policy instruments accordingly.^g China is pursuing several foreign-policy strategies at once. Among the central elements concerned are reform of global governance institutions and China’s self-perception as an advocate of the global South. In addition, China has recently helped forge a number of informal coalitions, including the G5 and South-South alliances, and shown a new openness for cooperation with the G8. Although China does not generally rule out the possibility of the G13, it does not see it as a “mandatory programme” either.^h The spokesman of the Chinese Foreign Ministry put it this way after the 2007 G8 summit: *“I don’t think China will be Mr. No at the G8. We want to be Mr. Cooperation or Mr. Partnership [...] we hope in the future our cooperation with the G8 can be institutionalized and regular.”*ⁱ Against this background, China has supported the dialogue between G5 and G8 with the aim of strengthening the South-North dialogue and forging a new kind of partnership between developed and developing countries, one based on equality, mutual benefit, and a win-win outcomes.^j

India: For a decade now, India’s foreign policy has pursued the goal of a comprehensive reform of the institutions of global governance, in particular of the UN Security Council. It is not only in this context that India has asserted, continuously and unambiguously, that the significant political role it plays needs to be reflected more adequately in formal terms in international organisations and that the developing world (in particular the *“major developing economies”*) must generally be more equitably represented in these institutions. Although India sees itself as a representative of the “global South,” the Indian government is convinced that it is entitled to equal representation in the G8. Accordingly, it has openly expressed its disappointment with the 2007 Heiligendamm G8 Summit, noting critically that it was seated only at the “side table” and had not been involved in the planning for the HDP. Since then, though, the Indian government has emphasised the importance of an exchange of experiences and views between G8 and G5 for South-North relations. At home it has solicited popular support for the HDP, and in particular for the confidence-building character of the dialogue at the G8 summit: *“I think that is the real advantage of meetings like this that it gives the leaders a chance to talk directly to each other on issues that concern us all.”*^k

Mexico: Mexico plays a special role in the context of the G5. Both official and scholarly quarters have noted critically that Mexico should actually not be seen as one of the rising powers of the South, since it has very rarely publicly advocated the cause of the South and does not play a proactive role in global politics. As the only G5 country that is at the same time a member of the OECD, Mexico is often perceived as part of the “global North.” Making a virtue of this necessity, Mexico has sought to use the HDP as a vehicle to alter its foreign-policy strategy. Mexican State Secretary Lourdes Bezaury puts it this way: *“To promote a better insertion of Mexico on the global stage we seek to strengthen Mexico’s presence in these spaces for dialogue and cooperation that will allow Mexico to have greater influence in the definition of the international agenda and promote the issues that are of interest to her, as well as strengthening links with key actors on the global stage.”*^l In the wake of the 2007 Heiligendamm Summit, Mexico assumed a coordinating role within the G5, assigning to itself a bridge function between North and South. In September 2008 the other G5 countries explicitly acknowledged that Mexico’s engagement had played a key role in establishing the G5 and the HDP.^m The Mexican government

was mandated to represent the G5 for an indefinite period of time. In December 2008 and on January 2009, Mexico stepped up its diplomatic engagement for the G5, conducting coordination talks for the next G20 summit set to be held in April 2008 with the UK (G20 chair), Italy (G8 chair), and South Africa. Mexico has yet to announce a position on G8 enlargement. In view of its close relations with the G8 countries, however, it is safe to assume that Mexico's views on a possible G13 are open and positive.

South Africa: South Africa is the G5 country that comes out most forcefully for regional interests. It sees itself as a representative of the "African cause" in world politics. When it comes to the G8, which has had the development of the African continent on its agenda for a decade now and regularly engages in dialogue with African countries at its summit meetings (*outreach* process), this is seen as a matter of considerable importance. At the global level South Africa has come out in favour of an equitable global governance architecture in which both industrialised and developing countries are able to participate on equal terms. Former South African President Thabo Mbeki has referred to this as the struggle against a "*global apartheid*" separating the rich from the poor.^a In this sense the South African government has come out in favour of the HDP as a suitable opportunity for dialogue between the global South and North. ANC President Jacob Zuma, however, emphasises that dialogue alone is not sufficient: "[...] it [the HDP] cannot replace the imperative of a wider relationship that reflects the interests and concerns of all parties. The HDP is therefore one element in fostering closer cooperation amongst our countries." This guarded statement must be viewed mainly in connection with the need to move ahead with a comprehensive reform of global governance institutions, although it may also be interpreted as a sign of openness towards the model of a G13.

- a The press releases and announcements issued by the Italian G8 presidency may be seen as a representative illustration of this (<http://www.g8italia2009.it>).
- b For more in-depth information, see the country analyses in Cooper / Antkiewicz (2008).
- c See Gregory / Almeida (2008, 158).
- d <http://www.hindu.com/2007/06/11/stories/2007061115070100.htm> (accessed 26 Feb. 2009).
- e See Zilla 2009 on the regional and global role played by Brazil.
- f The words he spoke following the G8 summit in Hokkaido: "*Um ou outro pode resistir, porque ninguém gosta de migrantes, mas somos migrantes importantes.*" See http://www.estadao.com.br/geral/not_ger203015,0.htm (accessed on 26 Feb. 2009).
- g China has, for instance, assumed a leading role in the G20 (Finance), and in 2005 it organised and hosted the G20 Financial Forum.
- h See Chin 2008a on China's critical stance.
- i Cited after Chin (2008b, 106).
- j In the words of the Chinese prime minister: "...*promote South-North dialogue and promote the establishment of a new type of partnership between developed and developing countries based upon equality, mutual benefit, cooperation and win-win results.*" Press briefing with Chinese Prime Minister Hu Jintao after the 2008 G8 Summit 2008 in Hokkaido; see: <http://www.fmprc.gov.cn/eng/wjdt/wshd/t456765.htm> (accessed on 26 Feb. 2009).
- k Special Media Briefing by Foreign Secretary on Prime Minister's forthcoming visit to Japan to attend G-8 Summit; 04/07/2008 <http://meaindia.nic.in/secframe.php?sec=pb> (accessed on 28 Feb. 2009).
- l Cited after Wood (2008, 204).
- m See the declaration of the meeting of the G5 foreign ministers issued on 30 Sept. 2008: "*The Foreign Ministers recognised the important work that has been done by Mexico as the group coordinator and decided to extend its mandate.*"
- n See Vickers (2008, 187)

1.4 The HDP's institutional structure and the OECD

In the course of its 33-year history, the G8 (or its predecessors) has – in keeping with its informal character – made do without any formal institutional structures. Its summits and ministerials have always been organised by the countries participating in them. To this extent, the HDP must be seen as something close a minor sensation, namely because it has, for the first time, entailed an organisational institutionalisation of G8 activities. In organisational terms, the HDP has a fixed set of working groups and a steering committee for which a support unit provides input (see Annex 1). The HDP Support Unit is located with the Organisation for Economic Cooperation and Development (OECD), has access to its data and expertise, and reports directly to the OECD secretary-general. The Support Unit is largely funded by Germany, and its staff is recruited exclusively from G8 countries.⁵¹ In the course of the past two years, the Support Unit has proven to be an effective of organisation when it comes to processing data, preparing reports, and generally providing the support needed to move the HDP ahead constructively.

There is good reason to take a critical view of the fact that the HDP unit is located with the OECD. For one thing, the G5 countries – with the exception of Mexico, an OECD member – have reservations concerning the organisation, which is seen as an instrument of the “North,” one used by it to pursue some North-South cooperation, and one that embodies the “old power regime.” In the eyes of the G5 countries, the organisation does not represent interests specific to developing countries. This is the reason why Mexico is the only G5 country that has as yet declared its willingness to back the Support Unit by providing personnel of its own. For another, the Support Unit has come in for criticism even within the OECD, in particular because the smaller OECD countries fear that they may not have a real say in the matter if a decision is taken to enlarge the organisation. In addition, with China, Brazil, and India involved, a risk of overlaps is seen between the outreach activities of the G8 and the OECD.

