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A GROUP'S ARCHITECTURE IN FLUX:
THE G8 AND THE HEILIGENDAMM PROCESS

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*A Group's Architecture in Flux:
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Abstract

The G8 summit in Heiligendamm/Germany in June 2007 established a topic-centred dialogue with China, India, Brazil, South Africa and Mexico. The so-called “Heiligendamm Process” was an attempt by the G8 member to respond to the Group’s perceived lack of representativeness and effectiveness, while avoiding a change in the G8’s central proceedings through formal enlargement. The Process was reviewed at the 2009 summit in L’Aquila/Italy, and it was agreed to continue the dialogue until mid-2011. In the context of the current debate on how global economic institutions and fora adapt to systemic change, the analysis touches on important issues of global governance that go beyond the G8’s new initiative. With the establishment of a regular G20 at leaders’ level in the wake of the financial crisis, the G8 finds itself at a crucial juncture, its future being more uncertain than ever.

Keywords

G8, G20, international economic order, reform of international financial institutions, emerging countries

Introduction*

The strengthening of its relationship with emerging countries has been the Group of Eight's (G8) central development in 2007 and 2008. While the debate on how to better represent and integrate non-members in the G8's architecture is hardly new, it has gained new political momentum in the period under review: The 2007 summit in Heiligendamm established a topic-centred dialogue with the "Outreach 5" (O5) countries China, India, Brazil, South Africa and Mexico. The "Heiligendamm Process" was a response to the Group's perceived lack of representativeness and effectiveness; at the same time, it avoided a change in the G8's central structure through formal enlargement. In the context of the current debate on how global economic institutions and fora adapt to systemic change, the analysis touches on important issues of global governance that go beyond the G8's new initiative. Before examining the G8's recent adjustment, the paper briefly summarises the Group's main characteristics and provides an outline of the thematic developments in the review period.

Background: The G8's Aims and Characteristics

The G8 is a high-level informal forum of governments that was founded in response to the global economic crises of the early 1970s. Its roots lie in the 1973 Library Group, a round-table for finance ministers of the G5 – France, Germany, the United Kingdom, the United States and Japan. Italy joined when the G6 met for their first summit of the heads of state and government in 1975. A year later, Canada became member at the request of the United States. Since 1977, the European Community/European Union is present at summits. After a period as a guest, Russia officially became a member in 1998, although it was not invited to participate regularly in the G7 meetings of finance ministers and central bank governors.¹

The G8 is a forum to exchange views, clarify positions and support coordination on a non-binding basis on a wide range of global issues – it is not an international organisation. Having no "cafeteria or a pension plan"², it is characterised by the absence of formal procedures. As such, its influence is based on the capabilities and resources of its members to exert concerted ideational and material leadership domestically and within the network of international organisations of which they are major shareholders.³

The Group started out as a yearly personal get-together of the leaders of the world's most powerful economies. While it has maintained large parts of its conversationalist character with no formal rules or follow-up machinery, the summits of the heads of state and government depict only the "tip of the iceberg"⁴ in a closely-knit governmental network: The activities of the G8 now take place throughout

* A version of the paper will appear in Herrmann/Terhechte (eds.), *European Yearbook of International Economic Law* 2010, Vol. 1.

¹ For an overview of G7/G8 participation see Bini Smaghi, *Powerless Europe: Why is the Euro Area Still a Political Dwarf?* *International Finance* 9 (2006) 2, p. 261 (265).

² Penttillä, *The Role of the G8 in International Peace and Security*, Adelphi Paper (2003) 355, The International Institute for Strategic Studies, p. 5.

³ The G8's aims and defining characteristics are contested in the literature. The account above follows the "network school", see, e.g. Lesage, *Globalisation, Multipolarity and the L20 as an Alternative to the G8*, *Global Society* 21 (2007) 3, pp. 343–361 (347); Gstöhl, *Governance through government networks: The G8 and international organization*, *The Review of International Organizations* 2 (2007) 1, p. 1 (3); Slaughter, *Government networks, World order, and the L20*, in: English et al. (eds.), *Reforming from the Top. A Leaders' 20 Summit*, 2005, p. 280 (286).

