

June 2005

Suspending disbelief

The promises and actions of the G8
from 1998 – 2005



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1. Introduction

The G8 - the club of the world's most powerful leaders - has a credibility problem. After the major protests that occurred at the Seattle WTO Ministerial Conference in 1999 and the Genoa G8 Summit in 2001, the G8 decided to stop meeting in places where they may be confronted by their citizens. Instead they have since tucked themselves away in the relative seclusion of Kananaskis, Evian-les-Bains, Sea Island and now Gleneagles. Staying well away from electorates in order to make pronouncements about democracy, amongst other things, seems to have become the 'modus operandi' of the G8.

The increased distance between the G8 leadership and their people has, at the same time, been accompanied by an increase in the G8's 'output'. Back in 1998 (and before), the main G8 summit produced a single communiqué that could fit on 8 sides of A4, plus a couple of other statements (eg, on 'regional issues'). By the G8 meeting at Evian in 2003, although the communiqué had been dropped and replaced with a 'Chair's Summary', the G8 produced an almost bewildering array of 16 separate statements, 'action plans' or declarations. At the Sea Island summit in 2004, this increased to 21.ⁱ

Perhaps this is symptomatic of the G8's desperate search for legitimacy, attempting to make up for the lack of real scrutiny and democracy that characterises this exclusive club of decision-makers.

Whatever the reason, every year, tens of millions of pounds are spent on the G8 gathering; every year, hundreds of journalists try to interpret, and report on, what the G8 are saying; and every year, disbelief is suspended by millions of people hoping that 'this time' these countries can agree to concrete actions that will address a range of global problems.

Yet little attention is paid to the G8's track record; each year, the focus is on what the G8 may or may not come up with 'this time'. This year, perhaps more than any other, the G8 will be scrutinised for what they will deliver on a series of global issues: debt, aid, climate change and trade, but it is important to place this in context. This briefing is therefore designed to provide some background information on what the G8 have said during the last 'cycle' of meetings since they last met in the UK in 1998, and what the G8 countries have done.

The briefing does not attempt to cover every issue on which the G8 makes pronouncements; the principal focus is on the issues of debt, aid and trade with three additional sections on climate change, corporate regulation and human rights/democracy. Where relevant, also included is how WDM reacted to the various G8 announcements at the time and WDM's handy spin-watch guide to help cut through some of the potential rhetoric that may emerge from the G8 leaders at the 2005 summit in Gleneagles.

ⁱ For those interested, the University of Toronto has a very useful web site providing the relevant documents from previous G8 summits (see: <http://www.g8.utoronto.ca/summit/index.htm>)

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2. Dropping the debt?

2.1 1998 Birmingham

70,000 people surrounded the G8 summit in Birmingham demanding debt cancellation for the world's poorest countries. WDM, as part of the Jubilee 2000 campaign, were calling for 100 per cent debt cancellation for 52 countries, which would have been a total debt reduction of US\$372 billion.

The G8 responded with the following statement; “[We pledge ourselves to a shared international effort] to support the speedy and determined extension of debt relief to more countries, within the terms of the Heavily Indebted Poor Countries (HIPC) initiative ... We encourage all eligible countries to take the policy measures needed to embark on the process as soon as possible, so that all can be in the process by the year 2000 ... to secure a lasting exit from their debt problems.”¹

WDM commented: “This is simply not enough. The path to debt relief is still littered with hurdles. By 2000 a small number of countries will be half way towards receiving debt relief which, even when they do get it, will be grossly inadequate. The leaders of the richest countries have, after much deliberation, agreed to use a leaky bucket to put out a forest fire.”²

Number of countries given debt relief by 1998: 1	Average amount of debt cancelled for those given relief: 20%
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2.2 1999 Cologne

It had become increasingly apparent that the HIPC initiative was failing to deliver enough, so **the G8** responded by saying, “We have decided to give a fresh boost to debt relief to developing countries ... Recent experience suggests that further efforts are needed to achieve a more enduring solution to the problem of unsustainable debt burdens. To this end we welcome the 1999 Köln Debt Initiative, which is designed to provide deeper, broader and faster debt relief through major changes to the HIPC framework.”³

The G8 added, “We are aware that new proposals will require additional substantial financing. While several means of financing are under consideration, credible progress in identifying additional funding possibilities is needed, and we stand ready to help with financing solutions.”⁴

WDM commented: “G7 leaders have met us half way in providing some broader, deeper and faster debt relief but it still comes with strings firmly attached. They haven't budged an inch on freeing debt relief from the IMF policies which are pushing the poor deeper into poverty.”⁵

Number of countries given debt relief by 1999: 4	Average amount of debt cancelled for those given relief: 30%
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2.3 2000 Okinawa