1.5 Germany's role in the HDP

As the HDP's initiator, Germany plays an important role for the success of the dialogue process. The HDP has high priority for German foreign policy, not least because it enjoys the strong support Chancellor Angela Merkel. The HDP originated in the preparatory phase leading up to the 2007 Heiligendamm G8 Summit; it was developed by the German G8 presidency, which was instrumental in moving it ahead after the summit. The lion's share of the financial and manpower resources that went into the HDP's infrastructure were also made available by Germany. Accordingly, the HDP is perceived as a German project in international politics, and in particular in G8 circles. A failure of the HDP would thus translate into a major setback for German diplomacy.

Both the success the HDP has had thus far and Germany's high level of engagement in it could be turned to account to boost Germany's reputation in international politics and to improve the working relations among German government ministries. On the one hand, Germany could take advantage of the HDP's success to assume a constructive role in the ongoing debate on international institutions and the international summit architecture. As a “middle power”⁵² destined to lose some of its significance in connection with power

51 Woodward (2008).

52 In the English-language literature the term “middle power” connotes a consensus-oriented behaviour in international politics and a commitment to multilateralism.

shifts in the international hierarchy, Germany needs to create fora in which it can put up for discussion issues of interest to it, in this way contributing to shaping the international agenda. On the other hand, the HDP has called for a measure of coordination of interministerial interests and positions far more extensive than that required for other summits.⁵³ It would be important for Germany to make constructive use of this coordination process for efforts to fashion a more uniform foreign-policy profile for the country.

1.6 Outlook

The HDP was originally set up as an open-ended, incremental process. Even though the Italian presidency still intends to invite the G5 to attend the upcoming G8 Summit in Maddalena, no strategy has yet been devised concerning whether and how the HDP might be continued following the presentation of the final report on it in 2009 in Maddalena. In view of the HDP-oriented preparations being made for the HDP in Maddalena, it is highly unlikely that the HDP will be terminated, in particular because the “variable geometry” summit concept⁵⁴ embraced by the Italian presidency accords very high priority to the dialogue with the G5 countries + Egypt.⁵⁵ The whole of the summit’s second day, of a total of three, is to be devoted to an exchange of views and experiences between G8 and G5. This may be seen as a clear-cut step forward compared with the previous summit in Hokkaido (see above).

Based on an assessment of the HDP to date and the dynamics currently to be observed in the summit architecture, it is safe to assume that the HDP will be continued for the time being. The countries involved – and Germany in particular as the HDP’s initiator – should take advantage of the window of opportunity open until the Italian G8 summit to give the HDP an orientation that will ensure that it offers additional value in the context of today’s summit architecture and is at the same time able to contribute to reforming the architecture (for reform proposals, see Part 2, below).

1.7 Evaluative summary

Measured in terms of the G8’s priorities, the first phase of the HDP (2007-2009) may, on the whole, be seen as a success story. The individual assessments of the G5 and G8 countries involved have likewise been positive. The greatest merit of this – mainly confidence-building – process is that the regular, informal meetings in which it is based on have contributed to intensifying the working relations between G5 and G8 countries, potentially

53 For a more in-depth analysis, see Weller (2007).

54 The term “variable geometry” stands for a geographic and political broadening of the summit, without enlargement of the G8 “core group; that is, day one is reserved for the traditional meeting of the G8 heads of state, day two will bring together the G8, the G5, Egypt, and possibly Indonesia, Australia, and South Korea for talks on climate issues, and a number of African countries and the African Union are set to be invited to attend on day three.

55 In an interview on 23 Feb. 2009 with the French daily *Le Figaro*, Italian Prime Minister Silvio Berlusconi announced his aim of coming up with a more stable arrangement with the G5 countries + Egypt: “[...] a more stable and structured form of association with the G8 for the countries in the G5 group [China, India, Brazil, Mexico and South Africa], plus Egypt to represent the Arab, Muslim and African world. [...] It is crucial that we debate specific issues with individual groups of countries, for instance the African countries, on the basis of the ‘variable geometry’ principle. It is not a matter of empty formulas or names but of international governance, of democracy.”); See http://www.g8italia2009.it/G8/Home/News/G8-G8_Layout_locale-199882116809_1199890415428.htm (accessed on 26 Feb. 2009).

increasingly the stability of expectations in international relations. In addition, the process has contributed to forming the coalition of the G5, which is in the process of developing a marked self-conception as a group. Recently the G5, represented by Mexico, has showed a good measure of proactive diplomatic engagement in efforts to prepare the groundwork for the G20 Summit in London in April 2009.

In the future, though, the HDP will prove successful only if all of the countries involved in it – i.e. G5 and G8 alike – define, in the clarity needed, what additional value they expect from the process and what function it is to have in the global summit architecture. In view of the marked dynamic the HDP has unfolded in the global summit architecture, in particular in the context of the new significance the G20 has assumed in connection with the present financial crisis, it is essential that it be given a new strategic reorientation for its second phase (starting in July 2009). It would be recommendable to open up the HDP's inward-oriented structure, which is keyed to the internal relations of the countries concerned, giving the second phase an outward-looking orientation towards other global governance institutions and processes. This would require substantive and structural reform of the HDP, and it would imply not ignoring the issue of G8 enlargement but addressing it openly in G8 negotiations. Otherwise the HDP, conceived as an incremental process, could take on an undesirable dynamic of its own. If the G8 countries are determined to remain credible and not to endanger, any further, the – in any case fragile – legitimacy the G8 enjoys in world public opinion, it is essential that the circle of the G8 be opened – a point on which observers of the global summit architecture concur. As the initiator of the process, Germany has an important role to play for the further success of the HDP, and it can use its lead role to secure its influence on global agenda-setting, in this way providing a contribution to coming to grips with global challenges.

2 Further development of the Heiligendamm Dialogue Process after July 2009

“What might happen if the U.S. or the G-7 try to slip back into their traditional roles as ‘agenda-setter’ or ‘rule-maker’ in the rethink on rules and architecture, and try to treat China, Asian representatives and the other emerging powers as ‘junior partners’? [...] China and other alternative groupings have begun to diversify their options, and are forging their capacity for coordinated action.”

(Gregory Chin, on 17 Dec. 2008)

The HDP has served to intensify the working relations between the countries involved in it – so what comes next? If the DP is to continue to be an innovative and effective foreign-policy instrument, one that entails additional value for the countries involved in the complex structure of the international system, it will be necessary to further develop it in substantive and institutional terms and to adapt it to current events – in particular in view of the fact that in the run-up to the G20 financial summit in London in April 2009 politics, the media, and the research community were engaged in an active discussion on whether or not the G8 should be replaced by a G20. If this should occur, there would be two options available for dealing with the HDP. First, the HDP could be terminated as soon as the final report on its has been issued, assuming the countries involved in the process

come to the conclusion that the HDP will have no more additional functional value for global governance. Second, the HDP could be adapted in keeping with the current dynamic in the summit architecture. In the second case, efforts to reorient the HDP would have to be as innovative as possible and at the same time structurally conservative enough to be able to build on ongoing processes and developments. While the signs to be seen seem to indicate that there is interest in continuing on with the HDP, the question that remains is how. And the question as to what shape the HDP might best be given after the Summit in July 2009 will depend, in key ways, not only on how dynamically the summit architecture develops but also on what goals the countries involved in the second phase wish to pursue.

The following section will discuss the minimum prerequisites that need to be met if the HDP is to prove a success in its second phase. Meeting these prerequisites is a condition necessary but not sufficient for the HDP to succeed. The first section will seek to clarify what prerequisites need to be met; only then will we go on to consider what goals might be pursued with the HDP and what institutional and substantive innovations this could entail.

