

G8 and G20 Hosting Gets Mixed Response

Goals of Stronger World Economy, Isolating Iran, Better Bank Regulation, More Government Transparency, and Fighting Protectionism Are All Desirable, Says Business Panel. If Summit Goals Were Actually Achieved, the Price Tag Might Be Justified

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1.0 Overview

Canada's one billion dollar hosting of the G8 and G20 Summits may not be worth the cost, say CEOs and business leaders on the COMPAS business panel. The many possible summit objectives are all commendable or very commendable, say panelists. But they are unlikely to be achieved given the many conflicting interests of the participants in these summits.

All seven possible Summit goals presented to panelists are embraced by the CEOs and business leaders on the panel. At the top of the list of desirable objectives for these meetings are

- Collaboration to achieve a stronger world economy;
- Cooperation in the isolation of Iran;
- Agreement about achieving better quality bank regulation;
- More transparency and honesty in government operations given that corruption has been a barrier to economic stability in countries like Greece; and
- Strong efforts to fight trade protectionism.

Panelists embrace two other objectives as well, though with fractionally less enthusiasm: using the Summits as a platform from which to persuade the world's investors to recognize the quality of our financial system and to realize that Canada is a top place in which to live and invest.

These are the key findings from this past week's Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.



2.0 Findings

Table 2a shows that panelists doubt that the summits were worth the cost. Opinion among those with strong opinions, those scoring “7” or “1”, is especially one-sided. Those feeling strongly that the summits were not worth the cost outnumber 3:1 those who feel strongly that the summit were indeed worth the cost—21% vs 7%.

Panelists do believe that many potential goals of the Summit are indeed important, as shown in table 2b. At the top is collaboration to protect the world economy. In practice, 79% consider this an important goal of the meetings, scoring 5-7, compared to 15% who do not, scoring 1-3.

Though skeptical of the cost of the Summits at the outset of the interviews, panelists believe that the Summits might well be worth their cost if respondents’ own priority objectives for these summits were actually met, as shown in table 2a. If their vital objectives for these meetings were actually met, 45% believe that the cost would be justified, scoring 5-7, while 41% believe that the meetings would still not be justified, scoring 1-3.

Table 2a: On a 7 point worthiness scale where 1 means not at all worth the cost and 7, definitely worth the cost, what score would you give for how much Canada’s hosting these summits was worth the cost?

	Mean	7	6	5	4	3	2	1	DNK
General question asked at the beginning of the survey. ¹	3.4	7	11	17	12	6	27	21	0
Question asked at the end of the survey on the assumption that the respondent’s priority goals were met. ²	4.1 ³	15	16	14	12	14	14	13	0

¹ Q1) The direct costs of hosting the G8 and G20 summits are reportedly over a billion dollars, mainly for security. The indirect costs include inconvenience and potential productivity impacts for major and not so major businesses located in downtown Toronto.



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Table 2b: (Q2) On a 7 point importance scale where 1 means low or no importance and 7, high importance, how important is it for Canada when G8 and G20 summits successfully address each of the following objectives? RANDOMIZE

	Mean	7	6	5	4	3	2	1	DNK
Improved personal relationships among world leaders to protect and improve the world economy in our present economic climate	5.3	20	32	27	7	7	3	5	
Improved personal relationships among world leaders to deal successfully with threats like the nuclear arming of Iran	5.2	29	25	18	11	10	2	6	0
Better quality bank regulation as the superior performance of Canada's financial institutions has shown	5.2	25	25	25	12	3	4	7	0
Greater commitment to transparency and honesty because government corruption is a major barrier to economic stability and growth, as the example of Greece has shown	5.1	20	24	25	17	3	3	7	
Greater consensus against trade protectionism	5.1	19	27	27	10	8	3	7	0
Better opportunity for the world's investors, who follow these summits, to recognize the quality of Canada's financial system	4.9	18	24	20	19	7	3	9	1
Better opportunity for the world's investors, who follow these summits, to realize that Canada is a top place in which to live and invest	4.8	21	19	20	18	7	6	8	1

² (Q3) If the Toronto G8 and G20 summits achieved what you believe to important, on a 7 point scale where 1 means not at all worth the cost and 7, definitely worth the cost, what score would you give for how much Canada's hosting these summits was worth the cost?

