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## **G8 and "The Other Five": Creating a Constructive Relationship – The Role of Mexico**

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## 1 Introduction

This paper addresses one of the most relevant questions of the international situation at the end of the first decade of the century: is it possible to construct an effective relationship of cooperation between the leading nations of the North and the South, which over the last half century have adopted somewhat conflicting visions in relation to international cooperation?

We start from the hypothesis that the "constructive engagement" approach between the nations of the Group of Eight (G8) and the "Outreach 5" (G5: Brazil, China, India, Mexico, South Africa) has a long-term objective, not yet recognized or accepted as such by all the governments involved, to construct and manage interdependence and growth. The asymmetry between advanced countries (OECD members) and developing nations and those undergoing transition has begun to decline. The G8 and the G5 act as informal representatives of these groups of countries (the former being self-appointed and the latter arbitrarily selected), mainly due to the practical need to have mechanisms that facilitate contact, dialogue and negotiation, and ultimately, concrete understanding. Nevertheless, one might suppose, that any agreements and advances that they might eventually reach would almost automatically be reflected across the spectrum of North-South relations, at least helping to improve the political atmosphere in which they are developed.

These two suppositions could well be considered to be excessively optimistic, although they do reflect a desirable hypothesis. In other words, although the long-term objective is to establish suitable, agreed mechanisms for the management of international economic relations which are ever more interdependent (that is, increasingly part of a different global order), we cannot assume that leading actors will necessarily adopt the political decisions aimed at achieving this.

It is also recognised that effective governance of economic affairs must include a growing number of elements which are traditionally considered to form part of the field of political relationships (including military, social and cultural policies). Perhaps the annual debates of the G8 best showed this blurring of traditional borders between these areas, and where an approach was adopted that seems to recognize the need to address all relevant elements.

If the emerging cooperative relationship between the G8 and the G5 evolves positively, then the beginning of a new international order

for development, democracy and peace is possible. An order which reconciles the expanding global economy with environmental sustainability and the eradication of poverty.

## 2 G8 and G5: changes in economic weight<sup>1</sup>

The six economies whose leaders met in the castle of Rambouillet in 1975 were identified as the main industrial democracies. Their GDP – calculated using parities of purchasing power – was equivalent to practically half (48.2%) of the gross world product that year. If they had added Canada at that time (which occurred the following year) and the then Soviet Union (the Russian Federation joined in 1994) their combined weight in the world economy would have exceeded that level, with a figure of 59.2% – not far removed from the two-thirds mark. That very same year, the countries of the G5 barely contributed one eighth (12.4%) of the world product. The groups were separated by a considerable gap (by around a factor of five).

Differences in economic size in the hypothetical G8 of 1975 were considerable. The United States produced one third (36.4%) of the G8 total. The USSR and Japan each contributed around half of this figure (15.2 % and 13.4%,

respectively); and none of the remaining six economies provided more than 10% the total for the group. The relationship between the largest and smallest economies in the G8, the United States and Canada, was that of a factor of ten. In the hypothetical G5 of 1975 differences in economic size were much smaller. The smallest economy, South Africa, was almost three times smaller than the greatest, India. This country contributed little more than one quarter (27.9%) of the total for the G5. The difference with respect to the two following economies – Brazil and China – was less than five percent. In

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1 The figures quoted come from the World Bank (World Development Indicators, WDI). The revisions by the Bank of its estimates regarding the magnitude of the Chinese GDP and the rate of growth, significantly alter some of the ratios indicated here. Until now, the WDI do not reflect these new estimates. However, even if these new estimates are used, China would be the second biggest economy in the world, although its share in the world economy would be reduced by around 4 percent. With the new estimates, three G5 economies would have a reduced share in the world economy, whilst the share of Brazil and Mexico, like that of Russia, would slightly increase. See "Recalculating China's GDP: Clipping the dragon's wings", in *The Economist*, December 19, 2007.

**Table 1: G8 and G5 – ECONOMIC SIZE**

GDP calculated in millions of international dollars with PPP and participation percentages

