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Canada-Korea Cooperation and the G20

By Barry Carin

The 2010 G8/G20 Summits give Canada an opportunity to influence multilateral engagement and improve its bilateral relationship with its Korean counterpart. As planning for the Canadian and Korean presidencies of the G20 shifts into high gear, Barry Carin outlines some ideas on the membership, preparation and consultative mechanisms in the G20.

The G20 is a mechanism to encourage consensus on major transnational issues. A small and efficient group is critical. Canada and Korea have the opportunity to help establish the guidelines to ensure this occurs. Real leadership from both countries is required to confront issues of good governance and accountability, as well as the pressing issues coming out of the recent economic crisis.

It is timely to stimulate discussion on ideas for successful Canadian and Korean presidencies of the forthcoming 2010 G20. It is in both Canadian and Korean interests that the G20 be perceived as effective and legitimate. The Pittsburgh Summit designated the G20 as “the premier forum for our international economic cooperation.” The G20 will likely become the key global steering and agenda setting group.

The Canada-Korea Forum, held in November 2009 in Vancouver, discussed the question:

“Can Korea and Canada exploit their position as co-chairs to make the 2010 G20 Summits landmark successes, cementing the G20 as an effective pillar of global governance?”

Both Canada and Korea will gain from a successful G20. It would benefit both Canada and Korea to be part of the privileged “rule-making” body rather than “rule-takers.” Canada and Korea are both at the “rule-making” table if the G20 succeeds as the premier economic forum for global agenda setting and governance. If the G20 does not succeed – in the event it proves to be comprised of too many countries to be effective – and is succeeded by a smaller group of countries, Canada and Korea would likely be left out.¹ The flavour of the month in Washington is “variable geometry,” with the US convening key countries, selected depending on the issues.² Canada and Korea could be sideswiped in one sector by agreements designed in a different issue area.



About The Author

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The ideas in this paper draw upon an article published last September co-authored with Gordon Smith in the CIGI G20 Flashpoints special report.



It is in both Canadian and Korean interests that the G20 be the central body to set the agenda for “rule-making” and the parameters of negotiations for major global issues. What can the G20 really do? The G20 is sometimes mistaken for an executive, decision-making body.³ It is not. The G20 does not pretend to have legal authority. However, it could grow into the key global steering group, becoming the principal instrument to shape consensus on deadlocked multilateral issues. Details of such agreements would have to be ultimately agreed and ratified by the United Nations or other near universal organs.

G20 success in 2010 will require a harmonized approach between Canada’s meeting in June and Korea’s in November - a disconnect between the Toronto and Seoul meetings will decrease the effectiveness of both. Canada could invite the Koreans to participate as an equal partner in planning the June meeting, including by seconding staff to the Canadian Departments of Foreign Affairs and Finance as soon as possible. Canada could offer to hold one of the G20 Sherpa preparatory meetings in Seoul in the spring and could invite the Korean President to the G8 event on the margin of the G20. The 2010 G20 Forum is an opportunity to strengthen (or strain) Canada-Korea relations. In big picture terms, it is also an opportunity for Canada to demonstrate that it understands the global power shift that is taking place.

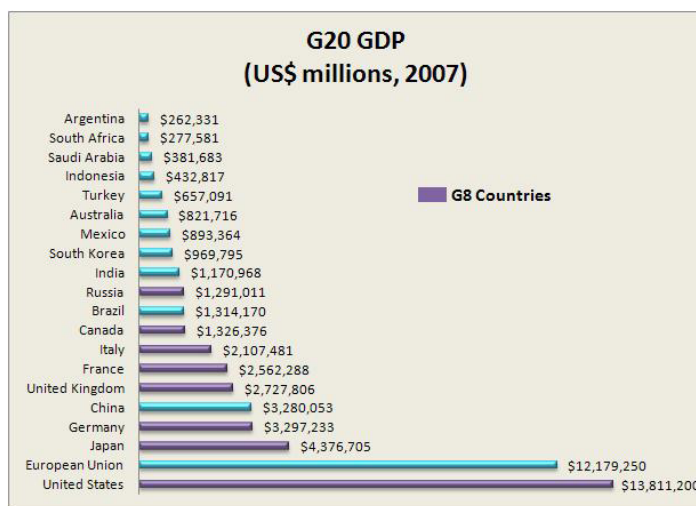
Korea and Canada have the opportunity to help finalize the composition of the G20, establish the working methods to ensure G20 effectiveness, and establish consultative mechanisms to respond to the demands for input and transparency. Working together as hosts in 2010, Canada and Korea can set precedents and ensure that processes are established to secure the G20’s efficiency and legitimacy.

