

# Chapter 1

## Introduction, Arguments and Conclusions

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### **The Challenge**

Today's world is crowded with international institutions governing the global economy. They come in a vast number and diversity of forms. At the center stand the 1944 Bretton Woods bodies – the International Monetary Fund (IMF) for finance, and the International Bank for Reconstruction and Development (IBRD) and World Bank for development. They are closely followed by the 1947 General Agreement on Tariffs and Trade (GATT) that became the World Trade Organization (WTO) in 1995, a host of United Nations (UN) bodies – notably the United Nations Conference on Trade and Development (UNCTAD) of 1964, the United Nations Development Programme (UNDP) of 1965 and a galaxy of functional organizations such as the United Nations Education, Science and Cultural Organization (UNESCO) of 1945 and the World Health Organization (WHO) of 1948.

Since the creation of this Bretton Woods–UN system in the 1940s, its formal, hard law, broadly multilateral, heavily organized bodies have been joined by a cornucopia of softer, informal institutions with smaller membership, lighter legal obligations, less bureaucracy and a greater reliance on open, flexible, voluntary approaches (Kirton and Trebilcock 2004). Among such bodies engaged in global as opposed to geographically regional governance, the pioneer is the Organisation for Economic Co-operation and Development (OECD), formed in 1961 to deal with a wide range of macroeconomic, microeconomic, social and development concerns. It was joined by the International Energy Agency (IEA) in 1974. These Atlantic-centered global bodies are accompanied by a host of even more informal institutions, such as the Bank for International Settlements (BIS) and the Group of Ten (G10).

At the center of this emerging alternative system of global economic governance stands the G8 club of major market democracies. First formed in 1975 and anchored in an annual summit of the leaders of its major power members, this G8-plus system is now replete with G7 and G20 finance ministers' and central bankers' forums, ministerial institutions for trade, development, environment and energy, and a galaxy of often invisible official-level bodies below. Since 2008, the leaders of the G20 have also begun holding summits.

This post-World War II accumulation of hard multilateral and soft plurilateral bodies has now created an institutionally crowded world. But as the 2008 US-

turned-global financial and economic crisis dramatically revealed, it by no means constitutes a comprehensive, coherent or credible system of global economic governance. Indeed, there are no genuinely global intergovernmental multilateral organizations of consequence dedicated to such critical domains as energy, investment competition policy or critical components of the complex world of finance. In some areas several bodies claim control of a single policy space, such as food and agriculture with the Food and Agriculture Organization (FAO), the World Food Programme and the International Fund for Agricultural Development. And in the middle, existing bodies such as the FAO reach out to assert authority over ungoverned realms such as forestry and fisheries to deal with them in their own skewed way.

As intensifying globalization thrusts many long-domestic issues onto the international stage, there is a growing need to create at the global level the more comprehensive, coherent, effective governance system that citizens of most countries have long taken for granted at home. Yet the traditional means of producing such an integrated, updated, appropriate architecture for global economic governance have not been at hand. The great Cold War victory of 1989 did not lead to a major peace conference where the victor powers could erase the old order and re-design the international institutional world anew (Ikenberry 2001). Nor did it produce a unipolar movement where a single imperial power could reshape the institutionalized international system in its own image. Even less did the 1989 victory that brought intensifying openness, connectedness and democratization merely extend into an indefinite future the essentially unchanged Bretton Woods and UN institutions and ideals to govern as the dominant center the much changed twenty-first-century world.

The 1989 victory brought instead both a new world of globalization and a new system of global governance to guide it. That system, grounded in the institutions of the G8 with Russia now a full member, was genuinely global in the comprehensive range of issues and geographic space it encompassed and in the increasing inclusion of all the consequential powers in its emerging post-2003 “G8 plus five” core (Hajnal 2007, Payne 2008). It provided genuine governance, in responsively, legitimately and effectively shaping on key issues the otherwise autonomous behavior of countries and other actors, to have them seek and reach collectively desired ends. But for the first time since the modern world of exclusive, territorial, Westphalian sovereign states began in 1648, this new system of global governance was born into a crowded world – one where its predecessor, the Bretton Woods–UN system, had not been blown away by a destructive great power war. The institutions and ideals of a new and an old order thus had to compete, converge and cooperate with each other as they sought to govern this ever more demanding and globalizing crowded world.

Their challenge in doing so was compounded by several factors. First, neither system was created from a single omniscient vision or act of conscious creation to produce a coherent whole. Rather, each was the product of continuing experimentation in response to the defining global challenges arising at any time.