2.1 Prerequisites for a successful second phase of the HDP

The HDP has proven to be an instrument well suited to reaching the principal goals of the dialogue, namely to develop more intensive working relations as a contribution to building confidence between G8 and G5. If the countries involved decide to continue on with the HDP after July 2009, there is no doubt that it will then be necessary to formulate a set of new goals and to further develop the dialogue in substantive-institutional terms. One aspect that will be of crucial importance to ensure that the future orientation of the HDP will find the support of all of the countries involved is the way in which the process is reoriented for its second phase. This is all the more true in that in the first phase of the HDP the political agenda and the organisational and institutional structure were defined by the G8 in the run-up to the 2007 Heiligendamm Summit, and without prior efforts to coordinate the process with the G5. Nor did the G5 countries fail to comment on this state of affairs:

*“We were not active participants in the G8 processes, in fact G8 communiqué was issued even before our meeting [...]”*⁵⁶

In the first place, one condition absolutely necessary for the further success of the HDP is that the process of goal formulation in the run-up to the Italian G8 summit be an inclusive one (see also Table 4). This not only holds from the theoretical perspective – according to which satisfaction with a process generally entails a higher degree of legitimacy for its results – it is also in keeping with the demands of the G5 countries, which are not content with a “junior partner” role:

*“[...] we have come here not as petitioners but as partners in an equitable, just and fair management of the global comity of nations which we accept as the reality in the globalised world [...] and we did make the point that in future, if similar meetings [G8 and G5] have to take place, then we should get a chance to discuss issues of our concerns before the G8 meeting”*⁵⁷

⁵⁶ Indian Prime Minister Singh, cited after Nafey (2008, 127).

⁵⁷ Nafey (2008, 127).

or:

“[...] we remain convinced that the current format places artificial limits to a potentially powerful and real partnership amongst our countries.”⁵⁸

If the G8 countries really want to remain credible, they need to understand that the officially propagated self-conception of the HDP, namely the principle of equal partnership, calls for a systematic exchange of views and experiences among all dialogue partners concerning a possible continuation of the HDP.

Second, the future success of the HDP will hinge on the degree of ownership that the HDP countries have as well as on their willingness to contribute actively to reaching the goals set. Their willingness to cooperate will rise in keeping with the degree to which the countries involved see their own interests reflected in the goals agreed upon. This in turn would serve to boost ownership in the HDP. If we presuppose ownership on the part of all the countries involved, we must conclude, logically, that the burdens need to be shared fairly, a caveat that applies not only for the G8 countries. Accordingly, the G5 themselves would be expected to bear their fair share of the burden of funding the process.

| Table 4: Preconditions that need to be met if the HDP is to be continued successfully |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Preconditions |
| <ul style="list-style-type: none"> • Internal G8 coordination regarding goals • Inclusive process of goal formulation, i.e. equal participation of G8 and G5 in the run-up to the Italian G8 summit in 2009 • Ownership on the part of all countries involved • Willingness on the part of all countries involved to provide financial support for the process • Formulation of clear and transparent positions by the G8 and the G5 (e.g. on how they stand towards the G20) as a sine qua non for defining the value added by the HDP and its function in global politics |
| Source: Own presentation |

Third, the HDP’s prospects of success will be determined not merely by whether and to what extent the process itself is formulated with a view to fairness and equality, it will also hinge in crucial ways on the HDP’s concrete functions and substance. Efficient foreign-policy instruments are needed to come to effective terms with the growing complexity of international relations and global challenges as well as to do justice to the high level of dynamism to be observed in various policy fields. Even the more high-powered G5 and G8 countries cannot afford to accept additional transaction costs and major resource inputs without being able to point in return to any additional political value. It is for this reason essential that the political substance and orientation of the second phase be clearly defined, including in particular a clear-cut statement on what additional operational value is to be expected from phase two and what complementarities it already has with existing global fora, including the G20, UN bodies, and regional institutions.

58 Jacob Zuma in a talk he held at a public event sponsored by Friedrich-Ebert-Foundation (FES) and German Institute for International and Security Affairs (SWP) in Berlin on 21 April 2008; see: <http://www.anc.org.za/ancdocs/history/zuma/2008/jz0421.html> (accessed on 26 Feb 2009).

Fourth, the G8 countries are expected to agree, prior to the 2009 G8 summit, on what they expect from a continuation of the HDP, how they stand on enlargement of the G8, or whether they would prefer a more inclusive G20 format. The crucial question here is what position the US will adopt, and that, at present, still appears to hang in the balance. Colin Bradford, an expert with the US Brookings Institution, assesses the US position as follows: *“There is no evidence yet of either unswerving commitment to the G8, à la Italy, Japan and Canada, nor to unbridled enthusiasm for, say, an L 20.”*⁵⁹ He attributes this US indecisiveness to the fact that the new Obama Administration is not yet fully operational because a large number of posts have yet to be filled. The US should, though, have prepared a position by the date of the G20 Summit in London in April 2009, at the latest.

2.2 Reorientation of the HDP: Reform of the global governance architecture

“G5 Foreign Ministers coincided in the importance of ensuring a more substantive dialogue with the G8, based on true partnership and fully supportive of multilateralism as the most effective way to find global solutions.”

(G5 Foreign Ministers Meeting, 30 Sept. 2008)

Since November 2008, at the latest, the international summit architecture has revolved around reform of the international financial market and the global financial architecture. The related debates have been driven by the G20, which met again on April 2 in London to deepen the reform agenda and advance efforts to implement it. While the financial crisis has served to boost the willingness of the G8 countries to tackle reforms, since 2003 the G5 countries have used global fora to call explicitly and assertively for reform of the international financial architecture. Some of the G8 countries are also demanding that the G8 be replaced by the G20, arguing that this is precisely what the

*“[...] G20, which is in effect the new steering committee of the international economy, has got to talk about seriously.”*⁶⁰

Recently, just before the meeting of the G20 finance ministers in Horsham (UK), Brazil, China, India, and Russia issued a political statement attributing a central role to the G20:

*“[...] We consider that the G20’s position as the focal point to coordinate with global economic and financial challenges and to lead international efforts responding to the current crisis should be consolidated. [...]”*⁶¹

The communiqué issued by the G20 finance ministers on the same day proposes a time-frame for reform of the Bretton Woods Institutions, though without mentioning the role and function the G20 is to have in the future.⁶²

59 Colin Bradford, Brookings Institution, personal communication of 3 March 2009.

60 Peter Mandelson, UK Secretary of State for Business, Enterprise and Regulatory Reform, on 4 March 2009, on the BBC, cited after the online edition of the International Herald Tribune; see <http://www.iht.com/bin/printfriendly.php?id=20603141> (accessed on 5 March 2009).

61 Statement of the Finance Ministers of Brazil, China, Russia and India, 14 March 2009; see: <http://www.g20.utoronto.ca/2009/2009-bric090314.html> (accessed on 16 March 2009).

62 See G20 Finance Ministers and Central Bank Governors Communiqué, March 14, 2009, South Lodge, United Kingdom; see: <http://www.g20.utoronto.ca/2009/2009-fin-communique090314.html> (accessed on 16 March 2009).

In view of these dynamic global processes, the task of giving the HDP a new orientation constitutes a special challenge. For an HDP with prospects of success will have to be able to adapt to ongoing international developments and at the same time offer additional value for all the countries involved. The HDP is not an end in itself. If the countries involved in the HDP are unable to see any additional value in a continuation of the process – because e.g. it appears outdated in view of today's global dynamics – it would make more sense to terminate it at the next G8 summit in 2009 than to continue on with it.

The various options available to give the second phase of the HDP a new orientation (starting in July 2009) hinge on how the dynamic of the summit architecture continues to develop. What follows will therefore start out by discussing possible reform scenarios for club governance and presenting the arguments for an against comprehensive reform (Table 5), in order then to define the additional value that the HDP may represent in global politics. Since club governance can be justified for the long term only if it is closely linked with ongoing processes in global governance institutions, this present section will close with four scenarios linking summit reform and pending UN institutional reforms.

