

Chapter 17

Past Performance of the G8 Summit and G20 Finance Forum

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The Group of Eight

The Group of Six was established in 1975 to deal largely with economic issues. It included Germany, Britain, France, Italy, Japan and the United States. At their next meeting in 1976, the Group of Six was expanded to the Group of Seven (G7), when Canada was added, largely with the backing of its North American neighbour, the United States. For years the group continued to meet with these members. Over time their agenda grew to include issues of terrorism, the environment, development, North–South relations, non-proliferation, health, security and peace, and conflict resolution and prevention. Toward the end of the Cold War, the Soviet Union became more involved in G7 discussions and in 1998 Russia became the eighth member of the institution, thus resulting in the G8.

The leaders have met annually since 1975, with ministers from their countries meeting to discuss a broad range of issues as well. Over the years, a number of other countries have also been invited to participate in the summits, usually only to discuss particular issues and for only a fraction of the time that the G8 leaders met. The most popular group of outreach countries to attend the G8 summits has consisted of the emerging countries of China, India, Brazil, Mexico and South Africa. Contingents of African countries have been invited to participate in the discussions on development and, in 2004 at the Sea Island Summit, a number of Middle Eastern countries were invited to participate in discussions on the Middle East.

The number of documents, the number of commitments and the length of the summits have all increased over time. Member countries have promised millions of dollars for African development. They have made significant promises to protect and better the environment. They have promised to wipe polio off the face of the earth and to provide HIV/AIDS treatment for all sufferers. They have taken steps to dismantle nuclear and chemical weapons. They have promised to fight terrorism. They have made many substantial promises, and they have kept many of them, in varying degrees. Certain members have done better than others and certain commitments have been complied with more than others, but overall the summits have proven successful.

The G20 Finance Ministers and Central Bank of Governors

The G20 finance ministers and central bank governors was created in 1999 in response to the Asian-turned-global financial crisis. This group includes Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Republic of Korea, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union. The finance ministers and central bank governors from these countries participate in the discussions. Their discussions traditionally have focused on financial and economic issues, but have expanded to include related issues such as trade, energy and institutional reform. The finance ministers and central bankers too have met annually, and have included the heads of the World Bank and International Monetary

Fund. These meetings are preceded by deputies meetings and working groups, which deliberate on the issues that will be raised at the annual meeting. The G20 finance ministers and central bankers have made a significant number of commitments at their gatherings. Although they have agreed to fewer commitments than those made at the G8, with a less diverse agenda this is not surprising. They have complied with varying degrees to the commitments they have made.

At their most recent meeting in Sao Paulo, Brazil, on November 8-9, 2008, the participants had the unique opportunity to shape the agenda for the first meeting of the G20 at the leaders level. Many of the commitments and discussions made at gathering will be carried over to their leaders.

Leaders Summit on Financial Markets and the World Economy

On November 14-15, 2008, in Washington DC a historic new “G” summit emerged. For the first time the leaders of the G20 countries, with the addition of representatives from Spain and the Netherlands, who represented the European Union, met to discuss ways to best respond to the global financial crisis. They will issue a declaration and an action plan on how to best proceed to deal with the crisis. And they have already agreed to reconvene for a second summit sometime between the end of March and April 2009. Based on past G8 and G20 finance meetings — the closest references to the new leaders 20 (L20) — success is likely to result from this group as well.