Each was thus more a loosely connected global governance galaxy rather than a tightly knit system. Second, both shared the same set of great powers at their core, especially as Russia and then China became increasingly involved with the G8. Third, the two systems were born with antithetical purposes – to preserve the system of sovereign states in the case of the Bretton Woods–UN bodies, and to transform these states into open democracies in the case of the G8. And fourth, they had a very different approach to governance, with the Bretton Woods–UN system relying on universal multilateralism, hard international law and international bureaucracy, and the G8 on plurilateralism, informality and great power leaders and governments instead.

### **The Scholarly Debate**

How and why have these two great galaxies come to cooperate and converge, rather than compete and conflict, to govern the twenty-first-century world? Only recently have scholars taken up this central question of contemporary international relations (Kirton and Trebilcock 2004, Bayne 2004, Fratianni et al. 2005, Kirton 2009a, 2009b). Thus far their work has focused on the clear choice between the two grand alternatives. Here international relations scholars in the liberal institutionalist tradition and its legalization variant have emphasized the many advantages that heavily organized hard law allegedly brings (Abbott et al. 2000). Others operating from realist premises that privilege great power capabilities and choices, or from constructivist insights that emphasize the importance of direct communication, belonging and socialization, have argued for the importance of informal, exclusive, summit-level great power clubs (Kirton 1989, Bayne 2005). More recently, attention has turned to forum shopping, in which states turn to those international institutions and forums that best meet their needs (Drezner 2007). Interest has also arisen in which formal multilateral organizations are acquiring soft law features, such as the summits which the UN system has increasingly mounted for critical concerns such as development and climate change. And many conclude that the G8 could provide better global governance if it became more multilateral by expanding its membership, and more bureaucratic by adding a secretariat of its own (Cooper and Antkiewicz 2008, Ikenberry 1993).

### **The Contribution of this Book**

Yet amidst this upsurge of interest, there have been few theoretically guided, systematic, empirical analyses of how these two great galaxies of global governance actually relate to each other and the results that their various forms of association bring. This book offers the first comprehensive look at this critical question of international relations. It examines how and how well the multilateral organizations and the G8 are dealing with the central challenges facing the

contemporary international community, how they have worked well and poorly together, and how they can work together more effectively to provide badly needed global public goods.

Two points focus the detailed examination that such a subject requires. The first, substantive, one is an emphasis on global economic governance, broadly interpreted to embrace the classic components of finance, macroeconomics, microeconomics, and trade and development, but extending to the newer concerns with energy, information and communication, education and human health. It is in this field that the old multilateral order created its first and still most powerful organizations, the IMF and IBRD. It is where the first plurilateral supplements to this order arose, with the Organisation for European Economic Co-operation, the OECD and the IEA. And it is here where the full-scale alternative of the G8 first appeared in 1975, to deal with the crises of finance, energy, trade and East–West economic relations arising from 1970 to 1975. Economics is also the leading edge of the process of post-Cold War globalization, where the institutional playing field is most crowded, and where recurrent global financial crises now demand new forms of action, association and architecture on the part of all. The great global financial and economic crisis that erupted in 2008, and the emergence of G20 summitry in response, confirm how central this area is (Kirton and Koch 2008, 2009).

The second, institutional, focus is on the G8, especially as it operated at and since the first summit hosted by its newest member, Russia, at St. Petersburg in 2006. The G8's role as the selective, soft law alternative to the old multilateral order was reinforced when Russia, long both a core member and challenger of the UN system, became a full member of the G8 by hosting a summit of its own. Russia chose as the priority themes for its summit three economic issues where the relationships of the G8 with the old multilateral order were very diverse. In the first field of energy, the G8 had long been central, the plurilateral IEA helpful, and the UN system devoid of a dedicated organization of its own. In health, the G8 has assumed a growing role, while the WHO had long commanded center stage. In education and information, the G8 was a recent entrant, while UNESCO and the International Telecommunications Union stood as pillars of the 1945 UN system and the OECD was active in a broad range of issues in the field. These different configurations of the old, middle-aged and new institutions allow analysts and actors to see how the dynamics of cooperation and competition unfold in each case.

Together this allows for an examination of the G8's relationship with a large number of multilateral organizations of great diversity in date of birth, number and composition of members, geographic and functional focus, and degree of hard law form. While the G8 provides a constant focal point in the cross-case and chapter comparisons, a few chapters explore the relationship from the vantage point of the hard law multilateral organizations themselves.

