



Potential Partnership in Global Economic Governance: Canada's G20 Summit from Toronto to Turkey

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Introduction

The Challenge

In less than two weeks the most powerful leaders of the world's 20 most systemically significant countries arrive in Toronto, Canada for their fourth summit of the Group of Twenty (G20). It will be their first meeting of the newly proclaimed permanent priority centre of international economic co-operation, the first co-chaired by an established and emerging economy, and the first held in tight tandem with the older, smaller Group of Eight (G8) major power democracies.

In Toronto the G20 leaders will confront several critical global challenges. The first is the European-turned-global financial crisis, erupting in May even before the previous American-turned-global financial crisis of 2007-9 had been solved. The second is the devastation to trade, investment and development that these financial-turned-economic crises cause. The third is the environmental and social problems they exacerbate, from climate change and energy to food and health. And the fourth is strengthening the G20 itself and the international financial institutions and other global bodies more generally, to govern more effectively, equitably and accountably today's complex, uncertain, intensely interconnected world.

Can Canada and Turkey work together at Toronto to cope with these and other challenges that the world confronts? At first glance, Canada and Turkey would appear to be distinctly different countries, within the global community and as members of the G20, the institutionalized club of systemically significant countries that was created in 1999 in response to the Asian-turned-global financial crisis then and that leapt to the leaders' level in response to the American-turned-global financial crisis continuing today. Yet in many important ways, Canada and Turkey have much in common in their position and potential performance in the G20.

First, as forthcoming hosts of the G20 summit, with Canada serving in 2010 and Turkey as early as 2013, they confirm the G20's institutional position and potential operation performance as a genuine club of equals, in which one of the least powerful members of the established G8 and then one that was not a G8 member have been quickly asked to host and chair the new summit club. Second, they share a geographic position as great global connectors in a systemically dedicated club. A trans-continental Canada stands as a country of the Americas, Arctic, Atlantic and Pacific, and Turkey as one of Europe, Central Asia and the Middle East.

Third, they share an international institutional position as great global connectors through their leading position in other institutionalized summit clubs that embrace the richest and poorest countries, and communities of great diversity, from around the world. Canada is the second most powerful country in the Commonwealth and in the Francophonie that together embrace half the countries in the world, and Turkey is a consequential member and currently the chair of the Organization of the Islamic Conference (OIC).

Fourth, they have long assumed their global responsibilities, notably as members of the North Atlantic Treaty Organization (NATO) that won the Cold War, liberated Kosovo from an erupting genocide in 1999, and fought with many other of today's G20 hosts and members to defend the Republic of Korea from 1950 to 1953. The sixtieth anniversary of the outbreak of that war will be commemorated the day before the Toronto summit starts. In addition both are longstanding allies of the United States and are currently seeking to enhance their association significantly with the European Union.¹ Sixth, they contain a rich multidimensional cultural and linguistic diversity within their domestic polities as well.

The Debate

With this configuration of characteristics and capabilities, how have Canada and Turkey connected within the G20, and how can they in the future, to serve their own interests and build a better world? In the limited English-language literature on Turkey's role in the G20 and its connection with Canada in this regard, different answers to these questions arise.

The first school sees Turkey as an active participant in an inclusive club that combines developed and developing countries and the west and the rest. This is due to the priority Prime Minister Recep Erdoğan's places on the G20, and Turkey's crisis-bred concerns about the end of capitalism (Şekercioğlu 2009). The most recent expression of this school portrays Turkey as an active G20 participant, teacher, co-operator and complier, due to the shock of its 2001 financial crisis and restructuring in its wake, and the confidence arising from its stability in the 2007-9 crisis, and its rising capabilities and status in the world (Aysan 2010).

¹ It is worth noting that the Toronto Summit will open the day after the 60th anniversary of the start of the Korean War on June 25, 1950.

A second school sees Turkey as a status-seeking development advocate through G20 membership, inclusion in an expanded Financial Stability Board (FSB) and Turkey's offer to host the G20 summit soon. This is due to the threat from a Group of Thirteen/Fourteen (G13/14) competitor that would exclude Turkey from top-tier membership, Turkey's rising relative capabilities as the 6th largest economy in Europe and the 17th largest in the world, and its financial stability amidst the crisis of 2007-2009 (*Today's Zaman* undated).

A third school portrays Turkey both as a status-seeking assertive advocate of conservative economic ideas, but more importantly as a mediating leader of a new middle power coalition. This is due to Turkey's financial stability, frustration with its bid for membership in the European Union (EU), its temporary membership on the United Nations Security Council (UNSC), and the choice of Istanbul as the capital of European culture in 2010 (Saunders 2010).

A fourth school sees a stronger, skillful, undistracted Turkey acting at the G20's third summit in Pittsburgh to secure several tangible benefits: domestic political attention and acclaim; greater voice and vote in the International Monetary Fund (IMF) and the World Bank; greater resources for those international institutions; support for Turkish exports; an equal place in the new permanent priority centre of international economic cooperation that the G20 proclaimed itself to be; and an opportunity to meet more with United States president Barack Obama (Şekercioğlu 2009b).

A fifth school urges a middle power Turkey to be the leading advocate of a non-western approach and thus to move from member to leader to realize its own interests. These interests consist of advancing its international standing, energy security, Middle East peace, global financial stability, reform of international financial institutions (IFI), its influence in the western-dominated EU, International Monetary Fund (IMF), NATO and United Nations (UN), and rendering effective and even permanent the G20 summit by expanding its agenda and adding a secretariat (Bradford and Linn 2009). This Turkish role arises because the G20 "mirrors the emerging global cultural matrix" and Turkey's own dualistic identity and because Turkey stands at "the crossroads of a multitude of critical geographies."