Country	1975			2006			Average rate of annual growth (%)
	Real GDP, PPP	% in the world	% in the group	Real GDP, PPP	% in the world	% in the group	
<b>Germany</b>	1,167,053	5.9	9.9	2,261,171	3.9	9.1	2.16
<b>Canada</b>	403,854	2.0	3.4	985,740	1.7	4.0	2.92
<b>United States</b>	4,276,900	21.5	36.4	11,410,956	19.8	45.9	3.22
<b>France</b>	867,145	4.4	7.4	1,762,552	3.1	7.1	2.31
<b>Italy</b>	799,158	4.0	6.8	1,551,881	2.7	6.2	2.16
<b>Japan</b>	1,577,228	7.9	13.4	3,570,787	6.2	14.4	2.67
<b>United Kingdom</b>	874,458	4.4	7.4	1,825,139	3.2	7.3	2.40
<b>Russia</b>	1,788,418	9.0	15.2	1,473,501	2.6	5.9	- 0.62
<b>G8</b>	11,754,514	59.2	100.0	24,841,727	43.0	100.0	2.44
<b>Brazil</b>	601,192	3.0	24.4	1,476,680	2.6	9.6	2.94
<b>China</b>	553,602	2.8	22.5	8,684,984	15.0	56.5	9.29
<b>India</b>	683,903	3.5	27.9	3,671,195	6.4	23.9	5.56
<b>Mexico</b>	328,616	1.9	15.5	1,038,805	1.8	6.8	3.27
<b>South Africa</b>	238,007	1.2	9.7	489,916	0.8	3.2	2.36
<b>G5</b>	2,462,320	12.4	100.0	15,361,580	26.6	100.0	6.08
<b>G8 + G5</b>	14,216,834	71.5		40,203,307	69.6		3.41
<b>World</b>	19,871,308	100.0		57,758,276	100.0		3.50

Note: The information about the Soviet Union in 1975 was taken from an estimate by Angus Maddison quoted in "Chinese Economic Performance in the Long Run", OECD Development Centre, September 2007. Source: World Bank. World Development Indicators ([www.worldbank.org](http://www.worldbank.org)).

1975, in terms of the size of the economies, the G5 would have been much more homogenous than the G8, if both had existed.

In the year 2006, however, remarkable changes were witnessed. That year, the contribution of the G8 to the world gross product fell to significantly less than half (43.0%). All the economies in the group lost weight in the global economy during those three decades – although the loss was two percent or less in all cases (except in the case of the USSR / Russian Federation, where other factors played a part). On the other hand, the G5's share in the world economy increased, rising by 14.2 percent, to account for more than one quarter of the world's economy (26.6%); that is to say, it more than doubled over the three past decades. In other words, in 2006, the weight of the G5 in the global economy was practically equal to that of the two principal economies in the G8 combined together, the United States and Japan. The thirteen economies of both groups combined, which in 1975 accounted for almost three quarters (71.5%) of the world GDP, saw this share slightly reduced

(to 69.6%) in 2006, as the formidable expansion of the G5 was not sufficient to compensate for the loss of ground by the G8.

Similar economic behavior within the G8 meant that existing differences in economic magnitude between members would not be significantly altered. The most powerful economy, the United States, continued to account for around one fifth (19.8%) of the total for the group (continuing to be a little over eleven times larger than the smallest economy in the group, Canada). However, during that period, highly significant gaps appeared and increased in the size of the economies of the G5 countries. The Chinese economy outstripped the other economies: in 2006 it accounted for more than half of the G5 total (56.5%). The weight of the remaining four economies in the G5 was reduced – moderately in the case of India (a drop of 4 percent), and spectacularly in the case of the other three members: 14.8 points in the case of Brazil; 8.8 for Mexico; and 6.5 points for South Africa. Whereas in 1975 China would have represented the second largest economy in the hypothetical

**Table 2: G8 and G5 – GDP per capita**

GDP calculated in millions of international dollars with PPP and relative position percentages

Country	1975			2006			Average rate of annual growth (%)
	Real GDP per capita PPP	Relation to the world (%)	Relation to the group (%)	Real GDP per capita PPP	Relation to the world (%)	Relation to the group (%)	
<b>Germany</b>	14,833	3.03	0.92	27,438	3.10	1.00	2.00
<b>Canada</b>	17,401	3.55	1.08	30,278	3.42	1.10	1.80
<b>United States</b>	19,803	4.04	1.23	38,165	4.31	1.39	2.14
<b>France</b>	16,445	3.36	1.02	28,877	3.26	1.05	1.83
<b>Italy</b>	14,415	2.94	0.90	26,496	2.99	0.96	1.98
<b>Japan</b>	14,090	2.87	0.88	27,992	3.16	1.02	2.24
<b>United Kingdom</b>	15,558	3.17	0.97	30,237	3.41	1.10	2.17
<b>Russia</b>	Not declared	---	---	10,350	1.17	0.38	---
<b>G8</b>	16,078	3.28	1.00	27,479	3.10	1.00	1.74
<b>Brazil</b>	5,560	1.13	1.19	7,826	0.88	1.02	1.11
<b>China</b>	604	0.12	0.13	6,621	0.75	0.86	8.03
<b>India</b>	1,120	0.23	0.24	3,308	0.37	0.43	3.56
<b>Mexico</b>	6,474	1.32	1.38	9,967	1.12	1.30	1.40
<b>South Africa</b>	9,625	1.96	2.06	10,638	1.20	1.39	0.32
<b>G5</b>	4,677	0.95	1.00	7,672	0.87	1.00	1.61
<b>G8 + G5</b>	10,378	2.12		17,576	1.98		1.71
<b>World</b>	4,901	1.00		8,862	1.00		1.93

