

Significance and Importance of G-7 Summit Changing in Response to Global Situation

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The Group of Seven industrial democracies will hold an annual summit in Cornwall of the United Kingdom on June 11-13. In addition to the top leaders from Japan, the United States, the United Kingdom, France, Germany, Italy and Canada, those from the European Union, Australia, India, South Korea and South America will participate in the 2021 G7 summit to discuss security, the global economy, climate change and other global issues. Since the first summit of major countries took place in France in 1975 to address the oil crisis and economic turmoil, then the most serious issues, the summit has been held annually. Participating in the first summit were Japan, the United States, the United Kingdom, France, Italy and West Germany. Canada joined the six in the second summit. Since then, the annual summit of major countries has discussed the then most important global issues such as responses to the Soviet Union's collapse, international terrorism, the Middle East situation, oil price spikes, climate change and Lehman Brothers' failure that triggered a global financial crisis. How these advanced economies should cooperate in tackling these issues has been questioned at the annual summit, attracting global attention.

Looking back into history, however, we find that the positioning of the G7 summit has changed over time. First, the relative importance of the seven advanced economies for the world has declined. In 1975 when the first summit took place in response to the first oil crisis, the summit participants had a great presence in the global economy. The six advanced economies then accounted for 55% of global oil demand, indicating their important position. As China and other emerging market economies have gained power with the passage of time, however, the seven advanced economies' position has relatively declined. Their share of global oil demand has fallen to 30%. Even at present, the seven countries still lead the global economy, including the United States as the world's largest economy, Japan as the third and Germany as the fourth. However, they have lost their dominant position seen in the past. Reflecting the realities, these advanced economies formed the Group of 20 as a new international framework together with important emerging market economies and resource-rich countries including China, India, Brazil and Saudi Arabia. However, the diversified G20 members have had numerous conflicts of interests, indicating that it is difficult for them to be united to address any issues.

The G7 expanded into the G8 in 1998 as Russia joined the Western democracies in the wake of the collapse of the Soviet Union to cooperate in addressing their common challenges. In 2014, Russia was expelled from the group for annexing Crimea following its conflict with Ukraine. Under the Trump administration, the United States as the world's largest economy and military power downgraded the G7, leading the unity and significance of the G7 to be called into question. In 2020, the annual in-person G7 summit failed to be implemented for the first time since 1975 due to the spreading COVID-19 pandemic and turmoil following the U.S. presidential election, although two online G7 summits were held to cope with the COVID-19 pandemic.

However, the imminent G7 summit is attracting global attention in a new global situation.

In the new situation, the U.S. Biden administration has dramatically changed Washington's attitude towards the G7 from the previous administration. Former U.S. President Donald Trump advocated the "America First" foreign policy without being interested in G7 and other multilateral talks, retaining a unilateralist approach. Under the Trump administration, the United States' relations with its European allies soured, leading the 2019 G7 summit to demonstrate disagreement. Then, the G7 gave up on adopting a leaders' declaration for the first time. However, incumbent President Joe Biden has pursued an international cooperation policy emphasizing U.S. allies, differentiating himself from his predecessor in the international arena. It may be natural for the G7 summit including the new U.S. president to attract global attention.

The imminent G7 summit is expected to deal with global issues including COVID-19 countermeasures, security and diplomacy, the global economy, trade, finance and climate change. Global attention will focus on how the G7 countries would be united to cope with these key issues. Although all these issues are extremely important, I see how to deal with China regarding security and diplomacy and G7 leaders' discussions on climate change as particularly important from "a Japanese Perspective on the International Energy Landscape."

As the G7 countries share growing cautions against China's hegemonistic behavior and criticisms against and concerns over Hong Kong, Taiwan and Xinjian Uyghur issues, these Western democracies are expected to agree on their united critical view of China. The G7 leaders are likely to discuss how best to reform or rebuild supply chains for strategically important goods and materials from the viewpoint of economic security. Given that the G7 countries engage with the Chinese economy to various degrees, however, their discussions and conclusions will attract attention. Under the current situation called a "new U.S.-China cold war", the United States under the Biden administration basically plans to enhance its strategy against China while emphasizing relations with its allies and cooperating with other countries that share universal values with the United States. After emphasizing economic relations with China until recently, European countries are deepening their concerns over China due to human rights and democracy issues. In this sense, discussions on China issues are likely to be highlighted at the imminent G7 summit.

As Western advanced economies demonstrate their united critical view of China, its reaction and counterstrategy could invite global geopolitical tensions to grow. China may reject anti-China criticisms based on its core interests, and the use of human rights or democracy as serious interference with its internal affairs. China may embark on a diplomatic strategy that would enhance its strategic relations with Russia confronting Western democracies, maintain and expand its influence in Central Asia, the Middle East and other geopolitically important regions and drive a wedge between Western powers and major countries in these regions. What attitude the G7 countries would take against China at the summit and how China would react and respond to the Western attitude would exert great impacts on the global geopolitical situation. We will have to closely watch future geopolitical developments regarding China as one of the most important factors for the international energy situation.

Another important point regarding the G7 summit is the direction of discussions on climate change. As major countries have announced their carbon neutral targets since last year, a global trend of enhancing decarbonization initiatives is accelerating. At the G7 summit, participants may reaffirm the enhancement of their carbon neutral initiatives and discuss global decarbonization measures. Advanced economies will play key roles in promoting leading-edge decarbonization initiatives and developing and diffusing innovative technologies for such initiatives. They may be required to take leadership in global decarbonization by making maximum efforts to achieve their respective 2050 carbon neutrality targets. It is hoped that the G7 group would seriously consider a

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strategy that would avoid undesirable problems such as the intensification of the North-South confrontation and give due heed to realities in developing and resource-rich economies. If advanced economies exert excessive pressure on developing, emerging market and resource-rich economies to promote decarbonization initiatives, the latter may take such pressure as coercive and reignite an earlier argument holding advanced economies responsible for climate change, shaking the inclusive international framework based on the voluntary and bottom-up approach that produced the Paris Agreement. It may be needless to say that the comprehensive and early implementation of climate change countermeasures would serve global interests. Leaders of advanced economies are required to propose a path for global cooperation in the implementation. Any unnecessary North-South confrontation should be avoided from the strategic viewpoint of the geopolitical situation regarding China.

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