

direction for the 1999 WTO ministerial suggests it should be a major item for the German-hosted Summit the following year). Likewise, commitments to be fulfilled by multilateral organizations should occur where the G7 has a high degree of real authority, such as the IMF and OECD, as opposed to being directed at issues in organizations in which the G7 does not possess disproportionate voting rights, such as the United Nations.

6) Related to issues of real and formal authority and principal-agent problems is the credibility of the underlying institutional body that will develop, implement, and carry out policy. Policy dialogue at the Summit level should embrace only those areas where adequate domestic institutional bodies exist, at the federal level, to develop and implement domestic policies. Commitments made by principals whose agents are ill-equipped to carry out the commitment can jeopardize the credibility and effectiveness of the policy announcement. In addition, the institutional body responsible for implementation should be identified, so that the principal-agent relationship is understood. It may be useful, in addition to the publicly issued communique, to have the sherpas prepare a more detailed, private "mandate" or implementation" paper, specifying implementing bodies and, where possible targets, timetables and mid-course adjustment mechanisms.

7) The 1998 Birmingham Summit is currently scheduled to adopt a format first conceived for, but not used at, the first G7 Summit, whereby the leaders will meet completely separately from foreign and finance ministers. The importance of leaders meeting on their own during the Summit gives them greater time to personally understand, become psychologically attached to, and consider implementative implications of, and strategies for, their commitments. However, compliance with