

## **AN UNRAVELLING OF THE GROUP OF SEVEN**

**With the world in disorder, a new mechanism will have value  
only if it focuses on key global issues**

The next G7 summit, tentatively scheduled in Washington DC in mid-June, has been postponed by the host, U.S. President Donald Trump. His decision followed German Chancellor Angela Merkel's decision to stay away from the meeting, ostensibly because of restrictions on travel imposed by COVID-19. She may not have wanted to go just for a photo opportunity. The recent meetings of G7 have had desultory results.

### **Logic of expansion:**

While postponing the summit "to at least September", Mr. Trump declared that in any case, the G7 "is a very outdated group of countries" and no longer properly represented "what's going on in the world". He asked, rhetorically, why not a G10 or G11 instead, with the inclusion of India, South Korea, Australia and possibly Russia?

Elaborating this logic, the White House Director of Strategic Communications said the U.S. President wanted to include other countries, including the Five Eyes countries (an intelligence alliance comprising Australia, Canada, New Zealand, the United Kingdom and the United States), and to talk about the future of China. A Chinese Ministry of Foreign Affairs official immediately reacted, labelling it as "seeking a clique targeting China".

China's objection to an expanded G7 is no reason for India to stay away from it, if invited to join. India has attended several G7 summits earlier too, as a special invitee for its outreach sessions. India's Prime Minister was guest invited to Biarritz, France to the G7 summit last year, along with other heads of government (Australia, Burkina Faso, Chile, Egypt, Rwanda, Senegal, Spain, and South Africa).

The G7 emerged as a restricted club of the rich democracies in the early 1970s. The quadrupling of oil prices just after the 1973 Arab-Israeli War, when members of the Organization of the Petroleum Exporting Countries (OPEC) imposed an embargo against Canada, Japan, the Netherlands, and the United States, shocked their economies.

Although the French were spared the embargo, the chill winds of the OPEC action reverberated around the world. French President Valéry Giscard d'Estaing invited the Finance Ministers of five of the most developed members of the Organisation for Economic Cooperation and Development, the United States, Germany, Japan, Italy, and the United Kingdom, for an informal discussion on global issues. This transformed into a G7 Summit of the heads of government from the following year, with the inclusion of Canada (1976), and the European Commission/Community (later Union) attending as a non-enumerated member, a year later.

On the initiative of U.S. President Bill Clinton and British Prime Minister Tony Blair, the G7 became the G8, with the Russian Federation joining the club in 1998. This ended with Russia's expulsion following the annexation of Crimea in 2014.

### **Economic circumstances:**

When constituted, the G7 countries accounted for close to two-thirds of global GDP. According to the 2017 report of the accountancy firm, PwC, "The World in 2050", they now account for less than a third of global GDP on a purchasing power parity (PPP) basis, and less than half on market exchange rates (MER) basis.

The seven largest emerging economies (E7, or "Emerging 7"), comprising Brazil, China, India, Indonesia, Mexico, Russia and Turkey, account for over a third of global GDP on purchasing power parity (PPP) terms, and over a quarter on MER basis. India's economy is already the third largest in the world in PPP terms, even if way behind that of the U.S. and China.

By 2050, the PwC Report predicts, six of the seven of the world's best performing economies will be China, India, the United States, Indonesia, Brazil, and Russia. Two other E7 countries, Mexico and Turkey, also improve their position. It projects that India's GDP will increase to \$17 trillion in 2030 and \$42 trillion in 2050 in PPP terms, in second place after China, just ahead of the United States. This is predicated on

India overcoming the challenge of COVID-19, sustaining its reform process and ensuring adequate investments in infrastructure, institutions, governance, education and health.

### **The limitations of G7:**

The success or otherwise of multilateral institutions are judged by the standard of whether or not they have successfully addressed the core global or regional challenges of the time. The G7 failed to head off the economic downturn of 2007-08, which led to the rise of the G20. In the short span of its existence, the G20 has provided a degree of confidence, by promoting open markets, and stimulus, preventing a collapse of the global financial system.

The G7 has not covered itself with glory with respect to contemporary issues, such as the COVID-19 pandemic, climate change, the challenge of the Daesh, and the crisis of state collapse in West Asia.

It had announced its members would phase out all fossil fuels and subsidies, but has not so far announced any plan of action to do so. The G7 countries account for 59% of historic global CO2 emissions ("from 1850 to 2010"), and their coal fired plants emit "twice more CO2 than those of the entire African continent".

Three of the G7 countries, France, Germany, and the U.K., were among the top 10 countries contributing volunteers to the Daesh, which had between 22,000-30,000 foreign fighters just two years ago. West Asia is in a greater state of turmoil than at any point of time since the fall of the Ottoman Empire, leading to a migrants crisis that persuaded many countries in Europe to renege on their western liberal values, making the Mediterranean Sea a death trap for people fleeing against fear of persecution and threat to their lives.

### **Need for a new institution:**

The world is in a state of disorder. The global economy has stalled and COVID-19 will inevitably create widespread distress. Nations need dexterity and resilience to cope with the current flux, as also a revival of multilateralism, for they have been seeking national solutions for problems that are unresolvable internally. Existing international institutions have proven themselves unequal to these tasks. A new mechanism might help in attenuating them.

