The European Union in the Gx system

Peter Debaere and Jan Orbie

Introduction

Although the EU has been represented at the G7/G8 summits for more than 30 years, relatively little research has been conducted on the role of the EU in the G7 and G8. However, the recent appearance of the G20 at the centre of global governance has renewed interest from policy-makers and academics in the role of the EU in the Gx system. In this chapter, the Gx system is understood as the complex set of informal meetings of the G7, G8 and G20. The summits of Heads of State and Government remain at the core of the Gx system, but are complemented by an expanding network of ministers, sherpas, working groups and task forces (Hajnal, 2007: 1). In the literature, ample attention has been paid to the G7, G8 and G20 and their respective roles in global governance (Baker, 2006; Kirton et al., 2001; Hajnal, 2007; Putnam and Bayne, 1987) and an increasing number of studies deals with the relationship between the EU and international organisations (Kissack, 2010; Jørgensen, 2009; Elgström and Smith, 2006; Laatikainen and Smith, 2006; Lieb et al., 2011). However, despite a few exceptions (Fischer, 2001; Huigens and Niemann, 2009; Nasra et al., 2009; Debaere, 2010), the representation and coordination of the EU in the Gx have not received much consideration.

The Gx system has its origins in 1975 when the leaders of six leading industrialised countries, France, the UK, Germany, Italy, the US and Japan, gathered to discuss mainly economic and financial issues. The forum was extended to include Canada in 1976 and Russia in 1998, thus becoming the G8. Over time, the agenda has evolved to embrace more topics such as political and security concerns, environmental issues and development. Even though Russia has been a member for over ten years now, the G8 still meets without Russia, in the format of the G7, when discussing financial and monetary issues (Hajnal, 2007: 54). In 1999, in the wake of the East Asian financial crisis, the G7 launched the G20 which brought together the finance ministers and central bank governors of the G7, twelve emerging economies and the EU (Porter, 2000). Since the outbreak of the global financial crisis in 2008 the G20 has been upgraded to the level of Heads of State and Government.

The Gx system constitutes a particularly interesting case in the study of the EU in multilateral institutions because of two reasons. Firstly, the G7, G8 and G20 cannot be considered as formal international organisations. Unlike organisations such as the United Nations, the World Trade
Organization or the Organization for Economic Cooperation and Development, but similar to for example the Major Economies Forum, the Gx system does not have a legal basis, a permanent secretariat or formalised rules for membership. As Huigens and Niemann (2009: 28–30) explain, this informal and non-binding nature of the Gx process influences the capacity of the Union to act in the Gx system. It does not only hamper the EU, it also creates opportunities to develop its international status. A second distinctive feature entails the specific membership arrangements of the EU in the Gx system. Of all 27 EU member states, only France, the UK, Germany and Italy (henceforth the ‘EU4’) are represented, while Spain is also invited to the G20. Besides, the EU also participates in the Gx process, although the composition of the EU delegation varies across the different levels (head of state and government, minister, or expert) in the Gx system. This arrangement does not only create a specific dynamic between the EU4, the European Commission and the Council, but also between the EU participants in the Gx and the non-Gx EU member states.

Based on the current literature and complemented by a series of expert interviews, this chapter first explores the way in which the EU is represented in the Gx system and then assesses the extent to which the EU coordinates its position in the context of Gx meetings. In doing so, much attention will be paid to differences across the G7, G8 and G20 forums and to the legitimacy of the EU’s role in the Gx. It is not the aim of this contribution to measure the international bargaining power of the Union vis-à-vis non-EU members of these forums. Rather, we aim to fill a gap in the literature by providing a comprehensive overview of the EU’s representation in the Gx since the Lisbon Treaty and increased EU coordination efforts, especially in the context of the G20, the EU4 continue to play the first fiddle. France, Germany, the UK and Italy obviously dominate the European position in these forums. While various explanations for this finding can be put forward, we will emphasise that the distinctive features of the Gx system itself contribute to this situation. Indeed, the informal organisation of these forums, their vague and unclear procedures, and the different compositions and competences across the G7, G8 and G20 partly explain why a clear EU representation and coordination is not evident and why the privileges of the EU4 can be maintained.

**Representation**

Since 1977, the European Community and later the EU has been increasingly involved in the Gx system evolving from an observer in the early beginning of the G8, towards a full participant and eventually an official member of the G20. Currently, the way in which the EU is represented in the Gx system varies across the three forums as well as across the various levels (see Table 22.1).