Composition

The Pittsburgh Summit had 55 seats at the table. This cannot work. An invisible ad hoc “executive committee” will emerge. Twenty at the table is the limit for an effective group. Expansion of the G20 (yielding to the pressure of the Spanish, Dutch, and Nordics, and accepting seats for ASEAN, the African Union and Caricom⁴) will inevitably result in the emergence of a smaller group, which will exclude Canada and Korea.

Europe should have at most 5 seats.⁵ Whether the

criterion is a function of the responsibility for creating a global problem, the capacity to address the problem, or the number of people impacted, any logical membership criterion results in less than 25% of the seats for Europe. (The EU has 7% of world population, 20 % of world GDP, and 25 % of world R&D expenditures.⁶)



Sources: World Bank, CIA World Factbook, The Economist, International Monetary Fund.

One part of the solution is to suggest that the Europeans decide amongst themselves who will fill four or five seats at the table for 20. The Canadian and Korean presidencies could ask the Europeans the question – “What is the appropriate proportion of seats that should be filled by Europeans?” Canada and Korea could begin a discrete campaign, inviting the Europeans to limit their seats to ensure the G20’s effectiveness. Europe is similarly over-represented in the executive bodies of other major international institutions. Canada and Korea could suggest that the Europeans themselves come to a “grand bargain” allocating European seats among the IMF, World Bank, UN Security Council, and G20. European NGOs that promote democratization and good global governance would likely join the campaign to shame the Europeans into a decision.

The Preparatory Process

Korea and Canada are faced with two apparently incompatible imperatives in hosting the Summit meeting – leaders’ desire not to be scripted and the need for thorough preparation. Leaders expect and demand

informality. They do not want to appear as rubber stamps reading prepared statements, but the G20 issues are complex, requiring intensive negotiations. Extensive technical preparation appears inconsistent with leaders' demand for an extemporaneous approach.

Establishing a "non-secretariat" could meet the challenge to reconcile the demand for informality with the need for intensive preparation. The "non-secretariat" could be an informal arrangement, not a bureaucratic institution. It could be composed of officials seconded from the governments of the Troika (the current, previous, and next year's presidency) countries.⁷ The members of the "non-secretariat" could have three-year secondments, remain on their own government's payroll, and reside in the host country for one year. Other G20 countries could be invited to second officials. The Leadership of the "non-secretariat" would be the Sherpas or the G20 leaders' Personal Representatives from the Troika countries. They would be non-resident, maintaining the essential close contact with their own leaders. This arrangement could provide the requisite continuity and institutional memory – facilitating accountability and the follow up of commitments, while avoiding the downsides of any permanent bureaucracy.⁸

The Sherpas of Troika countries would obviously remain in close contact with the Sherpas of the US and China – who de facto could be ex-officio members of the Troika directing the work of the "non-

secretariat." With representation from other countries and leadership from five capitals, the "non-secretariat" is the best bet to square the circle – providing leaders' control of the process and delivering the complex preparations required.

Consultative Mechanisms: "Hearing Other Voices"

Official circles have an incentive, if not a prejudice, to minimize peripheral meetings – e.g. ministerial meetings of environment, health, or energy ministers. Officials do not welcome, for example, a meeting of G20 University Presidents. Time is limited and cacophony from a wide group of petitioners is not constructive. To promote transparency and participation, if only to buttress its own legitimacy, the G20 could establish systematic processes to hear other voices. In fact, effectiveness could increase because the G20 does not have a monopoly of good ideas.

