

## National Perspectives on Global Leadership (NPGL) FRANCE

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### 1. The General Context

Various reasons explain the special interest raised in France by the G20 process. The general concept is very much in line with a traditional French view in favor of « a better governance of the world economy », whatever this expression could encapsulate. Second, the very idea of the G20 as an appropriate forum to deal with the financial crisis was formulated by Nicolas Sarkozy who took the initiative to organize the first Washington summit. Third, France will hold the presidency in 2011.

In short, the G20 Summit in London last year was extremely positively considered in France. It was even frequently qualified in the media as « a starting point for a new world ». Subsequently, the Pittsburgh meeting delivered little results and started to raise more skepticism. Following Pittsburgh, it has been frequently considered in France, and probably in Europe, that the EU was doing its home work to implement the decisions adopted by the leaders and that the US was following its own track with little consideration for international cooperation. The recognition of China as a major global player was initially considered as a very important asset of the G20 format before the actual role of China being criticized after Copenhagen. More recently, the developments of the Greek crisis was the focus of increased and finally quasi-exclusive attention in Europe and the inability of European leaders to deliver appropriate answers was the source of considerable frustration. Expectations regarding international cooperation are consequently, at the moment, at a low level.

### 2. Innovative Ideas

Despite this general mood, the French president has floated various ideas. The three major suggestions are the following. The first one is the result of a political preoccupation directly linked to public opinion. It is considered as a major task for world leaders to give answers to the questions raised by their constituencies regarding the social consequences of the crisis: dealing with financial regulation or macroeconomic cooperation is not enough for voters whose main concerns are jobs, jobs, jobs. In this regard, Nicolas Sarkozy proposed to the leaders that they introduce more coordination between economic and social considerations and exemplified this proposal by mentioning an increased relationship between the IMF and the ILO.

Second, it is widely considered in France that global imbalances have played a prominent role in the race to the financial disaster (not a “cause” but a permissive condition); avoiding future financial cycles and crashes consequently requires the correction of these imbalances which have been until now very lightly seized by the leaders and only marginally mentioned in the communiqués. Beyond existing recommendations, among which the framework for strong, sustainable and balanced growth, the French President qualified the functioning of the international monetary system as inadequate and suggested its refoundation.

Third, France has argued for some time that environmental issues were inadequately dealt with in the existing international framework and that it could be appropriate to create a new “international environment organization” with broad responsibilities and the ability to deal with other UN organizations.

Despite their content remaining vague, these proposals deserve attention for three reasons. They exemplify the need for leaders to raise their collective ambition to the size of the difficulties, dealing with short term challenges but also searching for answers to long term ones: the agenda of the G20 cannot stop at a niche level.

Second, there is domestic political pressure beyond the whole process and the leaders have to speak and deliver in accordance with the expectations of their constituencies; in London and Pittsburgh, tax havens and bonuses were used by President Sarkozy as a way to speak this common language, "the leaders really deal with problems as you see them"; this remains a very difficult task.

Third, one can reasonably raise questions about the fruitfulness of elevating the issues at an unreachable level.

*Comment:*

*- Just like Canada, France is a member of both the G8 and G20. How will it approach the two summits in 2011 in terms of prioritization and balancing?*