It would be ideal to include in it the seven future leading economies, plus Germany, Japan, the U.K., France, Mexico, Turkey, South Korea, and Australia. If Mr. Trump loses his re-election bid, this might have to wait for a few years. The 2005 ad hoc experiment by Prime Minister Tony Blair in bringing together the G7 and the BRICS countries was a one-off.

### **Also read | For BRICS, challenges and opportunities:**

A new international mechanism will have value only if it focuses on key global issues. India would be vitally interested in three: international trade, climate change, and the COVID-19 crisis. A related aspect is how to push for observing international law and preventing the retreat from liberal values on which public goods are predicated. Global public health and the revival of growth and trade in a sustainable way (that also reduces the inequalities among and within nations) would pose a huge challenge.

Second order priorities for India would be cross-cutting issues such as counter-terrorism and counter-proliferation. An immediate concern is to ensure effective implementation of the 1975 Biological Weapons Convention and the prevention of any possible cheating by its state parties by the possible creation of new microorganisms or viruses by using recombinant technologies.

On regional issues, establishing a modus vivendi with Iran would be important to ensure that it does not acquire nuclear weapons and is able to contribute to peace and stability in Afghanistan, the Gulf and West Asia. The end state in Afghanistan would also be of interest to India, as also the reduction of tensions in the Korean Peninsula and the South China Sea.

### **Meanings of Difficult Words :**

- ❖ **G-7 or Group of Seven** (noun) – a multilateral forum made up of the world's seven largest so-called developed countries: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. They meet annually to discuss and exchange ideas on a broad range of issues, including global economy, security and energy.

- ❖ **unravelling** (noun) – explaining, resolving, sorting out.
- ❖ **summit** (noun) – meeting, conference.
- ❖ **stay away from** (phrasal verb) – avoid, skip, evade, dodge.
- ❖ **ostensibly** (adverb) – apparently, seemingly, allegedly, supposedly.
- ❖ **photo opportunity** (noun) – another term for photo call, photo-op; it is an arranged event (opportunity) to take photos of politicians/celebrities posing for publicity.
- ❖ **desultory** (adjective) – casual, irregular, lukewarm, unmethodical, unsystematic.
- ❖ **rhetorically** (adverb) – bombastically, oratorically, eloquently, extravagantly, persuasively, expressively.
- ❖ **rhetoric** (noun) – the art of speaking or writing effectively & persuasively or impressively (but, often lacking substance); bombast, loftiness, hyperbole/extravagant language.
- ❖ **Five Eyes (FVEY)** (noun) – it is the multilateral intelligence-sharing alliance. The “five” in the 5 Eyes refers to the five Anglophone (English-speaking) countries that Australia, Canada, New Zealand, the UK, and the US. These countries are parties to the multilateral UKUSA Agreement, a treaty for joint cooperation in signals intelligence.
- ❖ **clique** (noun) – circle, set, group, coterie.
- ❖ **outreach** (noun) – the level of reaching out/ activity/ effort; involvement.
- ❖ **quadruple** (noun) – increase the price (of something) four times as greater than it was.
- ❖ **embargo** (noun) – ban/bar, restriction, prohibition, stoppage (official one).
- ❖ **spare** (verb) – leave unpunished, leave unaffected; do without, manage without.
- ❖ **chill winds** (noun) – problems, troubles, difficulties.
- ❖ **reverberate** (verb) – have adverse effects, have serious consequences, have severe outcomes.
- ❖ **non-enumerated** (adjective) – not-listed (a member).
- ❖ **annexation** (noun) – seizure, occupation, takeover, appropriation (of territory).
- ❖ **Gross domestic product (GDP)** (noun) – a measure of economic activity in a country. It is the total value of a country’s annual output of goods and service.
- ❖ **purchasing power** (noun) – the ability to buy something (goods/services).
- ❖ **purchasing power parity (PPP)** (noun) – it is an economic theory that allows the comparison of the purchasing power of various world currencies to one another. The “PPP exchange rate” is the rate at which the currency of one country would have to be converted into that of another country to buy the same amount of goods and services in each country.
- ❖ **market exchange rates (MER)** (noun) – the rate prevailing in the foreign exchange market (using either the rate at the end of the period or an average over the period).
- ❖ **way** (adverb) – at or to a considerable distance, far.
- ❖ **sustain** (verb) – support, encourage, bolster, give strength to.
- ❖ **multilateral** (adjective) – involving many different countries (in which all WTO member countries are party to the agreement).
- ❖ **address** (verb) – tackle, deal with, attend to, try to sort out.
- ❖ **head off** (phrasal verb) – forestall; prevent, avert, block something (an action/event by anticipating it early).
- ❖ **downturn** (noun) – decline, setback, blow/ upset (in economic activity).
- ❖ **span** (noun) – period, time, duration.
- ❖ **open market** (noun) – In principle, a fully open market is a completely free market in which all economic actors can trade without any external constraint; An economic system of buying and selling that is not under the control of the government, and where people can buy and sell freely.
- ❖ **contemporary** (adjective) – modern, present-day.
- ❖ **climate change** (noun) – a long-term change in the Earth’s climate, or of a region on Earth (Courtesy: NASA).
- ❖ **Daesh/ISIS** (noun) – According to Arabic translator Alice Guthrie, “D.A.E.SH is a transliteration of the Arabic acronym formed of the same words that make up I.S.I.S in English: ‘Islamic State in Iraq and Syria’, or ‘*al-dowla al-islamiyya fii-il-i’raq wa-ash-shaam*’.” It is a term that most Arab states and many European governments use to refer to the Islamic State or ISIS.
- ❖ **stimulus** (noun) – impetus, boost, incentive, fillip.
- ❖ **phase out** (phrasal verb) – eliminate, remove, discontinue, get rid of (something in gradual stages).
- ❖ **fossil fuel** (noun) – non renewable resources (or fossil fuels such as coal, oil and natural gas)

