

# NTS ALERT

## Developments in G8 and D8: Walk the Talk?

*This edition of NTS alert captures the growing importance of NTS issues as it is reflected in the recent G8 summit in Toyako, Japan and D-8 summit in Kuala Lumpur, Malaysia. Issues such as climate change, food security and energy security have caught the attention of leaders among industrialized countries in G8 and Muslim developing countries in D-8.*

### Overview of both the “-8s”

#### *The Group of Eight*

The Group of Eight (G8) is an informal yet exclusive forum of major industrialised countries who discuss and set out action to address global challenges. It does not have a headquarters, budget or permanent staff. Its members can agree on policies and set objectives, but compliance to these policies is on a voluntary basis.

The members of G8 are France, Germany, Italy, Japan, the United Kingdom, the United States, Canada and Russia. The European Union is represented at the G8 by the president of the European Commission and by the leader of the country that holds the EU presidency. The EU, however, does not take part in G8 political discussions.

The birth of G8 was driven by the oil crisis and global economic recession of the early 1970s. G8 was established as a forum for economic and trade matters. However, politics and security matters were gradually included in the agenda in the late 1970s. Since then, the

heads of state of these major industrial countries have met annually to deal with the major economic and political issues facing their domestic societies and the international community as a whole.

From a basic agenda dealing with macroeconomic management, international trade, and relations with developing countries, the G8 Summit has its scope of discussion considerably to include microeconomic issues (eg. employment and information technology), transnational issues (environment, transnational crime), and a host of political-security issues such as regional security, arms control to issues related to human security (infectious diseases, development, human rights).

Throughout the year, the leaders' personal representatives - the sherpas – meet regularly to discuss the agenda and monitor progress. G8 has also developed a network of supporting ministerial meetings. The ministers meet regularly throughout the year in order to continue the work set out at each summit. Among others are meetings of the finance ministers, foreign ministers and environment ministers. G8 ministers and officials also meet on an ad hoc basis to deal with pressing issues, such a terrorism, energy, and development. Task forces or working groups are also created from time to time, to focus intensively on certain issues of concern, such as a drug-related money laundering, nuclear safety, and transnational organised crime.

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### ***The Developing Eight***

The Developing Eight (D-8) is an organization for development cooperation among major Muslim developing countries. D-8 is a global arrangement rather than a regional one, as it is reflected by the composition of its members: Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

The main objective of D-8 is to obtain socio-economic development in accordance with the principles of peace instead of conflict, dialogue instead of confrontation, cooperation instead of exploitation, justice instead of double-standard, equality instead of discrimination, democracy instead of oppression. Thus, the D-8 was formed to improve member states' position in the global economy, diversify and create new opportunities in trade relations, enhance participation in decision-making at

international level, and improve standards of living.

The cooperation among D-8 member countries deals with both the socio-economic and political realm. The Summit agreed on a number of non-exhaustive areas of cooperation such as trade, industry, communication and information, finance, banking and privatization, rural development, science and technology, poverty alleviation and human resources development, agriculture, energy, environment, health, tourism, culture and sport. With such a broad range of themes, responsibility is delegated to the D-8 country members to act as coordinators for the various themes – Bangladesh coordinates issues on rural development; Egypt on Trade; Indonesia on human resources development; Iran on communication and information; Malaysia on finance and banking; Nigeria on energy; Pakistan on agriculture; and Turkey on industry and health.

#### **G8 and D-8 in comparison**

	<b>G8</b>	<b>D-8</b>
<b>Structure</b>	An informal and exclusive forum consisting of eight major developed countries.	A global organization consisting of eight Muslim developing countries.
<b>Members</b>	France, Germany, Italy, Japan, UK, US, Canada, Russia. The EU is also represented by its president in the forum.	Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.
<b>Aim</b>	<ul style="list-style-type: none"> <li>• Boost cooperation over trade and finance</li> <li>• Strengthen the global economy</li> <li>• Promote peace and democracy</li> <li>• Prevent and resolve conflict</li> </ul>	To obtain socio-economic development in accordance with the principles of peace, dialogue, cooperation, justice, equality and democracy.
<b>Established in...</b>	1975, Rambouillet, France	15 June 1997, Istanbul, Turkey
<b>Areas of cooperation</b>	A wide range of pertinent economy, political/ security issues of the members and international community.	A wide range of socio-economic and political issues pertinent to its members

