

### **CHAPTER III**

## **G8'S DOMINATION ON THE WORLD ECONOMY AND ITS DISCONTENTMENT**

This chapter explains about the profile of G8, G8's domination and the discontentment of G8 in recent world economy. Those cases of G8 encourage the critics from BRIC. The existence and the domination of G8 members in any international institutions decision making process are irrelevant in recent world economy. It is shown from the decreasing performance of each G8 member nowadays. Many policies and plans of G8 become useless and meaningless. The G8 is too confident when it said it can run the economic development well. It becomes nonsense when the economic recession happened in 2008. These 8 countries were shocked.

#### **A. Profile of G8**

The Group of Eight (G8) is a forum for the leaders of eight of the world's most industrialized nations, aimed at finding common ground on key topics and solutions to global issues. The G8 includes Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States. While the leaders of these countries are in regular contact, they meet in summit format as the G8 once a year.

The G8's origin stems from meetings held in the 1970s between France's Valéry Giscard D'Estaing and Germany's Helmut Schmidt when they were finance ministers. Each subsequently assumed the leadership of their respective

countries, just as the mid-1970s oil crisis was buffeting the world's largest economies. French President Giscard D'Estaing urged the leaders of Germany, Italy, Japan, the United Kingdom and the United States to meet in 1975 to discuss how to respond to the oil crisis.

Canada joined the Group in 1976 at the Puerto Rico summit hosted by the United States. Canada has hosted five summits since 1976, Ottawa-Montebello 1981, Toronto 1988, Halifax 1995, Kananaskis 2002 and the Muskoka 2010 G8 Summit in Huntsville, Ontario, on June 25 and 26, 2010.<sup>57</sup> Russia became a member of the G8 in 1998.

The group does not have a permanent secretariat or offices for its members. The presidency of the group rotates annually among the member countries, with each new term beginning on 1 January of the year. The country holding the presidency is responsible for planning and hosting a series of ministerial-level meetings, leading up to a mid-year summit attended by the heads of government. The president of the European Commission participates as an equal in all summit events.<sup>58</sup>

The ministerial meetings bring together ministers responsible for various portfolios to discuss issues of mutual or global concern. The range of topics

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<sup>57</sup> Thomas S. Axworthy "G8: The Most Exclusive Club in the World" *Historica Foundation of Canada, Toronto, Undated, The Canadian Encyclopedia*, 2010.

<sup>58</sup> Ministry of Foreign Affairs (2010)

includes health, law enforcement, labor, economic and social development, energy, environment, foreign affairs, justice and interior, terrorism, and trade.<sup>59</sup>

The annual G8 leaders' summit is attended by eight of the world's most powerful heads of government. However, as note the G8 summit is not the place to flesh out the details of any difficult or controversial policy issue in the context of a three-day event. Rather, the meeting is to bring a range of complex and sometimes inter-related issues. The G8 summits Brings leaders together so they can dream up quick fixes, but to talk and think about them together.

The G8 summit is an international event which is observed and reported by news media, but the G8's relevance is unclear.<sup>60</sup> The member country holding the G8 presidency is responsible for organizing and hosting the year's summit, held for three days in mid-year; and for this reason, Tony Blair and the United Kingdom accumulated the lion's share of the credit for what went right (and wrong) at Gleneagles in 2005. Similarly, Yasuo Fukuda and Japan hope to garner the greater part of the credit for what went well (and what did not) at the Hokkaido Summit in 2008.

Each of the 36 G8 summit meetings could have been called a success if the events had been re-framed as venues to generate additional momentum for solving problems at the other multilateral conferences that meet throughout the year. The G8 annual summit sets the stage for what needs to be done and establishes an idea

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<sup>59</sup> G8 Summit 2009 - official website - Other Countries. G8italia2009 (retrieved December 21<sup>th</sup> 2010); available from [http://www.g8italia2009.it/G8/Home/Summit/Partecipanti/G8-G8 Layout locale-1199882116809\\_AltriPaesi.htm](http://www.g8italia2009.it/G8/Home/Summit/Partecipanti/G8-G8%20Layout%20locale-1199882116809_AltriPaesi.htm).