## **The Contributors**

To explore this subject, this book combines the talents of established and emerging scholars and practitioners from several scholarly disciplines and geographic regions. It includes political scientists, economists and legal scholars. It combines scholars with those who have been or are practitioners or participants in many of the institutions under scrutiny, notably the G8, OECD, WTO and Commonwealth. It thus enables scholarly analysis to be tested against and refined by a detailed knowledge of how things work in practice on the inside. And it embraces contributors from North America, Europe and Africa, thus permitting a more global perspective on how the international institutions under scrutiny do and should work.

## **The Contributions**

These contributors offer in turn an analytic framework and academic application for exploring the multilateral organization–G8 relationship, the core economic issues of finance, macroeconomics, trade and development, practitioners' perspectives on this relationship, and the relationship in the extended economic issue areas of energy, information and communication, education and health, highlighted as priorities at the 2006 G8 St. Petersburg Summit, and their convergence at that summit and since.

Part II, "Multilateral Organizations and the G8: Academic Analyses," provides an analytical framework for exploring the multifaceted relationships between formal, hard law, multilateral organizations such as those of the Bretton Woods–UN system and informal plurilateral soft law institutions such as the G8. It does so at three levels. The first is a general categorization of the full range of possible relationships between the two. The second is a more specific set of propositions about how multilateral organizations (MOs) affect G8 performance. The third is the way the first global economic hybrid hard law but plurilateral organization – the OECD – seeks to enhance global economic governance in relationship with both the G8 and the broader multilateral world.

In Chapter 2, "Multilateral Organizations and G8 Governance: A Framework for Analysis," John Kirton focuses on the analytic foundations for examining and improving the relationship between multilateral organizations and the G8. In doing so, the chapter takes up five essential tasks. First, it looks at the existing debate and evidence about the relationship between the G8 and MOs, focusing largely on the impact of this relationship on G8 commitment and compliance. These are placed into six schools of thought, which explore the six possibilities of G8–MO cooperation. Second, the author offers an analytic framework which identifies how MOs can improve G8 compliance, using the dimensions of the level, timing and intentionality of the connection. Based on this framework, Kirton identifies 15 contributions that MOs can and do make to G8 governance, at the latter's

preparatory, summit and implementation stages. Third, the chapter identifies ten hypotheses about how MOs' contributions to G8 governance will arise. Fourth, Kirton tests the first two of these hypotheses against new evidence and analysis from the recent record of G8 compliance, finding varying support for both. Finally, the chapter concludes by presenting policy options about how MOs could assist the G8 more effectively in the process of implementation.

In Chapter 3, "The New Partnership between Multilateral Organizations and the G8," Marina Larionova explores the debate between competing schools of thought on the nature of engagement between the G8 and other international institutions: G8 governance through the multilateral organizations, G8 governance against multilateral organizations and G8 governance without multilateral organizations. To develop and arbitrate this debate, she puts forward a fourth model based on two assumptions. The positivist assumption is that the G8 and international organizations seek to serve a common cause, and thus should be natural allies. The second, constructivist, assumption is that given the challenges of global governance, the G8 members' choice of the mode of interaction with the international institutions will rationally tilt toward a "G8 governance in alliance with the multilateral organizations" based on the democratic institutionalism and network of networks models.

Her study of the summits' documents over the period 1998–2007 reveals that there has been a steady increase in the G8 members' cooperative actions with the multilateral institutions from 1998 to 2007. Governance through international institutions remains the preferred choice of engagement. But the trend is gradually pushing toward G8 governance in alliance with multilateral organizations. The trend is especially pronounced in the spheres of development, security and health. However, in the more sensitive spheres – security and energy – governance through the international institutions remains predominant. These trends are likely to persist in the current and next summit sequence. They should be considered in forging decisions, building consensus and defining international mechanisms for the summit commitments' implementation. As the international multilateral institutions' role, influence and involvement in G8 governance increase, the imperative for their reform and efficiency becomes even more pronounced. G8 members should invest more effort in reforming the international institutions to ensure that the latter have sufficient capacity to act as partners in the global governance process.

In Chapter 4, "Financial Crises, the International Monetary Fund and the G8," Ivan Savić argues that G7 commitments are a crucial component of international efforts to combat financial crises. The members of the G7 are the source of much of the world's capital. Through individual action, regular coordination and their large voting shares in the IMF, they effectively regulate and structure the international financial architecture. Moreover, the G7 regularly supports and often supplements the efforts of the IMF to contain and reverse financial crises. Savić examines the relationship between the G7 and the IMF to show how it affects the ability of both organizations to deal with financial crises. Specifically, he examines the influence

of the G7 in the IMF and how the G7 coordinates and works with the IMF in crisis response. In doing so, he develops a model of coordination between the G7 and the IMF, discusses the G7–IMF role in global financial bail-outs, including those created in response to the Asian crisis of 1997/98 and the 2007–09 global financial and economic crises.