**The EU in the G8, a real member?**

Originally, the European Community was not invited to the first summits in Rambouillet and Puerto Rico. This evoked strong protest from the excluded Community member states as they feared a directorate of the EU4. After long resistance from the EU4, the 1977 European Council decided that the President of the Commission and the rotating President of the Council would be invited to take part in those sessions that deal with items that fall under Community competence, such as international trade. Gradually, the participation of the Commission in the summits and its preparations was extended to cover all items. As the participation of the President of the Council is concerned, initially, the G8 summits would take place when the Council presidency was held by an EU4 country. This arrangement intended to limit the number of participants at the G8 meetings. However, it also implied that non-G8 member
Table 22.1 EU representation in the Gx system after the Treaty of Lisbon (at 8 October 2012)

<table>
<thead>
<tr>
<th>G20</th>
<th>G8</th>
<th>G7</th>
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<tbody>
<tr>
<td><strong>Heads of State and Government</strong></td>
<td>President European Council (Herman Van Rompuy)</td>
<td>President European Council (Herman Van Rompuy)</td>
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<td></td>
<td>President European Commission (José M. Barroso)</td>
<td>President European Commission (José M. Barroso)</td>
</tr>
<tr>
<td><strong>Sherpas</strong></td>
<td>Sherpa from Barroso’s cabinet (Antonio Cabral)</td>
<td>Sherpa from Barroso’s cabinet (Antonio Cabral)</td>
</tr>
<tr>
<td><strong>Sous-sherpas</strong></td>
<td>European Commission official (Marco Buti)</td>
<td>Foreign affairs: European Commission official (Christian Danielsson)</td>
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<td></td>
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<td>Finance: European Commission official (Marco Buti)</td>
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<td>Political Director: External Action Service (Helga Schmid)</td>
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<tr>
<td><strong>Finance Ministers</strong></td>
<td>Commissioner for economic and monetary affairs (Olli Rehn)</td>
<td>Commissioner for economic and monetary affairs (Olli Rehn)</td>
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<td></td>
<td>President ECB (Mario Draghi)</td>
<td>President ECB (Mario Draghi)</td>
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<td></td>
<td>Finance Minister from rotating Council Presidency</td>
<td>Occasionally commissioner for economic and monetary affairs (Olli Rehn)</td>
</tr>
<tr>
<td><strong>Foreign Affairs Ministers</strong></td>
<td>High Representative on CFSP (Catherine Ashton)</td>
<td>Responsible commissioner</td>
</tr>
<tr>
<td><strong>Other ministerial meetings</strong></td>
<td>G20 Labor and Employment Ministers: European Commission official</td>
<td>Occasionally accompanied by rotating Council Presidency</td>
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<td></td>
<td>G20 Agriculture Ministers: European Commissioner &amp; Minister from rotating Council Presidency</td>
<td></td>
</tr>
<tr>
<td><strong>Working groups</strong></td>
<td>European Commission official and Official from rotating Council Presidency depending on resources, commitment and the topic.*</td>
<td>Variable composition: e.g. Counter-Terrorism Action Group comprises the G8, Australian, Spain and Switzerland</td>
</tr>
</tbody>
</table>

Note: * Both Sweden and Belgium were involved at working group level during their respective Council Presidencies in 2009 and 2010. In the four working groups established after the G20 Washington summit, the Czech Republic was replaced by the Commission due to a lack of diplomatic resources. In the G20 Working Group on Development, only the European Commission was represented.
states of the Community could not participate. This became practically impossible in 1982, when both Belgium and Denmark held the rotating Council Presidency. Consequently, the Belgian PM Martens was invited to the Versailles summit. Eventually, this practice became totally unworkable as the Community’s membership expanded in 1986 (Putnam and Bayne, 1987: 151–53).

According to Niemann and Huigens (2011: 421), the increased importance of the European Commission in the G8 context is due to the flexibility and informality of the G8, the evolving European integration process as well as the Commission’s capabilities, standing and entrepreneurship. However, using a principal-agent perspective, they also argue that the member states’ incentives to rely on the Commission changed over time. Gradually, the Commission gained more leeway not only because it managed to add significant value to the G8 debates, but also because the G8 summits did not undermine the role of the EU as some small EU countries originally feared.