The non-G20

Countries not in the G20 are concerned about not having a presence. Countries like Poland and those in the Caribbean believe they have the weight to justify their presence or the peculiarities and vulnerabilities that need to be heard. The Heiligendamm Process was established to organize a dialogue between the member states of the G8 and the important emerging economies, dealing with the biggest challenges facing the global economy. The Heiligendamm Process dialogue can be replicated between the G20 and non-G20 countries.¹⁰

G20 Parliamentarians

Global Legislators Organization for a Balanced Environment (GLOBE) was founded in 1989. GLOBE consists of senior cross-party members of parliament from all G8 countries and Brazil, China, India, Mexico and South Africa. GLOBE shadows the formal G8 negotiations and allows legislators to work together outside the formal international negotiations. In an effort to develop productive consultative mechanisms, GLOBE's membership would expand to twenty. Canada and Korea could co-host meetings of the group in Seoul and Ottawa in 2010.

Business



Participants at the Pittsburgh Summit.

Modelled on the Business Industry Advisory Committee (BIAC) at the OECD, the “G20 BIAC” would give a voice to business communities from member countries and provide advice and counsel on policies affecting business and industry.¹¹ The committee would consist of networks of major businesses, business organizations, and NGOs representing business views – such as the World Business Council for Sustainable Development (WBCSD). The committee would articulate the needs and interests of these networks, develop policy positions on issues under review by the G20, and advise on the implications of proposed policies on business and industry.

Think Tank Network

Canada and South Korea could also invite representatives of think tanks and research

institutions from G20 countries to meet in Canada and Korea several months before each of the summits. The G20 think tank network could be formally constituted, with a small permanent secretariat being provided in partnership by Canada and Korea. The network would operate as a “track-two” process.¹² Membership could be extended to organizations in non-G20 countries.

Conclusion

Canada and Korea are in the position to pursue national self-interest and at the same time deliver a global public good – the effectiveness and legitimacy of the G20. Working together, Canada and Korea can settle the G20 composition, improve its working methods, and its consultative mechanisms and hence its substantive results.

¹ A good example is the recent Copenhagen Accord developed by five countries – the US, China, India, Brazil and South Africa, which emerged when the 193-country UNFCCC process was headed for a fatal miscarriage.

² For example, President Obama has called a summit on nuclear issues for March 2010.

³ E.g. Anders Aslund, “The G20 must be stopped”, in the *Financial Times*, November 27, 2009: “But the G20 actually violates fundamental principles of international co-operation by arrogating for itself important financial decisions that should be shared by all countries. In so doing it also emasculates the sovereign rights of small countries that have long been the prime defenders of multilateralism and international law as well as the foremost policy innovators.”

⁴ <http://www.kaieteurnews.com/2009/10/04/can-the-caribbean-rely-on-the-g20/>

⁵ Currently, France, Germany, Italy, and the United Kingdom, as well as the European Union have a seat at the table.

⁶ In terms of GDP measured by purchasing power parity, the European Union has 5 of the largest 20 economies. If the criterion is stewardship over resources measured by forested area or by land mass, the top 20 countries does not include any individual European country.

⁷ There is ample precedent, albeit informal and ad hoc, of G8 countries seconding officials to other countries’ Sherpa teams.

⁸ Wendy Dobson, in a November 13 op-ed in *The Globe and Mail* argued that Canada should “push” for a steering committee for APEC – given the end of moratorium next year on expanding the membership (India). She suggested a steering committee of the US, China, India and Japan, plus Canada, Australia, Korea, Mexico and Indonesia. Such a committee is easier to arrange in the G20 – given the Chair’s prerogatives, we would not have to “push”.

⁹ http://www.g-8.de/Content/EN/Artikel/_g8-summit/2007-06-08-heiligendamm-prozess__en.html

¹⁰ It would be important not to fall into the trap of imposing a process – dictating the terms. Consultations should take place to ensure joint ownership of the process.

¹¹ At the 2009 Davos, HSBC Group chairman Stephen Green called for the setting up of a “Business 20?” – or B20 – forum comprised of the world’s largest companies, including those in the developing world, with a focus on those with international operations.

¹² Track-two diplomacy has no official standing. While participants may be government officials they do not represent any state or government and engage in their personal capacities. Any recommendations are in no way binding upon governments. Governments are therefore in the happy position of being able to dismiss conclusions or recommendations they do not like, but free to adopt anything useful which may transpire.

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