The pattern continued with the following **G8** statement; “We will work together to ensure that as many countries as possible reach their Decision Points, in line with the

targets set in Cologne, giving due consideration to the progress of economic reforms and the need to ensure that the benefits of debt relief are targeted to assist the poor and most vulnerable ... We reaffirm our commitment to make available as quickly as possible the resources we have pledged in the spirit of fair burden sharing.”⁶

WDM commented: “Last year the G7 meeting in Cologne announced a \$100bn debt relief bonanza. The world applauded. It was all spin. Only \$25bn was new money. Since last year’s G7 meeting, poor countries have only received \$2bn. It is pathetic. The G7 countries have promised 100 per cent debt relief. But this only applies to country-to-country debt. This accounts for just one quarter of the total debt. The rich countries must go further. They must demand that the IMF, which they control, cancel the bulk of the debt.”⁷

The **G8** also praised the ‘poverty reduction strategy process’ as enabling poor countries to have a country owned strategy, saying, “We welcome the efforts being made by HIPCs to develop comprehensive and country-owned poverty reduction strategies through a participatory process involving civil society.”⁸

Yet, as **WDM said**, these countries still had to implement IMF and World Bank imposed policies, commenting, “It is a cruel irony that the final hurdle to desperately needed debt relief is a package of policies which are shown to hurt the poor.”⁹

Number of countries given debt relief by 2000: 4	Average amount of debt cancelled for those given relief: 35%
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2.4 2001 Genoa

The G8 said, “We are delighted twenty-three countries have qualified for an overall amount of debt relief of over \$53 billion, out of an initial stock of debt of \$74 billion. We must continue this progress.”¹⁰

WDM commented: “Figures given of \$53bn apply to the amounts debtor countries will ultimately receive. Even these fall short of the \$100bn in debt relief promised two years ago in Cologne. In fact only \$2.6bn has been delivered since then ... The impression given that more will be done on debt is simply untrue. Nothing new was put on the table. Promises made at Cologne remain unfilled.”¹¹

The G8 also stated that, “We confirm that HIPC, in conjunction with reforms by the countries to ensure strong domestic policies and responsible lending by donors, is designed to lead to a lasting exit from unsustainable debt.”¹² (underlining added).

Yet the whole basis for determining ‘unsustainable debt’ levels was fundamentally flawed. **WDM identified** the IMF and World Bank ‘Debt Sustainability Analysis’ (DSA) based on a debt/exports ratio “as the reason that debt repayments are only being reduced by about one third, so that even after debt relief many countries, such as Rwanda and Zambia, still pay more in debt repayments than they spend on health and education.” **WDM called for** “a definition of unsustainable debt that starts by measuring the amount of resources a country needs for poverty reduction and only uses what is left over for debt repayments.”¹³

Number of countries given debt relief by 2001: 6	Average amount of debt cancelled for those given relief: 34%
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2.5 2002 Kananaskis

The G8 was claiming, "We will fund our share of the shortfall in the enhanced HIPC initiative, recognizing that this shortfall will be up to US\$1 billion. We stressed the importance of good governance in countries benefiting from HIPC debt relief."¹⁴

The G8 added, "To date, 26 countries are benefiting from debt relief under this Initiative. Overall, debt relief for these countries will amount to US\$40 billion in net present value terms - almost two-thirds of their total debt. As many as 37 countries are expected eventually to benefit from debt reduction under the Initiative."¹⁵

Number of countries given debt relief by 2002: 8	Average amount of debt cancelled for those given relief: 43%
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2.6 2003 Evian

And, for some reason using different calculations, **2003 saw the G8 say**, "Since Kananaskis, where we pledged to provide our share of the shortfall of up to \$1 billion, progress has continued in the implementation of the HIPC initiative. Twenty-six of the world's poorest countries are now benefiting from debt relief, totalling more than \$60 billion committed in nominal terms."¹⁶

Number of countries given debt relief by 2003: 9	Average amount of debt cancelled for those given relief: 45%
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2.7 2004 Sea Island

And continuing the pattern, by 2004, **the G8 was claiming**, "The Heavily Indebted Poor Countries Initiative (HIPC) has to date provided welcome debt reduction to 27 countries pursuing economic reform programs, 23 of them in Africa, and is providing \$31 billion in debt service relief over time."¹⁷

"We have asked our Finance Ministers to ... work with other donors and the international financial institutions to extend the sunset date of the HIPC initiative until December 31, 2006 and to provide the necessary financing for completion of the initiative, including topping up where appropriate."¹⁸

WDM said, "If debt relief actually occurred every time the media reported a new 'proposal' or 'boost', there would not be any debt left to cancel. Yet again the G8 have harvested a good crop of favourable headlines and even the acclamation of some development campaigners at a knock down price. The cash on the table from the G8 - the \$1 billion 'top up' to the debt relief scheme - would not even pay off half of what Zambia alone owes and the two year extension of the HIPC initiative merely repeats the actions of previous years."¹⁹

"It would cost just £18bn (\$35bn) [net present value] to cancel 100% of the remaining debt owed by the 41 most heavily indebted poor countries to the IMF and the World Bank. The USA has spent over \$100bn on the war in Iraq. It could cancel the debt by itself and not even notice. There is no external impediment to debt relief. They chose not to in the full knowledge that tens of thousands of people will die as a result of their inaction."²⁰

By the end of 2004, only seven out of the 42 countries in the HIPC process had what could be considered as 'sustainable' debt burdens. The G8 and HIPC had failed to achieve their objective.