<sup>60</sup> Lee Don, "On eve of summit, G-8's relevance is unclear", *Los Angeles Times*, July 6<sup>th</sup> 2008.

of how to do it, even if that idea is, at best, rough and patchy.<sup>61</sup> The serial annual summits can be parsed chronologically in arguably distinct ways, including as the sequence of host countries for the summits has recurred over time, series, etc.<sup>62</sup>

In this context, G8 tries to fulfill or exceed its Sea Island and subsequent commitments. G8 commits to enhance the capacity in the three interlinking areas of focus, namely, military, police, and civilians worldwide. They will, in particular:<sup>63</sup>

(a) build capacity for peace support operations including providing quality training to and equipping troops by 2010, with focus on Africa, as well as enhance logistics and transportation support for deployment.<sup>64</sup>

(b) strengthen assistance both in quality and quantity to train and equip police in countries in and emerging from conflict, as well as continue to develop global capacity for police peacekeeping including stability/formed police units.

(c) strengthen our domestic endeavor to develop civilian human resources to play core roles in peacebuilding.

## **B. Domination of G8 in the world**

### **1. Climate change**

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<sup>61</sup> Feldman, Adam "What's Wrong With The G-8". *Forbes* (New York). 2008.

<sup>62</sup> Hajnal, Peter I. *The G8 System and the G20: Evolution, Role and Documentation*; available at [Google Books](#). 1999.

<sup>63</sup> G8 Declaration on Political Issues *Makes statement on nonproliferation, organized crime and peacekeeping*. July 8<sup>th</sup> 2008.

<sup>64</sup> Africa Action Plan *G8 (2002)*; available from <http://www.state.gov/e/eb/rls/othr/11515.htm>.

Climate change is a non linear process, which the impacts cannot be totted up like the expenses for a works outing to the seaside. The G8 leaders meet every year as a symbol of their dominance over the world. Their ministerial meetings are the places they decide how to influence and control everything on the climate change issue.

G8 members accept the ominous scientific findings of the most recent Intergovernmental Panel on Climate Change (IPCC)<sup>65</sup> and subsequent reports, to recognize that climate change imperils both the global environment and world economy. The domination of G8 members on climate change shows from their actions to the implementation of Kyoto Protocol. In every Climate Change conference, G8 members manage and control. Every policies produced from the conference should be agreed by the all the participants in the conference.

For example, G8 then defined the essential framework of Kyoto Protocol<sup>66</sup> climate control regime. One that is effective, inclusive and based on binding targets accepted by all countries that count. All of the participants in the conference agree that they will limit the emission production, as stated in Kyoto Protocol Framework (*Article 2 point 1*)<sup>67</sup>. The

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<sup>65</sup> Intergovernmental Panel on Climate Change (IPCC), *organization* (Intergovernmental Panel on Climate Change); available from <http://www.ipcc.ch/organization/organization.shtml>.

<sup>66</sup> United Nation Federation on Climate Change Conference (UNFCCC), *Kyoto Protocol*; available from [http://unfccc.int/kyoto\\_protocol/items/2830.php](http://unfccc.int/kyoto_protocol/items/2830.php).

<sup>67</sup> United Nation Federation on Climate Change Conference (UNFCCC), *Kyoto Protocol to the United Nations Framework Convention on Climate Change, 2008*; available from [http://unfccc.int/essential\\_background/kyoto\\_protocol/items/1678.php](http://unfccc.int/essential_background/kyoto_protocol/items/1678.php).

reduction should reach 15% by 2012.<sup>68</sup> Most of G8 members refuse to ratify the protocol because it is hard for them to reduce the gas emission production. They are the industrial countries of which most of their national income come from the industrial sector. Logically, if they agree to ratify to reduce the gas emission production they will lose the rest of their national income. To do so they had to conclude their hard bargaining on long-term, medium-term targets, timetables and baselines, and the contribution.

## **2. International organization**

There are several international organizations dominated by the G8 member such as IMF, UN, World Bank, and WTO. The domination of G8 members in that kind of organization are signed by the number of voting system conducted by the members of G8. For example, in IMF and World Bank the G8 suggests to IMF and World Bank to demand the poor countries to open up their borders so that transnational corporations can swoop down and bleed public services dry.

Like vultures, the corporations circle over the developing world, wait to feed off the profits. The International Monetary Fund and World Bank insist that to qualify for debt relief or loans, poor countries must privatize public utilities including water, gas, electricity, transport, hospitals and schools. Privatization has increased the costs of these essential services, which means that poor people can no longer afford them. Privatization of

public services has clearly exacerbated the effects of poverty in many developing countries.

