

Russia's Contribution to G20 Summitry

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Russia's contribution to Group of Twenty (G20) summit governance is significant on several grounds. Russia has been an undisputed full, equal member from the start of the G20 as a forum for finance ministers and central bank governors in 1999, even as it was still excluded from full membership in the older, smaller forum of Group of Seven (G7) finance ministers and had only just been given full membership in the Group of Eight (G8) summit the year before (Kirton 2013). It is the only member of the G20 that is also a member of both the G8 and of the BRICS group of Brazil, Russia, India, China and South Africa, which Russia pioneered at the ministerial level in 2006 and the leader level in 2009. Russia is the first BRICS member to host a G20 summit, which it will do for the eighth summit at St. Petersburg on September 5-6, 2013.

The St. Petersburg Summit is one part of the heavy plurilateral summit hosting role that Russia has from 2012 to 2016. In September 2012, Russia hosted the Asia-Pacific Economic Cooperation Forum (APEC) in Vladivostok. On June 4-5, 2014, it will host the G8 at Sochi, as well as the Winter Olympics that year. In 2015 it will host the summits of the BRICS and the Shanghai Cooperation Organization (SCO). Such a hosting agenda creates an opportunity to elaborate and implement an integrated medium-term strategy aimed at developing common approaches to address the global risks of the coming decade and promote the Russian Federation's interests (Larionova 2012). Russia thus seems to privilege the role of informal global summit steering mechanisms, even though it is one of the Permanent Five (P5) veto powers of the United Nations Security Council (UNSC).

The G20 also looms large in Russian foreign policy as a whole. One of Russia's main objectives is to strengthen the role of multilateral policy, international institutions and global policy mechanisms to enhance the economic potential of emerging global players and thus create a multipolar order (President of Russia 2008). Russian president Vladimir Putin, in his "Decree on Measures for Implementation of the Foreign Policy Course of the Russian Federation," declared that Russia would ensure the consistency of Russian foreign policy in multilateral forums, especially the BRICS, G20, G8 and the Shanghai Co-operation Organization (SCO), as well as further international efforts to counter the global challenges and threats (President of Russia 2012). Russia supports the process of globalizing the world economy, while noting that instead of complementary opportunities for both social and economic development, new dangers and insecurities have arisen, especially for weaker economies.

It is thus important and timely to understand Russia's contribution to G20 governance and the causes that lie behind, as a foundation for understanding Russia's approach to the forthcoming St. Petersburg Summit, as well as Russia's role in global governance and global order as a whole.

Schools of Thought

The course and causes of Russia's contribution to G20 summitry has been subset of an ongoing debate among six major competing schools of thought.

The first school sees Russia as an illegitimate member, arguing that it should not even be in the G20. Alex Brill and James K. Glassman (2012) propose seven criteria for membership in the G20: These include economic size, global economic importance, adherence to rule of law and other principles consistent with market-based economies, size of the financial services sector, the

magnitude of inbound and outbound cross-border banking activity (financial interconnectedness). Based on these criteria Russia does not qualify, while other countries outside the group do. The implication is that Russia's contribution is status-seeking, light, limited and marginal at best. After the first summit in Washington DC in November 2008, others complained that Russia, along with India and France, immediately violated the commitment to renounce protectionist measures for the next 12 months (*Economist* 2008a, b, c, d).

The second school sees marginal influence, arguing that Russia is a relatively minor player due to its slow economic growth and relative difficulty attracting new investments. Jeffrey Mankoff (2010) projects that Russia will thus have an unambitious agenda as summit host in 2013, aside from its core cause of supporting international financial institutional reform.

The third school sees Russia as the BRICS representative, arguing that for Russia to be successful in the G20 it needs the support of its BRICS partners (Strokan 2012). To advance and secure initiatives proposed by Russia it requires the backing of BRICS countries, individually and as a group to provide the required weight and global influence. Thus Russia's BRICS partners can try to capitalize on Russia's G20 presidency in 2013 to articulate their own agenda.

The fourth school sees Russia as a G20 summit supporter, arguing that it is a reliable complier and eager host. Vadim Lukov (2010b) argues that Russia has reliably kept the 2010 Toronto summit commitment to medium-term fiscal consolidation, meeting the goal ahead of time by planning to reach a zero deficit with a balanced budget.

The fifth school sees Russia as a geographic connector between Europe and Asia, arguing that Russia is one of the fastest growing large economies in Europe in infrastructure investment, which significantly impacts global connectivity and trade logistics, and a core member of the G20, Europe (Wihardja 2012). Its pivotal position in infrastructure investment makes Russia important in the G20's work on development and in the G20's Framework of Sustainable, Strong and Balanced Growth.