When the rotating Council Presidency was not held by an EU4 country, the involvement of the EU Council Presidency in the G8 process depended largely on the country’s commitment and its disposal of diplomatic resources. Also the fact that the Council Presidency rotates on a six-month basis limited its ability to become fully involved in the G8 process. The coming into force of the Treaty of Lisbon on 1 December 2009 made an end to this changing nature of the Union’s representation in the G8. At least for 2.5 years, the permanent President of the European Council, Herman Van Rompuy, will represent the European Council at the level of Heads of State and Government. Together with European Commission President Barroso, he forms a single EU delegation. This EU delegation replaces the two separate delegations for the European Council and the European Commission as was the case pre-Lisbon. Van Rompuy and Barroso also agreed on a rough division of labour. The former is responsible for the G8 and focuses on political and security issues, while the latter concentrates on economic and financial matters and is in charge of the G20. However more concretely, they decide on a case-by-case basis who will take the floor.7

The G8 summits are prepared by the personal assistants of the leaders, the sherpas. Before the Lisbon Treaty, the Commission President had its own sherah, who was fully involved in the preparatory process. Also the rotating Council Presidency could appoint a temporary G8 shera (e.g. Belgium in 2001 and Sweden in 2009). At the time of writing, the EU has a single shera for the G8, which is the head of Van Rompuy’s cabinet Frans Van Daele. Nonetheless, because President Van Rompuy only disposes of a small secretariat, he has to rely largely on the Commission for his substantive participation in the G8 system. Therefore, the EU’s G8 sous-sherpas, who prepare subsets of the summit agenda, are officials from the European Commission.

The EU also participates in the G8 at the ministerial and working group level in which it is represented by the responsible Commissioner or Commission official. So is the High Representative of the Union for foreign affairs and security policy, Catherine Ashton, present at the G8 foreign affairs minister meetings. In some other domains the rotating Council Presidency is also invited, although there is no fixed rule reflecting the informal nature of the G8. For example, the EU Council Presidency minister of development attended the G8 development ministers meeting in 2009, but was not invited to the G8 development ministers meeting in 2010.

Although the EU has been granted complete participation, the EU cannot hold the presidency and host a Gx summit, depriving it from significant agenda-setting powers. One exception took place in 1995, when the European Commission organised the G7 ministerial meeting on the Global Information Society instead of the US. The meeting took place in the European Parliament and included officials from non-G7 countries as well (Ullrich and Donelly, 1998). Consequently, opinions differ on whether the EU is a ‘real’ member of the G8 and whether the Commission, the Council or the EU as a whole are considered a member. For example in 2009, the official Canadian website on G8 affairs mentioned the EU as a fully-fledged member, while the German website explicitly did not. Generally, the EU is not referred to as a
member, but as ‘representative’, ‘participant’ or ‘attendee’ (Huigens and Niemann, 2009: 12). At first glance, it seems that the confusion around the status of the EU does not contribute to the EU’s actorness. However, Huigens and Niemann (2009: 29) argue that the ambiguity of the G8 process might have some advantages for the EU, since the EU has not clearly defined its international status yet. The informal nature of the G8 enables the EU to pursue actorness in some contexts, while staying in the background of others. From this perspective, the G8 can thus be seen as sort of training ground on which the EU can work on its international actorness. On the other hand, the G8 benefits from presence of the EU as well. Not only because the EU provides important substantive knowledge and financial resources (e.g. for development initiatives), it also functions as a constituency offering outreach to more than 20 non-G8 countries: the EU member states. For example, Kirton et al. (2010: 219) found that through the presence of the EU in the Gx forums, many of the world’s other powers participate in shaping G8-centered global health governance. Also, the special relationships of non-G8 EU countries with African, Caribbean and Pacific states can be useful for the G8’s other powers participate in shaping G8-centered global health governance. Consequently, the EU–G8 relationship can be described as interdependent, even mutually reinforcing. The EU can improve the effectiveness of the G8, while the G8 can enforce the international legitimacy of the EU (Larionova and Rakhmangulov, 2009; Gstöhl, 2008).

Reshuffling EU representation in the G7

As mentioned above, the G8 also meets without Russia in a G7 format when discussing financial and monetary issues. Even though the G7 has been losing relevance since the rise of the G20, the G7 still holds consultations infrequently, by telephone or in the margin of a G20 or International Monetary Fund (IMF) meeting. In terms of representation of the EU, the G7 contrasts sharply with the G8. The G7 is made up of the finance ministers and central bank governors of the G7 countries. Occasionally, the European Commission may attend the meetings when discussing topics of common interest such as money laundering and development policies.

