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FROM G7 TO L20: GLOBAL GOVERNANCE EVOLUTION

Since the 1980s, changes in international relations have accelerated and that process is called globalisation. This acceleration contributes to greater political, economic and financial instability which poses a challenge to all countries, regardless of their actual role in international relations. Low effectiveness of governments tackling effects of crises has become evident, and so has the deficiency in supranational governance. Ambitions of individual countries and other actors in international relations require developing an appropriate cooperation formula which would go beyond what has been considered to be international or intergovernmental so far. The pursuit for a new formula of global governance has been carried out over several decades already. The origins of global governance can be traced back to the narrow cooperation of seven industrial powers referred to as the Group of Seven (G7). When new political and economic challenges emerged, the Group was extended to include first Russia (G8) and then emerging economies, with China, India and Brazil at the forefront, and transformed into the so-called G8+5. At the same time, a new formula of global governance has been under development since 1999. It has been implemented as a kind of a steering committee, also known as the Group of Twenty (G20). With time, it has become a forum for exchanging experiences and opinions about most important global issues by leaders of the participating countries (L20). In 2009, after the summits in London and Pittsburgh, it grew to be the main forum for regulation of international economic and financial policies. Referring to the phenomenon of the G20, Roman Kuźniar asks whether "it will be a sign of transition to a new, 'non-Western' international order?"[1].

Tracing back the evolution of the formula of global cooperation, which is the underlying objective of the emerging model of global governance, it is worth pointing to most important fields of activities of the G7, G8, G20 (L20), as well as the prospects of promoting a dialogue between participants of these forums.

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[1] R. Kuźniar, *Kształt porządku międzynarodowego – między postulatami a ograniczeniami,* in: J. Symonides (ed.) (2010), *Świat wobec współczesnych wyzwań i zagrożeń,* Warszawa, p. 65.

THE BEGINNING AND DEVELOPMENT OF THE G7

The G7 was preceded by the Group of Five (G5). The first G5 meeting was held in Chequers, UK, in 1967. The Group comprised France, Germany, Japan, the UK and the US. Thus, the G5 was a group of countries currencies of which constituted a weighted basket of Special Drawing Rights (SDR), i.e. a type of a conventional monetary unit in the form of an account allocated to countries by the International Monetary Fund (IMF) proportionally to their contributions to this organisation. The Group was a result of the disappointment with the functioning of international financial markets. The G5 countries voiced their criticism while attempting to influence international capital flows, exchange rates and interest rates. Activities of the G5 were concurrent with the collapse of the Bretton Woods system and incapability of major financial institutions to implement necessary reforms.[2] In 1973, financial instability was deepened by the outbreak of oil crisis precipitated by the decision of the Organisation of the Petroleum Exporting Countries (OPEC) to impose an embargo on oil sales to Western countries which supported Israel in the Yom Kippur War.

Aware of the need to regulate economic and fiscal policies, ministers of finance of France, Germany, the UK and the USA met, on 25 March 1973, in the library of the White House, thus creating the so-called library group. In September 1973, the "Group of Four" was joined by Japan. The five finance ministers would then meet regularly until the mid-1980s.[3] In 1974, French President Valery Giscard d'Estaing invited leaders of the UK, Japan, Italy, the US and the Federal Republic of Germany to an informal summit which took place on 16-17 November 1975 in a château in Rambouillet.[4] Main objectives of the meeting were:

– to consult new ideas and resolve disputes at the highest possible political level;
– to take effective and far-reaching decisions to reduce both external and internal pressure on policy development and implementation;

[2] The monetary crisis of 1971 played a pivotal role in the collapse of the post-war economy. It is highlighted in the literature that it was provoked by the decision of US President Richard Nixon of 15 August 1971 in result of which exchange of dollars for gold was suspended. As a result, central banks of the IMF countries could no longer exchange their dollar reserves for gold. International money in the West ceased to be the gold dollar-standard and three years later, the dollar-standard. Nixon's decision destabilised the market of currency exchange and international financial settlements. In the United States alone, the US dollar was devalued twice in the 1970s. The old Bretton Woods system was finally replaced with a system based on a floating exchange rate. The new system was not implemented until the conference of March 1973 in Paris. However, it did not halt inflation trends and economic slump in the West. Cf. S. Raczkowski (1984), *Międzynarodowe stosunki finansowe,* Warszawa, pp. 270-368, J. Skodlarski, R. Matera (2004), *Gospodarka światowa. Geneza i rozwój,* Warszawa, pp. 272-273.

[3] The meetings and their results were kept secret. The task of the G5 composed of ministers of finance was finally accepted in 1986, after the Tokyo Summit, by the G7 which was also composed of finance ministers.

[4] The meeting was attended by Valery Giscard d'Estaing (France, host country), Helmut Schmidt (Germany), Gerald Ford (US) Takeo Miki (Japan), Harold Wilson (UK), and Aldo Moro (Italy).