## *NTS issues in the Summits*

### *The G8 Summit in Toyako, Japan*

The recent G8 Summit was held from 7-9 July 2008 in Japan. The Summit's discussion fell under the broad themes of world economy, environment and climate change, development and Africa and international political issues. Among others, climate change, soaring oil and food prices, the situation in Zimbabwe, and the pace of aid being sent to Africa were high on the agenda. Climate change, however, received the highest attention with the split between G8's position towards climate change and stream of criticism from both environmentalists and developing nations.

Global warming was important at the 2001 Genoa summit, where US President George W Bush underlined his rejection of the Kyoto treaty on emissions. The subject was revisited at the 2007 Heiligendamm summit, where an agreement among leaders on the need to tackle climate change was hailed as an important step forward. During the 2008 Toyako summit, the leaders agreed to a "shared vision" on climate change. G8 leaders reconfirmed their commitment to lead a global cut in emissions of at least 50% by 2050.

By the final day of the summit, a Declaration of Leaders Meeting of Major Economies on Energy Security and Climate Change was approved by the 16 nations. Signatories recognised the need for major reduction in global greenhouse gas emissions to fight global warming. The document described climate change as "one of the great global challenges of our time". It added that "leaders of the world's major economies, both developed and developing, commit to combat climate change in accordance with our common but differentiated responsibilities and respective capabilities".

However, the statement did not mention specific target (see section on *Assessing the 'G8' summits*). From eight emerging economy countries that the G8 had consultation with on the last day of the Summit, only Indonesia, Australian and South Korea had agreed with the emission reduction target. The other five – China, India, Brazil, Mexico and South Africa,

who together represent 42 percent of the world's population – refused to endorse the target. They issued a statement explaining their split with the G-8 over its emissions-reduction goals. These countries argued that richer nations should carry more of the burden to address climate change.

Apart from climate change, food security was another NTS issue that received particular attention. The 2008 summit adopted an independent statement on Global Food Security, in which member countries would address urgent support needs and would assist developing countries in raising their agricultural production. They also called for the removal of export regulations and also the release of food stocks. The G8 members also noted the need to ensure the compatibility of biofuel policies with that of food security.

In a bid to further promote efforts, a G8 Experts Panel was established to monitor the implementation of their own commitments. The Group would also support the High Level Task Force on the Global Food Crisis led by the UN Secretary General, and work with the international community in forming a global partnership, strengthening and building on existing institutions and involving all stakeholders, including developing country governments, the private sector and civil society.

Among other international security issues discussed under the broad theme of political issues, G8 also urged Myanmar to lift all remaining restrictions on international aid and to improve the transparency of the incoming aid to the cyclone-affected areas. They also reiterated deep concern to deteriorating humanitarian/ human rights situations in countries such as Sudan and Nigeria.





### *The D-8 Summit in Kuala Lumpur, Malaysia*

The D-8 Summit at 8 July 2008 in Kuala Lumpur, Malaysia were focused on the issue of trade and economic relations among the eight member countries. Apart from discussing those main issues, leaders from the group of Developing Eight countries also tried to find ways to battle soaring food and energy prices. At first, Iran rejected Malaysia's proposal to discuss the spiralling price of crude oil at the D8 talks, saying that it was not the appropriate platform since the D-8 is a venue to enhance trade and economy cooperation. However, Malaysia along with other members argued that the relationship between food and the spiralling cost of energy is real. Therefore, if it would be unrealistic not to discuss it.

At the end of the summit, “Kuala Lumpur declaration on meeting global challenges through innovative cooperation” was adopted in the final open session. The declaration recognised the need to assist with the problem of food insecurity. They accepted Bangladesh’s proposal to consider a creation of a D-8 Food Fund. They also agreed to embark on joint ventures to boost food production. Among others are projects to produce fertiliser, animal feed and create a seed bank to ease supply constraints in agricultural output.