Number of countries given debt relief by 2004: 13	Average amount of debt cancelled for those given relief: 49%
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2.8 2005 UK

On 11 June 2005, after over a decade of campaigning by people all over the world, the G7 Finance Ministers announced a proposal to cancel the debts owed by some of the world's poorest countries to the World Bank, the IMF and the African Development Bank. This is a major step forward, particularly for the 18 countries that already qualify for immediate cancellation. A further 20 countries stand to benefit from the scheme in future. However, the sting in the tail is that these countries will have to implement World Bank and IMF imposed economic policies such as trade liberalisation and privatisation in order to get the money despite the fact that, time and again, these policies have demonstrably failed in poor countries.

G8 2005 spin-watch: Debt

With a major step forward taken on debt cancellation at the G7 Finance Ministers meeting on 11 June, it will be left to the G8 to re-announce the proposal. But although a positive move, there is still some devil in the detail. What the G8 are not likely to mention is that:

- Countries will have to implement failed IMF & World Bank free market policies to qualify for the cash
- It does not include at least 20 countries that have been identified as needing debt cancellation to achieve the Millennium Development Goals
- It does not include other regional development banks so has less utility for poor countries in Latin America and Asia
- It will mean less multilateral aid for countries in the scheme

In his joint press conference with Tony Blair, four days before the G7 debt announcement, George Bush made his intentions on conditionality very clear, saying, "We're really not interested in supporting a government that doesn't have open economies and open markets. We expect there to be, you know, reciprocation."²¹

In contrast, the UK Government recently responded to campaigners by committing to stop imposing such economic policies on poor countries in return for UK bilateral aid. The G7 debt cancellation scheme now stands in direct contradiction to this approach.

Also, the new G7 proposal has other flaws (see spin-watch). Although the UK government has acknowledged that more countries need cancellation and other development banks need to be included, the G7 is not in agreement.

Number of countries given debt relief by 2005: 18	Average amount of debt cancelled for those given relief: 49%
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3. Increasing aid?

In 1970, the industrialised world signed up to meeting a target of providing 0.7 per cent of national income in aid. 35 years later, none of the G7 countries are anywhere near achieving it. In fact, mention of this target is notably absent from G8 communiqués over the past 7 years.

Instead, the G8 has found it easier to announce stand alone schemes that sound grand but are often about reshuffling existing aid budgets rather than committing new resources. Even then, the G8 has not always followed through.

3.1 1998 Birmingham

The G8 announced, “[We pledge ourselves to a shared international effort] to work to focus existing bilateral aid and investment agency assistance in support of sound reforms, including the development of basic social infrastructure and measures to improve trade and investment”²²

3.2 1999 Cologne

The G8 said, “We will strive gradually to increase the volume of official development assistance (ODA), and to put special emphasis on countries best positioned to use it effectively.”²³

3.3 2001 Genoa

The G8 re-announced the Global Fund for AIDS, saying, “We have launched with the UN Secretary-General a new Global Fund to fight HIV/AIDS, malaria and tuberculosis. We are determined to make the Fund operational before the end of the year. We have committed \$1.3 billion. The Fund will be a public-private partnership and we call on other countries, the private sector, foundations, and academic institutions to join with their own contributions - financially, in kind and through shared expertise. We welcome the further commitments already made amounting to some \$500 million.”²⁴

Kofi Annan had previously announced the Global Fund, calling for US\$7 – 10 billion to finance it.

WDM said: “The stakes are high in summit gimmickry where a new initiative must be announced each year, each one bigger and better than the last. Actually getting the job done isn’t on the agenda. The latest in this line of ‘new’ initiatives is the Global AIDS and Health Fund to be re-announced today in Genoa ... The new fund will only be a drop in the ocean compared to what is needed. Again it looks as if the real winners will be the rich countries – gaining praise for promises, proposing priorities, and pumping the profits of their pharmaceutical multinationals.”²⁵

3.4 2002 Kananaskis

The G8 re-announced commitments made earlier in the year at the Monterrey Conference on Financing for Development, stating, “By 2006 ... new commitments will increase ODA by a total of US\$12 billion per year. Each of us will decide, in accordance with our respective priorities and procedures, how we will allocate the additional money we have pledged.”²⁶

And in the same year the G8 Plan for Africa also reaffirmed the G8's commitment to demanding free market policies in return for aid to African countries with the following statement; "Assuming strong African policy commitments, and given recent assistance trends, we believe that in aggregate half or more of our new development assistance could be directed to African nations that govern justly, invest in their own people and promote economic freedom ... no country genuinely committed to poverty reduction, good governance and economic reform will be denied the chance to achieve the Millennium Goals through lack of finance."²⁷ (underlining added).