The US vetoed full involvement of the European Commission in the G7 in 1986, on the grounds that it lacked the legitimacy and authority of a sovereign state in the monetary domain. The European Community did not have the power to fix interest rates and lacked a single currency (Hainsworth, 1990). Since the introduction of the euro, the President of the ECB and the President of the Eurogroup are invited to the G7 meetings.8 When the G7 deals with monetary and exchange rate issues, the President of the ECB speaks on behalf of the three G7 countries of the euro area (Smaghi, 2006). Accordingly, and in contrast to the G8, only the euro area is represented in the G7 and not the EU as a whole. In other words, EU member states which are not part of the euro area such as Poland, do not have the same (indirect) voice in the G7 as they have in the G8 through the European Council presidency.

Becoming an official member of the G20

When the G20 was created in 1999, the EU was granted official membership. Initially, the EU was represented in the G20 by the ECB and the rotating Council Presidency. The European Commission participated only at a technical level. Since the emergence of the G20 at the level of Heads of State and Government in 2008, the Commission gained entry to the political level as well. At leaders’ level, the European representation currently consists of the permanent President of the European Council and the European Commission President, while at the level of finance ministers and central bank governors, the EU is represented by the rotating Council Presidency, the Commission and the ECB (Debaere, 2010).
With the upgrade of the G20 to the leaders’ level, Spain and the Netherlands indicated that they wanted to be included in the meeting on the grounds of their economies’ size and their extensive financial expertise. At that time, France was holding the rotating Council Presidency and thus disposed of an extra seat in the G20. France met the Dutch and Spanish concerns by offering the two chairs of its national seat to Spain and the Netherlands, while it could still participate in the first G20 leaders’ meeting in Washington as the EU representative. It was in France’s own interest to be accompanied by two like-minded states as the support of Spain and the Netherlands would add credibility to the French position in the G20. Both Spain and the Netherlands pleaded for an enhanced role of the IMF in financial regulation and oversight, a message which appealed to the French. Currently, Spain has more or less secured its own seat as it has obtained the status of ‘permanent guest’. Conversely, the Dutch participation in the G20 seems to be over since it was not invited for the G20 Seoul summit in November 2010. The decision who will be on the guest list is up to the presiding G20 country. In Seoul, the G20 agreed to limit the number of non-member invitations to five, of which at least two would be countries in Africa.

Table 22.1 gives an overview of the Union’s representation in the Gx system in the post-Lisbon era. It is clear that the Lisbon Treaty has streamlined the EU’s representation in the Gx system, at least at the highest political level. As the rotating Council Presidency often lacked sufficient resources to fully participate in the Gx process, the Commission was de facto solely responsible for the Union’s representation in the Gx system. At first sight, it thus seems that the Treaty of Lisbon has strengthened the role of the Council in the EU’s Gx delegation, to the detriment of the European Commission. However, since the Commission is not only represented at all levels in the three forums and involved in the preparation of the G8 and G20, but also indispensable in the internal EU coordination process for the Gx meetings (see below), it can be considered as the – substantive – backbone of the Union’s delegation. As a result, the permanent President, the rotating Presidency and the European Commission are increasingly stimulated to engage in intense deliberation on a single EU voice in the Gx system.

The role of the rotating Council Presidency at the lower levels in the G20, i.e. ministerial and deputy ministerial level and in the working groups, is still under discussion. The Commission was in favour of minimising the role of the rotating Presidency in the G20, arguing that, since Lisbon, the Commission holds the responsibility for the Union’s external representation in matters of monetary and financial affairs. But several member states reacted strongly against these attempts and wished to maintain the Council representation. Eventually, the Commission and the member states reached a provisional agreement that the Council Presidency (e.g. the Belgian Presidency in 2010 and the Hungarian Presidency in 2011) would continue to be included in the EU delegation for the G20 meetings (Emerson et al., 2011).