⁴ Gstöhl, *Global Governance und die G8: Antwort auf globale Probleme [Global Governance and the G8: Answer to global problems]*, in: Gstöhl (ed.), *Global Governance und die G8. Gipfelimpulse für Weltwirtschaft und Weltpolitik [Global Governance and the G8. Summit impulses for the world economy and world politics]*, 2003, p. 9 (16). German quotes are

the year at different levels and stages of the policy process. Yet, for the purpose of the present analysis, the yearly summits serve as a useful signpost in tracing the Group's thematic and institutional developments: They bundle the work of the members' Sherpa teams in charge of the G8 preparations and attract most of the public attention.

Presidencies and themes 2007 & 2008

The G8's agenda is set by the yearly-rotating presidency in consultation with the other members. Over the years, the thematic scope and depth of the G8 has expanded. While having traditionally focused on international economic policy and cooperation, the Group has increasingly addressed other major global challenges, including environmental and energy issues, and development and security policy. The thematic broadening has been reinforced by an increasing number of minister and expert meetings that take place throughout the year in addition to the main summit of the heads of state and government.⁵

The German presidency in 2007 had initially planned to take the G8 "back to the roots" by focusing on global economic issues. Yet international economic policy was sidelined during the leaders' summit. This was partly due to the members' inability to agree on a common stance towards stricter rules for more financial market transparency. Over the course of 2007 and 2008, the global economic outlook worsened considerably and the deteriorating state of the world economy grew to a leading topic in the run-up to the summit in Toyako: Spiralling food and oil prices and turbulences in the international housing, credit and financial markets became a major concern of the G8 in 2008.

However, the single most important issue on the G8's agenda in the review period was the global environmental challenge of climate change. The German presidency made it one of its foremost aims to come to an agreement on cutting greenhouse gas emissions among the G8 members. At the 2007 summit in Heiligendamm, the leaders committed to "seriously consider" cutting emissions by half by 2050. The United States (together with Russia) blocked a numerical emission target as recommended inter alia by the Intergovernmental Panel on Climate Change (IPCC).⁶ Yet, for the first time in international negotiations, President George W. Bush departed from his previous rejection of a UN-led initiative for the post-Kyoto negotiations. Climate change continued to be the main focus of the Japanese G8 presidency in 2008. At the Toyako summit, the leaders agreed to "share the common vision" to reduce emissions by at least 50%.⁷ While the members could this time set on commonly binding target, they left the base year for the cuts unspecified.

Development policy, with special emphasis on Africa, has traditionally featured high on the G8's agenda and was also a key issue in 2007 and 2008. Further summit topics in the review period included inter alia the situation in Afghanistan, North Korea and non-proliferation, political developments in Iran, and the deteriorating economic situation in Zimbabwe.

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translated by the author. On the procedural character of the G8 see also Baker, *The Group of Seven. Finance ministries, central banks and global financial governance*, 2006.

⁵ In addition to the set agenda, the G8 also deals with urgent international matters like security or humanitarian crises on a flexible basis. For an excellent overview of G8's past agendas see University of Toronto, *G8 Information Centre*, <http://www.g7.utoronto.ca/> (last accessed 25/1/2009).

⁶ In fact, all G8 members except the United States and Russia committed to cut emissions. On the rift between the German presidency and the US administration over climate change in the run-up to the summit see, e.g. Benoit/Williamson, Merkel to push Bush on climate change, *Financial Times*, 4/6/2007, p. 2.

⁷ G8, *Chair's Summary*, 9/7/2008, http://www.mofa.go.jp/policy/economy/summit/2008/doc/doc080709_09_en.html (last accessed 14/1/2009).