The sixth school sees Russia as the great institutional connector, arguing that Russia is the only G20 member that belongs to both the G8 and the BRICS. Victoria Panova (2010) asserts that Russia, as one of the founding members of the G20 as well as a member of the G8 and BRICS, is of great importance in the forum. Russia is unique due to its participation in all informal mechanisms of top-level cooperation, but should not play the role of an intermediary between these groups (Panova 2012).

The seventh school sees Russia as a high-ranked contributor in its own right, due to its global relative capability and growth in economics and finance and support for the International Monetary Fund (IMF). IMF managing director Christine Lagarde noted the important role Russia plays on the global stage, in the G20 and in the IMF, as a leading emerging market and one the IMF's top ten shareholders (IMF 2011).

Puzzles

None of these schools provides a convincing, comprehensive account of the content, course and causes of Russia's contribution to G20 governance. None satisfactorily explains why Russia, excluded from the G7 until 1998 and still a partial member of its G7 finance forum, was included as a full member of the G20 from the start, both at the level of finance ministers and central bank governors in 1999 and the level of leaders in 2008. None emphasizes or explains Russia's rising success in securing its core objectives, notably being selected to host the summit in 2013 and obtaining a major realignment in the IMF quota share to elevate it and its BRICS colleagues to

the top-ten tier. Nor does any school highlight the consequences for Russia's G20 summit diplomacy of its unique status as the only G20 member that is also a member of the G8 and the BRICS, as well as several other plurilateral summit institutions of global relevance such as APEC and the SCO.

Thesis

This study argues that Russia is an increasingly effective bridge-building reformer of global economic governance, and an issue-specific initiator and regional representative within the G20. Its effective bridge-building reform is seen in its selection to host the G20's eighth summit, its successful quest to shift IMF quotas to place Russia and its BRICS partners in the top-ten tier, the creation of new IMF special drawing rights (SDRs) in April 2009, and its membership in the Financial Stability Board (FSB) in 2009 and the World Trade Organization (WTO) in 2012. Its role as an issue-specific initiator is seen in its successful energy-focused initiative on marine security from oil spills and on energy price stability. Its role as a regional representative appears in its inclusion of its Central Asian neighbours. Russia has also supported and benefited from the G20's growing work on terrorist finance, anti-corruption and deliberation on a new international monetary and reserve currency system. It has also, more defensively, secured its preferences by helping defeat a global bank levy. Russia's major failures in realizing its highly ambitious priorities, notably in securing a new international monetary system and reserve currency arrangements, come on issues that are transformational rather than reformist in nature and well beyond the weight of the Russian economy and the rouble as a currency in global finance.

Russia's rising effectiveness in these roles is due in part to shock-activated vulnerability, as a victim of the Asian-turned-global financial crisis in 1999, as a country with energy exports that are vulnerable to recession in Europe and beyond, and one that suffers deadly terrorist attacks at home. Yet Russia has transformed from a systemic consumer of financial security in 1998 to a producer in 2008 and beyond, due to the country's rising relative capabilities in energy and finance and to its unique position as a member of the G8, G20 and BRICS and co-founder of the latter two. Its status as a semi-democracy with leaders who have high political control and continuity reinforces its role in bridge building and reform. It is also well placed at the hub of the G20's global governance network, as host of APEC in 2012, the G20 in 2013, the G8 in 2013 and the BRICS in 2015.

The Emergence and Evolution of Russia's Role in the Finance G20, 1999-2008

In the late 1990s Russia started to experience both the positive and negative effects of the market economy and liberalization of trade. The birth of the G20 was catalyzed by a sustained sequence of financial shocks that erupted first in Asia but spread globally with unprecedented speed, scale and scope. These shocks ultimately affected a newly democratizing Russia. Its democratic revolution had reached the stage where it had been accepted as a full member of the now G8 summit, if not the G7 finance ministers' forum, at the Birmingham Summit in 1998. It then suffered the consequences of the Asian-turned-global financial crisis with default, as global oil prices plummeted, in August 1998.

Russia's undisputed inclusion in the finance G20, following its inclusion in the G22 in November 1997 and the G33 in March 1999, thus gave it the status in a top-tier, exclusive global finance group that it still lacked in the older G7 and in the new Financial Stability Forum formed at the G7 finance ministerial meetings on October 3, 1998, and on February 22, 1999. Even when G7 leaders at their Cologne Summit on June 18-20, 1999, agreed to expand the Financial Stability Forum to add Australia, the Netherlands, Singapore and Hong Kong to the G7

members, a humiliated Russia was still left out (Kirton 2013, 61). Its G20 inclusion was thus a major affirmation of Russia's global status just after its financial collapse. And it showed that the G20 was indeed a group of equal consumers and providers of financial security, and one where membership was designed to strengthen the democratic revolution in the world.