Puzzles

While each of these schools has much to contribute, none are based on a detailed examination of what Turkey has actually done and why it has done it in the G20 thus far. None offers a robust recognition of Turkey's vision of using the G20 to shape global order for the benefit of others, rather than just itself, as it did at the first G20 summit in November 2008. Nor is there any hint of Turkey's essential character as a Western democracy in actively animating Turkey's place in, approach to and accomplishments in the club. Also absent is any explicit awareness of Turkey's longstanding position as an American ally and its importance in shaping Turkey's membership and participation in the club. And none provide an explicit place for any form of a Canadian-Turkish relationship, partnership or co-leadership. as dedicated, multicultural democracies, in using and shaping the G20 to create a global order on these ideals.

The Thesis of Canada and Turkey as Critical Connectors

This study argues that Canada and Turkey have served and can serve as critical connectors and democratizing co-leaders to make the G20 the intended genuine club of equals providing the effective global governance based on democratic openness and respect for diversity. This is due to their similar shift from consumers to producers of global financial and economic security, their global geographic, status and international institutional position as great connectors, and their devotion to open democracy and diversity as polities today.

But to transform their past accomplishments and potential assets into actual performance, they must meet several challenges that await. First, Canada, as host and co-chair of the G20 Toronto Summit on June 26-27, 2010, must advance the G20's broad but bounded built-in agenda, respond effectively to the new European-turned-global crisis and make the G20 function as a genuine institutionalized, systemic summit club where the diplomacy of equals, the diplomacy of leaders and the diplomacy of the future can flourish to produce effective results (Kirton 2010). Second, Turkey must build on this foundation to design and implement a G20 strategy that goes beyond using its membership and potential hosting to enhance its status and advance immediate interests to meet the core challenges that the full G20 and global community commonly confront. And third, Canada and Turkey must find a way to work together more closely to have the G20 realize its full potential from Toronto in 2010 to Turkey in the years ahead.

Canada's G20

Canada and the G8

Canada has long known what it is like to be excluded from the inner circles of global governance, despite its striking systemically significant capabilities and the world's clear need for them (Kirton 2007). Canada was excluded from the Permanent Five (P5) members of the United Nations Security Council (UNSC) in 1945, from Berlin Dinner-4 of NATO since 1948, and from the Group of Five (G5) finance ministers who first started meeting in the Library of the White House in 1973 and continued without Canada and Italy until 1986.

Canada was also physically absent from the first G8 summit of six leaders, held at Rambouillet, France, in November 1975. But even before it opened, its architect Henry Kissinger had promised the Canadians that there would be a second summit, which the U.S. would host and invite Canada to.

Kissinger knew that he needed Canada inside his new concert. He needed it not as another loyal North American ally to support whatever the American president proposed, or to balance Europe's Italy that the French had allowed in at Rambouillet. Rather Kissinger, the ultimate realist, coldly calculated Canada's relative capabilities in their global context and quickly concluded that Canada's first tier capabilities in oil, minerals, food and soft commodities were needed inside the concert to stop the copycat cartels sprouting everywhere in the wake of the oil embargo of the Organization of Petroleum

Exporting Countries (OPEC) in October 1973 and the uranium fuelled Indian nuclear explosion in May 1974. Such capabilities have continued to give Canada great relevance in the 21st century, where Prime Minister Stephen Harper has accurately called Canada an emerging energy superpower and an emerging clean energy superpower in the world.

Power was backed by principle. In Kissinger's conception and construction, the G8 was a modern democratic concert, designed and devoted, as its first communiqué proclaimed, to protect within its members and to promote globally, the values of "open democracy, individual liberty and social advance." Canada was then a durable democracy, indeed a charter member and great European-American connector of the North Atlantic political community, with a democratic tradition dating back on its British side and through its own sovereign to the Magna Carta of 1215. As Prime Minister Harper put it, in his news conference at the conclusion of the 2009 Pittsburgh G20 summit, Canada stood out as a democratic country, unbroken by foreign occupation, civil war or civil strife for centuries.

In the initial Group of seven (G7), Canada supported its American ally when convenient, and its French and British mother countries too. It also allied with the rapidly rising global powers of Japan, German and Italy, as the other powers still excluded from the UNSC-P5 and, along with Italy and Japan, from the Berlin Dinner 4 too. Liberal Prime Minister Pierre Trudeau's close relationship with Social Democratic Chancellor Helmut Schmidt of Germany helped contain a France that a few years before had actively tried to destroy Canadian unity and thus the survival of Canada itself. The two also led the G7 in north-south dialogue and development and in instituting the world's first effective regime against terrorist attacks in the air.

In 1979 Canada's Progressive Conservative Prime Minister Joe Clark in 1979 supported Schmidt in having the G7 produce the first, most ambitious and most effective climate change control regime the world has ever seen. Schmidt's impressive leadership arose in part because he knew the world had to go off coal, in part to save the lives of the many Turks who were dying of accidents while working in Germany's many coal mines.² Canada as the world's leading power in uranium and a top tier power in nuclear technology induced the G7 to deal not only with conventional energy, but also nuclear energy and then nuclear proliferation as well, in a crusade where its closest soul mate was antinuclear Japan.

By the time it hosted its first G7 summit at Montebello in 1981, Canada, focused the summit for the first time on north-south development. As host, Canadian prime minister Pierre Trudeau talked the new U.S. president Ronald Regan into attending a North-South summit in Cancun to prepare for global negotiations for a new world order between the rich North and the poor South. Backed by Japan, Germany and Italy, Canada also made the G7 explicitly a new, effective centre of global security governance in the world.

² On May 21, 2010 it was reported that rescuers in Turkey found the bodies of 28 miners in a damaged coal mine, making the methane-gas explosion three days earlier one of the deadliest mine accidents in Turkey in recent years.

Canada thus had a vision of world order, on both the defining North-South economic and East-West security dimensions that it successfully advanced through its place in the G7.

