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The Meaning of the G8 and the Unusual Character of the Russian State

By MURAKAMI Masayasu

The mysterious death of former lieutenant colonel Alexander Litvenenko, who worked for the KGB and its successor organization, the FSB, is recently a focus of attention. A number of similar incidents involving Russia have occurred recently with the assassination of journalist Anna Politkovskaya in October of 2006. It is unknown to what extent the Putin administration was involved in these deaths of prominent government critics, but the Japanese media gave belated broad coverage to the Litvenenko incident after failing to cover the background to the situation. Interest may have been piqued due to the fact that the victim had been a spy, but the issue should hardly be debated from such a simplistic standpoint. Rather, the situation ought to be viewed alongside the increasingly serious situation in Russia. As Prof. ITO Kenichi, the president of Global Forum of Japan, asserts, the issue comes down to a matter of "state governed by force" and once again confirms the very different natures of Russia and Japan.

Russia acted as the president of the G8 in 2006, and the first such summit hosted by Russia was held in St Petersburg in June. The presidency of the G8 and the assassinations of government critics seem incompatible. To be sure, Russia is a permanent member of the UN Security Council, and a strong political and diplomatic presence. But at the same time, the lack of importance given to law and justice in Russia as "state governed by force" does not sit well with values of freedom and democracy and only underscores the distance that exists between Russia and other G8 countries.

In addition, I would like to point out that Russian economic interests are also remarkably different from those of the other G8 nations. Although few outside of the participants themselves have likely noticed, there is a clear distinction between the G7 process and the G8 process when it comes to debating economic and financial issues. Even after Russia was formally admitted to the summit process, finance ministers and central bank governors of the G7 countries continue to have three annual meetings, while a G8 finance ministers meeting is held only once a year before the annual summit of head of state.

Russia is not an official member of the OECD, let alone able to debate adjustments to macroeconomic policy, currency issues or development aid from a position of common

understanding. As one of the BRICs nations, the Russian economy has been a focus in recent years, but the boom in Russia is not due to the functioning of a market economy so much as the influence of the rising international value of energy. Indeed, a market economy has still not really taken root in Russia and the privileged classes are coveting the fruits of economic growth, which is causing structural problems in the economic environment. There are major differences between the economic structures and concerns of Russia and the other G8 nations, which are diametrically opposed in the clearest terms.

When I was working with the G7 nations several years ago at the Japanese Ministry of Finance, relations with Russia became a topic of discussion because the year of the Russian presidency was approaching. Japan strongly opposed full Russian participation in the G7 process. The meaning of holding a summit would come into question not only because of its fundamental economic differences, but also because of the nature of Russian state. In other words, including such a different member would give rise to the issue of what kind of a gathering the summit represented. It has been pointed out for a long time that the G8 has become an empty vessel, but now would be a good time to ask the question of what is Russia's place in the summit.

(This is the English translation of an article written by MURAKAMI Masayasu, Acting Executive Governor of Global Forum of Japan, which originally appeared in "GFJ Policy BBS" on December 11, 2006)