Russia soon became an active participant in the finance G20. At the meeting of G20 finance deputies meeting in August 2000 in Toronto, Russia was more energized than it had been at the first ministerial meeting in Berlin in December 1999. By 2000 rising oil prices boosted Russia's gross domestic product (GDP) and reduced the prospect of it seeking debt relief from the Paris Club (Kirton 2013, 101, 110).

On the sidelines of the Berlin finance ministerial on November 20-21, 2004, it was announced that the Paris Club would reduce Iraq's debt by 80%. The technical aspects of the deal had been discussed at the Paris Club meeting in Paris. A compromise had been reached between Russia, France and Germany on the one hand, which refused to go beyond a 50% reduction, and the United States and United Kingdom that, in the wake of their March 2003 invasion of Iraq, had been pushing for 95% (Kirton 2013, 167). Thus Russia flexibly combined with two fellow European but G7 colleagues that had stayed out of the Iraqi war, in somewhat successful opposition to the financially powerful, invading U.S. and UK.

Russia firmly supported the campaign of Canadian prime minister Paul Martin, and former finance minister, to elevate the G20 to the leaders' level in 2004-05 (Kirton 2013, 183, 196). It did so despite its central role in co-creating with China in 2001 the SCO, which held its fifth annual summit on July 5, 2005, in Astana, Kazakhstan, to discuss security, the economy, disaster relief, tourism and media relations.

On December 14, 2005, the Chinese-inspired East Asian Summit held its first meeting in Kuala Lumpur, attended by China Japan, Korea and Indonesia as members and Russia as an invited guest.

Russia's Role in G20 Summitry, 2008-2013

Washington DC, United States, November 14-15, 2008

On November 14-15, 2008, the heads of the world's 19 systemically significant countries and the European Union gathered together in Washington DC for the first ever leaders' summit, titled "Summit on Financial Markets and the World Economy" (G20 2008). Russia's President Dmitry Medvedev attended. While there he scheduled bilateral meetings with the leaders of Germany, China and the UK (Kirton 2013, 239).

Before the summit, in his State of the Nation address, Medvedev had called for the G20 to create a new international financial architecture. Russia proposed the formation of new international structures, global coordination of macroeconomic policy and the role of credit rating organizations to be reviewed.

Medvedev discussed Russia's agenda and the significance of the upcoming summit with Italian prime minister Silvio Berlusconi, German chancellor Angela Merkel and British prime minister Gordon Brown. In a conversation with Australian prime minister Kevin Rudd, Medvedev noted the Australian initiative on how to overcome the consequences of the crisis (Kirton 2013, 247).

In his statement to his fellow leaders at the summit Medvedev identified Russia's top priority as reforming the international financial system. Specifically, its priorities were to develop the

principles to reform the international financial institutions based on international agreements, to strengthen the roles of global and regional financial regulation institutions, to establish international arbitration institutions, to make the G20 the coordinator of the reforms to further develop the financial system, and to manage the risks utilizing the principles of transparency and accountability (Kremlin 2008). These objectives were similar to the summit's overall emphasis on setting principles and a process for financial regulation, in direct response to the immediate cause of the financial crisis that had erupted with the collapse of U.S. investment bank Lehman Brothers on September 15, 2008.

The summit concluded with a declaration on financial markets and the world economy to set the common principles for reform of the world financial system and a concrete action plan to carry them out. The ideas and proposals put forth as Russian priorities were adequately reflected in the communiqué. The greatest match came in the proposals to strengthen the transparency and accountability of the financial sector, enhance sound regulation, promote integrity in financial markets, reinforce multilateral cooperation and reform international financial institutions (Ministry of Foreign Affairs 2008).

Russia's position at Washington was bolstered by the fact that in 2008, world oil prices had hit a historic nominal high bolstering the economic strength of oil-rich Russia, Canada, Brazil, Mexico, Indonesia and Saudi Arabia, while compounding the vulnerability of an oil short United States, Japan and Europe. However, terrorist shocks were also showing Russia's vulnerability.

London, United Kingdom, April 1-2, 2009

In the lead-up to the second summit, held in London on April 1-2, 2009, Medvedev invited the leaders of Tajikistan, Armenia, Kazakhstan and Kyrgyzstan to establish a coordinated position so that Russia could represent the collective interest at the upcoming G20 summit. He explained that only collective actions could responded to the current crisis (Russian Federation 2009). In this way Russia acquired the role of regional representative in the global forum, expanding the outreach of the G20.