Canada's Conception, Creation and Chairing of the G20 Finance, 1999-2008

This Canadian tradition of reaching out across existing divides to embrace rising powers from a more diverse world dated back to Canada's role in creating the modern, multiracial Commonwealth in 1947 and 1960, and the Francophonie in 1986.³ It continued in 1988 when G7 leaders, meeting in Toronto, identified the emerging process of "globalization," recognized the relevance of the rapidly rising Asian economies and called for "the development of informal processes which would facilitate multilateral discussions of mutual concern and foster the necessary co-operation."

In 1999 Canada's finance minister, Paul Martin, conceived and co-created with American treasury secretary Larry Summers the G20 forum of finance ministers and central bankers. They induced the G7 finance ministers and G8 summit formally to create the G20 along with the new Financial Stability Forum (FSF) in 1999. Canada chaired the first three annual autumn meetings, and expanded the club's mission from financial stability and sustainable growth to globalization that works for the benefit of all. When it hosted the second meeting in Montreal it also vastly expanded the agenda and secured a new "Montreal Consensus" to replace the discredited Washington one. When New York and Washington were devastated by the terrorist attacks of September 11, 2001, and the multilateral organizations headquartered there could not meet, Martin stepped up to host the third G20 meeting in nearby Ottawa. Here he successfully focused on terrorist finance, the American's core security rather than financial pre-occupation at the time. He thus helped the brand new Bush administration in the United States bond to a body created only two years earlier by the domestic political rivals it had just defeated at home.

Canada's Crusade for an L20, 2004-05

When Paul Martin became Canada's Liberal Party leader and prime minister at the end of 2003, he saw the demands for more inclusive, effective global governance growing, in finance, economics, development and fields such as health and infectious disease too (Martin 2005). He knew the G20 finance forum he had co-founded was working well. He judged the alternative, of ad hoc, constricted, or variable subject specific inclusion, which the G8 had been started experimenting with in 2003, to be an inferior approach. He concluded the time had come to elevate the G20 finance to the leaders' level, to meet as the demand required on any burning issue of the day. He suggested that the first such meeting be held on the margins of the UN summit in September 2005, focused on avian influenza and infectious disease. He secured the agreement, with various degrees of enthusiasm and acquiescence, from virtually all G20 members save one, George Bush. Even he may have come if the topic had been terrorism. But if it had been, other leaders might not. Thus, no G20 summit was held.

³ It was also apparent in 1955 when Paul Martin senior brokered.

G20 Summitry, 2008-09

When Lehman Brothers collapsed on September 15, 2008, both U.S. president George Bush and Canada's Conservative prime minister Stephen Harper came to the conclusion that a summit was needed in response. Among the many alternatives on offer in those crisis ridden times, notably a G8 plus summit preferred by Sarkozy, Bush decided that he would host a summit, in Washington and that it must be the G20 one (Price 2009). With only 24 days to prepare the summit he needed an existing institution, of proven performance, dedicated to the solving the particular crisis of the moment by restoring financial stability and sustained growth. Thus the first G20 summit was held on November 15, with no members of the G20 finance forum removed, and only Spain and the Netherlands added as temporary guests.

At Washington Harper, as one of the few leaders with economics expertise or experience, stood out in calling for exit strategies along with stimulus and joining in the leaders-created consensus on open markets and freer trade. Back home Harper reversed his firm policy of running fiscal surpluses, to engage in deficit spending to deliver his fair share of the stimulus the Washington summit had agreed. He stood first among G20 members in complying with the anti-protectionist promise made there. Indeed, he unilaterally made three moves to remove tariffs on imports of capital equipment, making Canada the first G8 member to have its manufacturing sector become tariff free.

At the second G20 summit in London on April 1-2, 2009, Harper focused on reforming domestic financial regulation and freer trade, while contributing US\$10 billion as Canada's fair share of the overall package of US\$1.1 trillion for development (including trade finance) that the summit raised. Canada subsequently stood fourth among the 20 members in complying with the commitments made by the leaders at London.

At the third G20 summit in Pittsburgh on September 24-25, 2009, Harper called for staying the course on stimulus until a private sector led recovery was assured, while simultaneously designing the smart exit strategies to be started when it was, prospectively within a year. On the eve of the Pittsburgh Summit Harper unilaterally gave the African Development Bank CA\$2.6 billion in additional callable capital so it could meet its members' development needs in the poorest region, composed of a quarter of the countries, in the world. And Harper agreed that he would accept the responsibility of hosting and co-chairing with the successfully developed, democratic Republic of Korea the subsequent, fourth G20 summit. It will take place in Toronto, Canada's largest city and financial capital, on June 26-27, 2010.

Turkey's Position, Performance and Perspective in the G20

Turkey's Global Position and Interests

Turkey will come to the Toronto Summit as an open, diverse, democratic society and polity situated at a critical geographic crossroads of a globalizing community, Turkey, like Canada confronts growing global vulnerabilities that even its rising capabilities cannot cope with on their own. It has thus long looked to international institutions of

broadly multilateral and globally plurilateral kinds, including those delivered at the summit level, to solve at their global source the challenges that its citizens confront at home. Turkey thus has an essential interest in making global institutions adequate, appropriate and effective in meeting its and the world's need, and in enhancing its position, responsibilities and resulting influence in them to this end. Thus Turkey's core interests have been getting into the G20 finance from the start as an equal, having the same G20, among the many alternatives on offer, elevated to the leaders-level to cope with the American/Atlantic-turned-global financial crisis erupting in 2007, and having the G20 summit transformed into the permanent, priority forum for international economic governance in the world. It has been strikingly successful on all three. Its one remaining challenge and ultimate interest is to shape the same G20 as an effective global governor guided by Turkey's distinctive vision of global order needed by today's and tomorrow's world.