In Chapter 5, “Finance and Development Compliance in the G8: The IMF and World Bank Role,” John Kirton, Nikolai Roudev and Laura Sunderland ask whether the world’s major powers keep the international commitments they make. To provide an answer, they develop a recently created multilevel model of G8 member country compliance with the finance commitments the leaders make at their annual summit, and test it with an expanded data set of 54 cases from 1996 to 2006. They first examine how G8 leaders as agents deliberately craft the commitments in ways that embed 12 “compliance catalysts” designed to improve the chances that their commitments will be complied with during the following year. They then explore how the spontaneous work of the G8’s ministerial institution for finance improves compliance. Finally, they assess the distribution of vulnerability and capability in the international system to determine whether agency and institutions act autonomously or are predetermined or overwhelmed by system structure in their compliance effects.

The findings suggest that the agency of G8 leaders matters, but G8 institutionalization does not. The compliance catalyst of a “timetable” and the “total number” of catalysts embedded in a commitment improve compliance. Moreover, the multilateral organizations most relevant to the field of finance – the IMF and World Bank – have a strong compliance-catalytic effect. But the IMF strongly increases while the World Bank strongly decreases the finance compliance that comes about. The G7 finance ministers do not matter, either as a catalyst or as an autonomous institution. On development commitments, compliance is strongly increased by the total number of catalysts and those of priority placement, target, specified agent and the IMF, but lowered by the World Bank. On non-development commitments, compliance is increased, more weakly, by priority placement, timetable and G8 bodies beyond the G7 finance ministers’ forum. This suggests the need to go beyond the debate about G8 governance through, against or without the multilateral organization, beyond crude distinctions between hard and soft law bodies and among multilateral, plurilateral and regional ones, to refine and test more specific hypotheses about how multilateral organizations relate to the G8, especially in the latter’s compliance task. In the mean time, the advice to G8 leaders is “trust yourself and the Fund, but not the Bank” to deliver the decisions you make.

Part III, “Multilateral Organizations and the G8: Practitioners’ Perspectives,” takes the academic frameworks offered in Part I for the classic core economic issues of finance, macroeconomics, trade and development and explores how they appear to practitioners from the inside.

In Chapter 6, “Finance, Macroeconomics and the Multilateral Organization–G8 Connection,” Robert Fauver focuses on the relationship between the G8 and

the IMF, World Bank and international financial institutions (IFIs) in general, the delegation of implementation tasks by the G8 to the IFIs, and whether or not the G8 should act as a *directoire* for these institutions. He begins with early G8–IMF cooperation during the late 1970s. He then discusses the influence the G8 has within the World Bank and IMF, using the cases of the 1994 Naples and 1986 Tokyo summits as evidence. He also explores a growing resentment on the part of emerging market economies within IFIs against the delegation of implementation tasks by major industrial nations. He ends with recommendations for how the G8 can see more effective implementation when delegating tasks to the hard law IFIs.

In Chapter 7, “Development, the Commonwealth and the G8,” Ade Adefuye studies the relationship between the G8 and many multilateral institutions, focusing on the Commonwealth. He feels the Commonwealth can create pressure within the G8 to deal with African issues, help the G8 put its plans into action through its extensive contacts in the continent, and hold the G8 accountable because the latter lacks a secretariat to do so on its own. He points to four issue areas of extreme importance in Africa. On the first, peace and security, Adefuye argues that through support of the African Union (AU) and the UN, conflict on the continent has decreased, and that through cooperation with the Commonwealth, the G8 can be come more effective in further reducing conflicts. On the second, strengthening institutions and governance, he asserts that thanks to G8 support, the AU and the New Partnership for Africa’s Development (NEPAD) have made impressive changes. Again he recommends cooperation with the Commonwealth as a way to strengthen G8 governance. Third, Adefuye addresses debt relief, noting some of the problems the G8 has in this area. On the final issue, economic growth and sustainable development, Adefuye argues that the G8 has been successful, by working with the OECD, NEPAD and the WTO. Adefuye concludes with recommendations on how G8–MO cooperation can benefit Africa even further through cooperation with the UN, IFIs, the OECD and the African Development Bank (AfDB).