Russia planned to initiate a discussion at London on the creation of a new world reserve currency, to urge national banks and international financial institutions to diversify their foreign currency reserves. It sought to propose a new energy charter. Russia hoped that the London Summit would conclude with concrete proposals on financial institutional reform, and for the reform be sufficiently radical and complex, not just cosmetic, It hoped that Russia would be among the countries reflected in the new architecture.

All the G20 leaders attended the London Summit and agreed to act jointly to restore confidence, economic growth and jobs in the world economy, to bolster the financial system and regulation, to provide additional resources to reform international financial institutions, to help expand global trade and investment and to create the conditions for sustainable development worldwide. The leaders made commitments to mobilize \$1.1 trillion to support anti-crisis measures on a global scale (Kirton 2013). Following the summit, Medvedev with the Russian central bank began to develop proposals to improve the alignment of Russian law with the commitments made at the summit, in order to support poor countries within the World Bank framework and to establish Russia's contribution to the IMF.

Following the summit Medvedev and Russian finance minister Alexey Kudrin discussed concerns over the agreements reached at the G20 summit. Russia was ready to place approximately \$10 billion of funds in IMF bonds (Rossiya TV 2009). In addition Medvedev held bilateral meetings with the leaders of Australia, the U.S., China and the UK.

The SCO met in Russia in June 2009, three months after the London Summit. Participants discussed the need for improved international cooperation to deal with the economic crisis. The leaders of Brazil, Russia, India and China met for the first BRIC summit, in Yekaterinburg, Russia, in June 2009, although their foreign ministers had begun meeting in 2006. The BRIC summit focused on the global economic situation, and referred directly to the G20, thus solidifying its significance even before the G20 had declared itself to be the premier forum for its members' international economic cooperation (Kirton 2013).

Pittsburgh, United States, September 24-25, 2009

The third summit was held in Pittsburgh, U.S., on September 24-25, 2009. At the second sherpa preparatory meeting, held on September 10-11 at the State Department in Washington DC, U.S. sherpa Mike Froman called on the sherpas of Brazil, China, India, Mexico and South Africa to see if they wished to continue the G8-plus format institutionalized at the 2007 Heiligendamm Summit and extended to the Heiligendamm-L'Aquila Process (HAP) at the 2009 L'Aquila Summit — involving Brazil, China, India, Mexico and South Africa in G8 outreach — now that the G20 summit had been born (Kirton 2013, 302-03). All but Mexico chose the G20. Among the G8 members, Russia along with Italy initially preferred the G8-plus, with Canada also sympathetic. However, this preference lost, leading the Pittsburgh leaders to proclaim that the G20 would be their premier forum for their international economic cooperation.

In the lead-up to Pittsburgh Medvedev proposed creating a new supranational currency as a foundation for a new financial system, to work out new standards for regulating financial markets and institutions, and to put into effect the resolutions adopted by the G20 on international financial institution reform. The Chinese supported this proposal (Nicholson 2009).

At Pittsburgh Medvedev held bilateral meetings with the heads of Japan, the U.S., Germany and Turkey. One of the main achievements of the summit was the decision to institutionalize the G20 and to hold regular leaders' meetings. Leaders noted that they were committed to addressing the global economy in the aftermath of the economic and financial crisis.

The G20 leaders also agreed to redistribute the quota share in the IMF and World Bank in favour of developing countries. Furthermore, the G20 decided to transform the Financial Stability Forum into the Financial Stability Board with powers extended to monitoring financial markets in order to prevent new crises. The FSB included, as full participants, Russia and all other G20 members that did not participate earlier in the smaller Financial Stability Forum. The FSB held two meetings in June and September 2009, in which Russian representatives participated (Ministry of Foreign Affairs 2009).

In his comments on the summit Dmitry Medvedev supported the G20 proposal for macroeconomic policy monitoring to be applied to all G20 members and that the IMF and World Bank should financially assist the countries that aligned their policies according to the parameters set and approved by G20. It was at this summit that Russia first mentioned that it wanted to host the G20 (Ministry of Foreign Affairs 2010).

At the same time that Russia agreed to having the G20 summit serve as its members' primary forum for their international economic cooperation, it was strengthening other plurilateral summit institutions in which it held a more prominent place (Kirton 2013, 316). It had hosted the SCO in June to deal with the need for improved economic cooperation to deal with the economic crisis. Also in June it hosted the first BRIC summit to discuss the economic situation and refer directly to the G20. Russia thus bolstered the position of the G20 as the hub of a global summit network and bolstered its dialogue with China in particular and countries outside the G20 net.