Turkey's Treatment and Transformation in the G8

To comprehend the scale of the accomplishment of Turkey getting in as an equal from the start of a G20 that Canada conceived and co-created, it is necessary to examine briefly the cadence of Turkey's place in the earlier and continuing comparable club — the democratically devoted G8.

Before the advent of G20 summitry, Turkey had only a fragile, if strengthening place in the predecessor centre of global governance, the G8. During the 35 years of G8 governance since its start in 1975, Turkey's relevance was directly recognized only four times: at the US hosted first genuine G8 summit (with Russia added) in 1997, the Italian-hosted 2001 summit, the US-hosted 2004 summit and the Italian-hosted summit in 2009. But during this period, Turkey's treatment steadily progress on several dimensions, from being a problem producing old security threats in the region through to a partner in solving general global problems by pioneering a new global order around the world, to a participant with a seat at the table in the G8 itself.

In 1997, the G8 noted Turkey in paragraph 88 in the context of Cyprus, calling on Turkey and Greece to do everything possible to contribute to a solution of the Cyprus problem and to work toward solving their bilateral disputes with regard to the Aegean through early meetings of the "Wise Men." Thus Turkey was portrayed, along with NATO member Greece, as a source of the old Westphalian security threats of boundary disputes, territorial control and sovereign statehood for the Aegean and Mediterranean region. Turkey and Greece were admonished and appealed to for action to solve these problems by itself.

By 2001, the G7 only Statement, while welcomes progress in emerging market economies in strengthening their domestic financial systems and underlying fiscal positions, added: "Recent measures taken in Argentina and Turkey represent positive steps in this direction. We commend these efforts and encourage the continued implementation of their reform programs in close collaboration with the IMF and other relevant international institutions." Turkey had now become an emerging market economy, along with a fellow G20 member, in regard to a global economic problem that

the newer non-state created and controlled vulnerability brought. It was one whose domestically intrusive and internationally institutionalized actions were applauded, not admonished.

In 2004, Turkey was invited by host George Bush to participate in the G8 summit for the first time. This was due to Turkey's position as a democratic leader in the Broader Middle East and North Africa and the Muslim world. The White House announcement released on May 26, 2004, titled "President Bush Invites Turkey to G8 Summit as Democratic Partner," read: "President Bush has invited Turkish Prime Minister Erdoğan to meet with leaders of G8 countries and regional partners from the broader Middle East on June 9, 2004, in Sea Island, Georgia. He looks forward to a discussion of how the G-8 can support political, economic, and social freedom in the broader Middle East and North Africa, and to Turkey's contribution to this effort. Turkey's participation in specific programs to advance key reforms in this region, especially on democracy, will foster collaboration among G8 and EU countries, Turkey, and regional partners."

Turkey chose to come. At the summit Bush held a lunch with Turkey and other countries from the Middle East, which national security advisor Condoleezza Rice (2004) reported on as follows: "On Wednesday, June 9th ... During lunch, the G8 leaders will be joined by the leaders of Afghanistan, Algeria, Bahrain, Jordan, Turkey and Yemen. This is an opportunity for the G8 to discuss how it can support freedom and political, economic and social progress in the Middle East, and to hear from these leaders about their efforts to pursue democracy and reform in their countries, as well as to hear about Turkey's success in developing secular democracy in a country with a mainly Muslim population."

The Chair's Summary of the 2004 G8 summit began: "We met at Sea Island for our annual summit to advance freedom by strengthening international cooperation to make the world both safer and better. Leaders from Afghanistan, Algeria, Bahrain, Iraq, Jordan, Yemen and Turkey joined us at Sea Island." In the G8 communiqué, Turkey now stood front and centre at the very start. Turkey had been transformed into a G8 participant with a seat at the table of this leaders-level, top tier club. It was the only G20 member in this invited group, and the largest, leading country from a region that had expanded to embrace the Middle East and Asia as a central global concern. Turkey thus acquired a front-line role in general global governance, from winning the war against the new security threat of terrorism to creating a new global order based on democratic values as a whole. It had gone from being the source of a small problem to a key part of the solution of the greatest global threat of the time.

The 2004 summit's outside participation represented an alternative to the expanded participation formula that the G8 had pioneered in France in 2003 and that it returned to in Britain in 2005, Russia in 2006, Germany in 2007, and Japan in 2008. It was centred on a growing partnership with the Group of Five (G5) of Brazil, China, India, Mexico and South Africa (with no Middle East state at all) and then the broader Major Economies Forum (formerly the Major Economies Meeting of 16) with G20 members Turkey, Saudi Arabia and Argentina left out. A third threat to Turkey's inclusion in the centre of global governance came in the vision of Italy's Silvio Berlusconi and France's

Nicolas Sarkozy of having non-democratic Egypt represent the Middle East, perhaps even for the latter in the form of an institutionalized G14.

However, Turkey defeated the threat, in part because of its membership in the new G20 summit. On November 12, 2008, Berlusconi, the incoming host of the G8 summit in 2009, held the first ever Italian-Turkish summit in Turkey's western province of Izmir. It took place immediately before the first G20 summit in Washington DC on November 15, which both leaders would attend. The Izmir meeting was to discuss the participation of Turkey and some other countries in the G8 (November 10, 2008, *Anadolu Agency*). Due to the G20, Turkey was moving more into the more exclusive, more multi-subject, more democratic G8 club

Turkey thus arrived again at the G8 summit in 2009, after an absence of five years. It came along with almost 40 leaders for the discussion of food security on the final day. While Turkey's status was diluted by the large numbers, the food security initiative endorsed that day, backed by US\$20-22 billion in new money, was the signature achievement of the summit overall. In this way Turkey helped make the G8 that year a success. It also used its G8 participation for a high-profile achievement that responded directly to the top international issue on the minds of Turks at home (see below).

Turkey as a Founding Democratically Diverse Member of the G20, 1999

Long before Turkey started partially participating in the G8 club, it had become a full equal founding member of the G20 in 1999. It did so because Turkey was a democratic part of the west and a proven democratic pillar in the Middle East region and Muslim world beyond.