The G8 and Summitry Reform

The History of G8 Outreach

In its 34-year history, the Group has seen very few changes to its formal membership base. After the initial set-up was completed in 1977, it took more than 20 years for another country – Russia – to join the summits of the heads of state and governments. However, since the late 1990s, there has been an incremental loosening of the Group's hermetic character through a process of "Outreach" – a strengthened dialogue between the G8 with non-member countries.⁸

The Group met with APEC leaders in 1997, and several G8 members convened with emerging countries on their way to the Okinawa summit in 2000. Since the Genoa summit in 2001, each G8 presidency has invited a selected number of third-country representatives to different parts of its deliberations. Several African leaders joined sections of the summit in 2002; the 2003 French presidency extended invitations beyond African countries to the governments of China, India, Brazil and Mexico; and leaders from the Middle East participated in parts of the US Sea Island summit in 2004. Prime Minister Tony Blair re-established the French Outreach to what was then termed the O5 – China, India, Brazil, Mexico and South Africa – at the Gleneagles summit in 2005 on issues pertaining to energy and climate policy. Despite Russia's initial reluctance, the dialogue with the O5 was continued at the 2006 St. Petersburg summit. While there has been a steady increase in Outreach initiatives over the past decade, the pattern of dialogue and cooperation remained diffuse and ad hoc and depended on the priorities of the respective presidency in its choice of countries invited and the format for discussions.⁹

The Heiligendamm Process 2007–2009

Although summitry reform of the G8 has long been debated¹⁰, it gathered momentum in the review period. One of the cornerstones of the 2007 German presidency was the establishment of a formalised and structured Outreach mechanism between the G8 and the O5. The Heiligendamm summit launched a topic-driven dialogue on key global issues, which was set around four thematic pillars: (1) promoting and protecting innovation; (2) enhancing freedom of investment through an open investment environment including strengthening corporate social responsibility principles; (3) defining common responsibilities for development with special regard to Africa; and (4) sharing knowledge for improving energy efficiency and technology cooperation, especially with view to climate change. The "Heiligendamm Process" was set to be reviewed after two years at the 2009 summit in Italy. Rather than incorporating the dialogue in the G8's central structures of the summits, the OECD was invited to assist the work of the Process with its broad organisational and technical expertise in form of a newly-

⁸ The paper focuses on Outreach as intensified dialogue with non-member countries. The term can also refer to increased participation of international organisations and civil society actors in the G8's proceedings. On the G8's relationship with international organisations see Gstöhl, *Governance through government networks: The G8 and international organizations, The Review of International Organizations 2 (2007) 1*, p. 1; on the engagement with civil society see Hajnal, *The role of civil society*, in: Hajnal (ed.), *The G8 System and the G20. Evolution, Role and Documentation*, 2007, p. 103.

⁹ For a chronology of Outreach initiatives until 2005 see G8 Research Group, *G8 Reform: Expanding the Dialogue. An Overview of the G8's Ongoing Relationship with the Emerging Economic Countries and Prospects for G8 Reform*, University of Toronto, 2005, p. 14, http://www.g8.utoronto.ca/evaluations/csed/ed_050707.pdf (last accessed 25/1/2009).

¹⁰ For a concise review of reform proposals see Hajnal, *Summitry from G5 to L20: A Review of Reform Initiatives*, Working Paper (2007) 20, The Centre for International Governance Innovation (CIGI), http://www.igloo.org/community.igloo?r0=community&r0_script=/scripts/folder/view.script&r0_pathinfo=%2F%7B7caf3d23-023d-494b-865b-4d143de9968%7D%2FPublications%2Fworkingp%2Fsummitry&r0_output=xml (last accessed 15/1/2009).

established support unit.¹¹ A high-level steering group (at Sherpa level) and official-level working groups on the four topics were established in the second half of 2007, with representatives of the G8 and the O5 co-chairing the sessions.

