

G7 - Summit, Countries, Headquarters [48th G7 Summit 2022]

[UPSC Notes]

What is G7?

The G7 forum is an open discussion platform that allows the leaders to have a detailed discussion over the topics that range from the issues like global economic governance, energy policies, and international security. The G7 meeting is held annually and topics related to economic governance, energy, and international security policies are discussed in this meeting.

However, it should be noted that the G7 does not have any written constitution and the legal binding of annual summits. When it comes to G7 headquarters, there is none. Its presidency rotates every year.

History of G7

This concept of organizing a forum at a world level came into existence before the 1973 oil crisis.

- In 1975, France hosted a meeting cum Summit which had France, Germany, Italy, the UK, and Japan as the participant representatives.
- In that meeting, Helmut Schmidt, Valery Giscard d'Estaing, Harold Wilson, and Gerald Ford came together and discussed the usual issues, including the election results.
- In late spring, six leaders from West Germany, Italy, Japan, the United Kingdom, and the United States met in Rambouillet under a rotating presidency to form the G6.
- This G6 first met in 1975 to discuss some big problems and issues like the collapse of Britain's fixed exchange rate system and the oil shock that the world faced during the 1970s.
- Later, in 1976, Canada joined the G6 group, and the group was renamed the G7.
- The countries of the G7 discussed many other issues apart from economic problems, like foreign and security policy issues too.

48th G7 Summit 2022

The G7 Summit was held in June 2022 in the Bavarian Alps, in Germany where it had assumed its Presidency on 1st June 2022. The seven G7 countries are Italy, Canada, Germany, Japan, the United States, the United Kingdom, and France. Both the European Council President and the commission president represent the European Union in all the Global discussions.

Highlights of 48th G7 Summit 2022

- Partnership for Global Infrastructure and Investment (PGII): 600 billion dollars by 2027 to be collectively mobilized for infrastructure projects in developing and middle-income countries.
- LiFE (Lifestyle for Environment) campaign: To promote an eco-friendly lifestyle
- Russia-Ukraine Crisis: Due to the ongoing crisis, the oil prices have soared. Indian PM suggested that there should be an equal distribution of energy resources between the rich and poor nations.
- Clean Energy Technology

47th G7 Summit 2021

Prime Minister Narendra Modi had addressed the 47th G7 Summit 2021 by video conferencing method.

- An earlier record between the G7 finance ministers has set a global minimum corporate tax rate.
- The Summit also invited South Korea and Australia along with India as participating guest countries.
- The 47 G7 Summit was held in the United Kingdom.
- Since its launching in 2013 this initiative was expected to compete with the trillion-dollar Belt and Road initiative of China that including even G7 member Italy due to its manageable debt burden on small countries.
- An agreement was signed by G7 and other guest countries on the open society which encourages and reformed the freedom of expression both online and offline as a fundamental right that safeguards the expression of democracy by ensuring people live life freely.
- In the Summit they allocated USD 100 billion a year towards helping the poor countries by reducing the carbon emissions and raising their contributions in the same.
- Also, it was committed in the Summit to halting and reversing the biodiversity loss by 2013 and reaching the goal of net-zero carbon emission by the year 2050.

India's Stand in G7 Summit

- G7 countries should look at India as a natural ally in fighting authoritarianism, disinformation, economic coercion, violent extremism, and terrorism.
- Raised the concerns about the pen societies that they are vulnerable to cyber-attacks and disinformation.
- Covid-19 vaccine patent protection was lifted with the support of grouping.
- India had called for collaborative action on climate change in order to protect the planet's atmosphere, biodiversity, and oceans.
- Only India is on the track to meet its Paris commitments among the G20 countries.

Principles of G7

The following are some digital principles that were agreed upon by G7 trade ministers in October 2021 in London:

- The G7 can keep an eye on digital trade and cross-border data.
- Open digital markets, digital trading systems, fair global governance, and cross-border data flow are some of the issues that were covered in the G7 digital trading principles.

Composition of G7

The G7 group comprises seven industrialized and economically advanced countries, whose estimated net wealth is about 62% of the global wealth - the USA, Canada, France, Germany, Italy, Japan, and UK. This data excludes the European Union. If the EU is included in this cluster, then the figure reaches up to 70%.

- The G7 meeting is held annually, and the 7 countries that participate in it host the meeting in a defined rotation.
- The leaders of important international organizations like the IMF, World Bank, and the United Nations are also invited to this summit.

Facts about G7

- The seven aforementioned economies are the top rankers and advanced economies that have the largest GDPs.
- In terms of net worth per capita, the G7 is among the top 15 countries.
- According to the World Gold Council, the countries with the largest gold reserves are Germany, Italy, France, the United States, and Japan.
- As a member of the five-eyes intelligence gathering body along with the US and UK, NATO consists of France, Germany, Italy, and Canada.
- There are five major nuclear energy producers in the world. These are the United States, France, Japan, Germany The United Kingdom, and Canada.

Significance of G7

The existence of the G7 group is of great significance to the world as

- It provides discussions on the issues that are of public welfare and opens the way to global leadership.
- It also provides a platform for the best and top economies in the world to share a stage and mindmap the ways to change the global trends and sort out the challenges.

Challenges to G7

- There are several inner clashes among the participating members of the group over certain issues.
- With the passage of time, the latest emerging economies like India have also become a challenge to this group. However, India is a member of the G20 group.
- It has also been claimed that the G7 countries mostly remain unsuccessful in providing an accurate picture of the current condition of the global economy.