Turkey had not been on everybody's list as a candidate for inclusion in the G20 when the club was being designed. Its financial and economic weight and systemic significance was in doubt back then. It was ultimately accepted due to the American-Canadian-led overall strategy of linking Turkey more firmly to the West. As one important component of that strategy, the case for G20 membership proved persuasive. The calculation was that such a move was needed, given the precarious probability of EU membership for Turkey. G20 association would help further solidify the relationship between Turkey and the West and deepen the democratic tradition in the country. As a soon-to-be consumer rather than a producer of financial security when its financial crisis struck in 2001, Turkey was admitted to the G20 (but not the EU it desired), in order to sustain Turkey's character as a stable, Muslim democratic polity in a Muslim-dominated Middle East. Turkey's inclusion paved the way for it to receive the significant financial support it needed from the IMF in 2001.

In the new global governance bodies born in 1999, the G20 was the only one to put Turkey in the top tier. In the new Financial Stability Forum it was left out. In the new International Monetary and Finance Committee, embedded in the IMF, Turkey was not one of the 24 members, but only part of a constituency for which another country – a European middle power - spoke. Others were called upon to speak for the Middle East.

Turkey has not yet hosted and chaired a G20 finance ministers meeting, even though non-G8 members India, Mexico, China, South Africa, Australia, Brazil and Korea now have. Turkey joined Group 2 in the chair rotation of the G20, along with India, Russia and South Africa, when this arrangement was created a few years after the G20 finance began. South Africa hosted the 2007 G20 meeting, and India the 2002 one. Thus either Russia or Turkey would have been due to host the 2012 meeting, had the group follows its rotation schedule devised some time ago. However, with France now inserted to host the G20 summit and finance ministers meeting (along with the G8) in 2011, the new hosting order for the G20 has been redefined.

Turkey as a G20 Finance Participant

During the first decade of G20 finance ministers' meetings, Turkey made its mark. At the very first meeting in Berlin in December 1999, Turkey stood out as the emerging economy agreeing with Canada, the US and Germany, that stronger codes and standards were needed to govern global finance, thus broadening the consensus beyond the G7 to embrace a larger, more diverse group.

, mostly notably in its successful quest for status-enhancing and effectiveness-inducing voice and vote reform at the IMF. At Berlin in 2004 Turkey, along with other developing nations, wanted to know who would be behind a revision process of the IMF. At Australia in 2006 one of the achievements was getting the IMF directors to agree to a package of reforms including quota increases for the most significantly underrepresented countries, a group that included Turkey, along with China, Korea and Mexico. The G20 worked out the two-stage approach to reform which would be implemented in subsequent years. It was significant, and a vote of confidence, that the international community looked to the G20 to help deliver on IMF reform. And the G20 thus delivered an enhanced status and influence for Turkey where the IMF acting alone had long failed.

In 2007 Turkey began to bear of burden of making the G20 as an institution work. That year, of the three workshops held in preparation for the ministerial meeting, the one on Fiscal Elements of Growth and Development was hosted in Istanbul in July.

Turkey as a G20 Summit Participant

The advent of G20 summitry was a further achievement for Turkey. Prime Minister Erdoğan very much enjoyed G20 summitry for the upgrade in status it represented, for the chance to meet G20 leaders face-to-face, and for the opportunity to have bilateral encounters with other leaders – those of the US most of all but also France, Germany and Russia.

Washington

In G20 summitry, Turkey has been an eager participant since the start. At the first summit in Washington, amidst the crisis of capitalism and the call for visionary solutions, Erdoğan's priority was securing international regulation and supervision of domestic financial systems. He stood with Sarkozy in this regard, in a flexible coalition across the

G8-non G8 divide, even though Turkey itself was surviving the crisis with its domestic financial system intact. They failed to achieve their desires.

London

Turkey attended the London summit sporting one of the strongest records in finance within the G20. It also came as a member that could maintain its general public finance, according to an analysis prepared by G-20. This analysis showed that Turkey's inflation would drop in 2009 and 2010. G20 financial stimulate packages were expected to contribute between half and quarter percent to Turkey's and other members' growth.⁴ Turkish ministers and officials worked seriously to prepare for the Summit, based on Turkey's important position as an emerging economy. Its experience in containing its own crisis in 2001 had a real value for the other countries afflicted now.

At the summit, Prime Minister Erdoğan secured Turkey's goal of becoming a full member of an expanded, strengthened Financial Stability Board (FSB).⁵ Following his conversation with President Obama, Erdoğan said that Turkey was a country that could use its communication network successfully with both the Middle East and the West. Obama in return underlined Turkey's leadership in the region and the importance of working together. At the summit's end, Erdoğan said the decisions taken were "crucial to minimize the effects of the global financial crisis" (*Journal of Turkish Weekly* Friday, April 3, 2009). He added that the G20 countries had displayed a common will to minimize the social impact of the crisis. "As G20 countries, we will continue to work against the global crisis and shape a new international financial structure in the upcoming term ... Turkey has made serious contributions to relevant efforts within the G-20. An IMF delegation will arrive in Turkey in April. We are in a position to reach a result based on the talks between Turkey and the IMF."

Pittsburgh

Turkey approached the Pittsburg summit saying its strong response to the economic downturn was that those of a developed OECD, not a developing or emerging country, and thus that it warranted membership in the EU (*BBC*: 19 September 2009). The week before the summit, Turkey's central bank cut its benchmark interest rate further to 7.25%, even as tentative signs emerged that the country's economy was stabilizing. This showed Turkey was contributing to the stimulus that the European and global economy still needed. After shrinking severely in the first quarter of 2009, Turkey's economy had expanded about 5% in the second quarter. However, unemployment remained above 13%. Markets were wondering if Turkey would need a loan from the IMF, after the last one had expired over a year before.