On surging oil prices, the declaration expressed commitment to efforts in the energy sector and acknowledged the importance of collaborative efforts to enhance capacity, transfer of technology, exploration of new sources of supply, development of alternative fuels, including renewable sources, as well as peaceful use of nuclear energy – in an apparent support for Iran’s nuclear programme that has been criticised by the West. Going further on other NTS issues, the declaration recognised intra-regional mobility of labour an effective tool to poverty eradication and development. In this regard, the members agreed to enhance cooperation and exchange experience concerning protection and promotion of the rights of migrant workers.

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## Assessing the “-8” Summits

### *Climate Change*

Despite media attention surrounding the G8-leaders’ agreement to halve carbon emissions by 2050, the devil lies in the details of the resolution. Environmental campaigners said the communiqué glaringly missed out any mention of two key aspects to a deal: an interim target, for 2020 or 2030, and a clear statement of the base year from which the reductions will be counted (see Diagram 1).

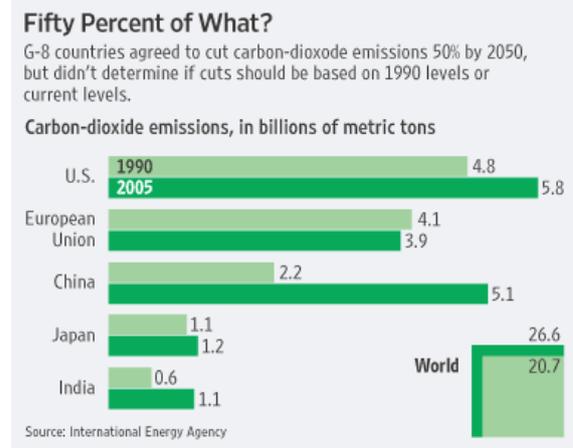
The tortuous and watered-down language of the final communiqué also suggests the vexed character of the negotiations. The cumbersome text read, “We seek to share with all parties ... the vision of, and together with them to consider and adopt in ... negotiations, the goal of achieving at least 50 per cent reduction of global emissions by 2050”. South African Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, called the G8 statement an “empty slogan” as it lacked a credible base year and ambitious midterm targets and actions.

Quite expectedly, green groups and aid agencies have reacted with disappointment to the G8 resolution, including its use of committed aid funding to help developing countries tackle climate change. John Sauven, executive director of Greenpeace, said, “We needed tough targets for the richest countries to slash emissions in the next 100 months, instead we got ambiguous long-term targets for the world in general.” Environmental group, World Wide Fund for Nature, accused the G8 of shirking its responsibility towards the environment, to which it said the G8 has contributed 62 percent of carbon dioxide emissions.

In a similar vein, UK government economist, Professor Michael Grubb, chief economist of the Carbon Trust, said the agreement contained a lot of rhetoric but lacked anything specific that will make any difference. Issues that were completely overlooked include tackling emissions from aviation and shipping which are currently not included in international reduction targets, details of how promises of “clean technology transfer” would

happen, and increasing funds for poorer countries to adapt to climate change.

As the proposal by European leaders to adopt more ambitious interim cuts was foiled by Japan, United States, and Canada, the resolution had failed to set an interim target and made the proclamation of “aggressive mid-term total emission reduction targets” by Japanese Prime Minister Yasuo Fukuda, the chair of this year’s G8, sound hollow. Critics argued that the goal of cutting greenhouse gases by 50 percent did not go far enough and amounted to “political window-dressing”. In addition to this, Yvo de Boer, head of the United Nations Framework Convention for Climate Change (UNFCCC), noted that the summit’s vague pledge did not appear to be legally binding and was open to vastly different interpretations.