There are four possible scenarios for summit reform. In terms of a minimum level of representativeness, legitimacy, and economic and political power as well as of cultural aspects, Scenario a) would be preferable (see Annex 2). Since, though, the G20 is unlikely to be selected ad hoc to be the new, comprehensive coordination body at the apex of the global summit architecture (Scenario a), the aim should be to launch a step-by-step reform process in which the points that follow (b to d) might represent individual stages (see also Figure 3, p. 32):

a) Summit reform “extensive – Leaders” Summit (L20)

In this scenario the G20 would replace the existing summit arrangements, that is, G5 and G8 would become part of an L20. Going on where the G8 left off, the L20's core task would be to coordinate relevant international issues with a view to providing a contribution to tackling global challenges. Preparatory, informal arrangements agreed on in advance by G5 and G8 would accompany the process. This would give rise to a synergy effect for dialogue processes on various global issues, such as HDP and MEM.

b) Summit reform “medium” – G20 (Finance) with heads of state and G8 enlargement

The G20 (Finance) would be a regular, e.g. annual summit meeting of heads of state, who would hold consultations on the global financial and real economy. There would be a parallel summit at which the G13 (enlarged G8) would coordinate other issues of global interest. For lack of long-term practicability, this reform option would be suited only for a transitional phase. It would, though, also be conceivable for the G20 heads of state to focus, for the time being, on financial issues and then gradually to expand their summits in substantive terms, finally merging with the G13 to form an L20.

c) Summit reform “light” – G20 (Finance) with heads of state

The G20 (Finance) would be refashioned to form a regular summit of heads of state that would hold consultations on the global financial and real economy. This would be a development analogous to the foundation of the G6 in 1975, when the heads of state came together in order to take action to end an ongoing economic crisis. G8 and G5 would continue to exist. Summits on other issues of global interest, including e.g. climate, security, or development in Africa, would be coordinated here. For lack of long-term practicability, though, this reform option would be suited only for a transitional phase.

d) *Retention of the status quo – with the G20 remaining a ministerial meeting*

Once the current global financial crisis has been mastered, the G20 (Finance) would remain a grouping of finance ministers. Meetings of the G8 or G13 would be/remain a summit of the heads of state.

There is no alternative to summit reform. This is why the countries involved would be able to take advantage of the present summit dynamic (the London G20 Summit in April 2009 in particular) to get beyond financial issues and explore various options for a global governance architecture and draw up a concrete reform agenda.⁶³ For the current crisis has shown that the G8 is no longer sufficiently representative to operate as an effective crisis management body. However, complex global challenges call for an effective, institutionalised crisis management group at the top of the summit architecture and in the UN framework. It is in this sense that the G20 (Finance) has established itself since 1999 as a grouping capable of taking effective action.⁶⁴ Against this background the best approach would be to aim for a comprehensive “extensive” summit reform, with a G20 at its apex (see Table 5).⁶⁵ Other alternatives (proposals a and b, above) would lead to very high costs, e.g. for the preventive security measures that would be required for two summits (summit reform “medium”). Arrangements of this kind would be recommendable only for a transitional phase.

| Pro | Contra |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Participation of relevant countries would serve to increase the (management) competence needed to come to grips with global challenges, in particular in the world economy. | Increasing the number of participants would serve to increase inefficiency, because it would raise transaction costs. ¹ |
| Increase in the group’s international representativeness, boosting the legitimacy of an informal management group at the global level. | Abandonment of the customary confidential atmosphere of G8 summits, and with it one of the few possibilities for an informal exchange of views between heads of state. |
| The success of the G20 (Finance) proves that there is functioning cooperation among the countries of the group. | |
| In individual policy fields, the lines of coalitions would no longer coincide with traditional groups of countries (e.g. G8 vs. G5); instead new, small groupings would emerge, and they could gain greater profile in the G20. | |
| ¹ It would be possible to reduce the size of the group by making more use of regional representations, e.g. an arrangement under which the EU would be represented one participant. Since 1977 the EU has actively participated in every G8 summit, and thus preliminary consultations and arrangements may already said to be an EU tradition. | |
| Source: Own representation | |

63 Although there is no good reason to believe that any decision will be taken on an immediate, comprehensive reform of the summit architecture, mainly because efforts will be focused on overcoming the financial crisis.

64 For an assessment of the G20’s work, see Martinez-Diaz (2007); Kirton / Koch (2008).

65 Fues (2007).

In this context the HDP offers a major opportunity to move ahead effectively with summit reform. The HDP would be well suited to serve as a forum to coordinate a pending summit reform. This would mean that, starting in July 2009, the main focus of the HDP would be outward, namely on global governance reform and institutional issues, and no longer inward, viz. on building confidence between G8 and G5. This thematic focus would accommodate the interests of each of the two groups, for one thing in that it would take up a proposal made by the G5 in 2007,⁶⁶ for another because it would mean a reaffirmation of the – G8-supported – agreements adopted at the G20 crisis summit held on November 14/15, 2008. The HDP's additional value in international politics must be seen in its innovative institutional structure, one that has already proved its effectiveness in practice.

To be sure, the HDP's concrete function in international politics would depend on the results achieved at the G20 Summit of April 2, 2009 (see Figure 3 for an overview). Depending on the nature of a summit reform, which there is no reason to expect to materialise from one day to the next, the HDP would in this case be able to develop successively, altering its function from c) to a), in keeping with reform needs.

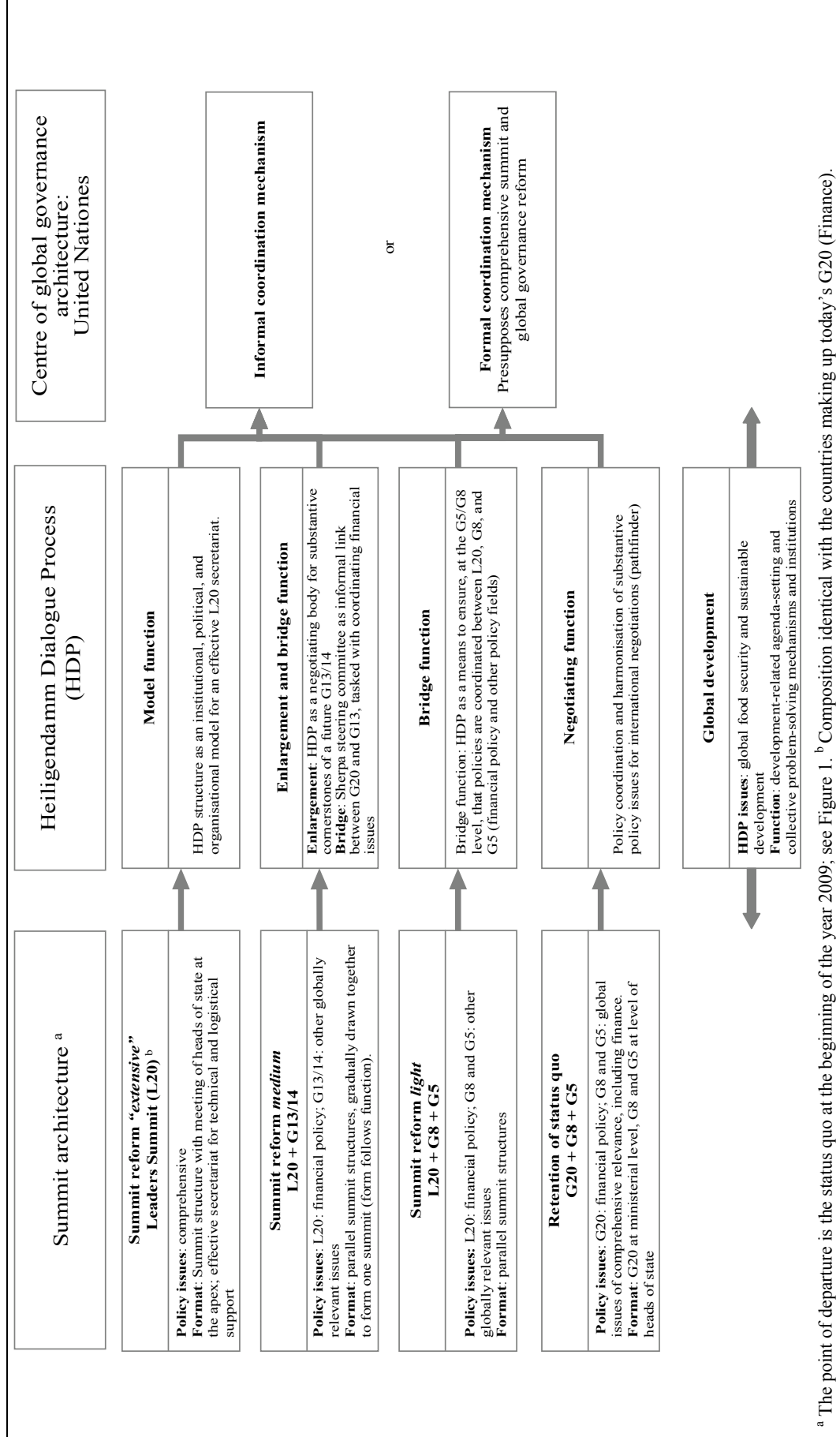
a) HDP: Think big! "Model function" for the L20 (summit reform "extensive")

Establishment of an informal summit meeting for the heads of state of the G20 would serve to place the summit architecture on a new footing. To ensure the continuity of dialogue and policy coordination, it would be necessary to break with the present practice and create a "lean" and effective L20 secretariat to provide support for the organisational work involved in holding annual summits and ministerials. Among the tasks of the secretariat would be logistic and technical support, in particular with a view to enabling smaller countries to participate. In keeping with the HDP model, oversight of the secretariat would be in the hands of the sherpa steering committee and the troika of summit presidencies. Steps would also have to be taken to ensure that political coordination processes continued between the summit meetings, e.g. in the form of working groups.