– to develop a system of collective governance where responsibility would be shared by Western Europe, Japan and the USA.[5]

The Rambouillet Summit was accompanied by a controversy over the expansion of the G5 formula to include Italy and Canada. Reluctance towards Italy was due to the fact that in 1975, it assumed the presidency of the Council of the European Communities, while Canada's accession was delayed because of France's veto. Canada entered the Group of Six in 1976 at the invitation of US President Gerald Ford before the second G7 summit in San Juan, Puerto Rico. Starting from 1977, the European Communities were a regular member of the G7 meetings, and thus the summits were more representative.[6]

Since its inception, the Group of Seven, which took its final shape in the second half of the 1970s, operated as a club for multilateral international cooperation. It was a top-level consultative forum, accessible to a few relatively wealthiest countries, where homogeneous issues were negotiated.[7] Its main weakness was the lack of transparency of procedures, negotiations and decision-making for the public. Is was a weakness from the perspective of parties not directly involved in the G7 activities. However, that weakness was the key to the G7 political effectiveness. In practice, finance ministers and leaders of the G7 countries, shielded by unclear procedures, would enter into complex agreements, in many cases difficult to break down into parts. It was the low number of the Group members which facilitated developing personal, informal contacts between the leaders. Since its beginning, the characteristics of the Group included participation of countries similar in terms of their economic development, political regime (democracy), and orientation toward close military, political and economic alliance with the United States. In this context, the admission of Russia in 1998 could be considered an anomaly justified by the wish to bring Russia closer to the model of liberal democracy based on free market and capable of internalising the principles and procedures promoted by other members of the Group.

The operation methods of the G7 were shaped in its early years. A general rule was that every leader would appoint a personal representative called a "sherpa".[8]

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[5] N. Bayne (2005), *Staying together: The G8 Summit Confronts the 21st Century,* Ashgate, Aldershot, p. 4.

[6] P. I. Hajnal (2007), *Summitry front G5 to L20: A Review of Reform Initiatives,* CIGI Working Paper No. 20, March, p. 3.

[7] A similar stance on the General Agreement on Tariffs and Trade (GATT), a quasi-international organisation which originally counted among its members 23 ministers of commerce, mostly from the Western countries, was taken by R. O. Keohane, and J. S. Nye Jr. (2004), in: *The Club Model of Multilateral Cooperation and the World Trade Organization: Problems of Democratic Legitimacy,* "Working Paper" No. 4, The John F. Kennedy Harvard School of Government, Cambridge.

[8] The term "sherpa" originates from the Tibetan language and means *sher* – east + *wa* – people. The name comes from the tribe of Sherpa people of Nepal, from among whom helpers and porters were recruited for Himalayan expeditions. With time, the word started to be used to describe all kinds of helpers.

Usually, personal representatives were appointed for a period longer than 12 months as tasks delegated were huge. They included holding consultations before upcoming summits, negotiating agenda items, presentation of positions adopted by individual countries, reaching agreements on most important issues, providing assistance and advice to the summit host country.[9]

With time, the agenda of the G7 underwent significant changes, nevertheles, it always covered most current developments in the international community.

In the late 1970s and early 1980s, the G7 expanded its focus of attention beyond monetary issues. G7 leaders started to discuss political and military issues (terrorism, security, Euro-rockets, weapons, nuclear energy, situation in Afghanistan, institutional cooperation, the future of Central and Eastern Europe, the UN and IMF reforms), social issues (sustainable development, protection of human rights, debt relief assistance for developing countries), environmental issues (climate change, greenhouse effects), as well as economic issues (international trade, debt crisis, economic aid, coordination of macroeconomic policy). A key difficulty was to adapt the agenda of the G7 to the changing international conditionalities. It suffices to point out that in 1975, in Rambouillet, much attention was paid to monetary issues but also to the situation in Spain after the death of General Franco, Strategic Arms Limitation Talks (SALT) between the United States and the Soviet Union, and also to relations between the West and China.[10] Participants of the Tokyo summit held in May 1986, debated preparations for a new round of GATT trade negotiations, which turned out to be most successful.[11] The GATT round was launched shortly after the summit, i.e. in September 1986, in Puenta del Este, Uruguay.[12]

After the Rambouillet Summit of 1975, at which a debate on collective (global) governance was initiated, the G7 largely expanded its scope of activities. Its activities were in line with the definition of global governance as a process of managing common issues in the absence of a sovereign authority beyond individual countries, i.e. a global government. The G7 became the central constituent of global governance. John Kirton aptly compared that forum to the "global equivalent of the Concert of Europe which helped produce peace among the great powers, and prosperity more widely from 1818 to 1914"[13]. In view of the participation of institutions such as

[9] In the context of international relations, personal representatives are called "sherpas" and top meetings are referred to as "summits".

[10] J. Callaghan (1987), *Time and change*, London, p. 480.

[11] N. Bayne, *Staying together...*, p. 25.

[12] The Uruguay Round was a symbolic end of the recession spanning from the 1970s to mid-1980s and perfectionism-oriented trends in the world economy. It has been called the "Growth Round" on account of its record-breaking duration (1986-1994) and the number of issues settled. The Uruguay Round was the 8th round of trade negotiations. It was launched at the ministerial meeting in Puenta del Este, Uruguay, on 20 September 1986. Cf. M. Rewizorski (2011), *WTO i gospodarka światowa w dobie globalizacji,* Koszalin, p. 133; R. R. Ludwikowski (2009), *Handel międzynarodowy,* Warszawa, p. 85.

[13] J. Kirton (1995), *The Diplomacy of Concert: Canada, the G-7 and the Halifax Summit,* "Canadian Foreign Policy Journal" Vol. 3, No. 1, p. 64ff.

the IMF and the World Bank in the G7 meetings, one may speak about a significant expansion of the "global governance system" which effectively complemented and sometimes even competed with institutions operating under the auspices of the UN between 1975 and 1997. The strength of the G7 was based on the expertly combined programme stability, characterised by integrating some issues into a greater whole, and flexibility allowing for rapid modifications of the agenda. However, the weakness of the G7 lied in its unrepresentativeness clearly visible in the 1990s when emerging countries started to develop rapidly. Changing this situation was one of the most important elements of the G7 reform.