Legitimacy from inside and outside
The representation patterns of the EU actors in the Gx, as outlined above, have been challenged from two different fronts. Non-EU countries typically complain about the ‘overrepresentation’ of the EU in the Gx, while EU member states have been unhappy with the power of the EU4 in these informal meetings. The discussion on overrepresentation has mainly taken place in the context of the IMF and the United Nations Security Council, whose composition arguably still reflects the post-war power relations. However, the dominance of European actors within the Gx has also been criticised. The following quote by Pascal Lamy (2010) illustrates that there are two dimensions to this discussion: ‘Nobody listens [to the EU] because either it’s the same thing and it gets boring, or it’s not the same thing and it will not influence the result at the end of the day.’
On the one hand, the large number of Europeans at the table has irritated non-EU countries. Even though the EU’s share in the Gx system has decreased from a half of the G8 to a quarter of the G20 and the EU’s external representation has been seriously affected by the Lisbon Treaty, the EU is still widely considered as overrepresented in the G20 (Ickes, 2010; Fidler, 2009). Especially the presence of Spain and the Netherlands raised the annoyance of a number of Asian G20 countries about the European overrepresentation (Price, 2009). In the meantime, Spain received the status of ‘permanent guest’ while the Netherlands seems to be excluded from future G20 meetings. Together with the EU4 and the EU, this means that the G20 still counts six European seats at the negotiating table. Some argue that a reduction of European seats would not only increase the effectiveness of the G20, it could also make room for other countries such as an additional African representative (Subacchi, 2010).

On the other hand, the EU has not always fulfilled expectations that it would speak with one voice within international forums such as the Gx. This brings us to the internal dimension of the legitimacy issue. As mentioned above, excluded EU member states have feared a directorate of the EU4 since the establishment of the G7/G8 in the 1970s. Smaller European countries fear that the bigger EU member states will use these forums to increase their influence within the EU (Putnam and Bayne, 1987). Still today interviewees have questioned ‘whether European actors represent the EU position in the G20, or rather defend the G20 positions within the EU’. Indeed, with regard to energy policy in the G8, some EU4 countries were able to strengthen their position vis-à-vis their EU partners because they received the support from the non-EU G8 members (Bonvicini and Wessels, 1984: 180). Hence, as Jokela (2011) states, the Gx process can even undermine the core of the European multilateral project itself. Since the EU’s representation in the Gx positions the member states unequally within the EU framework, the Gx process could undermine trust among EU members. Additionally, some of the excluded EU member states consider the informal Gx system as a less legitimate international body compared with multilateral institutions such as the United Nations and the IMF. A Belgian diplomat called the Gx fora ‘self-proclaimed bodies’ created by the big countries and emphasised the legitimacy and relevance of the UN network. However, it has become increasingly difficult to ignore the G7, G8 and especially the G20. While the G8 is often considered as a ‘talking shop’ which never went beyond the existing consensus within the EU, the G20 has quickly asserted itself as an influential body in global economic affairs. Hence the attempts by Spain and the Netherlands (partly successful), as well as other EU member states such as Poland (unsuccessful), to get a seat at the table of the new-established G20. Interviews also reveal that many EU member states are still sceptical about their lack of involvement in the G20 decision-making process, especially since G20 outcomes often have an impact on them. For example, Belgian and Swedish diplomats lamented the G20’s decision on the size of the shift in voting power (at least five percent) in the IMF from overrepresented countries towards emerging economies since this was not coordinated in advance in the EU.

These legitimacy issues should be seen within the broader tensions between the EU’s involvement in the Gx system on the one hand and its commitment to effective multilateralism on the other hand. The Gx system does indeed pose a challenge to the EU’s ambition to foster effective multilateralism. Imagine that the EU achieves a certain result through a self-proclaimed body without a legal framework or any formal accountability mechanisms such as the G20. Would this be equally effective multilateralism as if the same outcome would be achieved through the IMF, which has of course some serious flaws but is at least a treaty-based formal institution in which all countries have a voice? This raises the question whether the EU’s aim of effective multilateralism focuses on the process or on the end result. Moreover, the Gx system could go against multilateral organisations. For example, the G8 could replace the traditional multilateral
organisations by creating a new generation of G8-centered institutions including the G20, the Financial Stability Forum and the African Partnership Forum (Kirton et al., 2010). If the Gx forums indeed work against other multilateral organisations, then the EU’s engagement with the Gx system contradicts its own strategic goal of a world order based on effective multilateralism.