- are formed from the buried/deposited organic materials).
- ❖ **subsidy** (noun) – also called as subvention; a financial contribution granted to help an industry or business, mostly given by a government, in order to keep the price of service/goods at a low level.
  - ❖ **turmoil** (noun) – disorder, confusion, trouble, chaos.
  - ❖ **point of time** (phrase) – a particular moment.
  - ❖ **Ottoman Empire** (noun) – The Ottoman Empire (1301-1922) was the one of the largest and longest lasting Empires in history. It was an empire inspired and sustained by Islam, and Islamic institutions. It was an Islamic kingdom centered in Turkey.
  - ❖ **renege** (verb) – fail to honour, go back on, default on, break one's word/promise (a commitment/contract).
  - ❖ **liberal** (adjective) – progressive, forward-thinking, radical, reformist.
  - ❖ **death trap** (noun) – a dangerous place/situation/structure which causes death.
  - ❖ **flee** (verb) – run away, run off, take flight, escape.
  - ❖ **persecution** (noun) – oppression, victimization, discrimination.
  - ❖ **stall** (verb) – check, stop, halt, restrict.
  - ❖ **inevitably** (adverb) – unavoidably, certainly, definitely.
  - ❖ **distress** (noun) – difficulty, trouble, suffering.
  - ❖ **dexterity** (noun) – capability, ability, efficiency.
  - ❖ **resilience** (noun) – strength, toughness; the capacity to recover quickly from difficulties.
  - ❖ **flux** (noun) – continuous change, instability, unsteadiness, unpredictability.
  - ❖ **revival** (noun) – re-establishment, comeback, reintroduction, reappearance.
  - ❖ **multilateralism** (noun) – a method of coordinating relations between groups of three or more states (countries).
  - ❖ **attenuate** (verb) – weaken, decrease, reduce, lessen.
  - ❖ **bid** (noun) – attempt, effort, endeavour/try (to achieve or obtain something).
  - ❖ **ad hoc** (adjective) – relating to something needed/necessary to be done after an unpleasant/bad thing happened; emergency, makeshift, improvised, impromptu, unprepared.
  - ❖ **one-off** (noun) – rare thing/person; unique thing/person, one of a kind.
  - ❖ **vitality** (adverb) – essentially, necessarily.
  - ❖ **retreat** (noun) – withdrawal, pulling back, back down.
  - ❖ **public health** (noun) – the branch of medicine handling public health; public health is also the science of protecting and improving the health of people and their communities through education, policy making and research for disease and injury prevention.
  - ❖ **sustainable** (adjective) – reasonable, sensible, well founded (without disturbing the balance of nature and then without exhausting all of natural resources).
  - ❖ **inequality** (noun) – Inequality is simply defined as “the state of not being equal, especially in status, rights and opportunities; imbalance, unevenness, disproportion, disparity.
  - ❖ **cross-cut** (verb) – crisscross, traverse, intersect. (cross-cutting issues are also called as intersecting issues).
  - ❖ **counter-terrorism** (noun) – anti-terrorism; actions taken to combat or prevent terrorism.
  - ❖ **proliferation** (noun) – escalation, rapid increase, spread of something (particularly of nuclear weapons by the countries).
  - ❖ **counter-proliferation** (noun) – actions taken to prevent rapid increase/spread of something (particularly of nuclear weapons by the countries).
  - ❖ **microorganism (noun)** – microorganism/microbe is an organism that is so small & microscopic (invisible to the naked eye). (bacteria, fungi, viruses & etc).
  - ❖ **Biological Weapons Convention (BWC)** (noun) – the first multilateral disarmament treaty banning the development, production and stockpiling of an entire category of bacteriological (biological) and toxin weapons of mass destruction, was opened for signature on 10 April 1972. The BWC entered into force on 26 March 1975.
  - ❖ **recombinant technology** (noun) – it is the laboratory method of genetic recombination (such as molecular cloning) that is used to recombine and produce organisms or genetic materials artificially.
  - ❖ **modus vivendi/modi vivendi** (noun) – agreement, deal, understanding, settlement (between two conflicting parties); Modus vivendi is a Latin phrase that literally means “mode of living” or “way of life”.