Table 1

Topics covered at G7 summits in 1975-1997

Thematic group (cycle)	Year and place of the summit	Topics
I. Reinvigoration of economic growth	1975 Rambouillet 1976 San Jose 1977 London I 1978 Bonn I	monetary reform monetary reform trade, growth, nuclear power growth, energy, trade
II. Inflation reduction	1979 Tokyo I 1980 Venice I 1981 Ottawa (Montebello) 1982 Versailles	energy Afghanistan, energy quadrilateral ministerial cooperation, East-West trade, surveillance
III. Political issues	1983 Williamsburg 1983 London II 1985 Bonn II 1986 Tokyo II 1987 Venice II 1988 Toronto	Euromissiles debt crisis trade terrorism, surveillance, the G7 composed of ministers of finance coordination of macroeconomic policy debt relief assistance for developing countries
IV. End of the Cold War	1989 Paris 1990 Houston 1991 London III 1992 Munich 1993 Tokyo III	assistance for Central Eastern Europe, environmental issues, debt trade assistance for the former Soviet Union trade trade
V. Institutions for globalisation	1994 Naples 1995 Halifax 1996 Lyon 1997 Denver	political debate over Russia, institutional overview, the UN and IMF reforms debt, development issues Africa, Russian participation

Source: N. Bayne (2005), *Staying together: The G8 Summit Confronts the 21st Century,* Ashgate, Aldershot, p. 18.

RUSSIA AND THE EMERGENCE OF THE G8

The expansion of the G7 to include Russia, was a manifestation of the recognition of the role of emerging economies in international relations. Russia's efforts to join the G7 were launched on 14 June 1989 with a letter to François Mitterrand written by Mikhail Gorbachev in which he proposed Russia's alliance with the G7. Two years later, during the G7 summit in London, Gorbachev met with the leaders of the G7 countries to discuss political and economic reforms in Russia. Despite different expectations about the scope of assistance, Western countries agreed to support Russia on its path to full integration with the world economy. In 1992, the then President Boris Yeltsin was invited to the G7 summit in Munich where he participated in both bilateral meetings and the plenary. His participation in the G7 work strengthened his position in Russia e.g. thanks to him being promised development assistance of USD 4.5 bn for Russia. The Russian leader was later invited to every next summit. Starting from the Naples Summit in 1994, Russia participated in political discussions on a par with the G7 members. The basis for the so-called Political 8 (P8) cooperation was developed. In 1995-1996, the P8 held its summits in Halifax and Lyon. Gradual integration of Russia with the G7 met with growing support from Western politicians and academics. One of them was Zbigniew Brzezinski, a security adviser to US President Jimmy Carter. Seeing the unrepresentativeness of the G7 which hampered the Group's role in the global governance system, he pointed to the necessity of its expansion to include Russia, China, India and Brazil, and to make them equal with the other G7 members in terms of their rights and obligations, thus transforming the G7 into G11.[14] In 2004, six years after Russia's accession to the G7, he noted with his characteristic discernment that the inclusion of Russia to the G7, which was a consultative forum of democratic countries with strongest economies, was motivated by "political aspirations" to give proto-democratic and economically weak post-Soviet Russia a new status and a feeling of affiliation in international relations. At the same time Brzezinski urged to enlarge the G8 further to include China and India into this cooperation formula.[15]

Russia was finally included in the G7 at the Birmingham Summit in 1998. It was widely seen a reward for President Yeltsin's economic reforms, neutrality during NATO enlargement and improved relations with the G7 members.[16] The Group

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[14] Z. Brzezinski, *Let's add to the G-7,* "The New York Times" 25 June 1996, A11.

[15] Z. Brzezinski (2004), *The Choice: Global Domination or Global Leadership,* New York, p. 123ff.

[16] Of vital importance was the relative stabilisation of relations between Russia and Japan after the G7 summit in Denver in 1997. In result of the talks between the leaders of both countries – Japanese Prime Minister Ryuto Hashamoto and Russian President Boris Yeltsin – the foundations of the "Hashamoto-Yeltsin Plan" were agreed. The Plan covered trade, energy, investment and training issues. Both parties agreed to tighten cooperation on regional security. Of crucial importance was also a further deepening of friendly relations between Russia, Germany and France as part of the so-called Trio. Cf. *Leaders of Russia, Japan meet for summit,* CNN World News, (Krasnoyarsk), 1 November 1997, http://edition.cnn.com/WORLD/9711/01/russia.japan/; *Russia-Germany-France troika not closed club:*

of Eight (G8) was created, in which Russia was an equal member as far as political issues were concerned but excluded from the debate on economic and financial matters. The Group of Seven continued to exist both at the level of finance ministers[17] and the level of heads of government. Representatives of Russia were neither allowed to participate in the G7 meetings preceding the G8 summits nor could they organise the G8 summits. That arrangement remained unchanged until the Kananskis Summit in 2002,[18] where it was decided that in 2006, Russia, for the first time in history, would organise a G8 summit and assume the presidency of the Group. This completed the stage of reintegration of post-Soviet Russia with the global governance system led by the G8. As John Kirton noted, it was a result of an excessively long debate between Germany and France which supported Russia's demands, and Japan, the UK and the US which adopted a conservative approach.[19]

THE G20: TOWARDS GLOBAL ECONOMIC GOVERNANCE

The G7, transformed into the G8 in 1998, gradually expanded its scope of global governance activities in the 1990s. Its priorities included e.g. wider inclusion of Russia in the global governance process, enlargement to include the so-called emerging markets and institutionalisation of the G8 cooperation, inter alia, creating interparliamentary groups consisting of MPs from the member states, and joint identification and resolution of common problems in the area of terrorism, organised crime and cyberspace.[20] Implementation of those ambitious plans was thwarted by a series of financial crises[21], eruption of terrorism, and growing dissatisfaction of emerging countries striving for greater involvement in global governance. Their growing relevance to the international finance infrastructure was first recognised in 1997-1998 when methods of restoring financial stability in Southern Asia and then in Russia were discussed.