**Diagram 1: 1990 and 2005 levels of carbon-dioxide emissions**

A further weakness of the G8 resolution lies in the failure to set a baseline year from which the 2050 cuts will be measured. Mr Fukuda had indicated in comments that the baseline would be taken as 2008, which begs the question if 2008 would make an appropriate baseline from which the 2050 cuts will be measured. The date is a critical issue because of large emissions rises in the last two decades. Environmentalists argued that if 2008 is indeed taken as the baseline, it would effectively lower, in absolute terms, the amount of targeted emissions. Hence, it would





be more appropriate for the G8 to adopt 1990 as a baseline, the same year used in the United Nation's climate treaty, the Kyoto Protocol.

The eight developing countries who met with the G8 at an expanded summit meeting also slammed the G8's resolution as weak and refused to endorse the plan. China, India, Brazil, Mexico and South Africa, the five main developing nations, rejected the notion that all should share in the 50-percent target, since it is wealthier countries that have created most of the environmental damage. Hence the developing nations urged the G8 to cut emissions by 25 to 40 per cent by 2020 from the 1990 levels. The G8, however, has said each G8 country would set its own target for the mid-term period after 2012 when the Kyoto Protocol's obligations to cut emissions expire.

The argument that the main responsibility of reducing carbon emissions is one for the developed nations has been a common refrain among developing countries. Chinese President Hu Jintao said as much when he made it clear that developed nations should take the lead in emissions reductions, adding that "China's per capita emission is relatively low" and the country would remain focused on economic development.

Evidently, this view is shared by the Developing Eight countries where the leaders' response to climate change was similarly made up of considerable rhetoric. As a proposed long-term measure, leaders merely reaffirmed their commitment to explore renewable sources of energy, alternative fuels as well as peaceful uses of nuclear energy, and called on oil-producing countries to increase oil production as a stop-gap measure in the face of recent price increases.

The onus for finding a global agreement on climate change is likely to fall once again on the stalled talks led by the United Nations on a replacement for the Kyoto Protocol. The United Nations Climate Change Conference would continue with meetings in Poland in December and Copenhagen in late 2009, where the final treaty succeeding the Kyoto Protocol is expected to be adopted.

### *Africa aid*

Although G8 leaders set a five-year deadline to commit \$60 billion in funding to help the continent fight disease and reaffirmed their wish to increase, by 2010, annual aid to Africa by \$25 billion, pressure groups complained that the leaders had failed to spell out exactly how such commitments would be met. "The outcome of the G8 summit is nothing but an exercise in escapism. It is non-committal on major issues confronting the majority of the world's poor people," said ActionAid.

The G8 pledge to increase aid to Africa and help meet the UN's Millennium Development Goals (MDGs), including halving global hunger and getting every child into primary school by 2015, is questionable as the extravagant promises made at the 2005 G8 Summit in Gleneagles, Scotland, to eradicate world poverty remains unfulfilled. Oxfam International said it hoped key decisions would now be made at a special food crisis summit held by the UN in New York in September.

### *Oil and food*

The G8 was unable to address the two largest problems of global shortages of oil and food beyond calls for a boost in production, refining capacities and investment to increase oil supplies. With the exception of Russia, the G8 does not include any major oil exporters, which gives them little scope to cool red-hot oil prices, while most of the growth in energy demand comes from booming emerging economies. Tomoko Fujii, senior economist at Bank of America in Tokyo, notes, the G8 offered little cause for hope as "it is very difficult for G8 leaders to solve problems such as oil if the important players on that issue are absent from the talks". In an effort to cool red-hot commodity markets and tackle global inflationary pressures, the G8 held talks with the five rising economic powers, including China and India, but failed to show results beyond a promise to increase transparency of the oil market and a commitment to hold a special energy forum that would focus on energy efficiency and new technologies.

On the issue of food scarcity, the G8 could not offer any clear answers or short-term relief.

The G8 merely urged nations with sufficient food stocks to release some of them to help others cope with soaring prices and asked food-producing countries not to place export restrictions on staple foods. This issue is perceivably lower on the G8 agenda as rising food prices and food-related riots have been mostly limited to the developing nations. On the whole, the outcome of the summit reflected the lack of firepower in the G8 club of rich nations to fight runaway oil prices and food shortages, which are pushing up inflation and threatening global economic growth.