The German presidency was the palpable initiator – and the main financier – of the Heiligendamm Process¹², and some G8 members were initially ambivalent about the initiative. During its presidency in 2008, Japan downplayed the role of the Process for fear of acknowledging the power of China. It diluted the accentuated role of the O5 by inviting further non-members such as Australia, South Korea, Indonesia and leaders from several African countries to parts of the G8 summit. Yet not only G8 members remained ambiguous: Some of the O5 countries complained that they had only been granted a limited role at the launch summit in Heiligendamm and pressed for greater involvement in the choice of items on the Process' agenda.¹³ Furthermore, some feared that the great proximity to what was essentially an exclusive club of rich nations might damage their reputation as anchor countries for the developing world. This cautiousness was fuelled by locating the Process at the OECD, a Western-dominated organisation.

Despite initial difficulties in setting up the Process, the steering group and working groups subsequently took up their work. According to commentators closely observing the Process, trust has subsequently risen among the participants.¹⁴ Furthermore, the O5 – or “G5”, as the emerging countries have subsequently re-named themselves – have gradually developed an identity vis-à-vis the G8.¹⁵ After the initial two-year period ended in July 2009, the G8 and O5 agreed to continue the dialogue as “Heiligendamm-L’Aquila Process” until mid-2011.¹⁶

¹¹ G8 Summit, *Growth and Responsibility in the World Economy: Summit Declaration*, 7/6/2007, p. 37, http://www.g8.de/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokumentwirtschaft-eng,templateId=raw,property=publicationFile.pdf/2007-06-07-gipfeldokumentwirtschaft-eng (last accessed 24/1/2009); see also Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the occasion of the G8 Summit, 8/6/2007, http://www.g8.de/nsc_true/Content/EN/Artikel/_g8-summit/anlagen/o5-erklaerung-en,templateId=raw,property=publicationFile.pdf/o5-erklaerung-en (last accessed 13/1/2009).

¹² In fact, the declaration launching the Heiligendamm Process was issued by the O5 and the German presidency – and not by all G8 members. See also Fues/Leininger, Germany and the Heiligendamm Process, in: Cooper/Antkiewicz (eds.), *Emerging Powers in Global Governance: Lessons from the Heiligendamm Process*, 2008, p. 235 (245 and 252).

¹³ The G8 had published the statement to launch the Heiligendamm Process before the O5 had joined the Heiligendamm summit. See, e.g. Singh, *PM's on board interaction with media on flight from Berlin to New Delhi*, 9/6/2008, <http://meaindia.nic.in/mediainteraction/2007/06/09mi01.htm> (last accessed 13/1/2009); Lourdes Aranda, deputy foreign minister of Mexico, quoted in Williamson, Rich nations stall dialogue with emerging powers, *Financial Times*, 3/7/2009, p. 6.

¹⁴ Steering Committee of the Heiligendamm Process, *Interim Report on the Heiligendamm Process at the G8 Summit in Hokkaido Toyako*, 7-9/7/2008, http://www.mofa.go.jp/policy/economy/summit/2008/doc/pdf/0709_01_en.pdf (last accessed 26/1/2009); see also Cooper, The Heiligendamm Process, in: Cooper/Antkiewicz (eds.), *Emerging Powers in Global Governance: Lessons from the Heiligendamm Process*, 2008, p. 1.

¹⁵ E.g. G5, *Statement Issued by Brazil, China, India, Mexico and South Africa on the occasion of the 2008 Hokkaido Toyako Summit*, 8/7/2008, <http://www.g8.utoronto.ca/summit/2008hokkaido/2008-g5.html> (last accessed 14/1/2008); Secretaría de Relaciones Exteriores [Mexican Ministry of Foreign Affairs], *Se Reúnen los Cancilleres del Grupo de los Cinco en Nueva York [The Chancellors of the G5 meet in New York]*, 27/9/2007, http://www.sre.gob.mx/csocal/contenido/comunicados/2007/sep/cp_253.html (last accessed 14/1/2009).

¹⁶ G8, *The Agenda of the Heiligendamm – L’Aquila Process (HAP)*, http://www.g8italia2009.it/static/G8_Allegato/06_Annex_2_Concept_Note_on_HAP.pdf (last accessed 5/10/2009).

