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Heading towards the G-8 St Petersburg summit: what's in it for Africa?

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On 1 January 2006, Russia assumed the presidency of the Group of Eight (G-8), the political twin of the world's seven wealthiest industrial economies (the G-7, namely the United States, Japan, Germany, Britain, France, Italy, and Canada). The ending of the decades-long Cold War, coupled with the triumph of the capitalist economic system over socialism and the eastward expansion of the North Atlantic Treaty Organisation (NATO), stripped the former Soviet superpower of its global status and prestige, and left the Kremlin searching for a new role in international affairs. As the temperamental discontents of the post-Cold War unfolded, it was important for the West to support Russia's fledgling democracy and its market economy experiment. Thus, the G-7 embarked upon a strategy of accommodation, formally including Russia in their exclusive fold at the 1997 Denver summit, attended by the then president, Boris Yeltsin.

The Russian Federation is preparing to host its first summit in St Petersburg on 15–17 July, set against a tempestuous global canvass of soaring oil prices, a growing United States current account deficit, the stalled Doha round of trade talks, the proliferation impasse over Iran's and North Korea's nuclear ambitions, and a host of other challenges that distinctly threatens global stability. But as preparations proceed, Russia's recent domestic and foreign-policy posturings have highlighted its tenuous – even antithetical – membership of this family of free-market democracies. President Vladimir Putin will no doubt try to sell Russia's chairing of the exclusive G-8 as a final confirmation of his country's global, rather than regional, power credentials. It moreover coincides with the Russian rouble's convertibility becoming effective from 1 July 2006, which may result in new capital inflows and strengthening of appreciation pressures. This raises critical questions about the nature and functioning of this elitist (and, for its critics, undemocratic) G-8 forum for global economic governance, and likely scenarios for its future. This policy brief investigates the challenges facing the Russian presidency of the G-8, and audits the state of, and future prospects for, the G-8–Africa partnership.

Global Insight is aimed at providing members of the policy community with concise but trenchant analyses of topical issues. Comments and suggestions are invited.

The rising bear: Russian priorities for the G-8

President Putin has selected three themes to structure the St Petersburg agenda. First, with high oil prices and attendant market instabilities, energy security will assume an important place in the discussions, not least given Russia's credentials as a leading

supplier (and manipulator) of gas and oil. In this regard, president Putin is pushing for the stabilisation of global energy markets, the development of innovative new technologies, the use of renewable energy sources, and protection of the environment. Second, the summit will focus on combating infectious diseases, with the recent global outbreaks of avian bird flu leading the discussion. And third, education has commendably been placed on the to-do list – hopefully, this will mean more support for free primary education in Africa, as well as skills development. Of course, these themes do not preclude discussions on a wider range of issues, including climate change, terrorism, and – notwithstanding the fact that Russia has yet formally to join the World Trade Organisation (WTO) – the Doha round of trade talks, where poor countries legitimately demand a developmental outcome, as promised five years ago. With the expanded contact group in town – namely China, Brazil, India, Mexico, and South Africa (also presently the chair of the G-77) – the G-8 will surely be under pressure to address the developmental concerns of the South, including poverty, debt relief, and the other millennium development goals (MDGs). However, the jury is still out on whether Russia can indeed provide credible and catalytic leadership to ensure a substantive outcome from this summit.

Its detractors hold that president Putin's increasingly authoritarian domestic policies, and his assertive regional strategy in the former Soviet orb, seriously question the suitability of Russia to chair the G-8 (and, indeed, to retain its membership). At home, he has cracked down on the media and civil society, and tightened the political screw on Russian non-governmental organisations (NGOs). Since G-8 summits have traditionally been a focal point for anti-globalisation activism and protest, it remains to be seen whether the Kremlin will, in fact, indulge any disciplined, democratic dissent.

Furthermore, while the United States and the EU may formally grant Russia 'market economy status', a recent wave of nationalisations and the apparent rise of corrupt state capitalism have fuelled concerns over the direction that the world's 12th largest economy is now taking. And within its 'near abroad', Russian foreign policy has been rather calculating, particularly in its heavy-handed leveraging of energy diplomacy to reward those neighbours that toe the Kremlin line, while punishing recalcitrance. For example, in January 2006, Russia appeared to signal its displeasure at the Ukrainians' Orange Revolution by cutting its gas deliveries – in the midst of winter – to its pro-democratic western neighbour (but, ironically, is devoting its G-8 presidency to energy security).

The G-8 and Africa: a potted history

A potted history of Africa's engagement with the G-8 – a gradual, but sustained process culminating with the Gleneagles summit of last year – would perhaps read as follows. Complementary to the new development paradigm and project embodied in the African Union (AU) and the New Partnership for Africa's Development (NEPAD), presidents Mbeki (of South Africa), Bouteflika (of Algeria), and Obasanjo (of Nigeria) attended the Okinawa and Genoa summits in 2000 and 2001, where they sought, inter alia, a principled commitment from the G-8 to assist with Africa's development. Their efforts were rewarded in June 2002, when the Kananaskis summit in Canada adopted the multifaceted African Action Plan (AAP), pledging support for peace and security, debt relief, trade and investment, improved health and treatment access for HIV/AIDS, and strengthening institutions and governance. Additional commitments were subsequently made at Évian-les-Bains (France) and Sea Island (United States) in 2003 and 2004, including the establishment of the Africa Partnership Forum (APF). Informed by a joint action plan, the APF will now monitor all the commitments that African countries and Africa's development partners have made to address the continent's development needs. Its first audit is due out this October.