⁴ Turkish finance minister Mehmet Şimşek travelled to London on March 13 for the G20 finance ministers and central bank governors meeting on March 14 to prepare for the London Summit in April. He also met with executives of the IMF and World Bank before returning to Turkey on March 15.

⁵ Minister of Foreign Affairs Ali Babacan stressed that reducing the impact of the current crisis and preventing similar crises required a global approach. The G20 meetings play an important role. The London Summit was important for international cooperation and coordination. Coordinated action was vital in order to overcome the crisis with minimum damage. The world needed a new architecture in which no country could say 'I'm big, I'm special'.

Turkey was thus in a strong position at the summit. It sought and secured its key priority of making the G20 the permanent, priority centre of international economic co-operation. For here Turkey was a permanent, equal member of the top tier club. In the IMF and all other international financial institutions that mattered, such as the European Bank for Reconstruction and Development (EBRD), Turkey was not.

Working Together for the Toronto to Turkey Transition

Toronto 2010

From this firm foundation, both Canada and Turkey approached the fourth G20 summit in Toronto with confidence, in common and convergent ways.⁶ As the first G20 summit co-chaired by an established G8 and emerging G20 only country, the Toronto summit was prepared on the basis of a broader and more balanced approach than the previous ones chaired by formerly hegemonic Britain and the United States alone.

Turkey's Standout Strengths

Among the newly empowered emerging members of the G20, Turkey stood out in several ways. Amidst the new European-turned-global financial crisis catalyzed by the Greece's bailout, Turkey comes (along with Korea, Indonesia, Brazil and Russia) as a once consumer-turned-provider of financial security – a sharp contrast to its arrival at the old Canadian-chaired G20 in 2001. It also comes as stronger, more globally supportive economic power than its neighbour Greece, a country that is already inside a now beleaguered EU.

Turkey also comes as the only country that had raised its credit ratings by one or two grades despite the economic crisis; and could catch up with its growth before the economic crisis if it continued to grow around 5-5.5 per cent a year. Turkey had started to recover in the last quarter of 2009, even if unemployment, at 14.5% in January 2010, remained a key concern (Anatolia news agency, Ankara, in English 0734 GMT 15 Apr 10). Turkey also comes as a country with expertise in Islamic finance which is a rising source of capital and investment in the world. It also comes with a leader who is a founding G20 summit veteran, as those of the United States, Japan and the United Kingdom are not.

The Agenda

Canada's approach to its twin summits of the G8 in Muskoka on June 25-6 and the G20 in Toronto on June 26-7 is based on a few fundamental features. The first is a sharp division of labour between the two summits, with the G8 doing its traditional development and security agenda and the G20 doing its traditional finance and economics

⁶ The 2010 G20 preparatory meetings of sherpas were held in Mexico City in January 12, Ottawa on March 26-27, and Calgary on May 24-25. The fifth meeting will be held in Toronto on June 23-24.

one. Duplication will thus be avoided, the time for global governance doubled, and a broader range of issues covered than would otherwise be the case.⁷

The Toronto G20 will thus deal fully with Turkey's key, well established priorities of IFI reform in voice and vote and resources, trade, and development. It will add coping with the Euro crisis catalyzed by Greece next door, a crisis that affects Turkey more directly and severely than Canada or other more distant states. It will also add the unemployment that afflicts Turkey, climate change, clean energy and the food security that its public puts in first place among their concerns.

Participation

Second, each summit will have fewer participants than its predecessors, and allow the G20 leaders to behave more as real leaders the way they do in the smaller, more likeminded, informal G8. As a result, under Canadian hosting and chairing of the G8 and G20, Turkey's relative position is enhanced. At the 2010 G8 summit in Muskoka, the ten countries invited as guests are generally so small and new that they pose no threat to Turkey's standing in the world.⁸ At Muskoka there will be no G8-G5 meeting and no MEM-17 one. All the G5 and MEM members will be only at the G20 in Toronto, along with Turkey as a full equal all the time. Egypt will be absent from the G20. It has been invited to Muskoka, even though when Canada invited Egypt to the last G8 summit Canada hosted, in 2002, Egyptian President Hosni Mubarak chose not to come. To Toronto Canada has invited as weighty guests only Spain and the Netherlands, giving Turkey's leader a chance to perform and lobby in ways that advance Turkey's European interests.

Domestic Acclaim

Third, this division of labour for the agenda and differing outside participation allows the leaders of Turkey and Canada to respond well to the key concerns of their citizens and voters back home. This is of particular importance to leaders who might face an election soon, as Prime Minister Harper leading a minority government always might and Prime Minister Erdoğan might as well.

A GlobeScan poll of 25,000 respondents across 23 countries, taken for the BBC from June 19-October 13, 2009 showed those in Turkey rated the rising cost of food and energy as the most serious of the ten problems offered, rather than the extreme poverty that was in first place globally at 71% that will be dealt with at Muskoka or the environment and pollution in second at 64% or climate change in sixth at 58%. Turks also rated terrorism as one of their top three global problems, along with those in India, Pakistan, Indonesia, Spain and the UK. Globally, food and energy prices stood first as the issue that respondents had talked with friends and family about recently, while in Turkey

⁷ Trade may well be dealt with by the G8 as well as by the G20.

⁸ These are Algeria, Egypt, Ethiopia, Malawi (as chair of the African Union), Nigeria, Senegal and South Africa, Columbia, Haiti and Jamaica. These ten, together with the G8's ten (including two from the EU) make up a different "Muskoka G20," still small enough and democratically like-minded enough (save for Egypt) for productive discussions to be held.

terrorism was in first place here. The Toronto G20 will deal with terrorist finance and terrorism as a whole. Food is due to be dealt with at both summits.