Accounting for Change at the G8

Responding to the Dual Crisis of Representativeness and Effectiveness

The establishment of the Heiligendamm Process was an attempt to solve the G8's persisting twin problem of inadequate representativeness and lacking effectiveness.¹⁷ Due to the phenomenal shifts in the global balance of economic powers in recent years, the G8 did not reflect the prevalent power structures in the world economy anymore. Even if the G8 members still occupy the world's top positions in economic terms, others – especially big emerging countries such as China and India – are quickly catching up.¹⁸ There has been a growing recognition among policy-makers and scholars that the G8 members alone cannot effectively solve today's most pressing global problems. The agendas of 2007 and 2008 provide many examples for the G8's collective ineffectiveness: Without countries like China – by far the largest holder of foreign reserves and one of the main CO₂-emitters –, or India and Brazil – both key players in the multilateral trade negotiations – global solutions on climate change, international trade or global imbalances are hardly feasible. Other G8 issues that require broader cooperation include intellectual property and investment rules, energy security, commodity prices and development policy. Bringing together those countries that are politically and economically important was meant to increase the Group's overall effectiveness.

In addition, the G8 has continuously faced heavy criticism for its unelected and self-selected status and its lack accessibility for non-members – a criticism that finds its vocal outlet in the large crowds of protestors who have become an integral part of most G8 summits. The G8 has long been accused of promoting a policy agenda that has global effects beyond its members' realm without giving the affected a voice. Integrating countries from a varied geographical provenance into the G8's work more closely through the Heiligendamm Process aimed to ameliorate the G8's problem of representativeness.

The G8's Reluctance to Enlarge

Nevertheless, while a broad agreement on the need to enhance dialogue and cooperation with non-members has long existed among the G8 members, countries have differed in their view as to the pace and shape of non-members' integration.¹⁹ Two main arguments have generally been advanced by the opponents of formal enlargement: First, the G8's small size and the informality of its meetings have been seen as a necessary precondition for a direct and frank exchange of views.²⁰ It has been feared that admitting further countries would reduce the G8's capacity to react flexibly and quickly. Second, the members have considered themselves a homogenous group. The continued commitment to share a common set of values as reflected in the founding declaration²¹ has been perceived as vital for the

¹⁷ Cooper/Jackson, *Regaining Legitimacy: The G8 and the "Heiligendamm Process"*, *International Insights* 4 (2007) 10, p. 1; on comparable reasons for establishing the G20 see Kirton, *The G20: Representativeness, Effectiveness, and Leadership in Global Governance*, in: Kirton et al. (eds.), *Guiding Global Order: G8 Governance in the twenty-first Century*, 2001, p. 143.

¹⁸ For a summary of the shift of global economic weight in the context of the G8 see, e.g. Gnath, *Beyond Heiligendamm: The G8 and its dialogue with emerging countries*, *Internationale Politik Global Edition* (2007) 3, p. 36 (37).

¹⁹ Due to the informality, the G8 does not have formal membership criteria. On the choice of participating non-member countries see Cooper, *The Logic of the B(R)ICSAM Model for G8 Reform*, Policy Brief in *International Governance* (2007) 1, The Centre for International Governance Innovation (CIGI), http://www.cigionline.org/community.igloo?r0=community&r0_script=/scripts/folder/view.script&r0_pathinfo=/%7B7ca%7D/Publications/policybr/thelogic&r0_output=xml (last accessed 15/1/2009).

²⁰ See, e.g. Fratianni et al., *Introduction*, in: Fratianni et al. (eds.), *New Perspectives on Global Governance: Why America Needs the G8*, 2005, p. 3 (4).

²¹ "We came together because of shared beliefs and shared responsibility. We are each responsible for the government of an open, democratic society, dedicated to individual liberty and social advancement". G6, *Communiqué Declaration of*

Group's robustness. Russia's accession in 1998, which marked a departure from the value-based membership principle, has been judged a mistake by many, thus reinforcing the centrality of common core political and economic values. Due to its exceptional position in the world economy, China has ranked highest among the obvious candidates for membership. Yet despite gradual rapprochement between China and the G8 over time²², China's political system had so far made full integration difficult to accept for some Group members. For political reasons, other big emerging countries such as India and Brazil, whose political values might conform better to those of the G8, would most likely not be accepted without China.