G8 members can easily do that kind of thing because G8 members have almost 50% vote in IMF and World Bank decision making process. It is through these formal international institutions that many of the G8's decisions become reality in the world,<sup>69</sup> (See table 1).

### 3. Security

G8 concerns about nuclear that is committed and non-transparent. A central challenge for G8 leaders is preventing these groups from moving easily from their sanctuaries in Pakistan to terrorize and kill innocent civilians and the soldiers of many G8 members now fighting for freedom in Afghanistan. By doing such "anti terrorism" movement it creates the bad image of Muslim people. They spread the information to hate terrorists to the international society. They also strengthen the success of G8's 2002 Global Partnership against weapons and materials of Mass Destruction in Russia and confront the conflicts in Sudan, Haiti, Zimbabwe, Kosovo, Tibet and Myanmar.<sup>70</sup>

Bush is primarily responsible for the illegal war in Iraq, which by November 2004 had resulted in the deaths of over 100,000 Iraqi civilians.<sup>71</sup>

Bush told his people that the war was necessary to protect them from

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<sup>69</sup> Anup Shah, "G8 Summits: Empty promises each year" *Global Issues*, October 16<sup>th</sup> 2010.

<sup>70</sup> John Kirton, Prospects for the 2008 G8 Hokkaido Toyako Summit: Key Messages for the Future of Summitry, 2008.

<sup>71</sup> Penelope Low, "Pro-life in Iraq", 18<sup>th</sup> November 2004.

terrorism, following attacks on New York's twin towers on 11 September 2001, even though Iraq's Saddam Hussein had no connection with the attacks. While most G8 leaders recognized that the war was globally unpopular, and initially tried to maintain some distance, Tony Blair threw caution to the wind and provided the fig-leaf for the Iraq war. Blair lied to his people because the boss wanted back-up. Other G8 leaders provided support for the war, most notably Berlusconi, but also Martin, Koizumi and Putin.

### **C. Recent world economy**

The global economic growth in 2009 is expected to fall to ½ percent<sup>72</sup> when measured in terms of purchasing power parity and to turn negative when measured in terms of market exchange rates. After a year of fragile and uneven recovery, global economic growth started to decelerate on a broad front in mid-2010 and this slower growth is expected to continue into 2011 and 2012. The United Nations baseline forecast for the growth of world gross product (WGP) is 3.1 per cent for 2011 and 3.5 per cent for 2012, which is below the 3.6 per cent estimated for 2010 and the pre-crisis pace of global growth.<sup>73</sup>

Weaknesses in major developed economies continue to drag the global recovery and pose risks for world economic stability in the coming years. The unprecedented scale of the policy measures taken by Governments during the early stage of the crisis has no doubt helped stabilize financial markets and jump-

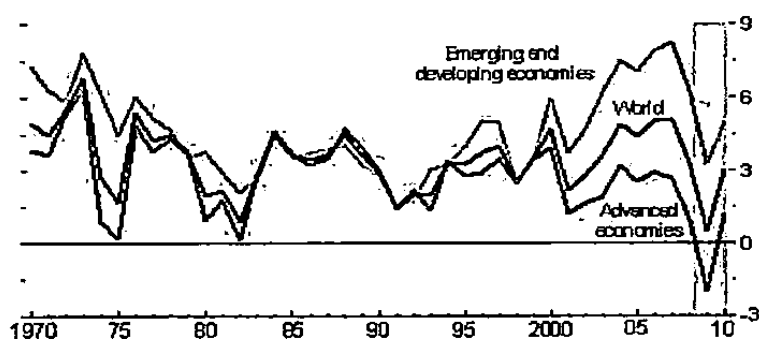
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<sup>72</sup> Global Economy Remains in Holding Pattern, IMF Chief Says 23<sup>rd</sup> September 2009, *IMF Survey Magazine*, available from <http://www.imf.org/external/pubs/ft/survey/so/2009/NEW112209A.htm>



start a recovery. However, overcoming the structural problems that led to the crisis and those that were created by it is proving much more challenging and will be a lengthy process. This contrasts to the strong GDP growth in many developing countries and economies in transition, which has contributed more than half of the total expansion of the world economy since the third quarter of 2009.<sup>74</sup>

**Figure 1. GDP Growth**  
(Percent change)



Source: IMF staff estimates.