In Chapter 8, “Trade, the World Trade Organization and the Doha Development Agenda,” Roy MacLaren studies the role of the G8 within the WTO and, more specifically, the Doha round of trade negotiations. MacLaren argues that the G8 pursues contradictory policies on the international level – in the IMF, WTO and World Bank – and on the national level with respect to conflicting official development assistance (ODA) and trade policies. He finds it imperative that national priorities of G8 countries are aligned, and recommends a more global, rather than domestic protectionist, trade focus. He then discusses the failure of the Doha round and the influence of the G8 countries over its outcome. MacLaren argues that although the G8 produces communiqués calling for an end to the round and pushes the blame on the WTO or unnamed WTO member states, the blame ultimately lies with the influential G8 countries. Next, MacLaren discusses possible futures for the Doha round and the trend in international trade away from the multilateral hard law WTO toward a series of bilateral free trade deals. He

suggests a way in which the WTO can embrace this new trade climate. Finally, MacLaren recommends that the G8 turn its calls for a more effective WTO onto itself, thus beginning collaboration with the WTO, which would turn it into the ideal negotiating forum for the many regional and bilateral free trade agreements. The failure of Doha, allowed by the G8, would cause a serious blow to the international economy and call into question the value and credibility of the G8 itself.

Part IV, “The St. Petersburg Priorities: Energy, Education, Information and Health,” applies the general framework to the newer, increasingly relevant, economic issues that globalization has lifted up from national governance onto the global stage.

In Chapter 9, “Energy Security and Sustainable Development: The WTO and the Energy Charter Treaty,” Sylvia Ostry begins with a history of the concept of sustainable development within the GATT and the WTO and its increasing importance within international trade negotiations. She next discusses the possibility of the failure of the Doha round and the fragmentation of international trade into bilateral trade deals. She offers suggestions for how the WTO can reform in order to strengthen environmental values. Ostry then turns to the importance of cooperation between international institutions on issues such as the environment, using the case of the EU’s energy charter treaty. She outlines the problems with the treaty and suggests a course of action for the G8 in order to create an effective energy security regime by collaborating with the WTO and the OECD on energy investment.

In Chapter 10, “Energy Security: Russia, the European Union and the G8,” Nodari A. Simonia reviews from the perspective of late 2006 the tensions over the energy issues at the St. Petersburg Summit. He looks into the most persistent arguments in the preparation of the G8 summit’s final documents, which centered on the concept of “energy security.” Whereas the majority of Western representatives insisted on understanding this term as a supply guarantee – security for consumers – Russia insisted that guarantees for supply ought to be supplemented with demand guarantees, and that consumer countries’ governments and business must share responsibility and risks with producing countries.

Experts managed to find compromise formulas, which allowed the St. Petersburg Summit to adapt the joint declaration and plan of action for the provision of global energy security. They affirmed producers’ and consumers’ mutual responsibility for sustainable and stable development of world energy. However, unsettled problems remained. The dispute flared up with new force soon after the summit, especially on the threshold of the Russia–EU Summit in November 2006, where negotiations were to start on a new partnership and cooperation agreement. The positions of the three major players, the EU, US and Russia, show that there was a marked contrast between the real cooperation of Russian and European business and the loud, sometimes panicky reaction of European Commission officials to any Russian step toward integration into the European economic space on equal and mutually beneficial terms, even though this was stipulated by the St. Petersburg G8 Summit.

In Chapter 11, “Energy Security, the International Energy Agency and the G8,” Victoria V. Panova begins with a review of the four phases of G8 energy governance. The first was the 1975–82 phase of governance in cooperation with the OECD, the World Bank and the IEA based on the reaction to the oil crises of 1973 and 1979. The second phase, the 1980s, saw a more politically driven G8 with little cooperation on energy security with international institutions. The third phase in the late 1980s to early 1990s saw a shift to nuclear safety and environmental concerns, with delegation of tasks to the World Bank and the IEA. The fourth phase, the beginning of the twenty-first century, saw a renewed G8 interest in energy security with resurgent oil prices and cooperation with the International Energy Forum (IEF), the IEA and World Bank. Panova argues that the G8, along with the IEA and other international institutions, has been successful in governing global energy both environmentally and economically. Their cooperation has countered energy shocks from military, political and economic risks and led to stability. She outlines how the G8, both on its own and with the cooperation of institutions such as the IEA, can govern global energy more effectively.