In Canada, the state of the global economy was the issue most talked about with family and friends. A subsequent Canadian poll, taken from April 30-May 3, 2010 showed that—Canadians saw global warming as the most important agenda item (at 33.7%) facing world leaders at the forthcoming Muskoka-Toronto summits, with economic recovery in second at (27.2%) (Nanos 2010). Climate will be dealt with at both summits. Moreover Canadians felt Canada's place in the world was strongest in freedom, democracy and human rights, with economic recovery second, open markets third, child and maternal health fourth, nuclear security fifth and global warming in sixth and last place. The first issue will feature at Muskoka and the second at Toronto, allowing Canada to play from its domestically perceived strengths at both summits it will host.

G20 summits have dealt, along with the economy, with terrorist financing from the start and with food and energy since Pittsburgh in a serious way. The G20 finance forum had long had a strong track record here as well. There is thus a strong popular base for Turkish and Canadian leaders in contributing to make the G20 a central global governance forum.

Format

Fourth, Canada, Turkey and their colleagues have redesigned the G20 summit for Toronto so that finance ministers will be absent and the many heads of multilateral organizations invited will sit in the second row, as civil servants usually do, and speak only when they are spoken to regarding their technical expertise. All leaders, including Turkey's will thus have more airtime to speak and be heard, especially as the heads of these multilateral organizations overwhelmingly come not from Turkey but from other states.

This format allows more flexibility and spontaneity for leaders, who could thus use their summit time together to address the crises erupting at the time. In this regard, financial sanctions are relevant not only for terrorist finance but also against the North Koreans that have just attacked their neighbour to the south and against Iran against which a new round of UN sanctions seems soon to come. President Obama used his Pittsburgh G20 summit to send a message to a nuclear committed Iran. Given this precedent, the leaders of Turkey and Brazil, along with a supportive South Africa, could use their free time at Toronto to advance their distinctive approach to this issue as well.

Shaping the G20 System for the Future

Looking ahead, Turkey sees the G20 as a central institution of global governance in which it is eager to play a leadership role. At the start of 2010, when the question of defining a hosting order for the now permanent G20 summit, after the French year in 2011, Turkey, along with Mexico and Russia, offered to accept this responsibility in the near term.

Turkey's vision for the future G20 contains a desire to expand its agenda (Kim 2010). It views the G20 as having both the power and responsibility to address issues beyond the finance core. This is particularly the case as finance and economics affect people as a whole and their central concerns. It is also because the G20 finance ministers and central bank governors have shown their capacity to make concerted efforts in broader field. Turkey's central candidates for agenda expansion are climate change and poverty. These are highly compatible with those of Korea as chair of the November 2010 summit and with similarly placed members such as Mexico and South Africa.

It is far too soon to forecast what Turkey's key priorities might be when it hosts its first G20 summit. But several appropriate and attractive candidates arise. One is the need, beyond the IMF's conditionality and even flexible credit lines, for additional financial safety nets and swaps that can be quickly deployed. A second is development that is driven more by the private sector, a vision that recently graduated Korea will advance at its G20 summit in Seoul in November and might at Toronto too. A third is development amidst diversity and danger. A fourth is helping get the Millennium Development Goals (MDGs) delivered by their fast approaching due date in 2015. A fifth is domestic financial regulation that works for and with Islamic finance. A sixth is climate change and clean energy, led by a Turkey on track to increase its share of renewables from the existing 20% to 30% by 2020.

More broadly, as Turkey will be the first country from the Middle East to host the G20 summit, its essential character as a country that durably respects democracy and diversity will stand out. It can thus pave the way to showing how development through democracy and diversity can bring progress to that troubled region of the world, and to the global Muslim community that lies beyond.

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Appendix A: G20 Compliance, London Summit 2009

Member	Sept 2008	April 2009	September 2009	
	N=1	N = 5	N =	CCN =
Germany	+1	+1		
United Kingdom	+1	+1		
France	0	+1		
Canada	+1	+0.8		
European Union	+1	+0.8		
Australia	+1	+0.8		
Russia	0	+0.4		
United States	0	+0.4		
Brazil	+1	+0.2		
Japan	+1	+0.2		
Saudi Arabia		+0.2		
Turkey		+0.2		
Italy	+1	0		
Mexico	+1	0		
South Africa	+1	0		
South Korea		0		
China	0	-0.4		
India	0	-0.4		
Indonesia	0	-0.4		
Argentina	0	-0.6		
All Average	+0.58	+0.23		
G8 Average (9)	+0.75	+0.62		
Non-G8 Average (11)	+0.50 ^a	-0.03		

Note: G8 members are in bold.

^a Saudi Arabia, Turkey, and South Korea were excluded from this calculation due to lack of compliance data.

Appendix B: Shocks 2009-2010

	Subject	Status	Source	Spread	Speed	Scale: Deaths	Scale: Destruction	Democracy in Doubt
Political Security								
Afghanistan	War	Old-New	BMENA (Afghanistan)	Bilateral Border (Pakistan) Regional (BMENA)				Yes
Korea – Cheonan	War	Old	Asia (North Korea)	Bilateral Border		49		
NYC	Terrorism	New	Yemen-USA	Africa-America		0	0	
Detroit (Dec 12/09)	Terrorism	New	USA			0	0	
New York City (May 2/10)	Terrorism	New	USA			0	0	
Moscow (Mar 29/10)	Terrorism	New	Russia	N/A		38		Yes
Energy-Environment								
Haiti	Environment	New Natural Disaster	Americas	(Dominican Republic)		30,000-50,000		
Chilean Earthquake	Environment	New Natural Disaster	Americas	N/A	N/A	300		
Icelandic Volcano	Environment	New Natural Disaster	Europe (Iceland)	Europe-North America	1 day	0		
Gulf of Mexico	Environment-Energy	New – human accident	USA	America-Mexico	April 20-ongoing	11		
Finance-Economy								
2007-9 American-Atlantic	Banking-Finance	New	USA-Britain-Germany	Global	18 months	0		No
Greece Debt	Sovereign Debt	Old	Greece	Europe	Weeks	3		Yes
European Debt	Sovereign Debt (Bank)	Old (New)	Europe	Global	1 day	0		Yes