The outbreak of the financial crisis in Thailand in April 1997 increased the importance of informal anti-crisis groups. One of them was the Manilla Framework Group named so after the capital of the Philippines where consultations were held

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Putin, Itar-Tass in People's Daily Online, 1 September 2004. http://english.people.com.cn/200409/01/eng20040901_155574.html (accessed 12. 05.2012).

[17] From 2002, the G7 summits have been held only at the level of finance ministers. Recently, they have focused on the debt crisis in Europe and the future of the euro area.

[18] S. Ostry, *Globalization and the G8: Could Kananskis Set a New Direction?*, O. D. Skeleton Memorial Lecture, Queens University Department of Foreign Affairs and International Trade, 2002, www.utoronto.ca/cis/skeletonlecture_ostry2002.doc (accessed 12.05.2012).

[19] J. Kirton, *The Russian 2006 G8 Hosting Decision,* 2002 Kananaskis Summit: Analytical Studies, http://www.g8.utoronto.ca/evaluations/2002kananaskis/assess_russia.html (accessed 12. 05.2012).

[20] J. Kirton, J. Daniels, A. Freytag (2001), *Guiding Global Order: G8 Governance in the Twenty First Century,* Ashgate, Aldershot, p. 2.

[21] They included in particular Mexico (1994), Indonesia, Korea and Thailand (1997), Russia (1998), Brazil (1998), Turkey (1999-2002) and Argentina (2000-2001).

in November 1997. The meeting was attended by finance ministers and governors of central banks from Asia-Pacific, representatives of the IMF, World Bank and the Asian Development Bank.[22] Insufficient results of the Group activities and the spread of the financial crisis to South America made broadening of anti-crisis measures necessary. They were called for by President Clinton at the APEC Leaders' Summit of November 1997 in Vancouver. After the Ministerial Meeting organised by the US Secretary of the Treasury, R. Rubin, the Group of Twenty-Two (G22), informally called "the Willard Group", was established.[23] It was composed of finance ministers and governors of central banks of developed and developing countries. Its objective was to counteract the effects of financial crisis, referred to as "fire-fighting", and to revise the principles of the global financial system. The G22 held special meetings in Washington in April and October 1998. In the meantime, the G7 finance ministers agreed to organise two seminars on the reform of the international financial architecture in 1999. They took place in March (Bonn) and April (Washington). The seminars were attended by representatives of 33 countries who debated on the strengthening of financial systems, especially in emerging economies. At those meetings, the emerging countries once again criticised the G22 formula which was considered unrepresentative. The lack of essential arrangements at the G22 meetings gave rise to discussions among the G7 members (Russia participated in the political dialogue only) about establishing the Group of Twenty (G20). The idea of extending the framework of international financial architecture beyond the G7 was particularly promoted by Canada whose Minister of Finance Paul Martin opted for the extension of the "Gx process" to include emerging countries which were regional powers. Canada's position was supported by Germany. Both countries strived to create a new, though similar to the G22, consultative forum for finance ministers and central bank governors, in line with the library group which was the starting point of the Group of Seven in 1973.[24] The project was to be completed at the meeting of G7 finance ministers scheduled for June 1999 in Köln. To this end, the mandate and rules of membership in the new group had to be determined, and also the principles of an "informal dialogue in the framework of the Bretton Woods institutional system, to broaden the discussions on key economic and financial policy issues among systemically significant economies and promote co-operation to achieve stable and sustainable world economic growth that benefits all."[25]

[22] These were: Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and the US.

[23] Members of the G22 included the G7 countries plus Argentina, Australia, Brazil, China, Hong Kong, India, Indonesia, Malaysia, Mexico, Poland, Russia, Singapore, South Africa, South Korea and Thailand.

[24] G-20 study group, *The Group of Twenty. A History,* 2007, p. 17, www.g20.utoronto.ca (accessed 18.06.2012).

[25] Cf. *G7 statement, 18 June 1999.* www.g7utoronto.ca. (18.06.2012). > G-20*, Communiqué*, G-20 Finance Ministers and Central Bank Governors Meeting, (Berlin, Germany, 15-16 December 1999).

THE G20 AT THE MINISTERIAL LEVEL

After the discussions held in summer 1999[26], on 25 September 1999, finance ministers and governors of central banks of the G7 announced in a joint statement that the dialogue on key economic and financial issues would be expanded, and they invited systemically important countries to join it. The first summit of the Group of Twenty (G20) was held in December 1999 in Berlin.

The new informal dialogue forum at the level of finance ministers and central bank governors was comprised of 19 countries[27] and the European Union. The Group included *ex officio* also the managing director of the IMF, the president of the World Bank as well as presidents of the International Monetary, the Financial Committee of the Board of Governors of the IMF[28] and the Development Committee of the IMF (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries).[29] The formation of the G20 reflected to an extent the G7's recognition of the role of emerging countries, each of them having been "systemically significant" and capable of discussing key issues related to global economic governance. From the outset, however, the way they were selected, their representativeness and the related collective legitimisation of the G20, which – according to Robert Wade – was "the reflection of the G7's vision of the world", raised doubts.[30] Wade pointed out that decisions as to which countries were "systemically significant" and should be invited to the G20 inauguration summit in Berlin, were taken by the US Secretary of Treasury - Timothy Geithner, during his telephone conversation with the Secretary of State of the German Ministry of Finance – Caio Koch-Weser. The thesis that political reasons were relevant for the G20 membership can be accepted to an extent as, in 1998, Argentina and Saudi Arabia were not in the world's top twenty economies and Australia was not in the top ten. Those countries, however, were to play an important role of US allies at the G20 forum.