The HDP would have a model function here. If the HDP were upgraded into a G20 secretariat, the L20 would be able to benefit substantially from its experience in coordination and dialogue and its institutional structure. Policy coordination would be the task of thematic working groups, and they in turn would be responsible for preparation of the work of the sherpa steering committee and of ministerials. In view of the reservations voiced by G5 members and other developing countries, consideration should be given to locating the L20 secretariat not with the OECD but with another multilateral organisation to which all of the countries involved were members, e.g. the UN. In order to take advantage of synergies between G20 and MEM countries (see Figure 1, p. 7), proactive efforts should be undertaken to ensure that climate issues were included.

66 See the Joint Position Paper of Brazil, China, India, Mexico and South Africa participating in the G8 Heiligendamm Summit, June 2007.

Figure 3: Reform scenarios for summit architecture and additional functional value of the HDP



^a The point of departure is the status quo at the beginning of the year 2009; see Figure 1. ^b Composition identical with the countries making up today's G20 (Finance).

Source: Own compilation

b) HDP: “Enlargement and bridge function” in a summit reform “medium”

A new summit architecture with a financial summit (G20) and a thematically comprehensive summit (G13) could serve as a transitional model. The transaction costs for two regular, parallel summits would be prohibitive, straining the capacities of the administrations concerned and possibly alienating the population. This transition phase on the road to a comprehensive summit architecture could in any case be used to implement a – long overdue – G8 enlargement.

The HDP would have two functions here. First, it would furnish the institutional basis for an enlargement of the G8 to form a G23/G14. Instead of discussing global policy fields in a dialogue format, the concern would now be to move ahead with enlargement in thematic terms, with G8 and G5 reaching agreement, in thematic working groups, on a set of joint substantive and institutional cornerstones for a G13/G14. Second, the HDP would constitute a bridge to the G20 process when it came to financial issues. One of the working groups would deal with financial issues, coordinating reform proposals in the run-up to G20 summits and working on structural reform of the international financial institutions. The sherpa steering committee would constitute the actual bridge between the two processes. In order to prevent the emergence of any permanent dual structure, another working group would be devoted to transforming the G13 into the G20. With a view to effectiveness, it might prove necessary to increase the number of working groups to a total of five (e.g. finance, energy, development, innovation, and global governance reform).⁶⁷

c) HDP: The “bridge function” in a summit reform “light”

Part of a reform of the summit architecture would consist of an additional financial summit of heads of state; it (like the G8 summits) would take place once a year. Here we can only repeat what we noted above in the case of a summit reform “medium”: The high transaction costs of a dual structure would be justifiable only for a transitional phase, until the ongoing financial crisis were overcome and a set of new structures had been created.

The HDP would here have a “bridge function” between G8, G5, and G20, with most of the work falling under the responsibility of the sherpa steering committee. Financial issues would be discussed in advance in an informal dialogue in working groups, with possible positions being explored. In view of the fact that climate talks are now conducted at G8 summits (Gleneagles Process), it would be recommendable to add the issue in the second phase of the HDP. It would be important here to avoid creating structures that duplicate those in place in the Gleneagles Process).

d) HDP: “Negotiating function” for the case that the status quo is retained

The status quo would be retained if, once the global financial crisis has been overcome, the G20 countries resume their finance summits and the G8 shows no interest in enlargement.

In this context the HDP would assume a different character, even if its institutional structure remained intact. The aim would be to move away from the HDP’s pure dialogue character and to give the process a more marked negotiating format. The transition from

67 In view of the G8’s comprehensive security agenda, consideration might be given to including this issue as well.

informal dialogue to negotiation would serve to coordinate decisions set to be taken in other international bodies and institutions. For example, the HDP could serve as a forum for discussions on the next Doha Round or on climate issues in the run-up to the 2009 UN climate conference in Copenhagen; this would make it possible for participating countries to promote their own positions and to identify points of agreements and disagreement. This would serve to create a substantive corridor for international negotiations (pathfinder).

Finally, summit architecture reform, and thus the HDP as well, must always be looked at in the context of the overall architecture of global governance. Summit meetings are merely one complementary element of this architecture. Formal international institutions like the United Nations or the Bretton Woods Institutions constitute the legitimised core of international decision-making. These established institutions are also under enormous pressure to reform. Against this background, it is essential to view any summit reform in the light of possible reforms of established international organisations. Summit arrangements should in any event serve to facilitate decision-making in formal institutions. It would be possible, in this sense, to create coordination mechanisms between individual summit elements and formal institutions, the UN in particular. Two different approaches would be conceivable (see Figure 3):

First, establishment of informal mechanisms – roughly patterned on the HDP – between a given summit structure and the UN General Assembly or ECOSOC and the Bretton Woods Institutions (IFIs). Such mechanisms as well as concrete, institutional points of departure should come in for discussion as soon as the ongoing reform debate has reached a more advanced stage.

Second, establishment of informal or formal mechanisms between a given summit structure and a reformed UN, or integration of the summit architecture into the UN structure, i.e. a formalisation and institutionalisation of the body responsible for coordinating the G20. This would presuppose a far-reaching UN reform extending beyond any incremental adaptation based on today's UN Charter.⁶⁸

2.3 Evaluative summary

Think big! The international dynamic to which the global financial crisis has led in the international summit architecture offers a grand opportunity to effect the global governance reform that had begun so auspiciously in the period leading up to 2005, the year of UN reform, in order then to falter. Here the HDP can play an important role as a forum for intensive, policy-specific, and in-depth reform debates. This would, though, be contingent on whether the G8 and G5 countries determined that a reorientation of the HDP would offer them additional value as a foreign-policy instrument. Accordingly, all of the HDP countries would need to declare their willingness to make substantial contributions to the HDP structure, e.g. by providing financial resources or making expertise available. In addition, the HDP would have to prove that it is both able to adapt to ongoing reform processes that may result from the G20 summit in April 2009 and capable of responding flexibly to them.

68 See the discussion of proposals on a “new” main UN organ in Martens 2006.

The aim should be to carry out a comprehensive summit reform leading to a Leaders' Summit of the G20 countries (L20). For a transitional period the G20 could coordinate international financial policy and move ahead with reform of the IFIs, with the G13/14 (enlarged G8) dealing with other global challenges. In all of the reform models under consideration, the HDP would offer additional value for the participating countries. The HDP would in this case give up its pure dialogue character and be geared more to consultations and negotiations. The only approach that would ensure a continuous process of dialogue and policy coordination would be for the L20 to be able to fall back on the technical, logistical, and substantive support provided by a "lean" and effective secretariat. Here the HDP could serve as a model that could be taken up by the L20. If, though, the aim should be to enlarge the G8, the HDP could serve as a forum for preparing and negotiating the substantive cornerstones of a G13/14. In the overall context of the global governance architecture, the HDP would have a bridging function during the reform phase, both between individual summit arrangements (G20, G8, and G5) and between summits and international organisations. Finally, the sherpa steering committee would in this case be responsible for deciding what functional and institutional adjustments would be called for prior to the 2008 summit in Maddalena.