The report highlights the continued challenge posed by high unemployment rates in many economies and outlines a number of risks and uncertainties for the economic outlook such as a premature withdrawal of policy stimulus, increased exchange rate volatility and a renewed widening of global imbalances. Against this background, several policy challenges are discussed in greater detail, including the optimal design of fiscal policies as well as the coordination between fiscal and monetary policies, the provision of sufficient support to developing countries in addressing the fallout from the crisis and the coordination of policy measures at the international level.

<sup>74</sup> Mark Plan (Deputy Director of IMF), "Regional Economic Outlook 2009", May 2009.

## **1. Financial markets remain under stress**

Financial market conditions have remained extremely difficult for a longer period than envisaged<sup>75</sup> despite the wide ranging policy measures to provide additional capital and reduce credit risks.<sup>76</sup> Since end-October, in advanced economies, spreads in funding markets have only gradually narrowed despite government guarantees, and those in many credit markets remain close to their peaks. In emerging economies, despite some recent moderation, sovereign and corporate spreads are still elevated. As economic prospects have deteriorated, equity markets in both advanced and emerging economies have made little or no gains. Currency markets have been volatile.

Financial markets are expected to remain strained during 2009. In the advanced economies, market conditions will likely continue to be difficult until forceful policy actions are implemented to restructure the financial sector, resolve the uncertainty about losses, and break the adverse feedback loop with the slowing real economy. In emerging economies, financing conditions will likely remain acute for some time especially for corporate sectors that have very high rollover requirements.

## **2. Feedback loop between the real and financial sectors**

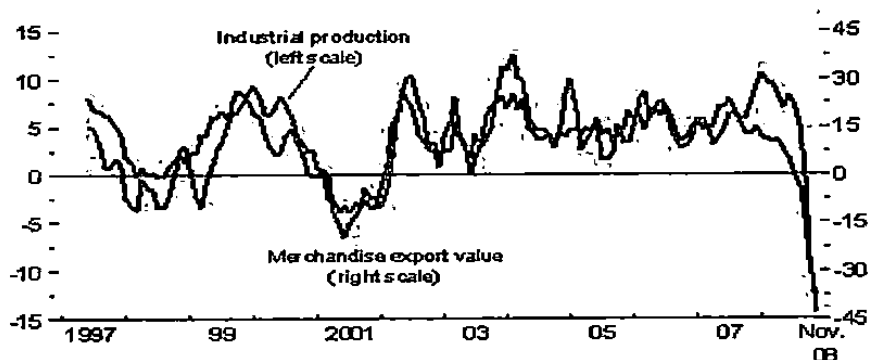
Global output and trade plummeted in the final months of 2008 (Figure 2).

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<sup>75</sup> International Monetary Fund, *January 2009 Global Financial Stability Report Market Update* (retrieved on January 30<sup>th</sup> 2010); Available from <http://www.imf.org/external/pubs/ft/fss/eng/2009/01/index.htm>

**Figure 2. Growth in Global Industrial Production and Merchandise Trade**

*(Annualized three-month percent change)*



Sources: Haver Analytics; and IMF staff estimates.

The continuation of the financial crisis, as policies failed to dispel uncertainty, has caused asset values to fall sharply across advanced and emerging economies, decreasing household wealth and thereby putting downward pressure on consumer demand. In addition, the associated high level of uncertainty has prompted households and businesses to postpone expenditures, reducing demand for consumer and capital goods. At the same time, widespread disruptions in credit are constraining household spending and curtailing production and trade.

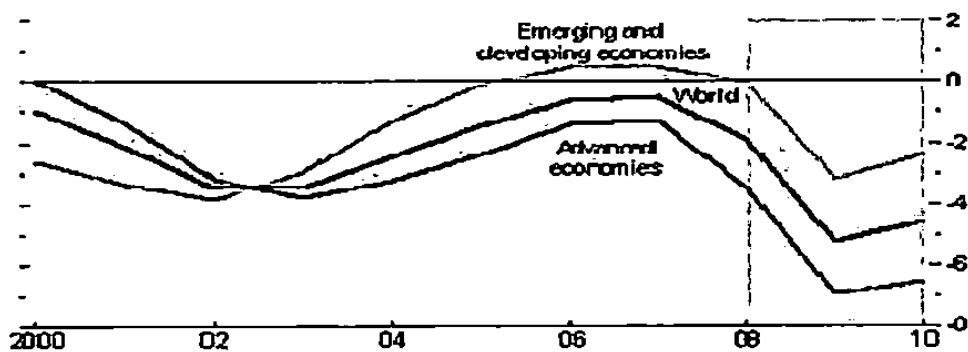
### **3. Global monetary and fiscal policies**