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[26] After the meeting in summer 1999 in Köln, the G7 held meetings with a view to discuss issues such as: methods of presenting results of discussions on issues most important to the future of the world economy and financial system, creating a mechanism which would allow "systemically significant" non-members of the G7 to participate in G8 summits, promoting a coherent and coordinated approach to counteracting financial crises in emerging countries and their impact on the global financial system basing on activities of such institutions as e.g. APEC.

[27] They included: Argentina, Australia, Brazil, Canada, China, France, India, Indonesia, Italy, Japan, Germany, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK and the US.

[28] It is an advisory body of the Board of Governors of the IMF with decision-making powers. In 1999, it replaced the Temporary Committee. It is composed of 24 governors of the IMF (ministers or officials of the same rank). Cf. E. Chrabonszczewska (2005), *Międzynarodowe organizacje finansowe,* Warszawa, p. 55.

[29] The other advisory body to the Board of Governors in addition to the International Monetary and Financial Committee.

[30] R. Wade (2009), *From global imbalances to global reorganizations,* "Cambridge Journal of Economics" Vol. 33, No. 4, p. 553.

From 1999 to the end of 2007, the G20 functioned only at the ministerial level based on the procedure developed by the G7. The Group of Twenty was assigned the role of an informal forum to negotiate a consensus. Contrary to other institutions of the global governance system such as the IMF or the World Bank, it has neither its statute, nor headquarters, permanent secretariat and staff. Administrative services are provided by the presiding country which, to that end, establishes a temporary secretariat. The temporary secretariat is responsible for preparing G20 summits in the period of the country's presidency and for publishing information on the Group's work on the G20 website.[31] The G20 has adopted a rotating presidency which is held by one country for one year. After the G20 summit organised by Canada in October 2001, which lasted for several months, it was agreed that in 2002, India would preside, and every next presidency would start at the beginning of the next calendar year. Additionally, each member of the G20 has been assigned to one of five groupings. Every five years a country from another grouping assumes the presidency.

It has also been agreed that a presiding country would appoint its minister of finance or treasury as the ministerial G20 president for the presidency period. The first person to have performed this function was the then Minister of Finance of Canada – Paul Martin (1999-2001). In 2002, he was replaced by India's Minister of Finance, Yashwant Singh. Furthermore, in 2002, the institution called the Trio was established. It is composed of representatives of the former, current and future presidencies thus ensuring continuity of the G20 work. Most important tasks of the Trio have included proposing an agenda of the G20, appointing rapporteurs to present specific agenda items, ensuring management services during summits and providing support to the existing and future presidency.

Summits of the G20 finance ministers take place once a year, in autumn as a rule. They are preceded by meetings of deputy ministers, held at least twice a year. At those meetings, summits are prepared. The latter are organised by the G20 presiding country. The presiding country is also responsible for organising workshops and seminars for the deputies. The years 1999-2007 saw an evolution of the agenda of the ministerial G20. In this period the Group of Twenty dealt with e.g.: building the structure and defining objectives of the G20 (1999, Germany), combating financial crises and facing challenges of globalisation (2000, Canada), combating financing of terrorism (2001, Canada), development and assistance to developing countries (2002, India), combating financial frauds and reforming institutions in the financial sector (2003, Mexico), demographic issues and regional economic integration (2004, Germany), reform of the Bretton Woods institutions (2005, China), energy issues (2006, Australia) and fiscal policy (2007, South Africa).[32] After 2000, the focus was specifically reoriented to long-term economic goals and fighting terrorist financing.

Despite the fact that prior to the outbreak of the 2008 financial crisis the G20 was overshadowed by the G8, its activities should be assessed positively. Indeed, it

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[31] G20 official website – http://www.g20.org.

[32] G-20 study group, *op. cit.*, p. 20.

has not been very effective, but that weakness of the G20 was compensated by its successful policy of coordination and cooperation among its members. According to Vanessa Rubio-Marquez, a former Director of International Affairs in the Mexican Ministry of Finance, the greatest success of this forum has been the establishment of a space for exchanging views between economies of different development levels.[33] The US Department of the Treasury offered a similar valuation, recognising the ministerial G20 as a forum of expanded dialogue on most important financial and economic issues, and also "a highly valuable and new piece of the global architecture".[34] However, as aptly observed by Peter Hajnal of the University of Toronto, an expert on the G20, the Group, even though autonomous and informal, has not managed to implement most important items on its 1999-2007 agenda. This was because, inter alia, its summits were underrated as well as due to the lack of commitment of the leaders of individual countries, who could bring the activities of the G20 to the highest, truly "global" level and ensure solving most important economic and financial issues.[35]

THE G20 AT THE LEVEL OF LEADERS

The G20 was assigned the role of the global governance centre in 2008-2009, after the summits in Washington (2008), London (2009) and Pittsburgh (2009). The G20 summit in Washington was devoted entirely to threats related to the outbreak and spread of the global financial crisis. For the first time, it was attended by the heads of state and government, which contributed to adoption of important resolutions concerning reforms and coordination of the fiscal policy, and also to raising the crisis alert. In April 2009, they adopted a plan aimed at increasing the IMF funds by USD 750 bn (provided that in the Fund, greater power would be granted to emerging countries, for which especially China strived), increasing the SDR pool by USD 250 bn, supporting multilateral development banks with USD 250 bn, allocating funds from the sale of gold held by the IMF to aid developing countries, and allocating USD 1.1 bn to loans, reconstruction of economic growth and creating new jobs.[36] In London, the leaders of G20 countries also announced that the Financial Stability Board would be appointed. It was to take care of international financial market security, solve the issue of "offshores", i.e. tax havens, increase regulations

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[33] V. Rubio-Marquez, *The G-20: A Practitioner's Perspective,* in: N. Woods, L. Martinez-Diaz, (eds) (2009), *Networks of Influence? Developing Countries in a Networked Global Order*, Oxford University Press, Oxford, p. 23.