WDM commented: "As the G8 discusses new forms of conditionality, Africa is being divided into the deserving and undeserving poor. The G8 must stop blaming the victims and commit to a real development plan that reflects Africa's urgent needs."²⁸

Over the past seven years, the G8 has also made several mentions of untying aid. For example, in 2002, **the G8 said**, "We commit to improving the effectiveness of Official Development Assistance (ODA), and strengthening ODA commitments for enhanced-partnership countries - including by ensuring effective implementation of the OECD/DAC recommendations on untying aid to the Least Developed Countries."²⁹

It is worth noting that aid untying to the Least Developed Countries (LDCs) – the world's poorest 49 countries - is not the most challenging objective because, according to the OECD, the LDCs only receive 15 per cent of G7 aid.³⁰ Also, the OECD untying initiative does not include 'technical co-operation' (eg, the use of aid to pay for consultants to advise poor countries – a growing phenomenon) and it does not include food aid.³¹

Yet, even though these major loopholes exist, the UK is the only G7 country to have fully implemented the OECD/DAC recommendations. As for the others, the USA is the poorest performer with 4 per cent untied aid to LDCs and Japan the best with 70 per cent untied.³²

G8 2005 spin-watch: Aid

It is unlikely that the G7 countries will mention their collective failure to meet the 0.7 per cent aid target, although some may want to trumpet the fact that they have set a 'timetable'.

The G8 may re-announce the increase in European aid agreed in May and the 'redeployment' of some US aid to Africa that George Bush and Tony Blair trumpeted in June.

There is likely to be strong rhetoric on 'aid effectiveness' – perhaps with further 'commitment' on aid untying to LDCs – but few details, and there will be no specific mention of the privatisation and trade liberalisation policies imposed on poor countries in return for aid.

The UK will be pushing the IFF – a scheme to 'front-load' aid by borrowing from financial markets. What Gordon Brown doesn't like to mention is the likely drop in aid budgets once IFF repayments are due in about 2017. For more info on the IFF, see www.wdm.org.uk/resources/briefings/general/iff.pdf

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3.5 The G8 record on aid

By 2004 the G7 had achieved the following:

Table 1. Trends in Net Official Development Assistance by G7 countries 1988 - 2004 (percentage of Gross National Income)

	1988	1998	2004	Change since 1988	Change since 1998
Canada	0.47	0.28	0.26	- 0.21	- 0.02
France	0.56	0.39	0.42	- 0.14	+ 0.03
Germany	0.35	0.26	0.28	- 0.07	+ 0.02
Italy	0.38	0.19	0.15	- 0.23	- 0.04
Japan	0.31	0.27	0.19	- 0.12	- 0.08
UK	0.31	0.27	0.36	+ 0.05	+ 0.09
US	0.20	0.10	0.16	- 0.04	+ 0.06
Total G7	0.30	0.20	0.21	- 0.09	+ 0.01

So, by 2004, only two G7 countries were even half-way to meeting the 3 decades old commitment of providing 0.7 per cent of national income in aid and only one G7 country (the UK) was providing more aid in 2004 than it had in the late 1980s. Since then France has set a timetable for reaching 0.7 per cent by 2012 and the UK has expressed a wish that it would like to meet 0.7 per cent by 2013.

The only countries to exceed the UN target for ODA of 0.7 per cent of GNI remain Denmark, Luxembourg, the Netherlands, Norway and Sweden.

As for the Global Health Fund, WDM reported in 2003, "The fund is suffering a crisis in its funding, unable to support good proposals submitted to its third round of funding. A total of \$2.2bn has been disbursed compared to a target of \$7-10bn called for by Kofi Annan."³³

4. Trade Justice?

The G8 countries have little interest in making new policies on trade at their annual summits. Italy, France, Germany and the UK are in no position to create new EU trade policies in the absence of the other 21 EU member states and no G8 country has much interest in announcing unilateral trade reforms for which they get nothing in return.

The G8's output on trade therefore tends to be particularly anodyne. Grand rhetoric and either (re)stating the obvious and/or (re)stating existing policy positions is the name of the game.