Source: World Bank. World Development Indicators ([www.worldbank.org](http://www.worldbank.org)).

G5 of that year, in 2006 not only was it the first, but the size of its economy surpassed that of the other four countries added together. Thus, in 2006 the G5 was a much less homogenous group, in terms of the size of its economies, than the G8.

It is obvious that the change in the relative positions of these thirteen nations between 1975 and today can be explained by the differences in rates of growth between the advanced economies of the G8 and the emerging economies of the G5. Over the past three decades, the G8 grew at a real annual average rate of 4.4 %, whereas the average rate of growth for the G5 was substantially higher: 6.1% real annual growth. The individual rates of growth also differed significantly. Only one country, China, had a rate higher than 9%, and India had a rate higher than 5 percent. Two other countries, Mexico and the US, remained above the 3% mark. The majority, another eight countries, grew at a rate of 2 to 3% per year, in real terms (with an economic slowdown occurring from the USSR of 1975 to the Russian Federation of 2006). Seen from another perspective, only two of the thirteen, China and India, registered economic expansion substantially higher to that of the world economy as a whole. The others were

close to, or below, the average rate (3.5 % real growth per year). In other words, most of the economic dynamism for this group of thirteen economies and the changes registered in the relative positions between them can be explained by only two of the thirteen economies.

According to the figures for 2006, the G13 – if we may be allowed to use this term – is a group displaying a great deal of disparity, as far as the sizes of member economies are concerned. The largest economy, the United States, is at least twenty-three times greater than the smallest economy, South Africa. Two of the thirteen economies alone represent more than one tenth of the world's economy; a further two, India and Japan, represent a little over five percent each; six more – Germany, the United Kingdom, France, Italy, Brazil and Russia, account for between 2.5 and 4 percent; two more, Mexico and Canada, between one and two percent; and the remaining economy, South Africa, less than one percent. If the only criterion for inclusion in the group was size of economy, one would expect the participation of Spain for example, whose economy is greater than that of either Mexico or Canada, or the participation of Korea, one of several countries with an economy greater than that of South Africa.

**Table 3: G5 and Russia – RELATIVE SHARE IN THE WORLD ECONOMY**

Percentage share in the global GDP calculated using PPP

	Estimate to present day	New estimate
Brazil	2.61	2.88
China	13.59	9.70
India	6.05	4.26
Mexico	1.79	2.14
South Africa	0.89	0.72
G5	24.93	19.70
Russia	2.66	3.09
<b>Emerging Powers</b>	27.59	22.79

Source: World Bank. World Development Indicators ([www.worldbank.org](http://www.worldbank.org)).

The disparities within the G8 and the G5 and also differences between both groups can also be seen when the gross product per capita is analyzed (calculated real terms PPP). From the moment when it was first created, the G7 greatly surpassed the world average in relation to GDP per capita (three and a quarter times higher) and even more so in comparison to the average for the G5 (almost three and a half times higher). Within the G7 itself, differences between members were considerably less. Three countries (USA, Canada and France) exceeded the average GDP per capita figure for the G7 (23% in the case of the USA, and 8 and 2 percent respectively for Canada and France). The other four countries were below the average, but none by more than 12 percent. The greatest difference (40%) was seen between the United States (19,803 USD) and Japan (14,090 USD). The expansion of GDP per capita in the G8 during the 1975 and 2006 period was extremely uniform: the maximum difference in the observed rates of growth did not surpass 0.4 percent (2.2 % for Japan and 1.8% for Canada). Consequently, thirty years after its creation, the G8 continues to be more or less homogenous in terms of the levels of real product per inhabitant, with the notable exception of Russia. In addition, its advantage with respect to the world average had been slightly reduced. However, the gap in comparison with the average for the G5 had slightly widened.