But it was at last year's Gleneagles summit, hosted by British prime minister Tony Blair, that support for Africa reached its highpoint. This culminated in the ambitious 'Commission for Africa report', as well as such NGO activism as 'Live 8' and 'Make poverty history', which even roped in the support of former South African president Nelson Mandela. Gleneagles agreed on a comprehensive package of measures to support Africa's development, including debt cancellation, doubling aid, trade justice, free healthcare and primary education, and treatment access for HIV/AIDS. But compared with this zenith of policy activism for Africa, 2006 and St Petersburg may well prove to be the nadir in the G-8's engagement with the continent. While it is understandable that Africa does not top the Kremlin's list of priorities, catalytic momentum is, however, now required to deliver fully on last year's ambi-

tious pledges. Prime minister Blair recently acknowledged that key commitments to help Africa have yet to be met. For this reason, he has convened the Africa Progress Panel, to be led by UN secretary-general Kofi Annan, specifically to monitor the implementation of the G-8's commitments.

Considerable work remains if these pledges and promises are to be effectively realised. Actionaid, an international development agency, is hardly sanguine over the past year's progress: 'The picture varies, by country and by target, but our overall verdict is "mission unaccomplished" – a comment both on the extent of implementation and the staying power of the G-8 leaders. At present, a mix of backsliding, buck-passing and half-measures by rich countries risk undoing much of the progress of last year' (Actionaid 2006).

The Gleneagles agenda: a critical scorecard

The Actionaid scorecard on the Gleneagles pledges reveals the following progress, or patent lack thereof:

- The G-8 has exceeded its pledge to cancel 100 per cent of the multilateral debts owed by the world's 18 poorest countries (14 of which are in Africa), with 19 countries in fact benefiting from a US$35 billion debt cancellation. Nigeria has had US$18 billion of its US$30 billion debt cancelled, in return for it repaying the outstanding US$12 billion during 2006. But as Britain's treasury minister, Gordon Brown, suggested in January this year, the task at hand is to now replicate full debt relief for the entire world's most indebted and indigent nations.
- The G-8 has reneged on its commitment to support a pro-poor global trade deal in the stalled Doha round negotiations of the WTO. At last December's Hong Kong ministerial meeting, an agreement was struck that was high on sentiment, but low on substance. The EU agreed to eliminate export subsidies by 2013 – a *fait accompli* in internal common agricultural policy (CAP) reform anyway, and a far cry from a more credible date: 2008 – and the industrialised countries granted their least-developed peers duty- and quota-free market access for 97 per cent of their products (perversely excluding the 3 per cent of tariff lines likely to be of most export interest).
- Although there may still be time to prove its detractors wrong, thus far it does not appear likely that the G-8 will reach its Gleneagles target of doubling aid, which was part of a US$50 billion increase by 2010. In particular, more concerted action is required from Germany, the United States, and Italy.
- On HIV/AIDS, the G-8 has thus far failed to set a clear plan for achieving its target of universal treatment access by 2010, and are not committing sufficient resources.

Recommendations and challenges

Several challenges lie ahead as the G-8's leaders prepare for St Petersburg. Firstly, the G-7 democracies will have to navigate pragmatically the complex conundrum of ensuring a successful summit with meaningful outcomes, while also signalling their displeasure at the Kremlin's growing authoritarian tendencies (and its repression of democratic impulses within the former Soviet republics). The summit will indeed be a litmus test for the G-8's democratic principles and viability.

Secondly, notwithstanding Putin's vision for this summit, Africa must remain a priority if the benefits of past activism are to be reaped. Germany, as the next chair of the G-8, has already initiated consultations on how best to build on the Gleneagles momentum. Concerted action is urgently needed to ensure that pledges, old and new, are now acted upon. This should include debt relief for the remaining highly indebted African nations; a recommitment of political will to the aid targets for Africa, coupled with pro-poor trade justice in the Doha round, now in crisis after the weekend's failed ministerial meeting; support for sustainable food security and HIV/AIDS treatment access; and marketing of the investment climate facility (ICF), which provides a mechanism through which the private sector, the G-8, other donors, and African governments and institutions can support Africa's vision for sustainable growth and development. Alas, the cacophony of international NGO activism that surrounded Gleneagles last year has palpably petered out, precisely when the G-8 should now be subject to greater criticism and scrutiny. Russia should also use this opportunity to address one of the more pernicious legacies of the Soviet Union's past involvement in Africa: the swathe of AK47s that fuel conflicts and insecurity (although many of these no longer come from Russia, but hail from the former Soviet republics). This could at least translate into greater support for a

strengthened international regime to eradicate small and light arms.

Finally, like most institutions of global governance, the G-8 – the opaque epicentre of today's capitalist global hegemony – suffers from democratic deficits in an increasingly pluralised world order. It needs reform. The inclusion of Russia in the G-8 thus opens up the possibility of expanding the group's membership to at least include the remaining BRICS: Brazil, India, and China (and some would make a case for South Africa, too, particularly now that it is a strategic partner of the EU). This would institutionally infuse its debates and decisions with developing-world participation, and better reflect future global realities. A recent study by Goldman Sachs (2003) highlights that over the next 50 years, the BRICS economies could become a much larger force in the world economy. In less than 40 years, the BRICS economies together could be larger than the G-6 – the G-7 less Canada[1] – in US dollar terms. By 2025, they could account for over half the size of the G-6. Of the current G-6, only the United States and Japan may be among the six largest economies in US dollar terms in 2050. The G-8 as presently constituted may well find itself outflanked: Canada, a G-8 member, has already proposed a new Leaders' 20 summit (L20), as a form of top-down governance to manage the dual challenges of legitimacy and efficiency within the international system. This L20 would surely be far better equipped than the G-8 to negotiate the nettles and unlock the Doha round's stalled trade talks.

Endnotes

1 Goldman Sachs arbitrarily limited its study to those developed economies with gross domestic product currently over US$1 trillion.

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