Toronto, Canada, June 27-28, 2010

The fourth Summit was held in Toronto, Canada, on June 27-28, 2010, directly following the G8's Muskoka Summit. Prime Minister Stephen Harper made it clear that the two forums and their agendas were separate. Russia supported this approach. It added that it was more important that the G8 and G20 summits be separated as two distinct events than which one came first, in response to the desire of some G20 members to hold their summits first (Kirton 2013, 328).

On the sidelines of the Toronto Summit Medvedev met with Chinese, Turkish, German and French leaders. The chief executive officers of Russia's VTB Bank and Severstal participated in discussions on banking and economic issues at the new Business 20 (B20) in order to give the exchange a more concrete nature.

In the lead-up to and at Toronto, there was extensive discussion on the order for hosting for future G20 summits. Russia proposed rotating between advanced and emerging economies. A consensus emerged that Mexico would host in 2011, with Russia or Turkey slated for 2012. Russia and Turkey both said they wanted to host before 2014, with Turkey preferring 2012. However, Russia and Turkey were both in the same "bucket," a classification system that had been devised for hosting the finance ministerials. China indicated an interest in hosting in 2011, but later retracted this statement. Australia wanted to host by 2014 or 2015 (Kirton 2013).

Russia, as a member of the G8 and the BRICS, had initially welcomed the HAP as a way of accommodating the interests of emerging countries. By early 2010, however, Russia had concluded that it had produced results that were more political, symbolic and declaratory than concrete. Together with its BRIC partners Russia declared that "solar system" of the HAP, with the G8 as the sun at its centre, as the must end. The U.S. agreed. Mexico and South Africa, both HAP members but not BRIC members (as South Africa only joined in 2012), were reluctant to end the HAP. Other countries did not oppose the handover of some of the work done by the HAP to the G20.

At the first sherpa meeting, held in Mexico City on January 12-14, Russia supported the broadening of the summit agenda, in response to the shock of the earthquake that had devastated nearby Haiti on January 12 (Kirton 2013, 330). When the Mexican chair proposed a statement of condolences and support, some participants initially resisted on the grounds that it was not an economic issue. But the common bond of humanitarian compassion quickly carried the day. The Russian sherpa phoned his presidency to secure its approval, which immediately came. At Toronto, Russia joined its colleagues in agreeing on debt relief for Haiti.

One of Russia's priorities discussed at Toronto was the reform of international financial institutions, above all the IMF and the World Bank (Kirton 2013, 344). At Toronto Medvedev spoke on advancing the Pittsburgh agreement on IMF voice and vote reform, which was a priority for Russia. Russia was among the countries that opposed a proposal to introduce a special tax on global banking activity as a means of creating an additional economic stabilization fund. But it welcomed such a tax by Europe alone as a means of shifting financial activity to St. Petersburg (Kirton 2013).

Medvedev repeatedly stated that the central task of Russian foreign policy was to achieve concrete, intelligible results and to establish favourable external conditions for the comprehensive internal development of Russia and the modernization of its economy. He also focused on the key issues of strengthening peace and stability, and improving the global and regional security systems, the Millennium Development Goals, specifically aid for developing countries, including infant mortality and childbirth-related deaths, and support to university education in Africa (Ministry of Foreign Affairs 2010).

The Toronto Summit concluded with decisions to halve national budget deficits by 2013 and stabilize the level of government debt by 2016 both as a percentage of GDP. It also agreed on a 3.13% shift in the World Bank's vote in favour of developing countries and emerging economies, increasing their aggregate share of the World Bank's capital to 47.2%. On this central subject and defining achievement, Medvedev played an important role (Kirton 2013, 343). Two months before the summit Harper asked Medvedev to lead off the discussion of this subject at the start of the summit's full working day, knowing that Russia led the G8 countries by far in having the lowest deficit and debt. After the opening dinner at the summit there was a real danger that a reluctant U.S. president Barack Obama would find support from India and other emerging countries for a stimulus-first approach. Yet the Canadians mobilized decisive interventions from pro-consolidation Nicolas Sarkozy from France and Angela Merkel from Germany, with Medvedev agreeing in his opening remarks. Russia had a real interest in this message, given the heavy dependence of Russian exports on the European market, which was critical to Russia's overall economic health.

Russia also successfully supported the G20's advance at Toronto into development (Kirton 2013, 349). Russia felt that given the tight link between trade and investment on the one hand and development on the other, coherence between these two economic issues could be produced in a single place at the start. It favoured this emphasis in development, as opposed to the traditional approach that emphasized the provision of official development assistance.