The behavior of the real product per capita indicator in the G5 was so variable during the 1975-2006 period that to talk of averages is somewhat absurd. The difference between the highest rate of growth (China, 8.3% annual) and the lowest (South Africa, 0.32% annual) is astounding. As for the other three countries, the growth of India (3.56% annual) was considerable; and that of Mexico (1.4% annual) and Brazil (1.11% annual) very disappointing, and lower than the world average. In spite of their accelerated growth, both India and China had levels of internal gross product per capita in 2006 lower than the world average; the same occurred, though to a lesser extent, with Brazil.

It is said that the size and dynamism of the economy of a country are important because they reveal, generally speaking, population and territorial weight, technological and military power, intensity of international links and, in short, international influence. It is for that reason that, initially, the countries of the G8 decided, to approach the G5 countries towards the turn of the century in order to form a decision-making group of those nations with greatest international weight and influence. On their own, they would have lost ground. Their representative nature and relevance would have gradually been eroded.

### 3 Heiligendamm Summit 2007

In Heiligendamm, and mainly by virtue of the insistence of the federal chancellor of Germany, the formalization of the *outreach* to the emerging economies, raised seven years before in Okinawa, was one of the central subjects in the G8 meeting. The invited leaders from the emerging economies deserved, for the first time, something more than a simple mention of their presence in the summit's final document. Nevertheless, the time dedicated to sessions in which they participated was not increased; and an unfortunate lack of coordination resulted in the joint official communiqué, issued by the presidency of the G8 and the leaders of the G5, being released to the press before being formally discussed and approved.

When she presented the agenda that she would propose for the summit to the Bundestag, the federal chancellor of Germany, Angela Merkel, emphasized the importance of interchanges with *outreach countries* on the one hand, and with leaders of African countries, on the other. The agenda "reflects the special responsibility incumbent on the G8 to contribute to the establishment of conditions of stability and confi-

dence for the global economy. At the same time, however, it is clear that *this responsibility must be shared by the main emerging economies*, such as China, India and Brazil, and that, in as globalization advances, *the G8 is becoming less and less capable of shouldering all the load on its own*" [emphasis added].<sup>2</sup> In each of the sections into which the agenda is broken down, the contribution expected from the G5 appears. Examples:

- Renewed attempts to promote the discussion of strategies oriented towards achieving balanced global growth and reducing global imbalances (current account deficit in the United States, insufficient growth in Europe and Japan, *growing currency reserves in Asia*); discussion of measures to improve the systematic stability and transparency of financial markets and capital markets" [emphasis added].
- "The German presidency of the G8 will not lose sight of its central motto *"To involve emerging economies in the system of global responsibility"*. The political initiatives adopted in Heiligendamm *will find continuity in structured dialogue with the main emerging economies*" [emphasis added].

The discussion of the so-called "Heiligendamm process" – a phrase which refers to the participation of the G5 in the future initiatives of the G8- resulted in a specific paragraph in the summary by the presidency, with the following text:

Heiligendamm process: we discussed global challenges with the leaders of Brazil, China, India, Mexico and South Africa. We recognized our respective responsibilities and the need to develop common solutions. Consequently, we decided to start a new process of thematically oriented dialogue, covering key global economic questions, with the aim of attaining concrete results for the G8 summit in Italy in 2009. The questions addressed in this dialogue will include points relating to: freedom to invest and the conditions for investment, including corporate social responsibility; the promotion and protection of innovations; cooperation in effective energy and technology; and development policy. The plan for this process is contained in a joint declaration by

the presidency of the G8 and Brazil, China, India, Mexico and South Africa.<sup>3</sup>

The joint declaration reiterates and extends the declarations from the second paragraph of the summary by the presidency of the summit, indicating that "they signify an important step forward towards an egalitarian and long-lasting association for the construction of the basic conditions for a globalised, competitive world economy. In the world of globalisation, we must look beyond national and regional borders in order to work together". In this respect, the following five topics are emphasized:

- *Promotion of cross-border investment for mutual benefit* – To ensure more favorable conditions for investment, both domestic and foreign, in our countries, whilst also encouraging responsible conduct from companies.
- *Promotion of investigation and innovation* – To recognize the crucial function and the economic value of the protection of intellectual property rights and the putting into practice of international regulations, without ignoring the need to protect the environment and human health.
- *Combating climactic change* – Reaffirmation of the commitment to the United Nations Framework Convention and its objectives of mitigation and adaptation in accordance with common, yet differentiated, responsibilities and respective capacities.
- *Energy* – More effective international cooperation in the sector is required to guarantee the supply, to improve efficiency and to access advanced technologies, prioritizing sources which are most compatible with sustainable development.
- *Development, especially in Africa* – To ensure that the Millennium Development Objectives are met, particularly the eradication of poverty and sustainable global development.<sup>4</sup>

