

Paul Martin on the G20 and China's Hosting of the G20 Leaders' Summit

The Right Honorable Paul Martin

[Editor's note: This is the text of the video remarks by Paul Martin, to the V20 meeting in Hangzhou China. Paul Martin was the Prime Minister of Canada from 2003 to 2006 and the Minister of Finance from 1993 to 2002. Mr. Martin was the inaugural chair of the Finance Ministers' G20. The embedded podcast in these remarks is an interview by Alan Alexandroff, one of the Senior Editors of *Global Summitry*. It was recorded on May 4 2016. Mr. Martin was one of the earliest proponents of a leaders' level summit for the G20. Mr. Martin is also a member of the Global Advisory Board for this Journal.

The Vision 20 meeting in China (March 29 to April 1) and network is to bring together scholars from various fields with think tank leaders, civil society and private sector leaders, and government leaders with the hope of generating ideas and actionable items for the long and medium term, while finding ways to initiate such processes in the short term.]

First of all, allow me to congratulate you all for being in Zheda [Zhejiang University in Hangzhou China] and the work leading up to this vision conference. The upcoming Hangzhou Summit will be one of the most important in G20 history. One because it is in China; and second while the G20 has had its successes, if its objective is to make globalization work as I have always believed it must be, to be frank, of late it has fallen short of the mark.

Why is this? Quite simply it is because agreements contemplating synchronized action by a group of countries focused on their own national interests, is not easily come by.

It is for this reason I believe it is important to reopen the door to what has become a neglected G20 priority, which is the need to strengthen the great multilateral institutions whose objectives are to make global action work for all.

This is important because the challenges that the G20 will have to confront will be as varied as there are pebbles on the beach. In the end, success will only come if national governments grasp the unassailable truth that in today's highly interdependent world, the furtherance of a country's self-interest will depend more and more on the degree to which it recognizes the collaborative global interest. All too often the great multilateral institutions are the only bodies capable of reconciling national interests with the greater good.

This is why G20 efforts to strengthen the multilateral institutions must be a G20 priority. Indeed, it is upon these efforts that much of the G20's legitimacy rests.

In short, the G20 must show the same kind of forward looking initiative it showed when it created the Financial Stability Board (FSB) out of the ashes

of the Financial Stability Forum—when the U.S. subprime crisis went global.

Speaking of the FSB, I know that you will be discussing its future. If you would allow me to say, given the huge damage caused by financial sector failure I believe the FSB should have full treaty status and true universal membership, giving it the weight it requires to be the fourth pillar of the global economic architecture.

I also believe that the G20 must shift its perspective as well to other institutions where its leadership could make a significant difference. One issue in particular is the incomprehensible underfunding of the United Nations humanitarian agencies such as the office of the Office United Nations High Commissioner for Refugees (UNHCR) whose Head last year said, and I quote, “my budgets cannot be compared with the growth in need.” He then concluded with the simple statement, “We are financially broke.”

The same applies to the World Health Organization whose balance sheet is no better than the UNHCR’s.

Nor is the need to support multilateralism limited to the existing institutions. For instance, life has to be given to the handshake agreements concluded recently between the American and Chinese presidents: The first dealing with cybersecurity and the second with climate change.

As far as the latter is concerned, given the glow emitting from the UN Climate Change Conference in Paris, surely the stars could not be better aligned for the G20 to provide the UN with the momentum required for further action.

Now at this point, someone is going to accuse me of that most grievous of sins—“mission creep”.

Let me just say in response, that the parameters of change are not limited to finance and economics.

G20 leaders do not have the luxury of dealing only with a self-defined portion of globalization.

Thus any charge of “mission creep” levied against those who advocate a wider role for the G20 does not hold up in a world where “a failed banking system has grave social ramifications, and climate change a devastating economic fallout.”

From the causes and consequences of the 2008 recession, to increasing economic interdependence, from terrorism to the spread of disease, from climate change to threats to food security and the migration of people, the most pressing realities the world faces are ones no borders can withstand.

They are matters that require responses beyond what even the most powerful governments can provide, and for which few, if any, governments are prepared.

The G20 was brought into being so that international cooperation would reflect the needs of the global paradox—a world that is highly interdependent yet one where diversity is king. And for this reason, among many reasons I wish you the very best. I anticipate this is going to be a very important conference. I look forward to reading the Blue Report that will be the product of this Conference and I hope that your efforts will assist Leaders and their officials leading to a very important September Summit.

Thank you.