3 The "development pillar" of the Heiligendamm Dialogue Process

"We must ensure development and prosperity on a sustainable path, both within and across nations. That is the historical challenge of our generation. To achieve this fundamental goal, we must act in a coordinated manner".

(G5 Political Declaration on occasion of the 2008 G8 summit)

"...part of the global responsibility of global leadership is to represent those who have no other means to have their views heard in the G20 forum."

(Colin Bradford 2009, 9)

Development policy is one of the main pillars of the G8. The eight OECD countries from the North and the EU have, since the mid-1990s, reaffirmed their commitment to their obligation to support poor countries, especially in Africa, in the course of their socio-economic development. The debt relief for certain least developed countries adopted by the G8 in 1999, and subsequently implemented, is one of the most prominent and successful examples of the development engagement initiated by the G8. In addition, African heads of state have, since 2000, been invited to participate in the last day of G8 summits, an arrangement extended in 2005 to include a representative of the African Union. The G8 countries – with the exception of Germany – have, though, not been so successful when it comes to raising the ODA they provide, which is expected to have reached a level of 0.7 % of each G8 donor's GDP by the year 2015. However, the prospects of success in meeting this target have dwindled since the onset of the unprecedented economic and financial crisis in 2008.⁶⁹ The development-related decisions taken by the G8 are scrutinised

69 Group 2009.

closely by the world public, and critical reports are regularly published on progress made in implementing them.⁷⁰

In Germany the Federal Ministry for Economic Cooperation and Development (BMZ) play an important role in the formulation and implementation of Germany's G8 policy. While in formal terms the ultimate decision-making authority rests with the German sherpa and his/her staff at the Federal Ministry of Economics and Technology (BMWt) as well as with the German chancellor, proposals bearing on development issues are as a rule made by the BMZ, which is responsible for the development-related aspects involved in implementing G8 commitments. Accordingly, the BMZ has substantial clout when it comes to Germany's G8 policy.

Development policy will continue to be an important substantive element of the summit architecture. No matter what approach is adopted for reform, it is virtually impossible to imagine a summit without development on its agenda, particularly in view of the growing complexity of development-related global challenges like climate change, financial market instability, and food crisis. And if the G8 should be enlarged to form a G13 or L20, developing countries will have far more voice in setting the agenda. In what follows, we will look into the question of what development-related issues would be well suited for phase two of the HDP agenda.

3.1 Phase one of the HDP: Results from the "Development" working group

In the G8/G5 summit declaration (which was formulated by the G8 on its own) the HDP working group on "Development, especially in Africa" was originally assigned the task of strengthening international cooperation with a view to effectively meeting the challenges of development and reaching the Millennium Development Goals (MDGs).⁷¹ At the end of 2007 the G8 and G5 countries had agreed to coordinate, in the HDP framework, development-related approaches and standards and to promote development and peace in Africa.⁷² Since February 2008 the working group has held a total of four meetings in different venues in the North and in the South.

In view of the HDP's informal dialogue character – and in analogy to the assessment of the overall process undertaken above - any assessment of the successes and challenges of the "Development" working group is necessarily subject to certain provisos. The present assessment is based on the interim report as well as on personal interviews conducted by the author with all of the German parties involved in the HDP. What this means in effect is that the views presented here are for the most part those of an HDP country, not the perspectives and perceptions of other participants.

All in all, the delegation reports indicate that progress has been made in the development-related discussions between G8 and G5. The "Development" working group was able to

70 See the semi-annual report issued by the G8 Research Centre, University of Toronto (www.g7.utoronto.ca).

71 The text states: "*We reiterate our commitment to the Millennium Development Goals (MDGs), the eradication of poverty and sustainable global development. In view of our responsibility regarding the challenges of development we shall strengthen cooperation and coordination between us to achieve these goals.*" Joint Statement, Germany, 8 June 2007; see www.g-8.de/nm_92160/Content/EN/Artikel/_g8-summit/anlagen/o5-erklaerung-en.html (accessed on 26 Feb. 2009).

72 See Mofa (2009, 2–3) (HDP interim report).

create a foundation of trust among the participants, and this set the stage for an open debate on development standards. Above and beyond this confidence-building effect, the working group produced tangible results in three areas in particular:

a) *Complementarity of the development-policy reference systems used by G8 and G5*

The working group has succeeded in defusing the tensions between the approaches to development pursued by the G5 (South-South cooperation) and the G8 North-South cooperation keyed to OECD standards). All participants emphasise that they prefer to see their different approaches to development not as a form of rivalry but as complementary sub-systems. While this statement may appear banal, it nonetheless does show that there is now convergence between two fronts that were rigidly defined when the HDP was launched. And each side is now more willing to learn from the practical experience of the other. The participation of the G5 countries in the High-Level Forum on Aid Effectiveness (Paris Declaration) in Accra may likewise be read as a sign that the parties are prepared to talk. However, only in the medium term will we know whether and to what extent this willingness to learn from one another will bear fruit in practice.

b) *Standards and instruments of development cooperation (DC)*

Nearly all countries in the “Development” working group indicated that they are committed to reaching the MDGs. This objective may be seen as the least common denominator formulated by G8 and G5. Otherwise, neither side had anything new to say about DC standards and instruments. Owing to the stark disparity between OECD countries and the G5 (except Mexico, which, as an OECD country, shares responsibility for OECD standards), direct questions referring to standards and approaches tend to be a touchy matter. The G5 countries fear that the G8 is seeking to impose OECD standards on them. It turned out to be more advisable to address the matter of standards indirectly, in connection with other substantive issues.

c) *Development practice: Triangular cooperation*

All of the participants in the HDP expressed great interest in the issue of triangular cooperation. A special meeting was held on this issue in 2009 in Tunis; it was also attended by a number of countries that are not G5 or G8 members. While the low number of actual triangular cooperation projects presently underway does not appear to be in line with the high level of interest shown for the issue in discussions, both the international level and in the HDP, the G5 and G8 have already taken a first practical step on the road to a triangular cooperation, with an HDP delegation travelling to Africa to meet with the African Union (AU) to determine the development priorities of African countries for potential triangular cooperation projects. Concretely, agreement was reached with the AU on triangular cooperation in support of infrastructure measures. This African proposal will now have to be discussed by the HDP countries in the time leading up to the next summit.

The final results from the “Development” working group will be available for the 2009 summit. After the summit a decision will be made on what development issues are to be dealt with in the second phase of the HDP.

3.2 The second phase of the HDP: Further work on the “development pillar”

“[...] international institutions have a key role to play, and we reaffirm our commitment to supporting them. We encourage ongoing open dialogue and work on reforming and adapting international institutions so that they be able to respond effectively.”
(G8 Summit Declaration 2008)

“We reiterate the need to make the structures of global governance more democratic, representative and legitimate by increasing the participation of developing countries in the decision-making bodies of multilateral institutions.”
(Joint Position Paper of the G5 on the 2007 G8 Summit)

Development policy must continue to be one of the cornerstones of G8 policy and the international summit architecture if collective efforts to address major global problem complexes like the food crisis, climate change, and financial market instability are to prove successful. Accordingly, development issues must remain part of the agenda of second phase of the HDP. As in the case of other fields of the HDP’s work, it is essential to avoid the emergence of duplications and parallel structures. The newly established, and dynamic China-DAC Study Group, for example, could pose just such a danger of duplication. Even though it is essential to avoid any duplication of existing structures, it is very important for the work of the HDP’s development pillar that concrete policy issues be “thought through twice”: In view of the simultaneous nature of complex development problems calling for collective action, and in a situation marked by an urgent need for reform of mechanisms and institutions of collective action (global governance architecture), it is simply not sufficient to reach agreement on quantitative targets, e.g. on poverty reduction or setting of standards. Institutional problem-solving strategies, and that is to say, global governance reform, need to be accompanied by substantive discussions. Accordingly, the question that needs to be asked in connection with efforts to reorient the development pillar of the HDP is what additional value the HDP may entail for global politics and what issues it will be able to deal with effectively (see Figure 3). Furthermore, the role played by the BMZ needs to be looked into. And we must not forget here that while the “Development” working group meets and develops positions on its own initiative, its main function is to provide input for the HDP steering committee and to support its efforts to define positions of its own (see the Organisational chart in Annex 1). All of the proposals that follow are applicable in connection with the reform models proposed above:

a) The HDP’s function in global development policy (under consideration of ongoing developments in the international summit architecture)