There is little point repeating all the G8's output on trade because most of it has little significance. The main role of G8 discussions on trade seems to be trying to stitch up broadly agreed agendas for the major trade powersⁱⁱ in advance of WTO negotiations (eg, agreement on **launching a round of negotiations** and on the broad content of such a round).

4.1 Launching a new round of trade negotiations

For example, at the Cologne Summit in 1999, the G8 said, "We call on all nations to launch at the WTO Ministerial Conference in Seattle in December 1999 a new round of broad-based and ambitious negotiations with the aim of achieving substantial and manageable results."³⁴

After the collapse of talks in Seattle, the major trade powers had to regroup and pursue the launch of a new round before, or at, the Doha Ministerial in 2001. A key issue at the time was the 'breadth' of the round (ie, how broad the negotiating agenda would be) and the G8 countries used their summit to mutually reinforce support for a broad round of talks including 'new issues' such as investment. So, before the new round was launched in 2001, the G8 said, "At the multilateral level, a stable and non-discriminatory investment regime could be brought about and maintained through the establishment of a high-standards framework of investment rules."³⁵

The inclusion of possible new WTO agreements on the so-called 'Singapore issues' as part of the round went against the wishes of the majority of developing countries. Yet this did not stop the G8 countries from proclaiming the talks launched at the WTO Ministerial meeting in Doha in 2001 as the 'Doha Development Agenda'.

Since the round was launched, the G8's role has been to urge a speedy conclusion and to continue to claim that they are pursuing a 'development agenda' despite the actions of G8 countries who have, time and again, blocked developing country proposals in the WTO.

ⁱⁱ The G7 countries: Canada, Japan and the USA plus France, Germany, Italy and the UK (the largest EU member states) are arguably the most powerful WTO members. Russia is currently negotiating to join the WTO.

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So in 2002, **the G8 said**, “[We] stressed our commitment to work with developing countries to ensure the successful conclusion of the Doha Development Agenda by January 1, 2005.”³⁶

And in 2003, “We are committed to delivering on schedule, by the end of 2004, the goals set out in the Doha Development Agenda, and to ensuring that the Cancun Ministerial Conference in September takes all decisions necessary to help reach that goal.”³⁷

WDM commented at the time, “The EU is leading the effort to expand the WTO’s mandate to cover new non-trade issues such as foreign investment, despite opposition from most of the developing world, NGOs and trade unions. While the rhetoric has been about a ‘development agenda’, the priorities of the EU continue to reflect the perceived interests of its largest corporations. The stage is set for a bitter fight at the WTO Ministerial meeting to take place in Cancun.”³⁸

In Cancun of course, the G8 countries (Europe and Japan in particular) refused to acknowledge developing country opposition by continuing to push for new WTO rules on the ‘Singapore issues’. This led to the eventual collapse of the talks.

4.2 ‘The importance of multilateralism’

The G8 is also fond of restating the importance of multilateralism. Pretty much every year, the G8 will say something along the lines of, “We stress our faith in and commitment to the multilateral trading system.”³⁹ Since 1998, in contrast to this so-called ‘faith’ in the multilateral system, at least 23 bilateral trade agreements have been signed by G8 countries and many more have been initiated.⁴⁰

The G8 have also, through their power in the World Bank and IMF, been forcing poor countries to open markets unilaterally in return for aid, loans and debt relief. So while the G8 countries generally wait for multilateral ‘trade rounds’ or bilateral deals before liberalising in order to gain maximum concessions out of other countries, they have been forcing developing countries, through IMF and World Bank conditions, to do the opposite. Again, George Bush’s recent statement that aid will only be given to countries with ‘open markets’ suggests this hypocrisy will continue.⁴¹

4.3 ‘Resisting protectionism’

More or less every year the G8 will recommit to ‘resisting protectionism’ and demand the same of the rest of the world. For example, in 1998, the G8 said, “We call on all countries to open their markets further and resist protectionism.”⁴² In 1999, the G8 said, “We call on all nations to resist protectionist pressures and to open their markets further.”⁴³ And in 2002, the G8 said, “We agreed to resist protectionist pressures.”⁴⁴

Yet such statements seem hardly worth the paper they are written on. In March 2002, four months before agreeing at the G8 to ‘resist protectionist pressures’, the US Government hiked its tariffs on steel to protect the US steel industry from low priced competition. After 21 months, and a WTO dispute procedure, the tariff protection was lifted.