Appendix C: Leader Continuity in G8/G20 Countries

G8	# of changes	Summit 1 (Nov 1975)	Summit 2 (Jun 1976)	Summit 3 (May 1977)	Summit 4 (Jul 1978)	Summit 5 (Jun 1979)	Summit 6 (Jun 1980)	# of summits for June 2010 Leader
France	0	d'Estaing	D'Estaing	d'Estaing	d'Estaing	d'Estaing	d'Estaing	Sarkozy = 4
United States	2	Ford	Ford	Carter	Carter	Carter	Carter	Obama = 2
Britain	2	Wilson	Callaghan	Callaghan	Callaghan	Thatcher	Thatcher	Cameron = 1
Germany	0	Schmidt	Schmidt	Schmidt	Schmidt	Schmidt	Schmidt	Merkel = 5
Japan	2	Miki	Miki	Fukuda	Fukuda	Ohira	Ministers ^h	Kan = 1
Italy	2	Moro	Moro	Andreotti	Andreotti	Andreotti	Cossiga	Berlusconi = 9
Canada	2	N/A	Trudeau	Trudeau	Trudeau	Clark	Trudeau	Harper = 5
Russia		N/A	N/A	N/A	N/A	N/A	N/A	Medvedev = 3
European Union	0	N/A	N/A	Jenkins	Jenkins	Jenkins	Jenkins	
<i>Total:</i>	<i>10</i>							
G20	# of changes	Summit 1 (Nov 2008)	Summit 2 (Apr 2009)	Summit 3 (Sep 2009)	Summit 4 (Jun 2010)	Summit 5 (Nov 2010)	Summit 6 (2011)	# of summits for June 2010 Leader
United States	1	Bush	Obama	Obama	Obama	Obama	Obama ^a	3
Britain	1	Brown	Brown	Brown	Cameron	Cameron	Cameron ^b	1
Canada	0	Harper	Harper	Harper	Harper	Harper	Harper ^c	4
Korea	0	Lee	Lee	Lee	Lee	Lee	Lee ^d	4
France	0	Sarkozy	Sarkozy	Sarkozy	Sarkozy	Sarkozy	Sarkozy	4
Argentina	0	Kirchner	Kirchner	Kirchner	Kirchner	Kirchner	Kirchner ^e	4
Australia	0	Rudd	Rudd	Rudd	Rudd	Rudd	Unknown	4
Brazil	0	da Silva	da Silva	da Silva	da Silva	Unknown	Unknown	4
China	0	Hu	Hu	Hu	Hu	Hu	Hu	4
Germany	0	Merkel	Merkel	Merkel	Merkel	Merkel	Merkel	4
India	0	Singh	Singh	Singh	Singh	Singh	Singh	4
Indonesia	0	Yudhoyono	Yudhoyono	Yudhoyono	Yudhoyono	Yudhoyono	Yudhoyono	4
Italy	0	Berlusconi	Berlusconi	Berlusconi	Berlusconi	Berlusconi	Berlusconi ^f	4
Japan	2	Aso	Aso	Hatoyama	Kan	Kan	Kan	1
Mexico	0	Calderón	Calderón	Calderón	Calderón	Calderón	Calderón	4
Russia	0	Medvedev	Medvedev	Medvedev	Medvedev	Medvedev	Medvedev	4
Saudi Arabia	0	Abdullah	Abdullah	Abdullah	Abdullah	Abdullah	Abdullah	4
South Africa	1	Motlanthe	Motlanthe	Zuma	Zuma	Zuma	Zuma	2
Turkey	0	Erdoğan	Erdoğan	Erdoğan	Erdoğan	Erdoğan	Erdoğan ^g	4
<i>Total:</i>	<i>5</i>							

Notes:

- a. Assumes Barack Obama completes his term as president.
- b. Assumes the coalition holds and no election is called.
- c. Assumes no Canadian election is called before 2012.
- d. Assumes Lee Myung-bak completes his term as president.
- e. Assumes the 2011 Argentinian elections are not scheduled before the G20 summit.
- f. Assumes no change in government. Next election date is variable.
- g. Next election date is variable.
- h. Masayoshi Ohira died a few days before the 1980 G7 Venice Summit. Japan was represented by Saburo Okita, minister of foreign affairs, Noboru Takeshita, minister of finance, and Kiyooki Kikuchi, the prime minister's personal representative (sherpa).

Appendix D: Finance Experience of G20 Leaders in 2010

Country	Head	Ministerial Experience	Professional Experience	Education
United States	Bush	0	0	
United States	Obama	0	Lawyer	
Britain	Cameron	0	0	Economics
Canada	Harper	0	Accountant	MA Economics
Korea	Lee	0	Businessman	
France	Sarkozy	Budget, 1992 Interior, 2002, 2005 Economy, finance, and industry, 2004	Lawyer	
Argentina	Kirchner	0	Lawyer	
Australia	Rudd	0	0	
Brazil	Da Silva	0	0	
China	Hu	0	0	
India	Singh	Finance, 2008	Economist, IMF Governor of the Reserve Bank of India, 1982-1985	PhD Economics
Indonesia	Yudhoyono	0	0	PhD Agricultural Economics
Italy	Berlusconi	0	0	
Japan	Kan	Finance Minister, 2010 Deputy Prime Minister		
Mexico	Calderón	0	0	MA Economics
Russia	Medvedev	0	Lawyer	
Saudi Arabia	Abdullah	Chair of the Supreme Economic Council	0	
South Africa	Zuma	0	0	
Turkey	Erdoğan	0	0	