The HDP offers an opportunity for developing and industrialised countries to coordinate development issues and their institutional embodiment in the global governance architecture and to move ahead with the necessary reform of international institutions. Structural global governance reforms should be accompanied by thematic/sectoral coordination processes; the working group negotiations could, for instance, be used to decide on what international forum would be best suited for the discussions needed on goals, standards, and practices of international development policy, especially in Africa. Appropriate and promising approaches might, for instance, be seen in the existing summit architecture of-

ferred by ECOSOC in its Development Cooperation Forum, i.e. in the UN framework. The working group could furthermore seek to develop a joint joint-development-related concept on the concrete configuration of a possible “Global Council for Sustainable Development.” In substantive and institutional terms, these development perspectives would then flow into the work of the sherpa steering committee, one of whose paramount tasks is to seek to find a balanced relationship between summit architecture and formal institutions. The inputs that the “Development” working group feeds into the sherpa steering committee could in this way provide an indirect contribution to a comprehensive reform of international institutions.

As far as agenda-setting is concerned, the development working group has the important task of ensuring that development issues continue to have high priority on summit agendas. At present the political agenda is dominated by the global financial crisis, with its negative impacts on developing and industrialised countries alike.⁷³ This must not be allowed to undermine efforts to meet development-related obligations that have been assumed by the G8 and the G5.

b) The HDP's thematic orientation in the field of development

The need for a thematic reorientation of the HDP is bound up with the interests of the countries concerned and the state of today's global problems. One other crucial aspect involved in selecting themes is the need for a shared perception of problems. Both of these aspects are given when it comes to the issues of food security and sustainable development, and both are currently seen by all of the countries concerned as important aims of engagement in the field of development. Recently, at a meeting in South Africa, the G5 made specific reference to this problem complex.⁷⁴ The urgency of the need to guarantee food security is evident, and this issue complex also has implications for agriculture and trade. In addition, it would be conceivable in this context to start looking for new approaches for the next Doha Round. Talks on the issue of sustainable development may pave the way for a discussion on a joint conception of development and the space best suited for discussion of models of institutional reform, including e.g. a new UN Economic Council.

In specifically regional terms, and in view of the persistent structural discrimination with which Africa is faced in the world economy, it is essential that this regional focus be retained – just as it is that African representatives be included in the development-related discussions conducted by the OECD and G5 countries. And structural reform of international institutions is needed to ensure that small developing countries are able to participate in global decision-making processes. At present African interests are underrepresented in the various proposals that have been advanced on summit reform.⁷⁵

73 Although it is of course clear that the industrialised countries bear the main share of responsibility for it.

74 The original text (emphasis by the author): “*En el ámbito multilateral, ambas reafirmaron su compromiso de continuar profundizando el diálogo en el marco del Grupo de los Cinco (G5), conformado también por Brasil, China e India, en temas prioritarios como la crisis financiera internacional, la reforma de la gobernabilidad financiera internacional, la seguridad alimentaria, el cambio climático y el desarrollo sustentable.*” Press release on the occasion of the visit of the Mexican Secretary of State in South Africa on 19 Feb. 2009; see <http://www.presidencia.gob.mx/buscador/?contenido=42429> (accessed on 26 Feb. 2009).

75 See Cooper (2008).

Efforts geared to a substantive coordination of development-related issues offer an indirect opportunity to reach agreement on standards issues involved in development cooperation. In the case of a G8 enlargement (reform model “medium”) the working group would serve to define the cornerstones of the development work of a G13.

c) The BMZ's role in HDP and summit architecture

Compared with other German ministries, the BMZ plays a major role in Germany's G8 policy (see above). As far as a German contribution to coming to effective terms with global challenges is concerned, the BMZ has an important part to play in the preparatory work for the HDP's second phase. That is to say, the BMZ is able to bring its weight to bear on Germany's G8 policy when it comes to ensuring – despite, or precisely because of, the ongoing global financial crisis – that development issues continue to have high priority on the G8 agenda. ODA commitments must be met if there is to be any chance whatever to resolve global development problems. Not only can the ministry make available its decades of experience in development practice for the summit process, it can also turn its approach to development as global structural policy to account in efforts to move ahead with pending reforms.

In reorienting the HDP's development component, care must be taken to ensure that the successes achieved in the first phase are effectively consolidated. This goes in particular for fields in which concrete agreements on implementation have already been reached, as in the case of triangular cooperation. Here the cornerstone has already been laid for the cooperation between G8 and G5 and African countries in the field of infrastructure development. Both the BMZ and the German representation in the HDP steering committee can work to ensure that the implementation phase gets underway, at the latest, immediately after the G8 summit in Maddalena.

3.3 Evaluative summary

Development policy must continue to be one of the cornerstones of the international summit architecture if collective efforts to address major global problem complexes are to prove successful. Accordingly, development issues must continue to rank high on the agenda of second phase of the HDP. While the working group on “Development, especially in Africa” has, in the first phase, achieved moderate success in narrowing down the positions of G8 and G5 countries on fundamental development issues and operational agreements on triangular cooperation projects with African countries, in the second phase it could have the opportunity to provide an important contribution to global governance reform.

Concrete development issues must be approached with a view to two aspects. On the one hand, the development working group is tasked with coordinating and reaching agreement on policy-based solutions for development problems. Their urgency would recommend global food security and sustainable development as issues for the second HDP phase. The structural discrimination with which Africa is faced and the growing development engagement shown by some G5 countries in Africa constitute good reasons to continue on with the regional focus on Africa. On the other hand, though, it is simply not sufficient to reach agreement only on quantitative targets. One firm element of discussions on development must be the need to find collective problem-solving mechanisms and to move ahead with the reforms required for the purpose – in the sense of global structural policy.

The countries involved could, for instance, seek to reach agreement on what international forum would be best suited for the discussions needed on goals, standards, and practices of international development policy – together with developing countries. Appropriate and promising approaches might, for instance, be seen in the existing summit architecture offered by ECOSOC in its Development Cooperation Forum, i.e. in the UN framework, or, if a comprehensive reform should materialise, in a possible “Global Council for Sustainable Development.” Furthermore, in reorienting the HDP’s development component, care must be taken to ensure that the successes achieved in the first phase are effectively consolidated, for instance by implementing the triangular cooperation projects on which agreement has been reached.

Finally, the BMZ has an important role to play in raising awareness and setting the agenda for Germany’s G8 policy. Not only can the ministry make available, as expertise for the summit process, the decades of experience it has accumulated in development practice, it can also turn its approach to development as global structural policy to account in efforts to move ahead with pending reforms.