[34] M. Sobel, L. Stedman (2006), *The Evolution of G7 and Economic Policy Coordination*, Occasional Paper No. 3, US Department of the Treasury, Office of International Affairs, July, p. 11.

[35] P. Hajnal (2007), *G8 System and the G-20: Evolution, Role and Documentation*, Global Finance Series, Aldershot, Ashgate, p. 156.

[36] *London Summit – Leaders' Statement,* 2 April 2009, section 5, http://www.g20.org/images/stories/docs/eng/london.pdf (accessed 20.07.2012).

on hedge funds and rating agencies' activities, *et cetera*. Though some decisions taken at the summit were not implemented, the adopted obligations much advanced the creation of global economic governance which neither the G8 nor the ministerial G20 were capable of achieving. After the London Summit, British Prime Minister Gordon Brown enthusiastically though somewhat prematurely said that "This is the day that the world came together to fight back against the global recession", and saw "a new world order" emerging. Barack Obama described the summit as "historic" and "unprecedented", seeing it as "a turning point in our pursuit of world economic recovery". Similar views were also expressed by Nicolas Sarkozy and Angela Merkel.[37] However, it was the Pittsburgh Summit held on 24-26 September 2009, which contributed most to the recognition of the G20 as the main forum of international economic and financial cooperation. At that summit, the premier role of the G20 in discussions on the condition of the world economy was recognised and it was decided that leaders of the countries involved would join the G20 regularly and the yearly presidency of the Group would be rotating.[38] The Pittsburgh Summit was a breakthrough also because of other decisions taken. In order to limit global macroeconomic imbalance, a sustainable economic growth framework was launched. The G20 countries decided to hold periodical meetings to review their economic policies. The review was to be supervised by the IMF, although the IMF was not vested with any power to impose penalties for non-compliance with macroeconomic policy objectives. The coordination mechanism was based on mutual evaluation by member countries which resembled the Open Method of Coordination (OMC) used in the European Union.[39] Furthermore, USD 5 bn was allocated to a stimulus package aimed at financial stabilisation. At the Pittsburgh Summit, it was also decided to strengthen financial regulations and, in particular, to recapitalise major banks. For the emerging countries, especially China, India and Brazil, the IMF reform was the most important item on the summit agenda. Demanding to reduce decision-making asymmetry in the IMF, they wanted to increase the pool of their votes by 7%. Developed countries agreed to 5%, which was accepted. The compromise between the demands of strongest developing countries and concessions made by most developed countries testified that even most difficult problems can be solved within the G20 and the forum

[37] „*Historyczny" G20 w Londynie: bilionowy szczyt?*, http://www.cafebabel.pl/article/29595/historyczny-g20-w-londynie-bilionowy-szczyt.html (accessed 20.07.2012).

[38] *G20 Leaders' Statement: The Pittsburgh Summit,* Pittsburgh, 25/9/2009, http://www.g20.utoronto.ca/2009/2009communique0925.html (accessed 20.07.2012).

[39] The Open Method of Coordination (OMC) may be considered to be a special example of strategic planning. Firstly, the objective of the method is to set common goals to be attained by individual countries. Secondly, the OMC it is based on the *naming and shaming* practice which involves monitoring the progress made by individual countries in pursuing their set goals by governments and extending public congratulations or words of reproach. Therefore, the OCM involves exerting a political pressure or playing a game in which none of the countries wants to be "the black sheep of the family". Cf. S. Hix, *The Political System of the European Union,* [Polish translation: *System polityczny Unii Europejskiej,* Warszawa 2010, p. 295].

is a good place for a dialogue. It is worth emphasising that the compromise covered more than financial issues. At the summit also environmental issues (vehemently opposed by delegations of China and India) were discussed, and it was declared that the Doha Round of trade negotiations would be completed by the end of 2010.[40]

In late 2008 and early 2009, the excessively hermetic and unrepresentative Group of Eight yielded to the G20 composed of leaders, referred to also as the Leaders-20 (L20). This change was already postulated by the academic community in 2003.[41] While evaluating its reasons and describing the handover process and replacement of the G8 by the Group of Twenty, it should be remembered that before the mid-2010s, the formula of the Group of Twenty as the core of global economic governance was not widely supported and competed with the idea of the G13, G14 and a governing body established as part of the IMF. The first alternative to the G20, which at the time was the ministerial G20, was presented in 2005 by the then Prime Minister of the United Kingdom, Tony Blair. He invited five emerging countries (China, Brazil, India, Mexico and South Africa) to join the G8 meeting, however, without full rights arising from the Group membership. The inclusion of the "outreach five" in the G8, from then on referred to as the G13, G8 plus and G8 plus 5, was a gesture toward dynamically developing emerging countries which, despite having been invited to the G8 summits since 1989, played the role of extras there.[42] From the G8 summit in Gleaneages (2005) to the summit in Heiligendamm (2007), the G13 countries met before the G8 meetings, but the additional 5 were never treated as equal partners of the G8 members.