In Chapter 12, “Education, the G8 and UNESCO,” John Kirton, Laura Sunderland and Jenilee Guebert examine the G8’s performance since 1977, paying particular attention to the “great leap forward” in G8 global education governance at the Okinawa Summit in 2000 and the demands of the rapidly developing twenty-first-century world for education governance. They argue that the G8 has both a supportive and directive relationship with the relevant MOs. The G8 has stepped in to govern education when the hard law MOs have failed to do so, and supported the MOs when they have created worthwhile initiatives. After laying out the schools of thought on G8 education governance, the authors discuss the most important G8 summits for education. This includes a close look at the 2000 Okinawa Summit and the Digital Opportunity Task Force (DOT Force) that filled a gap in global education governance, leading the international institutions to cooperate on education when they had failed to do so themselves. The authors find that the G8 governance on education in the twenty-first century has been very effective, due to the lack of governance on the part of the MOs, the influence of the Dakar Framework for Education under UNESCO and the cooperation of MOs at summits in driving commitments and compliance.

In Chapter 13, “Information and Communication: G8 Institutionalization and Compliance in the DOT Force,” Gina Stephens examines the role of G8 institutional expansion, notably the growth of expert working groups, in enhancing cooperation and compliance. Using insights from constructivism and social identity theory, she analyzes the case of the DOT Force working group. She observes that an increase in institutionalization and specialization in “top-down” created working groups effects a change in their participants’ interests and identities, thereby increasing cooperation, and eventually compliance. These tightly focused groups, especially those tasked with policy areas that are relatively novel and where there is little pre-existing national policy among G8 members such as information technology, provide a forum that favors the evolution of a group-centric identity that mitigates

a competitive concentration on national conceptions of relative capability and gain.

In Chapter 14, “Health Compliance in the G8 and APEC: the World Health Organization’s Role,” John Kirton, Nikolai Roudev, Laura Sunderland, Catherine Kunz and Jenilee Guebert argue that the annual G8 summits and the Asia-Pacific Economic Cooperation (APEC) leaders’ meetings are promising forums for integrating health with foreign policy in ways that reflect the priorities of the WHO and the global community as a whole. Such summits are directly delivered by the most powerful leaders of many of the most influential countries in the world. These leaders are ultimately responsible abroad and at home for both health and foreign policy, including its peace and security core. They use their summits simultaneously to make many commitments in both fields and in the closely related ones of human rights, climate change and development, including the Millennium Development Goals. Moreover, commitments made at G8 summits in these fields are quickly complied with by the member governments to a substantial degree. Such compliance is caused, and can thus be improved, by the leaders themselves, through crafting their commitments to catalyze compliance, and by using their international institutions and own governments to help implement them. But the prevailing processes of implementing G8 and APEC leaders’ commitments through international institutions, national governments or non-governmental networks are not well designed to foster compliance, monitoring and reporting in ways that integrate health and foreign policy in a mutually supportive fashion. There are many ways to improve compliance in support of this objective, including through a multi-stakeholder global health diplomacy network of civil society, national governments and international organizations, including the WHO.

Part V, “The G8’s St. Petersburg Summit and Beyond,” offers a focused conclusion by explaining in detail the intersection of the G8 and MOs at and after the G8’s 2006 summit. It pays particular reference to that summit’s priority issues of energy, education and health, as well as the G8’s “built-in” economic agenda of finance, macroeconomics, trade and development.

In Chapter 15, “The G8 at St. Petersburg and Beyond,” John Kirton discusses the process and outcome of the St. Petersburg Summit. He argues that its agenda, focused on energy security, infectious disease and education, went well beyond the current hard law institutions in effective governance. The St. Petersburg Summit marked a new relationship between the G8 and MOs, one where relevant MOs were invited to take part in the summit process and provide support to fill the “commitment–compliance gap.” By moving away from the rigid regimes of the MOs, the G8 was able to create strong commitments on a broad variety of issues. However, the cooperation with the MOs did not close the commitment–compliance gap. One very successful aspect of the summit was the democratization of the G8 summit process, contrary to the non-democratic UN system. Inviting the “Plus Five” emerging economies sometimes referred to as the Outreach Five (O5) or the Group of Five (G5), four of which are democratic nations, and setting a course for permanent cooperation showed an ability to reform where the UN had failed

with the United Nations Security Council (UNSC). The inclusion of the newly formed Civil 8 gave civil society a voice in G8 commitments. This civil society pressure led to real results, winning the environment an important place on the energy security agenda at the summit.