Both the external and internal challenges have provoked calls for streamlining the European representation in the Gx. The proposals involve either a reduction of EU seats, an improvement of the internal coordination within the EU, or a combination of both (see e.g. Carin et al., 2010). Proponents of a consolidation of European representation often use the argument that this will increase the EU’s power in the Gx system. This might indeed be the case for the IMF, where a consolidation could result in more concentrated voting power and even in a European veto on important matters. Yet, this does not necessarily apply for the Gx system, which works on consensus and thus implies a veto for each member. Yet, speaking with one voice does not necessarily enhance the EU’s negotiating power, e.g. when it requires extensive intra-EU preparations to the detriment of external negotiations (Smith, 2010). In the context of the G8, it has also been argued that a common EU position is not always desirable given the risk of polarising the debate within the G8, while this forum should primarily serve as a creative think-tank of ideas (Huigens and Niemann, 2009: 25–28). In addition, the multiplicity of European voices might strengthen the EU influence on Gx decisions. However, Merlino (1984: 199) doubts this hypothesis as he contends that the relevance of what is said during Gx meetings is directly dependent on the political importance of the one who speaks. Also Jokela (2011: 68) notes that the EU has failed at the G20 Pittsburgh summit to force any breakthrough in the climate change negotiations ahead of the Copenhagen Climate Summit despite its omnipresence in the G20.

Of course, the most important obstacle consists of resistance from the EU, which are extremely hesitant to exchange their national seat at the table in favour of an EU voice. In this context, it should also be noticed that several topics discussed at the Gx forums concern matters outside the exclusive competence of the EU. Consolidating the EU’s representation is clearly hindered by the internal integration process, because ‘adopting a common international EU policy is analogous to adopting a common internal EU policy’ (Frieden in Gstöhl, 2008: 23). In other words, a re-arrangement of the European representation in the G20 will only be successful when it is linked to a strengthening of the internal EU coordination process. However, even increased coordination within the EU concerning topics on the Gx agendas continues to be far from evident, although it is still far less ambitious than a consolidation of the EU representation. Obstacles against and cautious attempts to increase European coordination are illustrated below in the section on coordination.

Coordination

Compared with EU coordination in other international organisations, internal EU coordination for the Gx system is relatively low. Several explanations for this finding have been suggested (see e.g. Nasra et al., 2009): sometimes issues are discussed that are beyond the exclusive competence of the EU (e.g. social affairs, debt reduction), the EU is not always an official member (e.g. in G7 and G8), there is no pressing need for an EU mandate since it concerns an informal meeting rather than an international institution (especially the G8), the discussions at the Gx are not always relevant for the EU (e.g. when they are less far-reaching than the EU consensus), the EU4 are reluctant to give up their privileges and a lack of strong coordination practices allows the Commission to pursue its own agenda in the Gx, be it within the margins circumscribed by the EU4.
Also the closed character of the Gx system affects the level of internal EU coordination. There is a prevailing code of conduct among Gx members that information circulating among them is handled carefully and kept within a closed circle of people. Especially in the G7 and the G8 where the EU is not an official member, the Commission is not inclined to involve the non-Gx EU member states to preserve its precarious position (Nasra et al., 2009). However, despite the overall low level of coordination for the Gx system, a trend towards more coordination is clearly noticeable, especially since the emergence of the G20 at the level of Heads and State and Government in 2008. In this section we will look at internal EU coordination within the G8, the G7 and the G20 respectively.

For the G8, established internal coordination mechanisms with all EU member states are nearly non-existent and coordination is limited to informative briefings of the European Commission to the Committee of Permanent Representatives (COREPER) prior to and following G8 meetings. However, in the early years of the G8 a meeting of the European Council was always held shortly before the summit in order to coordinate a common position on key agenda items of the summit. Several studies have concluded that whenever the Community could agree on an effective joint position its views would largely prevail in the G8 communiqués (Putnam and Bayne, 1987; Ullrich and Donelly, 1998). In fact, the limits of the G8 summit are set – indirectly – at the European Council as far as direct competencies of the EU are concerned (Fischer, 2001). Yet, the habit of preceding a G8 summit with a European Council meeting was not maintained during the entire history of the G8. According to Putnam and Bayne (1987: 152), this is related to the capacity of the G8 to produce concrete results, although one must also notice that this habit was abandoned when debates within the Union absorbed all member states' energy, for example during the negotiation of the European Single Act in the late 1980s and the Nice Treaty around the turn of the century. Moreover, the G8 summit is planned by the presiding G8 country, which does not necessarily take the EU’s agenda into account. However, the lack of specific coordination for a G8 summit is not always problematic since often a common EU position can be formulated based on some basic European interests and existing EU policies (Ullrich and Donelly, 1998). For example, during its Council Presidency in the second half of 2009, Sweden coordinated an EU position on climate change and used this position in numerous international forums and organisations such as the G8, the Major Economies Forum and the UN.