The emerging countries have also had their share in the success of the L-20. While expecting significant benefits, they gave their support to this formula at the expense of the IMF which lost their trust after the financial crisis in Asia. Asian countries have hardly forgotten the high price they had to pay for support provided to them, which included a more painful fiscal and monetary policy imposed by the IMF. Additionally, since they could not increase their voting power in the organisation and confront Europe and the US traditionally dominating in the Fund, they decided to support the G20 as a new forum for debating financial and economic issues.

The G20 composed of leaders (L-20) was "an unexpected winner" in the race for primacy in global economic governance. This "incidental success" was a result of increasingly frequent turbulences in international politics, economy and global finances. However, the G20 is not only "a child of crisis" and "a younger sibling" of the G7, it is also the fruit of ambitions of the emerging countries and the intransigence of Western countries which denied them full membership in the G8. History

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[40] C. Schmucker, K. Gnath (2010), *From the G8 to the G20: reforming the global economic governance system,* "GARNET Working Paper" No. 73/09, Brussels, January, pp. 7-11; C. Schmucker, K. Gnath (2012), *The role of emerging countries in G-20: Agenda-Setter, Veto Player or Spectator,* "European Yearbook of International Economic Law" Vol. 3, Ch. Hermann, J. P. Terhechte (eds), pp. 667-682.

[41] Cf. the Leaders-20 project, http://www.120.org/about.php.

[42] Cf. P. Hajnal (2007), *The G8 System*..., pp. 47-48.

has taught us that incidental successes happen more frequently as demonstrated by the ironic history of the General Agreement on Tariffs and Trade (GATT), which Ann Krueger aptly pointed out. The GATT came into existence only because it turned out impossible to establish the International Trade Organisation (ITO).[43]

The "new" G20 largely mirrors the ministerial G20. Leaders meet once a year at a summit prepared by lower rank officials. Several times a year, the ministerial G20 meetings are held attended by finance ministers and central bank governors and, if needed, also by other ministers.[44] Leaders are supported by their representatives (sherpas). It is a tradition to invite representatives of non-member countries. For example, in November 2011, the French government invited representatives of Equatorial Guinea, Ethiopia, Singapore, Spain and the United Arab Emirates to the G20 summit.[45] The G20-Leaders has no permanent headquarters and the temporary secretariat is established by the presiding country. Pursuant to the system of rotating presidency established in Pittsburgh, after South Korea's presidency in 2010, the presidency was transferred to France (2011), Mexico (2012), Russia (2013), Australia (2014) and Turkey (2015). International organisations, especially the WTO, IMF, World Bank, ILO, OECD and the UN, are also invited to the summits. For all agreements and recommendations of the G20 summits (including those of finance ministers and governors of central banks) a consensus is a must. The summits are closed to the public, however, the Group of Twenty publishes its agreements in the form of communiqués and declarations on its website. The difference between the G20 and formal international organisations (e.g. the WTO) is that there are no mechanisms of enforcing execution of obligations agreed by the Group members.

Starting from 2008, at the summits held in Washington (November 2008), London (2009), Pittsburgh (September 2009), Toronto (June 2010), Seoul (November 2010), Cannes (November 2011) and Los Cabos (June 2012), the G20-Leaders strengthened its role as the main discussion forum on economic and financial issues, however at the Los Cabos summit, considerable attention was paid to employment prospects. At that summit, the twenty most advanced and emerging economies, accounting for 85% of global GDP, decided to boost supply and restore trust. That objective was reflected in the Growth and Jobs Action Plan, agreed during the summit.[46]

The growing importance of the G20-Leaders has been accompanied by increasing criticism of this forum viewed as lacking effectiveness and being unrepresen-

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[43] A. Krueger (1998), *The WTO as an International Organization,* Chicago-London: University of Chicago, p. 4ff.

[44] In 2010 and 2012, the G20 summits were also attended by ministers of labour.

[45] Cf. http://www.g20-g8.com/g8-g20/g20/english/the20ll-summit/invited-countries/the-countries-invited-to-the-cannessummit.974.html (accessed 15.08.2012).

[46] Cf. http://www.g20.utoronto.ca/summits/20121oscabos.html (accessed 20.08.2012).

tative. The problem is not only the lack of representation of African countries but also of more developed countries such as Poland, Spain, the Netherlands and Scandinavian countries. The discussion over those issues started in 2010 after the Seoul summit organised for the first time by a non-member of the G8, and continued since 2012, i.e. after the Los Cabos summit. In the former case, a far-reaching criticism against the G20-Leaders was delivered by the Norwegian Minister of International Affairs – Jonas Gahr Støre. Referring to the non-inclusion of Nordic countries, the aggregated GDP of which is in the world's top eight and which are the biggest contributors to the international development programmes of the United Nations, he reproached the Group for taking arbitrary actions, lack of due legitimisation and effectiveness, and called it the "greatest setback for the international community since World War II".[47] After the G20 summit in Los Cabos, it was the "Forbes" magazine which challenged the participation of Argentina in the Group and suggested that Argentina should be replaced by Poland which is much more stable in political and economic terms.[48] There are also questions about the achievements of the G20 so far, especially since amending global economic imbalances, ending the Doha Round, and increasing the share of emerging countries in the IMF, continue to encounter significant obstacles. It should be remembered, however, that the Leaders G20 has held its summits only since 2008 and it is impossible to carry out a comprehensive assessment of its activities. Nevertheless, there is no doubt that its criticism will continue to grow. More and more frequently, the G20 is viewed as the UN's rival which is not "playing fair" because the G20 continues to exclude poor, mostly African, countries and thus actually deepens the divide between the "global South" and the "global North", and acts as another embodiment of the "Concert of Europe".[49] Antiglobalists – mainly from environmental, labour, socialist, and anarchist organisations – go even further in their criticism. They attribute to the G20 the role of a world government which usurps power in the name of the richest and most influential countries at the expense of countries and societies which are permanently exploited and deprived of access to benefits derivable from globalisation. Their typical methods of action include street demonstrations abounding in clashes with the police and causing considerable financial losses.[50] However, antiglobalists fail to consider that the G20 includes not only developed Western countries, and its little formalised rules and procedures are far from hierarchical subordination typical of governments.