Germany proposed to establish a "structured dialogue" that would lead, for example, not only to the attendance of the leaders at summits, but also at G8-G5 ministerial encounters throughout year, with the OECD acting as a secretariat. Agreement concerning this point was much more limited, and resistance did not just come

2 See "Focuses of the German G8 presidency", G8 Summit 2007 – Heiligendamm ([www.g8.de/Webs/G8/EN/G8Summit/Agenda/agenda.html](http://www.g8.de/Webs/G8/EN/G8Summit/Agenda/agenda.html))

3 See "Chair's summary", G8 Summit 2007 – Heiligendamm.

4 Ibid.

from the G8. Amongst these countries, according to diverse sources, Japan and Italy displayed the greatest opposition, because they argued that there would be an inevitable slide towards the extension of the G8, the exclusivity of which they wished to maintain. Japan especially opposed the possible inclusion of South Korea in the G5 (whose economic size and commercial power seemed to reserve the country a place in the group). On the other hand, Italy felt threatened by Spain, the size of whose economy is on the verge of surpassing its own, placing in doubt its credentials for membership of the G8. In addition, those countries alleged that the freedom to act by future presidencies of the G8 would be limited, in terms of the organization of summits and also in relation to agenda and guests.

Amongst the G5, both Brazil and India expressed doubts and reluctance. Structured dialogue could shift the balance of some negotiations, like those of the WTO, to this new area, the representativeness of which would not be recognized by all developing countries. In addition, the OECD by acting as informal secretariat would have an influence on the setting of agendas. Neither Brazil nor India considered that working closer with OECD would help to strengthen their position of leadership in the developing world, which had been clearly assumed and declared in the negotiations of the Doha round.

#### 4 Toyako Summit 2008

As we mentioned before, reports concerning the summit of the G8 in 2007 emphasized that the so-called "Heiligendamm process", that is, the decision to make the participation of the "outreach five" more formal, systematic and effective, was not free from controversy (mainly from the delegations of Japan and Italy – by chance the two following summit sites). These two countries were most opposed to advances which they considered too extensive, or at the very least, to be occurring too soon. Preparations for the meeting of 2008 are already underway. It will be held in Toyako, a small town in Hokkaido.

The website<sup>5</sup> for the Toyako summit makes no mention whatsoever of the G5. With language reminiscent of summits from the past century it alludes exclusively to the G8 as "a forum for political coordination between the main developed countries". It also mentions that "the country playing host to the summit holds the presidency of the G8 for the entire calendar year. The presi-

deny is responsible for organizing the preparatory meetings and the summit itself, as well as the meetings between the Foreign Affairs and Finance ministers." In the programme announced by the Japanese government no explicit reference is made to the participation of the representatives, ministers or leaders of the G5 in the initiatives of the Toyako Summit.

#### 5 Looking to the future: the G8 and the G5

The summary by the presidency of the G8 at the Heiligendamm summit, and the official communiqué issued by the presidency and the G5 leaders constituted a point of departure, allowing for future contacts between the groups. At the moment, it is preferable to focus attention on underlying questions than on questions of procedure, such as preparatory meetings with the participation of ministers from both groups that are not explicitly considered in the organization plans for the Toyako summit, or the role of the OECD as "technical secretariat".

However, the aforementioned documents enumerate, apparently in a declarative vein, the central areas for dialogue between both groups, which were summarised above in the section referring to the Heiligendamm summit. In both versions, questions predominate that, in principle, respond more to the interests of the G8 than to those of the G5. Such is the case, for example, in the insistence on subjects such as "freedom of investment" or the idea that initiatives to protect intellectual property are an essential element of a policy to promote technological innovation. We can only hope that the contacts prior to the summit of Toyako will result in a proposed joint G8 – G5 agenda which is somewhat more even-handed.

Nevertheless, the possibility of collaboration between these groups is also influenced by wider reaching questions. Perhaps the most important being the progressive differences which are surfacing in each of these groups. In the G5, China and India have become clearly distanced from the other three countries in numerous areas: economic magnitude and dynamism; degree of opening and the *quantum* of foreign commercial exchanges, especially those carried out outside the region to which they belong; the scope and speed of technological development and diversification; the dynamics and objectives of their international relationships; and their military power and expansion, amongst others. In order to reach the stated objectives of dialogue with the G5, the G8 may probably only have to maintain

5 [www.mofa.go.jp/policy/economy/summit/2008/info/index.html](http://www.mofa.go.jp/policy/economy/summit/2008/info/index.html)

dialogues with China, India, and, just in case, Brazil, but is not clear what additional net contribution may be derived from the participation of Mexico and South Africa.