As far as the G7 is concerned, the EU position on monetary issues is formulated by the members of the Eurozone in the Eurogroup and its preparatory body, the Eurogroup Working Group. All other G7-related topics are covered by the Economic and Financial Committee (EFC), involving all EU member states. The EU position for the G7 is also discussed by the 27 EU finance ministers (ECOFIN), though only in the margin of an ECOFIN meeting i.e. during a breakfast or lunch meeting (Nasra et al., 2009).

Compared with coordination for the G8 and G7, coordination mechanisms for the G20 are relatively well developed. The G20 process is organised around two tracks, the ministerial track and the sherpa track. In the ministerial track, the G20 finance ministers and their deputies take care of the economic and financial items on the G20 agenda. Common EU positions for the G20 deputy minister meetings are prepared in the EFC and its sub-committees based on background papers drafted by the Commission in liaison with the rotating Council Presidency. Subsequently, these Terms of References are forwarded to the ECOFIN Council, which approves them as the non-binding EU position for the G20 finance ministers meetings. In the second track, the G20 sherpas do not only try to resolve the final economic and financial disputes, they also deal with new, mostly non-economic issues on the agenda such as development or global marine protection. The sherpas are directly responsible for the preparation of the G20
Leaders’ summits. Whereas the 27 EU member states have plenty of opportunities to shape the EU’s position in the ministerial track, the member states’ involvement in the sherpa track is rather limited. It is the European Commission that draws up the EU position for the sherpa meetings. For non-economic issues, the Commission primarily relies on existing EU positions, while the member states’ red lines in economic discussions are already outlined in the previously prepared Terms of References. Nevertheless, internal discussions are underway to see how the member states could be structurally involved in the coordination for non-economic issues.

Despite the sense of confidentiality among the Gx members, it seems that the EU4 and the Commission are sometimes quite open to involving the non-G20 EU member states. After all, a coordinated EU position does not only strengthen the position of the Union in the Gx system, involving the non-G20 EU member states could serve the interests of the EU4 as well. The G20 as well as the G7 often discuss issues which have great policy implications for non-G20 members such as IMF reform, financial regulation or exchange rates. In the end, the EU4 need the support of all EU member states for an effective implementation of the G7 and G20 measures and therefore benefit from an increased involvement of the non-G20 EU member states. Nevertheless, preceding informal gatherings of the EU4 underscore the EU4’s desire to maintain their grip on the whole coordination effort in the EU. For example, in February 2009, before the EU started its internal coordination process, Germany convened a meeting in Berlin with the European participants to the G20 in order to forge a common position ahead of the G20 London summit. Obviously, this move outraged excluded member states such as Sweden, Belgium and Poland (Nasra et al., 2009). Another example concerns the decision of the G20 in Pittsburgh (September 2009) to shift at least five percent of the IMF quota from over-represented countries to under-represented emerging economies. Several European countries complained that they were confronted with a fait accompli arranged between the EU4 and the other members of the G20 (in particular the US and China).

The EU4’s desire to remain in control is also reflected within the Gx system. The level of coordination within the G8 between the EU4, the Commission and the European Council depends largely on the preferences of the EU4 and differs per issue area. For example on climate change, the EU4 will ask the Commission to coordinate. Then, the Commission acts as a spokesperson for the EU. However, for the Millennium Development Goals (MDG), the EU4 are reluctant to provide the Commission with a coordinating role, as they face their own difficulties living up to MDG standards. Even though the EU4 realise that the impact of a common EU position on the outcome is considerable, they do not wish for the institutionalisation of coordination, in order to ensure maximum flexibility and the freedom to act individually (Huigens and Niemann, 2009: 25–28). Generally, the prevailing opinion is that there is no reason for coordination if the position of the relevant states does not interfere with coordinated EU positions or policies, or if the relevant states do not bind the EU in any way with their respective positions within the G8 (Gstöhl, 2008). Moreover, a common EU position in the G8 is not always desirable given its function as a creative think-tank and the risk of polarising the debate within the G8 (Huigens and Niemann, 2009: 25–28). For the G20, in contrast, there is an increasing pressure from the non-EU G20 members on the EU to act coherently, which is related to the criticism on the perceived overrepresentation of the EU.