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[47] K. D'Almeida, *The G20 in Seul-Summit or Abyss?,* http://www.ipsnews.net/2010/ll/the-g20-in-seoul-summit-or-abyss/ (accessed 20.08.2012).

[48] T. Ferguson, *G20: Boot Argentina, Include Poland,* http://www.forbes.com/sites/timferguson/2012/04/09/g20-boot-argentina-include-poland/ (accessed 24.08.2012).

[49] K. D'Almeida, *op.cit.*

[50] During the 2009 Pittsburgh summit, thousands of people protesting against the G20 chanted "We say not to corporate greed" and "The G20 means death of capitalism". Cf. M. Nichols, *Protester, Police Clash after G20 in Pittsburgh,* „Pittsburgh Tribune-Review" 20 September 2009.

CONCLUSIONS

In the 1970s, the Group of Seven emerged and it transformed into the G8 more than twenty years later. Initially, the Group was an informal dialogue forum which dealt with financial issues. With time, it expanded its agenda to include economic and, finally, political issues. It has firmly established itself in the global governance system and became its second centre next to the UN. However, the G7 was characterised by a structural weakness due to its unrepresentativeness. Ultimately, following "tectonic" changes caused by the Asian crisis of 1997, and later by the 2008 financial crisis, a new element of the global governance architecture emerged, namely the G20, active since 1999 at the level of finance ministers and central bank governors, and since 2008 also at the level of state leaders.

All the Gx (G7/G8, G20) forums emerged amidst deep crises caused by different developments. Their evolution was a gradual transition from global governance, in the framework of which a variety of diverse issues mostly economic, political, financial and social were resolved, to global economic governance. To the end of the first decade of the 21st century, the global governance system started to resemble a network structure in which, in addition to countries and non-state actors, special roles were played by three centres: the UN which focused mostly on political problems, and the G20 and G8 which concentrated on a group of economic and financial issues.

The G20 has emerged to be the most important, next to the UN, centre of global governance. However, the development of this forum will to a large extent depend on resolving the problem of its insufficient representativeness. In this context, of profound importance will be reaching a consensus on the representation of Europe in the G20 and the method of presenting national stances by individual EU member states. Excessive differences in this regard may undermine the position of the EU in the G20. Furthermore, a lack of a common position of EU member states may block finding a solution to the crisis of the euro area, as noted at the G20 summit in Los Cabos. A solution would be to send to the Group summits, in addition to the President of the European Council, a representative jointly appointed by European members of the G20. Another solution which might improve representativeness of the G20 is to consider a rotating membership in the G20. In this system, countries with the highest nominal GDP or GDP measured in purchasing power parities would be non-rotating members while three to five countries weakest in terms of GDP would rotate e.g. every five years depending on their GDP figures. The rotating membership would introduce the necessary element of competition between countries wanting to have the greatest impact on the world economy and finance. Additionally, the differentiation between rotating and non-rotating members would make the G20 similar to the UN Security Council and the rotation mechanism would help the Group dilute complaints about its lack of representativeness.

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ABSTRACT

The article traces back the evolution, activities and prospects of functioning of the G7, G8 and G20 formulas of global cooperation that play an immensely significant role in shaping the emerging model of global governance. The author assumes that global governance means transferring government-specific activities to the highest level, the difference being that their competences of power are replaced by the activity of the so called controllers understood as the entirety of formal institutions, regimes and informal forums of exchange of information, experiences and of reaching compromise. Among the latter, the 1990s saw the emergence of the G7 which over two decades later transformed into the G8. Initially, this informal forum of dialogue dealt with financial matters, but subsequently began to expand its agenda to include economic issues and eventually political concerns. Following the changes induced by the Asian crisis of 1997, and later the financial crisis of 2008, a new element of the global governance architecture came into existence, i.e. the G20. Since 1999, this group has operated at the level of finance ministers and heads of central banks, joined in 2008 by state leaders.

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Migracje polityczne na ziemiach polskich (1939-1950)

[Political migrations on Polish territories (1939-1950)]

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During World War II and immediately after it, Polish lands were the site of massive forced relocations of civilian population. In total, nearly 30 million Poles, Germans, Jews and Ukrainians were resettled. Ruthlessness winners of consecutive stages of the war forced inhabitants who did not meet some criteria, be it of ethnicity, religion or social class, to leave their homeland, sometimes forever. Despite the passage of many decades, the issue is not only of a cognitive significance. It is a tool recurrently used in both domestic and international politics.

In a critical and eloquent way, Piotr Eberhardt analyses major forced political migrations which took the form of displacement, deportation, expulsion, escapes, or repatriation. He carefully tries to determine their scale, geographical directions, as well as their demographic and geopolitical consequences. Complex historical and demographic issues are communicated in a clear and concise way. Using abundant data, the author identifies the initiators and principal executors of resettlement policies. Numerous excellent number tables, maps and charts help the reader understand the scale and course of the processes described.