In May 2002, two months before agreeing at the G8 to ‘resist protectionist pressures’, George Bush signed a new US farm bill. According to one report at the time,

“Commenting on international concerns over the new legislation - which is expected to raise total US agricultural subsidies to US\$180 billion over ten years - Chair of the Senate Agriculture Committee and a major proponent of the new policy Tom Harkin said the new farm legislation ‘is not for European farmers and South American farmers. This is for our farmers.’”⁴⁵

It is well known that, when it comes to agriculture, the European Union has a poor track record in ‘resisting protectionism’. Despite further reforms to the widely discredited Common Agricultural Policy in 2003, these were criticised as being ‘piecemeal’ and offering little if any benefit to the world’s poor.⁴⁶ In fact, assessments for the European Commission found that the ‘decoupling proposals’ would, for example, increase EU production on most cereals by 2009 on their 2002 level.⁴⁷

And during the first few months of 2005, both the USA and the EU have announced curbs on Chinese textile exports to protect domestic manufacturers, so we can fully expect further G8 statements this year on the need for all countries to ‘resist protectionism’.

4.4 Market access for the Least Developed Countries

And, invariably, every year, the G8 countries will express their commitment to working towards the objective of duty and quota free market access for the Least Developed Countries. The EU is perhaps the closest to achieving this through its ‘Everything But Arms’ initiative. In any case, this market access is becoming less and less useful and less and less significant as Least Developed Countries are forced to open their own markets to international competition, exposing, and often destroying, what little manufacturing capacity they have developed. These countries are then faced with exporting primary commodities – a strategy unlikely to reduce poverty and promote development in the long term.

G8 2005 spin-watch: Trade

The G8 countries are unlikely to announce a significant change in trade policy.

They might announce new efforts on ‘capacity building’ (ie, paying consultants to educate developing country trade officials on forming domestic trade policy and negotiating in the WTO).

They will probably recommit themselves to ‘working towards the objective’ of tariff and quota free market access for LDCs.

They will almost certainly recommit themselves to achieving a prompt resolution to the so-called ‘Doha Development Agenda’ despite the fact that they generally oppose, sideline or ignore developing country positions in the WTO.

WDM’s comment in 2003 perhaps sums up the G8 on trade, “The G8 statement on trade contains nothing new. They are playing fast and loose with the multilateral trade system. We need a set of international trade rules based on what is best for the world’s poor, not the myth that free trade will deliver for all.”⁴⁸

5. Combating climate change?

The issue of climate change has suffered a steady decline in G8 communiqués since 1998. From the ‘greatest environmental threat to our future prosperity’, climate change has now been relegated to ‘a pressing issue’.

5.1 1998 Birmingham

The G8 stated: “The **greatest environmental threat** to our future prosperity remains climate change. We confirm our determination to address it, and endorse the results of our Environment Ministers’ meeting at Leeds Castle. The adoption at Kyoto of a Protocol with legally binding targets was a historic turning point in our efforts to reduce greenhouse gas emissions. We welcome the recent signature of the Protocol by some of us and confirm the intention of the rest of us to sign it within the next year, and resolve to make an urgent start on the further work that is necessary to ratify and make Kyoto a reality ... To this end: we will each undertake domestically the steps necessary to reduce significantly greenhouse gas emissions.”⁴⁹

5.2 1999 Cologne

The G8 changed their position on climate change to, “We reaffirm that we consider climate change an **extremely serious threat** to sustainable development. We will therefore work towards timely progress in implementing the Buenos Aires Plan of Action with a view to early entry into force of the Kyoto Protocol. In particular, we encourage decisions on the operation of the Kyoto mechanisms and on a strong and effective compliance regime. We underline the importance of taking action to reduce greenhouse gas emissions through rational and efficient use of energy and through other cost-effective means.”⁵⁰

5.3 2001 Genoa

The G8 position was further weakened with, “We recognise that climate change is a **pressing issue** that requires a global solution. We are committed to providing strong leadership. Prompt, effective and sustainable action is needed, consistent with the ultimate objective of the UN Framework Convention on Climate Change of stabilising greenhouse gas concentrations in the atmosphere. We are determined to meet our national commitments and our obligations under the Convention through a variety of flexible means, drawing on the power of markets and technology.”⁵¹

G8 2005 spin-watch: Climate

Watch out for the latest G8 proclamation on whether climate change constitutes the ‘greatest environmental threat’ facing the world or is merely a ‘pressing issue’.

Given Tony Blair’s focus on climate change and Africa, it is likely the G8 will need to come up with something. Expect rhetoric on new technology or research and development.

Perhaps the G8 will put money into investigating ways to store carbon instead of making real commitments to reducing emissions.

The G8 may decide to endorse nuclear power as a solution while not mentioning what to do about radioactive waste or the link with nuclear arms proliferation.

5.4 2002 Kananaskis

The G8 released a similarly weak statement prefaced with, “We recognized that climate change is a **pressing issue** that requires a global solution.”⁵²

In contrast, the UK Government’s chief scientist has called climate change a “bigger threat than terrorism”.

5.5 The G8 record on climate change

G8 countries represent just 13 per cent of the world's population, but account for 45 per cent of global greenhouse gas emissions. But the response from the G8 has been poor. The USA has refused to ratify the Kyoto Protocol aimed at reducing greenhouse gas emissions and four of the G8 countries have failed to cut their emissions.