The literature has suggested that the G8's informal character made regeneration and adaptation to changing circumstances comparably easy.²³ There is no doubt that the absence of legal constraints and the limited number of veto players reduce the hurdles of adjustment. Still, the G8 has been marked by a high degree of "institutional inertia", showing great reluctance to transform or to open up. The G8 thus faced a dilemma: On the one hand, the pressures to reform its membership basis had multiplied over time and "business as usual" was not considered a viable option anymore; on the other hand, outright enlargement did not find the support of all members in the review period, and the stability of the set-up was seen as a crucial precondition for the Group's success.

The Heiligendamm Process: Incremental Adjustment Outside the G8's Central Structures

The establishment of a body outside an institution's central structure that includes both members and non-members provides an alternative mechanism of adjustment to outright enlargement. It allows the institution to respond to a set of external and internal factors that has led to a crisis in decision-making and creates "voice" for outsiders. At the same time, it provides an "exit" strategy for the existing members: It bypasses internal constraints and minimises the risk to destroy the core system's stability.

The Heiligendamm Process opened up such an outside option for incremental change.²⁴ The establishment of a new dialogue format that used the OECD – rather than the central preparatory system of the G8 presidency – shifted the adjustment process to a non-central venue. According to the presented analytical framework, the Process' steering group and workings groups can be conceived as outside bodies that created both exit and voice for the G8's members and for some selected non-members: For the G8 countries, the new set-up depicted an opportunity to adjust in the face of the twin crisis of lacking representativeness and effectiveness – while maintaining the exclusivity and homogeneity of the summit system. Contrary to one-off negotiations, a longer-term perspective of interaction increases the sustainability of compromises and potentially furthers cooperation beyond the core members on key global issues, which enhances the Group's overall effectiveness and legitimacy. The Process departed from the ad hoc approach of former Outreach initiatives by formalising the relationship between the G8 and the O5.

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Rambouillet, 17/11/1975, <http://www.g8.utoronto.ca/summit/1975rambouillet/communiqu.html> (last accessed 13/1/2009).

²² On the changing relationship between the G8 and China see, e.g. Kirton, *The G7/8 and China: Toward a Closer Association*, in: Kirton et al. (eds.), *Guiding Global Order: G8 Governance in the Twenty-First Century*, 2001, p. 189; see also Chin, *China's Evolving G8 Engagement: Complex Interests and Multiple Identity in Global Governance Reform*, in: Cooper/Antkiewicz (eds.), *Emerging Powers in Global Governance: Lessons from the Heiligendamm Process*, 2008, p. 83 (104).

²³ Rode, *Weltregieren durch internationale Wirtschaftsorganisationen* [Global Governance through international economic organisations], 2001, p. 26.

²⁴ Prantl, *Informal Groups of States and the UN Security Council*, *International Organization* 59 (2005) 3, p. 559 (pp. 561–568). Although Prantl developed the theoretical framework within the context of the UN-system, it provides a useful analytical starting point to the G8's recent Outreach initiative and its distinction between the core summit structure and the external set-up of the dialogue.

At the time of its creation, the non-central character of the Heiligendamm Process was not only in the G8 members' interest, but also served the O5's preferences: It raised the O5 countries' profile in the G8 system and gave them the opportunity to actively participate in the G8 deliberations. At the same time, too close a relationship with what has traditionally been conceived as a "Western club" endangered the non-members' status as developing countries and as representatives of the global South.²⁵ At the time, the Heiligendamm Process thus gave the O5 more voice according to their increased role in the global economy without forcing them to decide whether to pursue formal membership, thereby risking an image loss vis-à-vis their regional partners.

