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Canadian Interests Are No Longer Served by the G8

Mad Magazine's Alfred E. Neuman famously asked, "What, me worry?" Why worry about Canada's position in the world? Do we have vulnerable interests to protect and advance? After all, Canada hosts the G8, a major happening, in 2010. What's the problem?

The problem is that the G8 is on life support and may be practically irrelevant in 2010.

The G8 began life so that likeminded developed countries could coordinate economic policies. As it developed, it took on a much broader global agenda. President Clinton invited Russia to join the club, significantly to encourage Russia to become a democracy.

But in the current global economic crisis, it is the G20, not the heads of government of the G8, who decided to hold an emergency meeting. Can one imagine today having a discussion on the international financial situation without China?

Last year, President Bush, called for a summit or leaders' meeting of the more inclusive G20 group, which previously had met at the level of Finance Ministers. On April 2nd, in London, the second G20 Summit will take place. This puts the G8 in question. This year's G8 host, Italy's Prime Minister Berlusconi, has invited the G20 leaders to La Maddalena, Sardinia, for only part of the meeting. Non-G8 countries will inevitably see this as second class treatment. There will likely be another G20 this fall, and the Koreans will host a summit level meeting when they replace Britain in 2010 as G20 chair. The G8 host is in an awkward position.

Having a G20 summit at the level of leaders is a Canadian idea that would have happened five years ago if not for the United States. Canada is fortunate to be part of the G20. If there were a clean slate and a calculus made as to the most important eight countries, Canada would not be in the room. Forbes Magazine has advocated reconstituting the G8, dropping Canada and Italy, and adding India and China. A Goldman Sachs paper has advised that even "the G20 ... will need to be consolidated into a smaller group to be more effective. We propose the formation of a G4, within a broader G14".

If objective criteria were used to select the twenty most important countries in the world, Canada will probably not make the cut. For example, Canada just scrapes in now on a list of twenty countries having either 2% or more of global GDP or 2% or more of the world's population, but certainly not in the year 2020. Unfortunately for us the criterion will not be land mass. GDP and population will trump.

It is perhaps of note that the British Foreign and Commonwealth Office has already consigned Canada to the second tier in its communications strategy for the upcoming London Summit.

There are interesting signs of the G20 agenda broadening. The point has been made that climate change and energy security must be dealt with as part of economic recovery. Developing countries insist that issues like agricultural subsidies, investment and intellectual property need to be on the G20 agenda. Prime Minister Gordon Brown has hinted at a "Grand Bargain" covering a breadth of issues. Rules will be initiated by the G20 summit; international institutions' mandates will be reformed and new arrangements created. Should a major political crisis just before a G20 leaders' meeting takes place, like Bosnia at the 1995 Halifax Summit or the London bombings at the 2005 Gleneagles Summit), a common stance will be discussed. If Canada is not present, our interests will be ignored.

Why do we have to be at the Summit Table? The cold reality is that the globalized world is divided into rule makers and rule takers – and the rules matter – especially in the trade/protectionism and climate/energy areas.

The host of a summit is in a privileged position. Customarily, the host chooses the focus on a particular issue. This is a rare opportunity for Canada, given the lengthy rotation of hosts a G20 generates. Not being at the future summit table would relegate us to becoming rule takers.

Italy is stumbling into the 2009 G8 summit - creating second class status countries inviting some countries for two days of meetings after the G8 countries meet and other countries for only one day. Canada's interests lie in making the G20 THE summit that matters. Canada should prepare the ground at the April 2nd meeting of the G20 in London and transform the Canadian G8 summit into a G20 Summit. Then Canada will continue to play a central role in reshaping global rules and institutions.

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