From a G8 perspective, there are elements of competition in comparison with those of collaboration with the G5 and, especially, its two most prominent members. The most obvious example of this is the common search, in third party countries, for additional supplies of energy and raw materials. It is not easy to imagine that the G8 – G5 dialogue is the suitable mechanism for reaching understandings with respect to a new distribution of the supplies of mineral raw materials (for example, from Africa and South America). In order to avoid struggles for these supplies one must think rather in terms of bilateral understandings, with direct participation of the corporations involved, similar to those which have begun to function in the case of iron ore.

In other words, when examined in the most general manner- imperatives of globalization, signs of increasing global interdependence, the need for joint approaches to problems that extend beyond the borders of countries and regions – one may conclude with relative ease that there do in fact exist a number of common interests between the G8 and the G5. However, if we consider the sectorial or regional manifestations of many of those global questions we find elements that complicate the definition and implementation of common initiatives.

In general, what the countries of the G5 can hope from their interchanges with the G8 is that these will help to raise awareness in the advanced countries, so that they favorably modify their attitudes and positions in multilateral forums and bodies. The (more or less frozen) reform process of the Bretton Woods bodies is a good example. Perhaps a G8 – G5 summit would permit some of the difficult political decisions that are required to proceed with the agenda of Singapore to be taken, especially in relation to the redistribution of the power of decision of the members of the Fund and the Bank (which is disproportionably balanced in favour of the European countries, especially those of lesser economic weight).

However, a point that needs urgent clarification is the design of a balanced perspective of the G8-G5 dialogue objectives. Initiatives need to be adopted to reduce the impression that the main aim is that of "sharing the load" when dealing with some global questions, as sometimes has been stated. This perception is particularly clear

in reference to global warming. Common objectives have to be addressed with a wider focus that does not place all the emphasis on the need to better distribute the costs of joint initiatives.

An unequivocal demonstration of the positive disposition of the G8 in favour of systematizing and proceeding with dialogue with the G5 is also required, without the current manifestations of reluctance. It would also be a positive move to establish an institutional perspective that surpasses the stage where the G5 has been an almost incidental guest "at the desserts of the G8 banquet", to use an image which is often utilised when considering this perspective.

In short, the future of the G8-G5 relation depends on the drawing up of a more balanced agenda, which offers a more accurate reflection of the interests of both groups, and that more fully recognizes the priority which must be given to development questions of the emerging economies. Equally important is to ensure a more fundamental presence of the 13 in the summit debates. The differentiation between subjects that correspond to the 8 and those which correspond to the 5 is more and more tenuous, and is hard to understand why all of the countries should not participate in the discussion of all subjects. It seems clear that, given the resistance we mentioned above, this will have to be a gradual process, but advances achieved have to be visible. The absence of references to the G5 in the Toyako summit webpage gives out all the wrong signals.

## **6 Mexico, the G5 and the G8 - a joint vision of Mexican foreign policy<sup>6</sup>**

The basic document where the objectives and the main initiatives anticipated in the area of Mexican foreign policy are stated is the National Development Plan (NDP). These exercises in indicative planning have a very poor history in terms of implementation. A minimum degree of implementation of the stated goals is the norm, and established priorities are often fundamentally altered. Nothing allows us to suppose that the story will be different in 2007-2012. Nevertheless, in order to establish a "joint vision", it may

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<sup>6</sup> This section is based on Jorge Eduardo Navarrete, "Circunstancia interna y acción internacional: la reforma de la ONU", *Miscelánea Global – Las tareas internacionales de México*, Jorge Eduardo Navarrete (Cord), Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades, UNAM, Mexico, 2008 (anticipated date of publication February 2008).



be useful to review the main contents concerning questions of foreign policy in the NDP.

The fifth "governing axis" of the NDP consists in a combination of "effective democracy" and "responsible foreign policy". Notably, the anticipated actions for "increasing the effectiveness of democracy" correspond to "governing axis" that conceives foreign policy as "a means of promoting Sustainable Human Development". It would have been more reasonable to link democracy with domestic policy rather than with foreign policy.<sup>7</sup>

The foreign policy contents of the NDP are structured into a preface and four sections. We will examine these successively, before offering some general considerations and presenting some conclusions with respect to the viability of the proposed foreign policy.