³ (Q3) If the Toronto G8 and G20 summits achieved what you believe to important, on a 7 point scale where 1 means not at all worth the cost and 7, definitely worth the cost, what score would you give for how much Canada's hosting these summits was worth the cost?



The following verbatims provide a nuanced sense of panel opinion:

Yes it would be nice to realize the potential gains towards a consensus regarding the banking systems, and or Iran. The reality is that there are too many individuals with their own agendas for this to be accomplished. Different world leaders view the world through their own local political constraints, aspirations and goals - not from a standpoint of what is best for the world.

World leaders are setting a bad example given the current and recent economic crisis. The costs are excessive. They should be doing some belt tightening just as ordinary people and businesses have done and are doing.

These meetings should be held in one secure place only and not focus on showcasing any area. They should be about making decisions that better the world. The security could then be divided among the nations attending based on the number of people each has attending have attending and the security they require.

There must be a better way to hold these meetings, at the UN building, an island somewhere. Using conference calling is a lot cheaper and convenient to the public.

The Prime Minister has been silent on the excessive cost. He should be asking the same questions publicly -"how did this end up costing so much and what should we and other nations do differently in future?" I can not believe he thinks the cost is reasonable and the public deserves answers from those that made the decisions to spend this much money.

The present set up is a complete waste of money. This meeting should be in a relaxed, pleasant and productive atmosphere of which there are many in Canada.

The G20 should have been held in Huntsville.



Teleconferencing is very good these days. This could help to defray the costs, but it misses the personal relationship development.

Remember the leaders change regularly so meeting is important, i.e. England's new PM.

Just another waste of money and nothing ever gets accomplished.

Improved forethought and analysis would have lead to reduced cost as Canada could still host the summits at more optimal locations.

If we want to be in the club, then we need to pay for our ticket. No influence = no relevance. With 0.5 per cent of the world's population we have a big enough challenge to be relevant in a rapidly expanding world - a \$1 B price tag is frankly nothing.

If we estimate the expected Cost/Benefit ratio of the G8 and G20 summit as implemented compared to the Olympics, it appears to be a very poor second.

If this summit helps secure a better world financial system, a billion dollars will look like a drop in the bucket, if you consider the alternative of a bankrupt, non functioning financial system.

If the gathering is worth doing---go somewhere that is not disruptive and costly.

If Canada wants to remain a G7 and G20 member, it must realize that on a rotational basis everyone is going to come to your house for dinner one time. You can't be accepting invitations to other nations' events and not expect to host one yourself. And you had better put on a decent show if you want to walk the talk!

I am not down playing the importance of the G20 but don't think Toronto was the right venue. I think the government could have done a better job of choosing a location where



the disruption would have been more minimal and where the costs of security may also have been minimized - perhaps somewhere more remote.

Hosting the summit is valuable and important for Canada. However it could have been done without spending a billion dollars on security.

Canada has the ability to punch above its weight group. It has great education facilities, a solid health care program, far sighted federal governments and a willingness to get involved to help stabilize global affairs. Canada has produced many that are extremely successful in the arts, science, investment matters and in global politics. It is not perfect, but the country and nation is one that is looked up to by the outside world. We are known to stand up to the USA and to follow different directions. We are a democratic society that values law and order and will work to make sure that that is something citizens receive. Having the G8 and G20 this year in Canada showcases Canada and it is advertising that cannot be bought. Canada is a country that leads by example.

Albeit the expense is being sold as an investment for the future, us private guys would be held far more accountable for the ROI.

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted June 23 - 25, 2010. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than



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comparably sized general public studies. In studies of the general public, surveys of n=105 are deemed accurate to within approximate 9.6 percentage points 19 times out of 20. The principal and investigator on this study is Conrad Winn, Ph.D.