According to the latest UN data, between 1990 and 2002 (the latest time series data available), total aggregate greenhouse gas emission changes were as follows:

Table 2. Percentage change in greenhouse gas emissions 1990 - 2002⁵³

Country	Percentage change
Canada	+20.1
USA	+13.1
Japan	+12.1
Italy	+8.8
France	-1.9
UK	-14.5
Germany	-18.5
Russia	-38.5

It is worth noting that the severe drop experienced by Russia was due to the major recession that followed the implementation of IMF imposed ‘economic shock treatment’ during the 1990s and the cut in emissions achieved by the UK was achieved largely because of the switch from coal to gas power generation.

Unfortunately, the latest information shows that UK carbon emissions have actually increased over the past three years with transport related emissions becoming an increasing part of the problem.⁵⁴

Overall, reductions in greenhouse gas emissions by the G8 countries are far from the 60 per cent cut the Intergovernmental Panel on Climate Change (IPCC) says is needed to stabilise greenhouse gas concentrations in the atmosphere.

6. Corporate regulation

While the G8 leaders are keen to create new rules and restrictions that apply to individual citizens (see next section), they have little interest in regulating multinational companies to ensure compliance with basic social and environmental standards.

In 2003, the G8 stated, “Consistent with the outcomes of the World Summit on Sustainable Development, we support voluntary efforts to enhance corporate social and environmental responsibility ... We also welcome voluntary initiatives by companies that promote corporate social and environmental responsibility, such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles consistent with their economic interest.”⁵⁵

The OECD Guidelines for Multinational Enterprises were first produced in 1976, and set-out voluntary codes it is hoped businesses will implement. As well as there being no enforcement mechanism or sanctions attached to breaking the guidelines, governments do not monitor whether they are being followed. Furthermore, many of the clauses in the guidelines include wording such as ‘where practicable’ or ‘when appropriate’, leaving it open to companies to interpret the guidelines as they want.

The UN Global Compact was launched by the UN Secretary-General in 2000. To join the initiative, companies take a choice to write to the UN expressing support for the principles endorsed by the Compact. Once they have done so, there is no monitoring system determining whether their actions are in line with the principles, and no enforcement mechanism. The UN Global Compact itself says that once companies are part of the Compact, “This does not mean that the Global Compact recognizes or certifies that these companies have fulfilled the Compact’s principles.”⁵⁶ Over 2000 companies have signed-up to the Compact’s principles; none of them are checked as to whether they actually implement them. Since 2001, organisations such as Corpwatch have detailed numerous examples of companies (eg, Aventis, Norsk Hydro, Nike, Rio Tinto, Unilever) signed-up to the Global Compact that have violated its principles.⁵⁷

Although the World Summit on Sustainable Development (WSSD) outcome called for governments to, “Actively promote corporate responsibility and accountability, based on Rio Principles, including through the full development and effective implementation of intergovernmental agreements”, [underlining added] the G8 countries are still wedded to a failed ‘voluntary approach’.

7. Promoting ‘Freedom, Democracy and Human Rights’?

The G8 leaders are fond of rhetoric on freedom, democracy and human rights. For example, in 2000 the G8 boldly stated, “During the last quarter of the 20th century, the world economy has achieved unprecedented levels of prosperity, the Cold War has come to an end, and globalisation has led to an emerging common sense of community. Driving these developments has been the global propagation of those basic principles and values consistently advocated by the Summiteers - democracy, the market economy, social progress, sustainable development and respect for human rights.”⁵⁸

This was followed in 2001 with, “As democratic leaders, accountable to our citizens, we believe in the fundamental importance of open public debate on the key challenges facing our societies”⁵⁹ and, “Open, democratic and accountable systems of governance, based on respect for human rights and the rule of law, are preconditions for sustainable development and robust growth.”⁶⁰

And in 2004, the G8 stated, “We met at Sea Island for our annual Summit to advance freedom by strengthening international cooperation to make the world both safer and better.”⁶¹

Yet the actions of the G8 countries stand in stark contrast to their claims to be committed defenders of ‘freedom, democracy and human rights’. The illegal US-UK led invasion and occupation of Iraq is just the tip of a large iceberg.