### *The Future of G8?*

A broader problem that has emerged from the conclusion of the G8 Summit Meeting is how badly configured the multilateral system today is for dealing with the three "scarcity issues" – energy security, food prices and climate change. Apart from the glaring absence of the world's two largest developing economies China and India from the G8, the institution also lacks an integrated approach and framework towards the issues facing the world today. As Indian PM Manmohan Singh accurately pointed out, "climate change, energy security and food security are interlinked, and require an integrated approach."

Many critics argue that G8 meetings can no longer carry conviction until China and India are granted full membership. There have also been arguments to admit representatives of other important global interests, for instance Brazil, South Africa, and maybe an Islamic nation. However, G8 proponents say the difficulty is that, if the group expands significantly it will forfeit the intimacy which has been hailed as its most important virtue. Further, analysts noted that the Chinese leadership tended to be uncomfortable in informal discussion, and preferred to address carefully prepared scripts. As most of the communiqué for the Hokkaido meeting was drafted before the meeting, analysts say the view of G8 meetings as mere theatrical performances is liable to gain ground if the group expands.

While debate continues on whether the G8 should become a G13 or G18 to include key

### *New Approach to Multilateral Problem Solving*

According to a paper presented by Alex Evans and David Steven at the Progressive Governance Summit 2008, the international system is becoming more complex, as growing numbers of actors are confronted by fluid and interlinked threats. In particular, two drivers of change stand out: scarcity, limits to the sustainable consumption of highly strategic commodities such as energy, land, water, food and 'atmospheric space' for emissions; and instability, the tendency for complex systems to experience unpredictable and unsettling shifts. As a result, the multilateral system needs to get better at managing global risks and building resilience to their impacts.

The first step is to start with function rather than form. In other words, leaders should focus on the outcomes they want from the international system, rather than its organizations, structures, and other institutional paraphernalia. Three kinds of outcome are important:

1. Shared operating systems for global risks: the beliefs, thinking and structures that represent an institutional 'solution' for a particular problem. The end point is to rewire our collective response and create a framework for joint action.
2. To do that, we need shared awareness. This is not about a report or 'stakeholder dialogue', but about a concerted attempt to build a common understanding of an issue around which a coalition can coalesce.
3. Once the necessary degree of shared awareness exists, it will be possible to move to shared platforms: the networks of state and non-state actors who can campaign around a collective goal or vision, providing the foundation on which a new operating system can be built.

Leaders have an important role to play. They can force debate on the most contentious questions, while setting out ideas that coalitions can cluster around. However, they must aim for a distributed approach, cultivating alliances around global challenges.

#### **Source**

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emerging economies, a more immediate problem is the forum's limited capacity to get things done. As the international system is becoming more complex, a growing number of actors are confronted by fluid and interlinked threats. Thus, in theory, presidents and prime ministers should be able to think globally and not departmentally; however, in practice, their track record has not been encouraging. With a few exceptions such as debt relief and the Global Fund to fight AIDS, Tuberculosis and Malaria, G8 summits have tended to generate media-friendly initiatives rather than comprehensive agreements on tackling global challenges. Therefore global governance experts noted that what the multilateral G8 system needs is a way to tackle global problems that overcomes fragmentation in governments and the international system, while avoiding the trap of creating one more over-centralized international bureaucracy.

The latest round of the G8 Summit has shown the G8 is losing ground as an effective institution. To maintain its relevance in the face of growing global problems and changes to the international economic environment, the institution requires a renewed commitment to progressive values and a willingness to fight for an international system that has a vision of the future at its heart. Thus, to begin, institutional reforms to include the key emerging economies, and the adoption of an integrated approach and framework towards problem solving would go a long way in ensuring the G8 Meeting next year would

yield actual solutions to global problems instead of mere rhetoric.

Change is most likely to happen at a time of crisis, but only if like-minded governments have plans in place for when space opens up for radical solutions. To this end, Alex Evans and David Steven propose reform to cut deeper and move faster than it has in the past (see section on *New Approach to Multilateral Problem Solving*).

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