

US to host G7

May 14, 2020

Source: *The Hindu*

Manifest pedagogy: G7 and G20 are two different power blocs in the world today who have gained significance with the growing multipolar world order. Hence it is necessary to read both from prelims as well as mains perspective.

In news: Trump to host G7 meeting via video conference

Placing it in syllabus: Multilateral groupings

Dimensions:

- G7 history origin and headquarters
- Its contributions
- Criticisms against G7 and G20 as an alternative to it

Content: The **46th G7 summit** which was scheduled to be held through June 12, 2020, in Camp David, United States, **will be conducted by video conference in response to the global coronavirus pandemic.**

Participants will include the leaders of the G7 member states as well as representatives of the European Union. The decision has come as nations around the world have sealed their borders and have banned travel to stop the virus' spread.

G7 history origin:

- G7 stands for "**Group of Seven**" industrialized nations.
- It used to be known as the **G8 (Group of Eight) until 2014 when Russia was excluded** because of its annexation of Crimea from Ukraine.
- France, Italy, Japan, the United Kingdom, the United States and West Germany formed the **Group of Six in 1975** so that the noncommunist powers could come together to

- discuss important economic issues, global security etc...
- **Canada** joined the group in 1976.
 - **Russia** joined in 1998 and signaled a cooperation between East and West after the Soviet Union's collapse in 1991.
 - The G7 is an **informal bloc and takes no mandatory decisions**, so the leaders' declarations at the end of the summit are not binding.
 - At present, the group includes the **United States, the United Kingdom, Germany, Canada, Japan, France and Italy**.
 - The European Union has been involved in G7 work since 1977, and is represented at the summit by the President of the European Commission and the President of the European Council.
 - The **member country holding the G7 presidency** is responsible for organizing and hosting the year's summit.
 - Generally every member country hosts the summit once every 7 years.

Its contributions:

- The G7 is composed of the **seven wealthiest advanced countries**.
- The aggregate gross domestic product (GDP) of G7 member states makes up nearly **50 percent of the global economy** in nominal terms and G7 represents **10% of the world's population**.
- As of 2017 Credit Suisse reports the G7 (without the European Union) represents **above 62% of the global net wealth**.

Criticisms against G7 and G20 as an alternative to it:

- Though the forum's small and relatively homogenous membership promotes collective decision-making, it often **lacks follow-through and excludes important emerging powers**.

- Critics have argued that without China and other emerging global powers, the group **lacks relevance**.
- The G7's future has been challenged by **continued tensions with Russia**, disagreements over trade and climate policies.
- **Divisions emerged within the G7** over a 2017 proposal to impose fresh sanctions on Russia (related to Syrian war), which ultimately failed.
- **Trump has maintained poor relationships** with several G7 leaders.
- Rise of a larger group, **G20** as an alternative forum.

Rise of the G20:

- G20, is a **forum for finance ministers and central bank governors from nineteen of the world's largest countries as well as the EU**.
- Though **founded in 1999**, as a response to the 2008 financial crisis, the G20 was upgraded to head of state level in an inaugural summit in Washington, D.C.
- **G20 leaders first met in Washington in 2008, after the fall of Lehman Brothers**.
- Gradually its power and prestige has surpassed that of the G7.
- **Emerging powers including Brazil, China, India, Mexico, and South Africa**, whose absence from the G7 was often noted, including Russia, **all belong to the G20**.
- The group's member states **represent about 80 percent of global GDP and two-thirds of the world's population**.
- U.S. President Barack Obama had called the G20 the "premier forum for global economic coordination."
- G20 summits have been the **occasion for setting ambitious goals**. E.g. in Hangzhou, China, in 2016, President Obama and Chinese President Xi Jinping used the summit to jointly announce their accession to the Paris Agreement.

G20 v/s G7:

- While the G7 mainly has to do with politics, the **G20 is a broader group that focuses on the global economy.**
- G7 being a group of IMF- advanced economies, G20 is usually dubbed as a **group of developing nations.**
- It's also known as the "**Summit on Financial Markets and the World Economy**".
- It gathers leaders from *Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the United States, as well as the European Union.*

Mould your thought: What is the significance of G7? How has the group G20 overtaken G7 in the recent past?