For example, in 2000, the UK introduced the Terrorism Act which made it legal for Police to stop and search anyone in a specific area. It has since been used against anti-war, arms trade and debt cancellation protestors. Protestors can also now be issued with Anti-Social Behaviour Orders (ASBOs), which can make actions such as waving a banner or being in a certain area a criminal offence.⁶²

The Serious Organised Crime and Police Act passed in 2005 bans unauthorised protest within 1km of Parliament. This threatens the action of Brian Haw, who has been protesting in Parliament Square against UK and US policy towards Iraq since June 2001. On 15 June 2005, the UK Government announced that ‘loud protests’ would be banned within half a mile of Parliament from 1 August.⁶³

Amnesty International state that the US continues to hold over 500 people of 35 different nationalities in Guantanamo Bay. Many do not have access to any court, legal representation or family visits. Detainees have been sent to Guantanamo since January 2002, when the US Justice Department advised the Department of Defense that, as Cuba has ‘ultimate sovereignty’ over Guantanamo Bay, a foreign national held there would not have access to US Courts. In June 2004, the US Supreme Court ruled that federal courts do have jurisdiction to hear appeals from the detainees. So far, none of the more than 500 prisoners have had their detention reviewed by the judiciary. At least three detainees were minors when originally taken into custody.

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Amnesty further states that there have been a total of 70,000 detainees held outside the USA in US custody during the “war on terror”. None of these cases has gone to trial.⁶⁴

Between 1990 and 2003, the US executed 19 people under the age of 18. It is one of eight countries that executed minors between 1990 and 2003. Three of these have now raised the age people can be executed to 18, and Iran is in the process of doing so. This leaves the US, Democratic Republic of Congo, Nigeria and Saudi Arabia as the only countries that execute children.⁶⁵

The UK, France, Germany, Italy and Canada have abolished the death penalty. Russia has affectively abolished the death penalty. The US and Japan still impose the death penalty.⁶⁶

Amnesty states that for the past decade, French police have used excessive and sometimes lethal force against suspects of Arab and African origin without fear of serious repercussions. Amnesty concludes there is a pattern of effective impunity with regard to the misconduct of police officers in France.⁶⁷

Russia continues to violate human rights in Chechnya. In the war-torn Republic, few people have been left unaffected by human rights abuses after five years of continuing armed conflict. Amnesty International says, "Russian federal and security forces continue to carry out human rights violations such as extrajudicial executions, 'disappearances', arbitrary detentions, ill-treatment and torture, including rape, with impunity."⁶⁸ And victims of human rights violations in Chechnya who complain to European institutions have been killed or 'disappeared'.⁶⁹

G8 countries dominate the international arms trade, accounting for 84 per cent of global arms supplies. France and Germany have exported arms to countries supposedly subject to an EU arms embargo, including Burma, China and Sudan. Russia also sells arms to Sudan. Canada has a ban on export of arms to Columbia due to human rights violations, yet is happy to sell components to the US which are used in weapons then exported to Colombia. Britain has approved licenses for armoured vehicles to be sold to Algeria, Morocco, Pakistan, Syria, Saudi Arabia and Turkey, all countries where armed forces and police have committed persistent human rights violations. Italy and Japan have also both sold small arms to Algeria.⁷⁰

Despite claims to be promoting democracy and good governance, the G7 countries refuse to implement the most basic reform of the World Bank and International Monetary Fund (institutions that the G8 effectively control) to abolish the decades old stitch-up whereby the USA gets to select the head of the World Bank and Europe gets to choose the head of the IMF. In 2004/05, this anachronistic charade led to the 'selection' of Rodrigo Rato – former Spanish Finance Minister - as Managing Director of the IMF and Paul Wolfowitz – renowned 'hawk' of the Bush administration - as President of the World Bank.

And the G7 countries have little or no interest in domestic democratic processes when it comes to using the IMF and World Bank to force poor countries to implement economic policies that go against the wishes of parliaments or governments. For example, in the 2003 Ghanaian budget, the import duty on poultry products was raised by 20 per cent to 40 per cent. The budget was subsequently passed by

Parliament. However, in discussions over a new loan programme, the IMF insisted that the new tariff should not be enforced by the Government. After a phone call from the IMF to the government, the legislated increase was removed after just two weeks. Johnson Asiedu Nketiah MP complained that the tax had been removed, "under pressure from multi-lateral institutions like the International Monetary Fund and the effect on the poultry industry was very negative because it led to more than a 100% increase in the volume of poultry imported into the market."⁷¹

Godfrey Akorli, secretary of the Northern Poultry Farmers Association said, "The IMF are dictating to us instead of helping us to develop our national economy. The proposed tariff increase on imported chicken would have been just what we needed to help us develop and grow."⁷² On 23 August 2004, the Poultry Farmers Association began Court proceedings against the Government for not introducing the tariff. They argued that as it is a law passed by Parliament, not administering the tax increase is illegal and in contravention of the constitution of Ghana.⁷³ On the 11 March 2005, the court ruled that the Government's overturning of the tariff was illegal, and that as this decision had not been returned to Parliament, the Government had a public duty to implement the tariff.

In 2005, there is every reason to expect that the G8 countries will once again pronounce themselves champions of freedom democracy, and human rights. The question is, will anyone be brave enough to point out that 'the emperor has no clothes'?

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