At Toronto, Russia took its first clear initiative that met with success (Kirton 2013, 346). This was to protect the marine environment from oil spills, in response to the massive, deadly and destructive oil leak from the Deepwater Horizon Macondo offshore drilling rig in the U.S. portion of the Gulf of Mexico in April 2010. This was one of the worst ecological disasters in U.S. history, and led Obama's domestic approval rating to plunge. Russia proposed creating a legally binding agreement on a marine life protection area, by working through a subgroup of the G20's Energy Working Group. Its proposal flowed from a broader Russian view that the G20 should begin with discussions, then move to consensus on principles and then progress to decisions that could be converted in legally binding agreements and conventions in fully multilateral legally authorized international organizations.

The G20 agreed to continue the dialogue on this issue and use the most effective practices available in this area (Kirton 2013). Russia noted that it would come back to this issue, including the possibility of drafting a convention on the consequences of oil spills and the general impact of these disasters (Ministry of Foreign Affairs 2010).

Russia was also active in improving G20 accountability and compliance after the summit's end (Kirton 2013, 351). By late October 2010, the Russian government's internal monitoring indicated that many G20 members were doing their best to fulfill their Toronto commitments, with the UK leading the way. Russia was also on track to exceed the medium-term fiscal consolidation target, by producing a balanced budget by 2014.

Russia's emphasis on the G20 was enhanced by the fact that in the lead up to the 2010 G8 summit in Muskoka, Russia's finance minister Alexi Kudrin had been invited only to the G7 finance ministers' working lunches held as part of the twice-annual IMF/World Bank meetings, to discuss topics such as money laundering and terrorist finance (Kirton 2013, 355). However, Russia still valued the G8 summit, especially as the leaders at Muskoka began their summit by discussing the critical issues in economics and finance.

Seoul, Korea, November 10-11, 2010

The fifth G20 summit took place in Seoul, Korea, on November 10-11, 2010, on the theme of “Shared Growth Beyond Crisis.” On the sidelines of the summit, Russia had bilateral meeting with the UK, Australia, China, Turkey and France. The BRIC leaders also met. Medvedev took part in a trade and investment roundtable as part of the Seoul B20. At this meeting he emphasized the need to ensure access to national and international capital markets for small and medium-sized businesses, the importance of granting preferences and promoting the use of advanced technologies by small and medium-sized companies, the creation of business incubators and raising financial literacy as effective lines of government activity.

For the first time a concrete action plan — the Framework for Strong, Sustainable and Balanced Growth — was accepted by G20 leaders. They also agreed to redistribute 6% of IMF quotas in favour of developing and underrepresented countries and set up a global financial safety net. They endorsed the Seoul Development Consensus for Shared Growth, agreed on the new modalities for the effective oversight and governance of international financial markets, and reaffirmed the G20’s relevance as a guarantor of stable global economic development.

The decision to adopt a reform of the IMF voting and quota system fulfilled one of Russia’s priorities. Under the new quota distribution, the BRIC countries were now among the ten countries with the biggest quotas. Russia was in ninth place, whereas it had been in the second tier of countries under the old system.

Aligned with another of Russia’s priorities was the G20 decision to ensure transparency in the work of the G20, take into account the positions of the countries that were not part of the group and foster dialogue with them, primarily on the UN platform (Kirton 2010).

In the lead-up to Seoul Russia sought to secure the position of summit host after 2012. After Mexico in 2012 the floor was open for suggestions of hosting and Russia did not decide its desire to host. In choosing a year it was mindful of the fact that it was due to host the BRIC summit in 2013. As of October 2010 no G20 decision had been taken on this matter.

Cannes, France, November 3-4, 2011

The sixth G20 summit was held in Cannes, France, on November 3-4, 2011. Ahead of the summit Sarkozy asked Medvedev to assume responsibility for the G20’s work on creating a food security system for developing countries to prevent price rises and negative phenomena affecting the crops. The joint French-Russia working group conducted preparatory work for the G20 agriculture ministers meeting in June. It focused on improving the reporting of food reserves, better cooperation to avert food crises, market oversight and on a contentious issue for Russia, regulating export restrictions.

In the lead-up to the G20 summit Medvedev met with the BRICS members. Russia proposed initiatives, including the promotion of cooperation in energy, space and aircraft manufacturing; the improvement of healthcare systems; high-tech projects in nano-materials and second-generation biofuel production. The meeting concluded with decisions to assist Europe on the principles of reciprocity in the short and long term, to establish a BRICS working group to monitor the situation in the Eurozone and make appropriate recommendations (Panova 2011). Medvedev also held bilateral meetings with China, Turkey and Brazil. He spoke at the B20 and the trade union meeting.