Kirton suggests that the OECD, IEA and WTO should all make Russia a member, since Russia invited these institutions to take part in the preparations for the G8 summit which it hosted. He also calls for the creation of a “G8 compliance consortium” to coordinate the several systems of G8 compliance monitoring “so that G8 governors can join with their own legislators, judiciaries, auditors general and civil society to know how well their promises at the summit are subsequently being transformed into practice on the ground.”

In Chapter 16, “The 2006 St. Petersburg G8 Summit: Conclusions and Critiques,” Andrew F. Cooper maintains that at the 2006 G8 summit in St. Petersburg, Russia exhibited unparalleled global governance from state and non-state actors. Including for the first time the Civil 8, Russia hosted a summit that connected “the informal nature of the G8 with ‘hard law.’” This effort to foster increased transparency and continued commitment from G8 members and the international community highlighted Russia’s governance goals for the summit.

Now, Cooper argues, there is a need to more clearly define MOs’ mandates and how they can most benefit the work of the G8. Cooper refers to John Kirton’s 2009 G8/MOs framework analysis to assess how this could best be accomplished. From his research, Cooper insists that although there is no direct correlation between the number of times MOs are referenced at G8 summits and actual compliance scores of commitments made therein, it can be argued that governance in alliance with MOs is more pronounced in certain areas (such as health and development) than governance through MOs (energy and security).

During the recent financial crisis, through an effective division of resources, the G8 and the IMF are an example of a cooperative relationship that has mixed components of soft and hard law to produce results. Cooper concludes that this G8 outreach is instrumental for its accountability, effectiveness and global governance.

## **Conclusions**

From these analyses, several conclusions emerge. They cover the descriptive patterns of how the MO–G8 relationship has changed over time and across policy space, the causes of these changes, their consequences for particular actors and global governance for the global public good, policy recommendations for improvements based on the current state of knowledge, and suggestions for further research.

### *The Changing MO–G8 Relationship*

There is considerable consensus among the authors regarding what the G8–MO relationship is and how it has changed and is changing now. A few authors see the G8 as a *directoire* to the MOs. The G8 deliberates on a given issue, makes commitments, and then delegates the implementation of these tasks to relevant MOs. Fauver sees growing resentment on the part of MOs and their non-G8 members within international financial institutions. Kirton notes that the OECD acts in certain areas of policy as a *de facto* secretariat to the G8.

Another consensus concerns the growing G8–MO cooperation, specifically a rise in cooperation with MOs on the part of the G8 since the late 1990s. Larionova shows that since 1998, the G8 has increasingly chosen to work in alliance with MOs rather than through, with or without them. Others see a re-emergence of cooperation. Panova notes high periods of cooperation with the IEA in the late 1970s, and a subsequent lull in cooperation until its renewal in the new millennium.

Another school, led by MacLaren, sees the G8 taking contradictory policies within MOs, while continuing to urge the MOs in their G8 communiqués to solve problems whose solution ultimately lies with the G8 countries themselves. In contrast, Savić sees the G8 working in harmony with IFIs, especially the IMF. He sees since the 1970s a three-part institutional division of labor between the G8 and the IMF to deal with the global financial system and international financial crises. The G8 works independently to keep the core of international trade and finance strong, while the IMF works to keep the middle- and low-income countries afloat. In times of severe crisis, they come together to solve the problem.

A final school sees the G8 as filling gaps in the international system, which arise due to neglect or failure by MOs. Kirton, Sunderland and Guebert assert that since the 1980s, the G8 has stepped in to provide global governance in education where the MOs such as UNESCO and the United Nations Children’s Fund (UNICEF) have failed to do so.

### *The Causes of Change and Continuity in the MO–G8 Relationship*

There are also differing views about why these G8–MO relationships are created, continued and changed. A first school asserts that G8 membership within MOs matters. If an MO’s inner management core contains all or nearly all the members of the G8, most notably IFIs (such as the IMF) and the OECD, or G8 members as a bloc possess a major voting share in the institution, G8 initiatives are likely to become those of the MO. Fauver believes that G8 member-based leadership in the hard law IFIs drives the delegation of G8 implementation tasks to the MOs and the growing resentment from their non-G8 member states. MacLaren blames G8 domination of the WTO for the deadlock in the Doha round.

Another school sees the G8 as cooperating with MOs at points in the past, and increasingly so in the future, due to the fact that both the G8 and the MOs seek the

same ends. Larionova gives such an explanation for why the G8 has increasingly worked with MOs as an ally since the late 1990s. This stands in sharp contrast to the political security sphere where the core missions of the UN and G8 are antithetical in fundamental ways (Kirton 2002).