Faced with a quickly deteriorating outlook and subsiding inflation pressures, central banks in the advanced economies have taken strong actions to cut policy rates and improve credit provision. Policy interest rates have been brought down substantially in recent months, especially as inflation pressures subsided, although falling inflation expectations are mitigating the impact on real interest rates. Short term market interest rates

in 2009 are assumed to be about  $\frac{3}{4}$  percentage point lower in the United States, the Euro area, and the United Kingdom, in line with market expectations. Central banks in emerging economies are also moving to ease their policy stance and improve market liquidity.<sup>77</sup>

To combat the downturn, many governments have announced fiscal packages to boost their economies. Consequently, the new projections incorporate a substantial fiscal expansion. Specifically, fiscal stimulus in 2009 is projected to be 1.5 percent of GDP<sup>78</sup>. Deficits are also expected to be boosted by the operation of automatic stabilizers and the impact on revenues of sharp asset price declines, as well as the costs of financial sector rescues. As a result, the fiscal balance in advanced economies is projected to deteriorate by  $3\frac{1}{4}$  percentage points to -7 percent of GDP in 2009.<sup>79</sup>

Figure 3: General Government Fiscal Balance (Per GDP)



Source: IMF staff estimates.

<sup>77</sup> International Monetary Fund, *January 2009 Global Financial Stability Report Market Update* (retrieved on January 30<sup>th</sup> 2010); Available from <http://www.imf.org/external/pubs/ft/fmu/eng/2009/01/index.htm>.

<sup>78</sup> Ibid.

<sup>79</sup> Economy Watch, "Current Global Economy"; available from [http://www.economywatch.com/world\\_economy/world\\_economic\\_indicators/global](http://www.economywatch.com/world_economy/world_economic_indicators/global).

#### **4. Strong and complementary policy efforts**

Policy efforts so far have addressed the immediate threats to financial stability (through liquidity support, deposit insurance, and recapitalization schemes), but they have done little to resolve the uncertainty about the long-term solvency of financial institutions. The process of loss recognition and restructuring of bad loans is still incomplete. Therefore, financial sector policies should focus on advancing this process by forcing credible and coordinated loan loss recognition and by providing public support to the viable financial institutions. Such policies should be supported by measures to resolve insolvent banks and set up public agencies to dispose of the bad debts, including possibly through a "bad bank" approach, while safeguarding public resources.

Monetary policy remains an important policy lever. The projections incorporate a substantial easing in policy rates, although the effectiveness of interest rate cuts to support activity is likely to be constrained as long as financial conditions remain disrupted. With interest rates approaching zero in several major countries, central banks are exploring alternative policy approaches that rely on using their balance sheets to ease monetary conditions further. The focus should be on unlocking key (high-spread, low-liquidity) credit markets.<sup>80</sup>

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<sup>80</sup> Moulenduke, Ann Marie, *U.S. Monetary Policy and Financial Markets, 1980*. New York:

In current circumstances, the timely implementation of fiscal stimulus across a broad range of advanced and emerging economies must provide a key support to world growth.<sup>81</sup> Given that the current projections are predicated on strong and coordinated policy actions, any delays will likely worsen growth prospects. Countries that have policy room should make a firm commitment to do more if the situation deteriorates further.

Fiscal stimulus packages should rely primarily on temporary measures and be formulated within medium-term fiscal frameworks that ensure that the envisaged buildup in fiscal deficits can be reversed as economies recover and that fiscal sustainability can be attained in the face of demographic pressure. Countries that have more limited fiscal space should focus their efforts on supporting the financial sector and credit flows, while ensuring that budgets adjust to less favorable external conditions. However, it will be important to avoid cutbacks in foreign aid in response to tightening budget constraints, lest hard-won economic gains in developing countries are lost.<sup>82</sup>

#### **D. Discontentment to G8**

As described previously G8 is the most exclusive state group in the world. But in recent time the existence of G8 emerge the critique from others. Many of them think that the domination and existence of G8 is not giving any better

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<sup>81</sup> IMF Staff Position Note, *Fiscal Policy for the Crisis*, January 2008.