For the G20 summit Medvedev had put forward several proposals, specifically a new concept of the role of the state to introduce legal protection regarding the internet. The issue, however, was

not considered at the Cannes Summit. The G8 Deauville Summit communiqué issued in the summer had contained a position incompatible with the Russian view. The second priority item for Russia was the eurozone crisis and more generally the situation in the European Union. The EU was Russia's most important trading partner. Russia proposed, along with other interested countries, to create a fund to assist the EU to come out of the crisis. There was no collective declaration or agreement on the matter. The summit concluded with just some G20 members holding bilateral discussions (Ministry of Foreign Affairs 2011).

Other issues discussed were the reform of the international financial architecture, financial market regulation and the negotiations of the WTO. Russia considered the reduction of budget deficits in all countries as the most important way to preserve financial stability. This view was supported by its BRICS colleagues. In addition, Russia expressed its readiness to increase its share of support to the IMF, having already budgeted \$10 billion, and to now query further consideration to additional funding (Ministry of Foreign Affairs 2011).

An important agenda item for the French was the financial transaction tax. It was opposed by many of the G20 members as it was seen as increasing the burden on individuals and not on institutions. On the assumption that most G20 members would not accept the financial transaction tax, Russia agreed in principle (Panova 2011).

Russia proposed to hold a meeting of the Presidential Anti-Corruption Council in December 2011 to start the procedure of acceding to the convention on the fight against corruption set out by the Organisation for Economic Co-operation and Development (OECD).

In all, the Cannes Summit concluded with some positive outcomes for Russia. Although it did not achieve its aims on its priorities of energy and internet regulation, and negotiations continued on the reform of the international financial architecture, Russia was supported to host the G20 in 2013. It proceeded to finalize its accession to the WTO. It was welcomed to join the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (G20 2011).

Los Cabos, Mexico, June 18-19, 2012

The seventh G20 summit, held in Los Cabos, Mexico, on June 18-19, 2012, was the first G20 event ever for Vladimir Putin, the recently re-elected Russian president. Putin held several meetings on the summit's sidelines, including with the BRICS leaders, Obama, Japanese prime minister Yoshihiko Noda, British prime minister David Cameron, Turkish prime minister Recep Tayyip Erdogan and Indonesian president Susilo Bambang Yudhoyono. Russian B20 representatives Kirill Dmitriev, Alexey Mordshov and Alexander Shokhin also took part in the B20 in Los Cabos.

Just prior to the summit the Mexican newspaper *El Universal* published an article by Putin in which he praised the G20 countries for working together against the crisis and not contributing to the problem by starting trade wars (Putin 2012). He also noted some existing imbalances, high debt in developed countries and the persisting banking crisis. He urged leaders to agree on an acceptable level of protectionism during times of economic crisis. In his view, protectionism had become more widespread, especially in the form of "environmental and technology limitations." Having joined the WTO, Russia was planning to actively participate in the discussions of world trade regulations.

In an interview following the summit Putin noted the main achievements of the meeting. The first was increasing the IMF's resource base by \$430 billion to stabilize the global economy and

lower risks on financial markets. Russia pledged to provide the IMF with up to \$10 billion from the Russian Central Bank's international reserves (Ministry of Foreign Affairs 2012).

The OECD proposal on the principles for implementing national financial education programmes, which Russia actively supported, was approved.

The issues discussed at Los Cabos would remain on the agenda and developed further during Russia's upcoming presidency of the G20. Putin stated that in 2013 G20 countries would focus on the problems that the G20 was established to address reforming the international currency and financial system, strengthening the international financial institutions and continuing the changes in financial market regulation. The agenda would also contain the issues of energy and climate, global trade and development assistance. Furthermore, Russia promised to do a stocktaking of all of the G20's earlier commitments (Ministry of Foreign Affairs 2012).

Dimensions of Russia's Performance

The contribution of Russia to the G20, as any other country, can be assessed according to six dimensions of global governance.

Domestic Political Management

The first dimension is domestic political management, or using the high-profile summit participation to advance a leader's political standing and preferred policies back home. Russia's first achievement in this domain was being there as a full, equal participant in the G20 and in G20 summitry from the start.