Yet another school of authors sees changing G8 priorities as the driver behind which MOs the G8 cooperates with and how much it does. By explaining the changing G8 priorities in global energy governance from concerns about oil prices in the early 1970s to the environmental concerns of the 1990s and the re-emergent high oil prices in the new millennium, Panova outlines the phases of G8 cooperation with the IEA. Adefuye argues that cooperation with MOs on Africa came about only when the G8 had made Africa one of its highest priorities in the late 1990s.

### *Consequences*

In their analysis of the G8–MO relationship, the authors also come to some consensus about the overall effect of these relationships in providing adequate global governance. Several authors see a positive outcome. Within this school there are two variants. The first argues that the collaboration of the G8 and MOs has led to greater global governance and stability in a given area. Panova praises the work of the IEA and the G8 in creating stability in the face of energy shocks generated by military, political and economic risks. The second variant argues that cooperation has led to greater compliance with G8 commitments. Kirton, Sunderland and Guebert note that the cooperation of MOs at summits has led to higher compliance in education. Stephens argues that bringing MOs into the top-down institutionalization process of the G8 creates more impetus for compliance.

Another school offers a mixed conclusion. In some ways, global governance has benefited from the G8–MO relationship, and in others it has not. There are two variants of this school as well. The first sees success in the case of some MOs, and failure in others. Kirton, Roudev and Sunderland found that “the IMF and World Bank have a strong compliance catalytic effect, but the IMF strongly increases, while the World Bank strongly decreases compliance.” The second variant sees the G8–MO relationship as a success, but asserts that the G8 and other institutions are still not doing enough. Kirton et al. see successful cooperation among the G8, APEC and the WHO in the area of global health governance, but argue that the relationship is not living up to its potential.

A third conclusion comes from MacLaren. He sees clear failure for global trade liberalization as a result of the G8–MO relationship. He feels that the Doha round and the future of the WTO are being jeopardized by the contradictory policies of the G8 within the IFIs and the unwillingness on the part of G8 members to change their domestic policies in order to conclude the round.

### *Policy Recommendations*

Several authors offer policy recommendations based on their analyses. The first is a call for greater cooperation with MOs on the part of the G8. In some cases this means exerting G8 influence on the MOs so they fit more harmoniously within the G8 system. Larionova suggests reforming MOs so that they can create better alliances with the G8. Fauver recommends creating consensus within the IFIs before delegating tasks so that the IFI will work more efficiently toward achieving G8 aims. In other cases, new areas are suggested where the G8 can branch out in collaboration with MOs. Ostry suggests that a new joint effort be implemented on the part of the G8, the WTO and the OECD in energy security and investment.

A second recommendation is for more cooperation with the G8 on the part of the MOs. Kirton suggests that the OECD, IEA and the WTO make Russia a member, effectively making all G8 member states members of these MOs, with a view toward more effective cooperation, especially in years where Russia is the G8 summit host.

A third recommendation is a call for a new forum for collaboration and discussion among the G8 and MOs. Ostry suggests a new forum be created to discuss energy security through investment. Adefuye recommends a new G8–Africa forum as a permanent part of the G8. Members would include African leaders, the UN Secretary-General, IFIs and the AfDB. Other new forums are suggested to raise G8 compliance. Kirton et al. propose a “a multi-stakeholder global health diplomacy network of civil society, national governments and international organizations, including the WHO.” Kirton recommends a “G8 compliance consortium [that] would coordinate the several systems of G8 compliance monitoring so that G8 governors can join with their own legislators, judiciaries, auditors general and civil society to know how well their promises at the summit are subsequently being transformed into practice on the ground.”

### *Suggestions for Scholarly Research*

Some authors also identify areas for further research. Some important questions posed in common concern the MOs as secretariats for the G8. Kirton calls for further research on whether the OECD should assume a larger role with the G8 as a type of secretariat, whether other MOs could assist in implementation and compliance monitoring, and whether or not this would increase compliance with G8 commitments. Kirton et al. also feel that research on the implementation process of G8 commitments is lacking.

Other authors see a need to study the G8–MO relationship in more depth, with an emphasis on how the MOs can increase compliance. Kirton, Roudev and Sunderland suggest the need to go beyond the debate about G8 governance through, against or without the multilateral organization’s help, and beyond crude distinctions between hard and soft law bodies and among multilateral, plurilateral

and regional ones, to refine and test more specific hypotheses about how MOs relate to the G8, especially in the latter's compliance task.

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