

The *Lessons for the future.* Unaccountable G-8

BY JEFFREY D. SACHS

In hosting the 2010 G-8 summit of major economies (Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States), Canadian Prime Minister Stephen Harper called for an “accountability summit,” to hold the G-8 responsible for the promises that it has made over the years. So let’s make our own account of how the G-8 did. The answer, alas, is a failing grade. The G-8 this year illustrates the difference between photo ops and serious global governance.

Of all of the G-8’s promises over the years, the most important was made to the world’s poorest people at the 2005 G-8 Gleneagles Summit in Scotland. The G-8 promised that, by this year, it would increase annual development assistance to the world’s poor by \$50 billion relative to 2004. Half of the increase, or \$25 billion per year, would go to Africa.

The G-8 fell far short of this goal, especially with respect to Africa. Total aid went up by around \$40 billion rather than \$50 billion, and aid to Africa rose by \$10–\$15 billion per year rather than \$25 billion. The properly measured shortfall is even greater, because the promises that were made in 2005 should be adjusted for inflation. Re-

stating those commitments in real terms, total aid should have risen by around \$60 billion, and aid to Africa should have risen by around \$30 billion.

In effect, the G-8 fulfilled only half of its promise to Africa—roughly \$15 billion in increased aid rather than \$30 billion. Much of the overall G-8 increase in aid went to Iraq and Afghanistan, as part of the U.S.-led war effort, rather than to Africa. Among G-8 countries, only the United Kingdom is making a bold effort to increase its overall aid budget and direct a significant portion to Africa.

Since the G-8 was off track in its aid commitments for many years, I long wondered what the G-8 would say in 2010, when the commitments actually fell due. In fact, the G-8 displayed two approaches. First, in an “accountability report” issued before the summit, the G-8 stated the 2005 commitments in current dollars rather than in inflation-adjusted dollars, in order to minimize the size of the reported shortfall.

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The G-8 family photo with world leaders, African Outreach Leaders and extended Outreach Leaders at the G8 Summit at the Deerhurst Resort in Muskoka, Canada, June 25, 2010.

Second, the G-8 Summit communiqué simply did not mention the unmet commitments at all. In other words, the G-8 accountability principle became: if the G-8 fails to meet an important target, stop mentioning the target—a cynical stance, especially at a summit heralded for “accountability.”

The G-8 did not fail because of the current financial crisis. Even before the crisis, the G-8 countries were not taking serious steps to meet their pledges to Africa. This year, despite a massive budget crisis, the UK government has heroically honored its aid commitments, showing that other countries could have done so if they had tried.

But isn't this what politicians like to do—smile for the cameras, and then fail to honor their promises? I would say that the situation is far more serious than that.

First, the Gleneagles commitments might be mere words to politicians in the rich world, but they are matters of life and death for the world's poor. If Africa had another \$15–\$20 billion per year in development aid in 2010, as promised, with the amounts rising over future years (also as promised), millions of children would be spared an agonizing death from preventable diseases, and tens of millions of children would be able to get an education.

Second, the emptiness of G-8 leaders' words puts the world at risk. The G-8 leaders promised last year to fight hunger with \$22 billion in new funds, but so far they are not delivering. They promised to fight climate change with \$30

billion of new emergency funds, but so far they are not delivering. My own country, the United States, shows the largest gap between promises and reality.

Hosting this year's G-8 summit reportedly cost Canada a fortune, despite the absence of any significant results. The estimated cost of hosting the G-8 leaders for one-and-a-half days, followed by the G-20 leaders for one-and-a-half days, reportedly came to more than \$1 billion. This is essentially the same amount that the G-8 leaders pledged to give each year to the world's poorest countries to support maternal and child health.

It is absurd and troubling to spend \$1 billion on three days of meetings under any circumstances (since there are much cheaper ways to have such meetings and much better uses for the money). But it is tragic to spend so much money and then accomplish next to nothing in terms of concrete results and honest accountability.

There are three lessons to be drawn from this sorry episode. First, the G-8 as a group should be brought to an end. The G-20, which includes developing countries as well as rich countries, should take over.

Second, any future promises made by the G-20 should be accompanied by a clear and transparent accounting of what each country will do, and when. The world needs true accountability, not empty words about accountability. Every G-20 promise should spell out the specific actions and commitments of each country, as well as the overall promise of the group.

Third, the world's leaders should recognize that commitments to fight poverty, hunger, disease, and climate change are life-and-death issues that require professional management for serious implementation.

The G-20 meets later this year in South Korea, a country that has emerged from poverty and hunger over the past fifty years. South Korea understands the utter seriousness of the global development agenda, and the poorest countries' needs. Our best hope is that South Korea will succeed as the next host country, picking up where Canada has fallen far short. ◆

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