Included to the political G8, but excluded from G7, Russia was interested in membership in financial institutions or groups. Therefore Russia's regular attendance at the G20 meetings showed its interest and new status in global governance. Moreover, elected in early May 2012 Putin decided not to attend G8 summit and sent his predecessor — Dmitry Medvedev, now Russian prime minister. By attending the Los Cabos Summit Putin demonstrated his belief in the importance of the G20 and his agenda back home.

The G20 summit also features continuously in Russia's major annual national policy addresses. Since the first G20 summit, the Russian president has mentioned the G20's role in each such address to the federal assembly of the Russian Federation. In 2008 Medvedev noted the need to continue the international dialogue on the new rules of global financial architecture. He also proposed that a new financial architecture should protect the interests of all countries. He stated that global financial institutions should prevent crises and minimise their impact on the rest of the world, and should guarantee the effectiveness of those international organisations.

The 2009 address included the Russian priorities in the G20: to strengthen multipolarity, to take into account the interests of an increasing number of countries and to establish equitable relations in international politics and economics. In 2010 Medvedev declared that Russia could initiate emergency management system. Through the G20 Russia proposed the exchange of best practices to prevent, or clear, oil spills and the strengthening international cooperation in fighting piracy. In 2011 Medvedev emphasized the importance of implementation of the decisions made by the G20 concerning the stabilisation of the financial situation and international financial system reform.

In 2012 Putin devoted his address to the federal assembly to more domestic issues. But he also noted that Russia had the best business climate of the top 20 countries.

Deliberation

The second dimension of performance is deliberation, in both private and public forms. Its deliberations have expanded in the length and breadth of the private discussions and public communiqués. In the G20 leaders communiqué at Cannes the commitments concerning Russia were noted twice. Russia finalized its accession to the WTO and was encouraged to join the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (G20 2011).

G20 members at their summits issued 22 documents over seven summits. The Russian leader held an average of four bilateral meetings on the sidelines of the summits. In 2008 he had three bilateral meetings, with the leaders of Germany, China and the United Kingdom. In London in 2009 he had four, with representatives of Australia, China, the U.S. and the UK. In Pittsburgh in 2009 he had four, with Japan, Germany, the U.S. and Turkey. In Toronto 2010 he had four, with Chinese, Turkish, German and French leaders. In Seoul in 2010 he had five meetings, one with his fellow BRIC leaders and bilateral meetings with the leaders of the UK, Australia, China and Turkey. In France in 2011 he had four, with China, Turkey, Brazil and the BRICS leaders. In 2012 he had six, with the U.S., Japan, the UK, Turkey, Indonesia and the BRICS leaders. The Russian president met five times with Chinese and Turkish leaders, and four times with British leaders on the sidelines of the G20 summits.

Direction Setting

Being an equal member of the G20 with one voice for one vote, Russia follows increasingly affirmed basic democratic values in its principled direction setting.

Decision Making

In its decision making, the number of specific, future-oriented, politically binding decisions has expanded, from 95 at the first G20 summit in Washington in 2008 to 180 at the Los Cabos Summit in 2012. In total, Russia with its fellow G20 members made 987 commitments, for an average of 141 per summit.

Russia is bound by virtually all 987 commitments. It received very few exemptions, as Japan did for the Toronto terms on deficit and debt. However, Russia was identified in very very view country-specific or class-specific commitments.

Delivery

Overall, from 2008 through 2011, G20 members complied with their leaders' priority commitments at a level of 70%. Compliance began on a high note when leaders implemented the commitments from the Washington Summit at a rate of 83%. It then dropped for the following three summits, followed by a rise with Cannes commitments of 77%.

Russia's overall compliance score for all six summits in all issue areas was 62%, which is below the overall G20 average of 70%. Russia's compliance was the highest at Washington and Cannes with scores of 75% and 80%, respectively. Russia's lowest compliance score was with commitments made at Toronto, at 57%, followed by Pittsburgh with a score of 66% and the Seoul Summit with a score of 69%. Russia's compliance since the second summit has thus been on the rise.

When disaggregated by issue area, Russia complied most with commitments on macroeconomics with a score of 94% (above the G20 average of 80%), on international cooperation with an average of 100% (above the G20 average of 58%) and with socioeconomic commitments with a

compliance average of 100% (while the G20 average was 85%). Russia has complied less with commitments on trade with a score of 17% (while the overall G20 average was 62%).

Development of Global Governance

On the dimension of the development of global governance, Russia has succeeded by raising the resources and reforming the voting shares at the IMF. Inside the G20 summit, Russia has involved the multilateral institutions where it has great influence or which it has founded, such as the BRICS and the Commonwealth of Independent States. During its presidency in 2013 Russia will increase the inclusion of civil society through the key components of business, labour, youth and think tanks.

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