The Future of the G8

Variable Geometry in a Multi-level Network

The permanent accession of Russia to the political G8 but not the G7 of finance ministers and central bank governors in the late 1990s depicted an important departure from the concept of unitary Group membership. The increasing numbers of flanking ministerial meetings and topic-related task forces have added additional layers to the G8's architecture.²⁶ The 2008 Toyako summit can be seen as three overlapping summits, with "Africa on day one, the G8 on the second day and the big developing carbon emitters on the third".²⁷ Similarly, only the first day of the 2009 summit in L'Aquila was reserved for the G8; discussions on the second and third day were organised in a range of formats and included participants from the O5, Egypt, and several African countries.²⁸ The Heiligendamm Process has reinforced this multi-level network character of the Group over the review period, and the G8's further differentiation through overlapping constituencies with a "flexible plus"²⁹ will continue to be an important feature of the G8's future architecture.

Beyond Heiligendamm

The Heiligendamm Process was established for an initial period of two years. A final report was issued at L'Aquila in July 2009 where it was decided to continue the Process for at least another two years – albeit in a more flexible format than before.³⁰ Nevertheless, calls for alternative adjustment

²⁵ In addition to the joint statement with the G8 that established the Heiligendamm Process, the O5 issued a separate position paper stressing their common allegiance to the global South. Joint Position Paper of Brazil, China, India, Mexico and South Africa participating in the G8 Summit, 8/7/2007, http://pmindia.nic.in/GermanyG-8_visit.htm (last accessed 26/1/2009).

²⁶ For an account of the increase in official-level working groups and task forces see, e.g. Stephens, G8 Institutionalization as a Cause of Compliance: The DOT Force Case, 47th Annual Convention of the International Studies Association, 2006, http://www.allacademic.com/meta/p_mla_apa_research_citation/0/9/8/7/9/pages98791/p98791-1.php (last accessed 23/1/2009).

²⁷ Gordon Brown quoted in Pilling, Club under pressure to expand, Financial Times, 10/7/2008, p. 2, http://www.ft.com/cms/s/0/c7454f2a-4dde-11dd-820e-000077b07658,dwp_uuid=af522be6-4c8c-11da-89df-0000779e2340.html (last accessed 28/1/2009).

²⁸ G8, *Agenda of Events 2009*, http://www.g8italia2009.it/G8/Home/G8-G8_Layout_locale-1199882116809_Calendario.htm (last accessed 6/10/09).

²⁹ Neidhart, Der exklusive Club öffnet sich [The exclusive club opens up], Süddeutsche Zeitung, 10/7/2009, p. 8; BBC Monitoring European, Italy to bring "flexible format" to G8, 2/1/2009, <http://g8live.org/2009/01/02/italy-to-bring-flexible-format-to-g8/> (last accessed 15/1/2009); see also Lesage, Globalisation, Multipolarity and the L20 as an Alternative to the G8, *Global Society* 21 (2007) 3, p. 343 (359).

³⁰ G8, *The Agenda of the Heiligendamm – L'Aquila Process (HAP)*, http://www.g8italia2009.it/static/G8_Allegato/06_Annex_2_Concept_Note_on_HAP.pdf (last accessed 5/10/2009). Early on in its presidency, the Italian government announced to work towards continuing the dialogue in its established format; See, e.g. G8 Presidency 2009, *Details: The Dialogue Process with Emerging Countries*,

paths did not cease and even gained momentum in the period under review: In July 2008, President Nicholas Sarkozy proposed yet again to expand the G8 to a G13 on a permanent basis. He posited that it was “not reasonable to continue to meet as eight to solve the big questions of the world, forgetting China – 1.3 billion people – and not inviting India – 1 billion people”.³¹ Prime Minister Gordon Brown – echoing calls made by his predecessor Tony Blair – also continued to demand a greater role of the O5 in the G8’s central proceedings. Hence, while the Heiligendamm Process has been accepted by its participants as a useful step towards adjusting the G8 in the face of new developments in the world economy, it has not been successful in putting an end to the debate on reform of the Group’s architecture.