Conclusion

This chapter has explored the way in which the EU is represented in the Gx system (the G8, G7 and G20) and assessed the extent to which the EU coordinates its position in these forums. It has developed the argument that the EU’s representation and the extent to which it
coordinates its position are mainly determined by the distinctive features of the Gx system itself. The informal, vague and confidential nature of the Gx system contributes to constraining the EU’s ability to act as a ‘full-grown’ actor on these international institutions. First, the ambiguity as a result of the unclear status of the EU in a club of nation states leaves ample room of manoeuvre for the EU4, to the detriment of the leeway of EU institutions. Second, the organisation of internal EU coordination is challenged by the flexibility of the Gx agenda. Third, as exclusivity and confidentiality are typical characteristics of the Gx network, it is not clear to what extent the non-Gx EU member states can be involved in the Gx process.

Within the Union’s Gx delegation, the European Commission has accumulated long time experience and holds a pivotal role. The Lisbon Treaty has strengthened the role of the Commission in these forums. Even though the relationship between Commission President Barroso and European Council President Van Rompuy has already sparked increasing interest from policy-makers and scholars, further research is needed to assess the interaction between the Commission, the Council and the EU4 at the lower levels of the Gx system.

This chapter has also illustrated that internal European coordination has been effective in influencing the outcomes of the G8 summits. However, it is not clear whether this is the case for the G20, which is a larger and more heterogeneous group. For example, the effect of the perceived overrepresentation of the EU in the G20 on its political leverage needs additional examination. In this context, the absence of a thorough academic analysis of the EU’s (over-) representation is remarkable. Furthermore, an extensive study analysing the substantive positions of the EU, its G20 partners and the G20 outcomes could reveal interesting insights in the relevance of the EU in current global economic, financial and monetary governance.

Finally, more theorising is needed regarding the variance in coordination for the G8, G7 and G20 in order to understand the impact of an international institution’s characteristics on the level of internal EU coordination. And as far as the G20 is concerned, it remains to be seen whether the EU can adapt its coordination practices, which are now mainly focused on economic and financial issues, to an evolving G20 agenda. Nonetheless, efforts to involve all EU member states in the Gx process do improve the inclusiveness of the G20 considerably and enhance the ownership of the non-G20 EU member states. Indeed, a significant part of the G20 agenda has policy implications that go beyond the G20 membership, both inside and outside Europe.

Notes

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2 The term ‘Gx system’ is first coined by The Stanley Foundation to grasp the proliferation of G-clubs (The Stanley Foundation, 2009).
3 The leaders’ personal representatives.
4 In this chapter, G8 is used consequentially when referring to the ‘political’ G6/7/8 to avoid confusion with the G7 which only deals with financial and economic affairs.
5 The G20 consists of the United States, Japan, Canada, Germany, the UK, France, Italy, Russia, Australia, Argentina, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea, Turkey, as well as the European Union.
6 In total, 10 interviews were conducted with officials from Belgium, Sweden, the Netherlands as well as from the European Commission. Because of requests for anonymity, these will not be indicated directly.
7 POP, V., Van Rompuy and Barroso to both represent EU at G20, EUobserver.com, March 19, 2009.
The European Council agreed on this arrangement at the Vienna European Council meeting in 1998 (see conclusions at www.europarl.europa.eu/summits/wiel_en.htm).

Both Sweden and Belgium were involved at working group level during their respective Council Presidencies in 2009 and 2010. In the four working groups established after the G20 Washington summit, the Czech Republic was replaced by the Commission due to a lack of diplomatic resources. In the G20 Working Group on Development, only the European Commission was represented.

To ensure its delicate position in the Gx system, the Commission avoids too harsh confrontations with the EU4, which limits its political leeway in the Gx system. However, opportunities still exist for the Commission to play a more significant role, especially in policy domains with a clear Community dimension. For example, at the G8 summit in 2008 in Japan, the Commission took up a leadership role in climate change while the EU4 acted more low-profile (Nasra et al., 2009). Another example concerns the G8 decision in 1998 to mandate the Commission to coordinate all Western aid to the Central and Eastern European countries after the collapse of the Soviet-Union, resulting in the PHARE program. The position of the Commission in the G8 process allowed it to forge a consensus among the Community members on the Union’s relations with the Communist bloc (Niemann, 1998).

For example, the Financial Services Committee (FSC) and the Sub-committee on IMF-related questions (SCIMF).

References


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