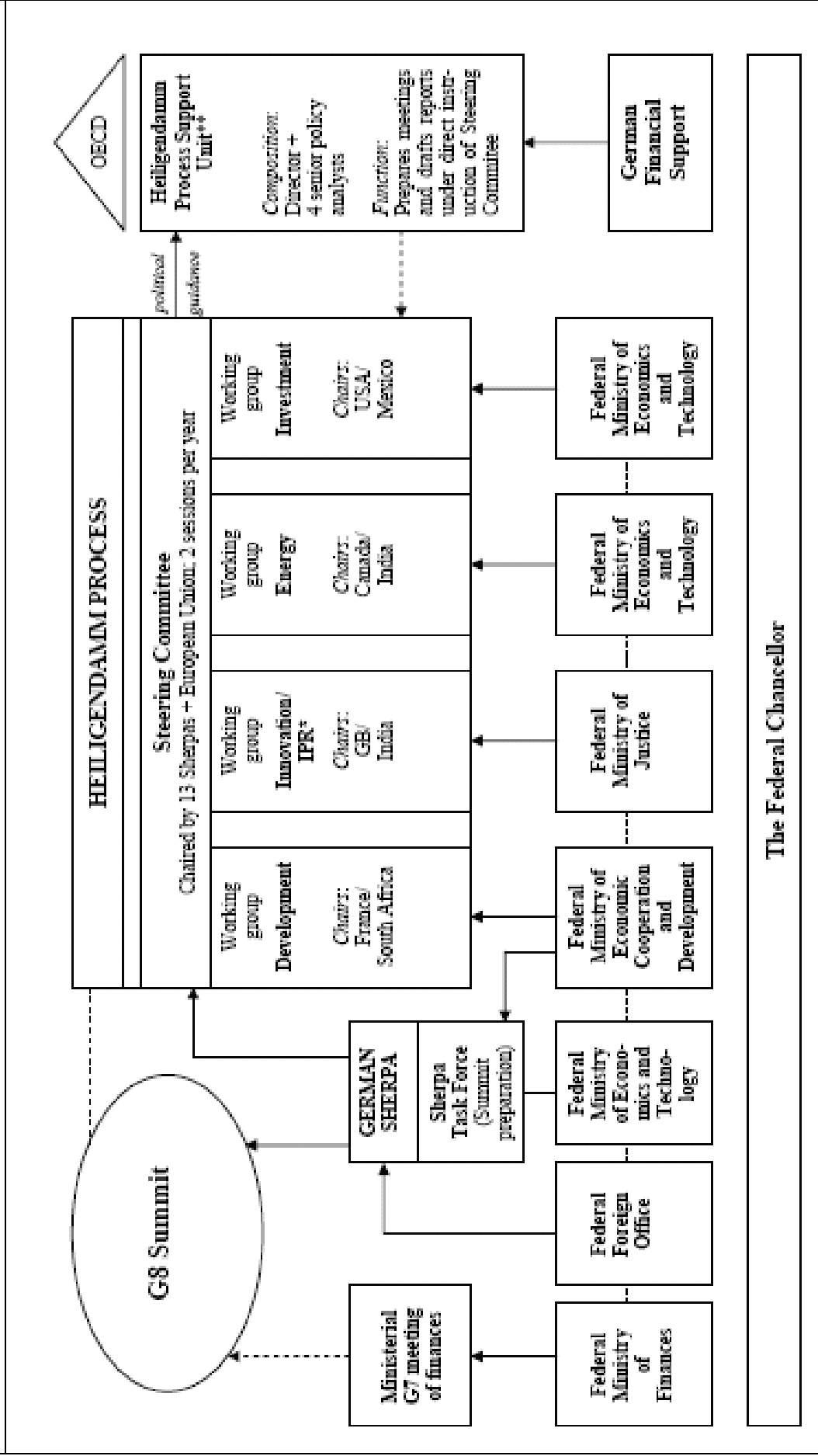
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Annex

Annex 1: Organisational chart of German institutional-bureaucratic provisions for G8 and HDP



* IPR = International Property Rights ** In institutional terms, this platform is part of the office of the OECD Secretary General; it is headed by a German official.

Quelle: Own compilation

Annex 2: Socio-economic data for the G20 (without the EU)

| | GDP, in US\$ bn ^a | FDI in- flows, in US\$ mn | FDI out- flows, in US\$ mn | Innovation Property protection ^b | Development | Energy efficiency ^d | Trade ^e | Finance ^f | Climate change ^g | Health ^h |
|--------------------|---------------------------------|---------------------------------|----------------------------------|---------------------------------------------------|-------------|-----------------------------------|--------------------|----------------------|--------------------------------|---------------------|
| US | 13.811 | 99.443 | | 84.958 | 27.622 | 2325,9 | 11,89 | 17,09 | 5.864,3 | 1.200.000 |
| Japan | 4.377 | | 45.781 | 109.823 | 13.147 | 533,2 | 5,56 | 6,13 | 1.234,9 | 17.000 |
| China | 3.280 | 72.406 | 11.306 | 5.913 | I | 1609,3 | 5,95 | 3,72 | 5.204,8 | 650.000 |
| Germany | 3.297 | 32.663 | 45.634 | 12.804 | 10.082 | 3480 | 8,83 | 5,99 | 867,8 | 49.000 |
| UK | 2.728 | 164.530 | 101.099 | 3.430 | 10.767 | 233,7 | 6,33 | 4,94 | 548,8 | 68.000 |
| France | 2.562 | 63.576 | 115.668 | 9.023 | 10.026 | 275,2 | 4,69 | 4,94 | 397,1 | 130.000 |
| Italy | 2.107 | 19.971 | 39.671 | 2.298 | 5.091 | 184,5 | 3,56 | 3,25 | 473,5 | 150.000 |
| Canada | 1.326 | 33.822 | 34.083 | 1.057 | 3.756 | 269 | 3,18 | 2,93 | 560,3 | 60.000 |
| Russia | 1.291 | 14.600 | 13.126 | 18264 | – | 641,5 | 1,94 | 2,74 | 1.575,3 | 940.000 |
| Brazil | 1.314 | 15.066 | – | 676 | – | 204,8 | 0,93 | 1,4 | 346,2 | 620.000 |
| India | 1.171 | – | – | 695 | – | 572,9 | 1,1 | 1,91 | 1.199,0 | 5.700.000 |
| South Korea | 970 | – | – | 31.915 | 752 | 213 | 2,34 | 1,35 | 491,1 | – |
| Australia | 822 | – | – | – | 1.680 | 115,8 | 1,05 | 1,49 | 359,1 | 16.000 |
| Mexico | 893 | 18.055 | – | – | – | 165,5 | 1,6 | 1,45 | 415,3 | 180.000 |
| Turkey | 657 | – | – | – | 601 | 81,9 | 0,72 | 0,55 | 229,2 | 2.000 |

| | | | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|---------|--------|--------------------|--------|-------|-------|----------|------------|
| Indonesia | 433 | - | - | - | - | 174 | 0,69 | 0,96 | 368,0 | 170.000 |
| Saudi Arabia | 382 | - | - | 1.734 | - | 140,4 | - | 3,21 | 314,9 | - |
| South Africa | 278 | - | - | - | - | 131,1 | 0,48 | 0,86 | 427,9 | 5.500.000 |
| Argentina | 262 | - | - | - | - | 63,7 | - | 0,97 | 145,6 | 130.000 |
| G8 total | | | | | | | | | | |
| | 31.500 | 428.605 | 395.062 | 241657 | 80.491 | 7943 | 45,98 | 48,01 | 11.522,0 | 2.614.000 |
| G8 % worldwide^j | 58 | 61,11 | 53,56 | 57,1 | 72,75 | 63,75 | 45,98 | 48,01 | 43,2 | 6,62 |
| G5 total | | | | | | | | | | |
| | 6.936 | 105.527 | 11.306 | 7284 | - | 2683,6 | 10,06 | 9,34 | 7.593,2 | 12.650.000 |
| G5 % worldwide^j | 13 | 12,47 | 15,39 | 228 | - | 21,54 | 10,06 | 9,34 | 28,5 | 32,03 |
| G13 % worldwide | | | | | | | | | | |
| | 71 | 73,58 | 68,95 | 59,38 | 72,75 ⁱ | 85,29 | 56,04 | 57,35 | 71,7 | 38,69 |
| <p>GDP = Gross domestic product; FDI = Foreign direct investment ^a GDP in 2006 according to World Bank data (online search: http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=135); ^b average number of patents registered between 2002 and 2004; ^c volume of ODA provided, in US\$ millions; ^d energy consumption in 2004; ^e percentage share of world exports in 2007; ^f percentage share of total IMF shares held; ^g CO₂ emissions in 2004 (Source: http://cait.wri.org); ^h estimated number of persons infected with HIV/Aids in 2005; ⁱ China supports development in other countries, but without providing data on the volume of funds it makes available.</p> | | | | | | | | | | |
| Source: Kirton (2008, 74–75). The table has been adapted, with GDP figures and CO ₂ emissions being updated. | | | | | | | | | | |

Annex 3: Discussion Paper of the German Development Institute (DIE) in the field of "Global Governance, Anchor Countries and Development Policy (selection)

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Schetter, Conrad / Katja Mielke, 2008, Discussion Paper 5/2008, Deutsch

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