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We can get a front-row global seat
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Out of the feverish period of change in the world that began with the terrorist attacks of September 11, 2001 and ended, I suspect, with the transfer of sovereignty in Iraq on June 28, 2004, we learned a couple of important lessons. One is that in a globalised world, even hegemony needs friends. Another is that the existing, creaky institutions of international governance are inadequate to navigate the challenges of the 21st century. Reform of the UN and the rest of the ramshackle grab-bag of present international institutions has to come.

That's where Paul Martin comes in. The recently re-elected Canadian Prime Minister has an idea that could transform Australian foreign policy. He has been arguing that a new forum for finance ministers from developed and developing countries – the Group of 20 – should meet regularly at the level of leaders. Martin hasn't said so directly, but others, including researchers from the Brookings Institution in Washington, have suggested that this new group should be a replacement for the world's most exclusive club – the summit meetings of the G8 Group of industrialised countries.

The G8 (formerly the G7) was established in the mid-1970s to provide a forum for what were then the countries that dominated the global economy – the US, Japan, France, Britain, Germany, Italy and Canada. Russia was added in 1998. Like big labels and Black Sabbath LPs, the G8 still has an irredeemably '70s feeling about it. It reflects a world that is no longer ours. Canada is a member but not China; Italy but not India.

The proposed replacement – the G20 – is much newer. It was formed as a meeting of finance ministers after the traumatic 1997-98 Asian financial crisis and the failure of the international rescue squad led by the International Monetary Fund and the World Bank to prescribe the right medicine. To the existing G8 mix it adds Australia and the European Union presidency as well as 10 important emerging economies: Argentina, Brazil, China, India, Indonesia, Korea, Mexico, Saudi Arabia, South Africa and Turkey.

Such a body, meeting at head of government level and with a broader agenda, would have greater legitimacy than the G8. It would have a breadth that regional organisations can't match and a functionality the larger, more cumbersome, UN lacks. It would have better credentials to deal with global problems ranging from terrorism to health scares to currency alignments.

This debate matters for Australia. A reform along the lines Martin proposes offers us the only chance we are likely to get in the next quarter century to grab a front-row seat in the world's major economic and political forum. Lacking a natural regional constituency, Australia always has to fight to make our voice heard, including by trying to shape the architecture of international co-operation.

It is by no means certain that the elevation of the G20 to summit level will fly as an idea. As the interminable debate about membership of the UN Security Council shows, once you try to restructure international institutions it is hard to draw lines. In the case of the G20, why should South Africa be a member but not Nigeria? Why Saudi Arabia but not Egypt?

And, as in most things, the proposal would get nowhere without the support of the world's most powerful country. That is not impossible, though. George W. Bush has rediscovered the utility of international diplomacy while John Kerry is promising Americans "a new era of alliances".

Such a change could bring its own problems. For example, a G20 meeting might squeeze out the gathering of Asia-Pacific Economic Co-operation leaders. The agenda of these meetings has blossomed since Paul Keating's whirlwind burst of diplomacy to get them established in the early '90s. They have facilitated important discussions on issues including East Timor and the Bali bombings. It would be a pity if they atrophied. But the danger is limited by the fact that our principal APEC regional partners, Japan, China, Korea and Indonesia, are also members of the G20 and it includes India, which will be increasingly important to us. Without doubt the greater threat to Australian interests would be an alternative G8 reform proposal – its ad hoc expansion to include China and possibly India. This would still threaten APEC leaders' meetings while leaving Australia out in the cold.

The push for the G20 to replace the G8 has two unbeatable arguments in its favour: it is good for the international community and good for our national interests. The issue will hardly set the electorate on fire, but the way it plays out will affect Australia more significantly than many of the issues now dominating the front pages of our newspapers.

As soon as the election is out of the way, the Australian prime minister – whoever he may be - should call up his Canadian counterpart for a quiet chat about ways we might be able to help.

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