Francisco Suárez Dávila, when analyzing Mexico's international economic policy understands it to be "the interrelation of economic policy and foreign policy, it arises from their synthesis". This subtle point escapes the authors of the NDP, who repeatedly confuse foreign policy with external economic policy. Indeed, when establishing objectives, instruments and strategies, a vision predominates which is centered on economic questions, along with an almost absolute absence of a consideration of global, hemispheric or regional political questions. The authors seem to ignore threats to international peace and security (e.g. the paralysis of disarmament initiatives; the tensions derived from the proliferation of weapons of mass destruction; the resurgence of tensions that characterized the cold war; the multiplication of localised conflicts; organized, transnational crime; and long-term changes in the balance of global power) – which

also "mean that Mexico has to act in an uncertain atmosphere of constant change where rules, players and interrelation scenarios are continuously shifting".

In questions pertaining to the objectives of foreign policy there are confusions and contradictions. The first stated objective is the declaration that "foreign policy must act as a means of promoting Sustainable Human Development". Perhaps realizing that this statement is not overly clear, the authors proceed to explain its meaning: "... the entry of Mexico in the group of nations requires resolute actions that clearly identify the country as an attractive and safe option for investment, in order to generate the employment that the Mexicans demand..." The aim is not about Mexico being respected, nor does it wish to promote peace and cooperation, nor is it expected that it will make any contribution whatsoever to the worldwide community; what really matters seems to be that it attracts foreign investment.

On the basis of this conceptual objective, the instruments used to attain it are then listed: "responsible foreign policy must be a means of driving national development". Thus, "international policy is conceived as a highly relevant 'lever' which helps to reach national objectives of: overcoming economic inequality; generation of work opportunities; and the eradication of crime." Perhaps what we are faced with is the phenomenon of transference, in a strictly psychiatric sense of the word: the realization of the central objectives of the governmental initiatives – in short, "national development" – looks to discharge its own responsibility onto foreign policy, international initiatives, and the rest of the world.

What is it which determines Mexico's place on the world stage? Not the political theses and positions that it defends in the international bodies; not its efforts in favor of disarmament and denuclearization; not its solidarity with colonial countries or countries under foreign occupation; and not its contribution to the establishment of international law. None of these. What defines Mexico is its economy, its commerce, its natural resources, its geographic position and its population mass, with a passing reference to "its cultural importance...". To underline this notion, the NDP refers to the "12 free trade agreements with 42 countries" to position the country on the world stage.

The analysis continues with a reference to multi-lateral bodies. It states that the country forms

<sup>7</sup> Rosario Green emphasized this point: "the link between those two concepts is really striking, and I cannot stop asking myself why the term democracy is linked to the chapter on foreign policy and not to some other which would be more logical [...] Perhaps this is an attempt, to add a new principle to the constitutional principles that govern Mexican foreign policy, which looks to promote democracy beyond our borders, a task which, in addition, fundamentally competes with the international bodies designed specifically for this end, and of which Mexico forms a part. This being case, should there not first be a national debate [...] reflecting the popular will and not just the vision of the party in power? ", Rosario Green, "National Development Plan and foreign policy", *El Universal*, Mexico, 5 June, 2007.

part of "approximately 130 fora". No reference is made to fundamental questions, but the document does clarify, with bookkeeping efficiency that "at present Mexico is the tenth contributor in the world, and the first in Latin America and the Caribbean, to the United Nations' regular budget". It is truly astounding that no reference is made to any particular body, besides the mentioning of some of the most important institutions, such as the UN. Perhaps this omission may be explained by the emphasis which the document places on a regional perspective.

However, in the "Sectorial Programme of Foreign Relations 2007-2012"<sup>8</sup>, a mention is made of the need for two "lines of action": "to make the necessary efforts to hold a non-permanent seat on the United Nations Security Council, for the 2009-2010 biennium"; and "to actively participate in the works of the G8-G5 to drive the multilateral agenda of strategic interest for Mexico within the framework of this forum." This is the only mention of the G8-G5 found in the normative documents for Mexico's foreign policy in the 2007-2012 political term.

Some of the more blatant points mentioned with respect to Africa and the Middle East ("the growing economic potential", "the abundance of non-renewable natural resources") and the reference made to an objective of a political nature stand out: "to accompany the efforts by the international community to promote development and peace in these two regions of the world". Besides the mention made in one of the constitutional principles of Mexican foreign policy, this is the only reference to peace found in the section of the NDP outlining Mexican foreign policy until 2012.