A Regular Leaders’ G20

A direct competitor to the incremental adjustment path that the Heiligendamm Process epitomises is the permanent expansion of the G8 to a G20 – a “big bang” reform.³² Given the strong reservations by several G8 members, the feasibility of reform through large-scale enlargement has previously been judged low.³³ However, the current financial crisis has created political momentum for broad-based governance reforms that has not failed to affect the G8: In November 2008, the G20 met for the first time at the highest political level to discuss the implications of the financial crisis on the world economy and to consider possible ways to reform the global economic order. The new format was initially restricted to the ongoing crisis. Yet after having convened three times over the course of twelve months, it was decided at the Pittsburgh summit in September 2009 that the newly-upgraded G20 would take on a permanent coordinating role.³⁴

(Contd.) _____

http://www.g8italia2009.it/G8/Home/IIContesto/G8-G8_Layout_locale-1199882116809_VersoAllargamento.htm (last accessed 21/1/2009).

³¹ Quoted in Wendtland, France’s Sarkozy says “not reasonable” to meet as G8, Reuters.com, 5/7/2008, <http://www.reuters.com/article/newsMaps/idUSPAC00963220080705> (last accessed 23/1/2008). The Italian and the French government have called for the participation of an Arab or Muslim country such as Egypt beyond the O5. E.g. Reuters, Italy aims to expand G8 to include China, India, Brazil, 28/9/2008, <http://in.reuters.com/article/topNews/idINIndia-35695220080928> (last accessed 4/1/2009).

³² The original G20 is a forum for discussion among finance ministers and central bank governors that includes the G8, the O5, as well as Argentina, Australia, Saudi Arabia, South Korea and Turkey. The new forum has been labelled L20 or “Leaders’ 20” in the literature in order to distinguish it from the lower-ranking G20 of finance ministers. On the L20 see, e.g. Cooper/English, Introduction: Reforming the international system from the top – a Leaders’ 20 Summit, in: English et al. (eds.), *Reforming From the Top. A Leaders’ 20 Summit*, 2005, p. 1; Linn/Bradford, Pragmatic Reform of Global Governance: Creating an L20 Summit Forum, Policy Brief (2006) 152, The Brookings Institution, http://www.brookings.edu/papers/2006/04globalgovernance_linn.aspx (last accessed 22/1/2009).

³³ See, e.g. Fues, Global Governance Beyond the G8: Reform Prospect for the Summit Architecture, *Internationale Politik und Gesellschaft* (2007) 2, p. 11 (17).

³⁴ The G20 met in Washington (November 2008), London (April 2009), and Pittsburgh (September 2009). See Leaders’ Statement: The Pittsburgh Summit, 24-25/9/09, <http://www.pittsburghsummit.gov/mediacenter/129639.htm> (last accessed 6/10/09).

Concluding Remarks

With the establishment of a regular G20 at leaders' level, the G8 finds itself at a crucial juncture – with its future being more uncertain than ever. It is very likely that the G7/8 will lose influence to the G20 at least in matters of global finances.³⁵ In how far the recent developments constitute the G8's "death certificate"³⁶ or whether it will be successful in working alongside the new G20 will crucially depend on the G8's response and ability to adjust beyond the Heiligendamm Process.

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³⁵ Reuters, G7 überlässt finanzpolitische Bühne der G20 [G7 concedes the financial policy stage to the G20], 4/10/09, <http://de.reuters.com/article/economicsNews/idDEBEE59302L20091004> (last accessed 6/10/09).

³⁶ Crook, Expectations come down to earth, FT.com, 16/11/2008, <http://www.ft.com/cms/s/0/c4f4539c-b3ff-11dd-8e35-0000779fd18c.html> (last accessed 15/1/2009); see also The Economist, Global Governance. Goodbye G7, hello G20, 20/11/2008, http://www.economist.com/finance/displaystory.cfm?story_id=12652239 (last accessed 1/12/2008).