<sup>82</sup> Friedman, Milton. "The Role of Monetary Policy." Presidential address at the Eightieth Annual Meeting of the American Economic Association, December 1967. *American Economic Review* 58

solution for the development of world economy. G8 countries are too confident in ruling and dominating the economic development.

The economic recession that happened in 2008, shocked these eight countries. Their own economic development becomes unstable and it is not only giving bad impact to their economic sector but also other sectors in their country. Any gathering of the G8 seems more undeserving than the rest. Year after year the leaders from U.S, Canada, Britain, Germany, France, Italy, Japan and Russia gather to discuss economic policies and other political concerns. And year after year, to the dismay of citizens over the world not much happens. These annual summits hold incredible potential and each time the meetings seem wasted. The event has not produced any tangible successes in recent memory; every summer the leaders make the same “empty promises”.

They pledge billions of dollars in aid that is never materialized and make commitments to reduce carbon emissions that are not met. They just promise to ratify the protocol, but in fact the rest of them finally refuse to ratify because they think that if they reduce the production of emissions means that they also should reducing their industrial activities, which give them big income and advantages. The group’s lack of common priorities is partly to blame for its underachievement.

At one point, the group was a forum for the world’s strongest industrialized democracies but the addition of Russia has since undermined that

premise.<sup>83</sup> These days being a G8 nation is more a sign of status. And because membership does not confer special privileges or opportunities, there is little incentive to adhere to their policies.

Since they share little common ground, member states tend to act in their own self interest and merely pay lip service to the G8. For huge policy commitments and agreements from different member states every year, many see G8 meetings as the fruitless because they do not produce policy or because their commitments are never fulfilled.

For instance, a 'Washington consensus' exists, to be implemented by the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO), the Bank for International Settlements, the Organization for Economic Co-operation and Development and so on, the G8 is a key forum for arriving at it. And over the 25 years of its existence these policies have produced unprecedented global inequality, an impending global environmental crisis of barely imaginable proportions, and the prospect of unending 'asymmetric warfare' the latest euphemism for oppression by military superpowers of popular movements using small arms and fanatics relying on terrorism as well as endless other wars provoked, at bottom, by conditions of intolerable scarcity.

On the economic side the G8 continues to demand that poor countries open up their borders so that transnational corporations can swoop down and bleed public services dry. Like vultures, the corporations circle over the

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<sup>83</sup> Feldman, Adam "What's Wrong With The G 8" Fisher (New York) 2008



developing world, waiting to feed off the profits. The International Monetary Fund (IMF) and World Bank insist that to qualify for debt relief or loans poor countries must privatize public utilities including water, gas, electricity, transport, hospitals and schools. Privatization has increased the costs of these essential services, which means that poor people can no longer afford them. Privatization of public services has clearly exacerbated the effects of poverty in many developing countries.

Moreover the free-market policies that the G8 are imposing on the rest of the world, especially the impoverished south, are making it less and less likely that even a minimal degree of pseudo-democracy will be established there. In much of sub-Saharan Africa, for example, the chances are surely negligible that even pseudo-democracy can be established in the conditions of social and economic breakdown that G8 sanctioned structural adjustment policies have created.

Another case of G8 which consists of eight leaders whose records both domestically and internationally are fatally flawed, and fundamentally damaging to the world. They continue to profess commitment to 'promoting good governance', 'democracy' and 'development'. However a brief glance at their records demonstrates how unqualified they are to preach these messages. They are not representative of the continent's people. The outcome of the 2003 G8 Summit

has been stunning on its failure to make progress on the debt, health, trade and agriculture issues.<sup>84</sup>

G8 countries also keep world agricultural prices artificially low for everyone by dumping huge quantities of food on international markets at subsidized prices. The US and European governments support their farmers through complex payments systems, and compensate them for the difference between world prices and their real production costs. In other words, they allow Northern farmers artificially to undersell producers from poor countries, with the result that the US\$300 billion annual subsidies paid to Northern growers have decimated Third World peasantries.<sup>85</sup>

The response of the world's largest economic powers is starkly hypocritical. The G8, particularly the United States and the European Union countries, maintain massive agricultural subsidies at home, yet demand the liberalization of agriculture abroad. In April 2002, President George W Bush put his name to a US\$248.6 billion farm bill that will raise US agricultural subsidies by up to 80 per cent a year for the next ten years.<sup>86</sup> Surpluses, generated in part by EU Common Agricultural Policy (CAP) production subsidies, are dumped at artificially low prices on newly liberalized markets in developing countries, with devastating effects.