A review of foreign policy objectives and strategies contained in the NDP leads us to discouraging conclusions: the lines of action needed in order to achieve the objectives of foreign policy are not clearly defined; both the conception and the strategies attributed to foreign policy make it almost completely subordinate to international economic policy, treating commercial and financial aspects as being more important than questions of international policy facing the country. The only reference to peace in this section of the NDP refers to Mexico's future with respect to Africa and the Middle East. Here Mexico expects "to accompany the efforts of the international community to promote development and peace

in these two regions of the world". Insufficiency and subordination are the characteristics of the foreign policy offered by the NDP. The lack of a joint, long-term vision of the international actions of Mexico, which has been identified by many analysts as perhaps the main deficiency of Mexican foreign policy, is not remedied, in any way, by the 2007-2012 National Development Plan.

## 7 Mexico and the G5

Until Gleneagles, the participation of Mexico as a guest on the "sidelines" of G8 summits was little more than a "photo opportunity" which flattered Mexican presidential egos. The situation seems to have started to change at the Heiligendamm meeting. Although the leaders of the G5 had met before, or in parallel, to the summits of 2005 and 2006, their meeting in Berlin – "by invitation from the president of Mexico" – was more structured and resulted in a joint official press release.<sup>9</sup> The following concepts stand out in this brief document:

- The objective [...] was to share points of view and to find common stances concerning the subjects that will be discussed [...] during the extended dialogue sessions of the G8 Summit, whilst also exchanging points of view about several relevant international subjects.
- [The five leaders] reaffirmed their conviction that developing countries must participate more actively in the consolidation of strategies and initiatives that effectively face up to the challenges of globalization and an ever more interdependent world.
- The five countries, based on their undeniable political and economic strength, decided to contribute in a decisive manner to increase the participation of developing countries in this process.
- [...] the leaders shared points of view about the future of their participation in the extended dialogue, and about the convenience of coordination and follow-up to the discussions between the five countries. Thus, they decided to hold periodic consultations about questions of common interest and to coordinate positions.

<sup>8</sup> presented in November 2007; [www.sre.gob.mx](http://www.sre.gob.mx)

<sup>9</sup> "Joint Press Release from the Group of 5", Berlin, 7 June, 2007, see [www.presidencia.gob.mx](http://www.presidencia.gob.mx).

- To do this they instructed their Foreign Affairs Ministers to meet during the next UN-General Assembly.

It is clear that the time for going beyond vague general declarations has not yet come. The references contained in the Berlin document with respect to the specific subjects on the agenda for talks with the G8 are highly general in nature, and indeed sometimes border on the obvious. Examples:

- With regard to the subjects that will be discussed [...] with the countries of the Group of Eight, the leaders [of the G5] congratulated themselves upon noticing opportunities for a joint collaboration in the fields of cross-border investment, research and innovation, climatic change, energy and development.
- The general consensus was that all these challenges must be resolved from a multilateral, regional and bilateral perspective, bearing in mind the interests and capacities of the different states.<sup>10</sup>

As established in Berlin, the Foreign Affairs Ministers of the G5 met in September 2007 in New York, in parallel to the UN General Assembly. A communiqué released by the Mexican chancellery in New York on September 27, provided information concerning the meeting.<sup>11</sup> Said document referred to a meeting between vice-ministers which took place in August 2007, in a city in inland Mexico. The SRE did not disclose information about the contents of this encounter.

In New York, according to the Mexican official press release, "the need to stimulate coordination and cooperation between the five countries" was explored. For this end, Mexico was designated as the coordinator of G5 initiatives and as an interlocutor with the G8 in 2008. This

agreement can be seen as the beginning of a type of "annual secretariat" that will be rotated amongst the G5.

The ministers also agreed to maintain periodic contacts to prepare the positions of the G5 with a view to future meetings with the G8, especially, one might imagine, those of Toyako (2008) and La Magdalena (2009). No mention was made, however, of the tentative agenda for these meetings.

According to the declarations in New York, Mexico "felt sure that the Heiligendamm Process would result in fruitful, constructive dialogues between the O5 and the G8 countries in subjects such as cross-border investment, innovation and technological development, energy efficiency and development, particularly in Africa".

It is difficult to avoid the conclusion that, at least in the case of Mexico, institutionally and politically speaking neither the Heiligendamm process nor "the active and constructive" participation of Mexico in the process have taken root. Moreover, the future of the process really depends on what happens on the way to the Toyako meeting and in the summit itself. Given the lack of interest from the Japanese government in the process, there are, perhaps, not too many reasons for feeling overly optimistic.

#### *About the author*

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<sup>10</sup> Ibid.

<sup>11</sup> See "Se reúnen los cancilleres del Grupo de los Cinco en Nueva York", Comunicado 253, Foreign Relations Secretary, Mexico, September 27, 2007 ([www.sre.gob.mx](http://www.sre.gob.mx)).

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