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<sup>84</sup> World Development Movement, African NGOs, *Joint statement from African NGOs and trade unions as the G8 summit comes to an end in Evian*, June 3<sup>rd</sup> 2003; available from <http://www.wdm.org.uk/campaign/evianafricannngo.htm>.

<sup>85</sup> Ibid.

<sup>86</sup> Watkins, K "Greed in action: US farming subsidies will hit world's poor", *Guardian Society*, June 5<sup>th</sup> 2002.

On the poverty case the following year at the G8 Summit in Cologne, the G8 leaders promised a figure of US\$100 billion in debt cancellation, a third of the figure Jubilee 2000<sup>87</sup> was campaigning for, but at least a step in the right direction. Since then, successive summits have offered very little of substance, and the promise of US\$100 billion of debt relief has not been delivered.<sup>88</sup> It shows that G8 only give the empty promises. They just give promises without realizing the promise. G8 does this because it wants to get the attention from international society and builds good image in order to rule and dominate the economic development.

On the environment case, according to World Wildlife Fund, the G8 countries alone account for over 62% of the carbon dioxide accumulation in the Earth's atmosphere. Despite this, the G8 Statement on Climate Change barely endorses what leaders of nearly 200 countries had signed up in the original UN Climate Change Convention during the 1992 Earth Summit. Other countries have been urging G8 to cut their greenhouse gas emissions by more than 80% by 2050.<sup>89</sup>

Amongst other new initiatives, the G8 launched a World Energy Forum to deal with rising oil prices and also other challenges flowing from the crisis of energy security. These included (for Britain and the US) working with the Iraqi

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<sup>87</sup> Jubilee Plus, *HIPC – flogging a dead process*, September 2000; available from [http://www.jubileeplus.org/analysis/reports/flogging\\_process\\_text.htm](http://www.jubileeplus.org/analysis/reports/flogging_process_text.htm).

<sup>88</sup> Ibid.

<sup>89</sup> United Nations Framework Convention on Climate Change Conference (UNFCCC), *Kyoto Protocol to the United Nations Framework Convention on Climate Change*, 2008; available from [http://unfccc.int/essential\\_background/kyoto\\_protocol/items/1678.php](http://unfccc.int/essential_background/kyoto_protocol/items/1678.php)

Government to build capacity in the oil sector there, and discussing with the Gulf States and others how sovereign wealth funds and oil revenues can be recycled into wider energy investments. But it failed to address the fact that the United States, Canada, Russia, and Britain (all members of the G8) produce 29% of the world's oil.<sup>90</sup> But the G8 consumes two thirds of the world's oil output. It seems too convenient to look outside its own borders for solutions.

On the political sector G8 members underscore the need for a comprehensive approach, in particular, through better coordination among military and civilian activities, stressing the importance of security sector reform, good governance and the local ownership. It will also maximize its efforts to ensure the security of civilians. It is support the key role of the UN, including the Security Council and peace support operations, and work towards enhancing the effectiveness of the Peace building Commission. It is also determined to strengthen our cooperation with regional organizations and, inter alia, to support the capacity building of AU.

From the statement above it can be conclude that all plans and programmes proposed by G8 is solely for its own interest. That's why many of their promise, plans, and programmes become unrealized for the whole international society. All eight members are engaged in promoting their own interests and those of corporations before their own people. It also shows that G8 only gives a dream to the people for people of the entire world. They state that

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<sup>90</sup> World Development Movement, African NGOs, *Joint statement from African NGOs and trade unions as the G8 summit comes to an end in Evian*, June 3<sup>rd</sup> 2003; available from <http://www.wdm.org.uk/campaign/evianafricannngo.htm>.

they can become the peacekeeper and peacebuilder, but on other hand they also create chaos and war.