



G7: Engagement Opportunities, Covid-19 and Beyond

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Earlier this month, The United Kingdom was host to the top leaders representing the biggest and most powerful democracies, in discussing a list of global issues that need immediate addressing. For India, with its huge development needs, and global aspirations, the summit opened up avenues of opportunities in cooperation, climate change, and health diplomacy to name a few. This edition of ONW reflects upon developments in this front among other developments in the arena of cooperation at the helm of the G7 Summit, while underpinning the potential for the Indo-U.S. cooperation.

News/Op-ed	Key Takeaway
<p>G7 summit and the prospect of a new cold war <i>By Maroof Raza</i> The Tribune June 21, 2021</p>	<p>If the G7 summit, recently held at the UK's seaside resort Carbis Bay in Cornwall, were to be remembered for one thing, it would be for President Biden's desire to lead the western world, in general, and to redefine the contours of Washington's rivalry with China. The stage has now been set for a new cold war, even though the hostility against China has been there for over a decade now, with tensions in the waters of the South China Sea where China has acquired islands and littorals, and China's aggressive diplomacy with its Belt and Road Initiative (BRI).</p>
<p>The G7's role in the world <i>By Jayati Ghosh</i> Social Europe June 21, 2021</p>	<p>The world is directly facing multiple crises: the pandemic, which continues to rage in successive waves across much of the globe; the economic devastation which Covid-19 has wrought; the looming external-debt concerns, which are increasing likely to explode in the near future, and the climate changes, already upon us, requiring major investments in mitigation and adaptation. All require urgent attention and a major change in policy orientation. Yet despite the usual high-sounding verbiage of the official communiqué, there was no real sense of urgency, since nothing significant was decided on any of these issues.</p>

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<p>G7: A strong message on democratic values <i>By Mark Tully</i> Hindustan Times June 19, 2021</p>	<p>Did the G7 summit amount to nothing more than a pleasant holiday by the sea? Joe Biden did not think so. He saw the summit in wider terms than mere dollars, pounds or even vaccines, important as they are. He saw it as demonstrating the contrast between democracies and autocracies. PM Modi did the same, describing India as a natural ally of the G7 and claiming that the values of democracy were “enshrined in the Constitution and the civilisational values of India”. He supported the adoption of the summit’s “open societies statement” defending the freedom of expression, off and online.</p>
<p>G7 & NATO summits: Disparities on China continue to pull U.S., EU apart; for now, B3W can’t replace BRI <i>By Sreemoy Talukdar</i> Firstpost June 19, 2021</p>	<p>The B3W initiative is impressive on paper, but vague on specifics. It lacks a well-defined structure, has no clarity on logistics or financing beyond saying that it will mobilise “private sector capital”, which is odd given its scale and it is not clear why low and middle-income countries will rely on an ill-defined patchwork of programs by America and its allies instead of a single, efficient source of funding and execution.</p>
<p>G7 needs to learn from China, if it's going to succeed in pushing back China's BRI <i>By Praveen Swami</i> Moneycontrol June 19, 2021</p>	<p>The story of the Tanzania-Zambia Great Freedom Railway holds out important lessons for G7 leaders. China has—for decades—adroitly used aid as a means to secure geopolitical leverage, often ignoring purely economic considerations. Its successes, moreover, have often been the result of gaps created by Western reluctance. For the G7’s plans to work, there must be a clear-eyed realisation among Western leaders that infrastructure development cannot be judged by economic outcomes alone; geopolitics and wealth have, and always will be, inextricably enmeshed.</p>
<p>The G7 deal on minimum corporate tax is flawed <i>By Ashish Goel and Shilpa Goel</i> Hindustan Times June 18, 2021</p>	<p>The global minimum corporate tax rate has been variously described as ‘historic’, ‘landmark,’ and a ‘gamechanger’. According to the United States and G7 countries, subjecting companies to a minimum tax rate on a country-by-country basis will end the “race to the bottom” on corporate tax rates, and disincentivise base erosion and profit-shifting (BEPS) practices. But, the proposal is not as straightforward as it seems.</p>
<p>G7 Should ‘Rebuild First’ To ‘Build Back Better’ <i>By Shreya Mishra</i> Business World June 18, 2021</p>	<p>To get back in the game the G7 members need to roll up their sleeves and get their house in order by ‘rebuilding’ three key aspects to ‘Build Back Better’. The leading democracies of G7 have to rebuild their cumulative credibility and re-inspire the confidence of the world that democracy is the only way to maintain transparency and a stable international order. The spread of SARS Cov-2 pandemic, the subsequent calls for a transparent probe in its origins and the belligerent response from China, have provided ample opportunity to the wealthy democracies to regain the lost ground.</p>

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<p>The G7's jumpstart for multilateral cooperation <i>By Kaewkamol Pitakdumrongkit</i> East Asia Forum June 18, 2021</p>	<p>Global problems need global solutions and the G7 is one of the most important platforms for galvanising multilateralism. The G7 convenes some of the world's largest and most advanced economies, which cumulatively account for 40 per cent of global GDP. Outcomes of the meeting can set the direction of responses to transnational issues.</p>
<p>Growing convergence between India, G7 on China threat makes Cornwall meet crucial for New Delhi <i>By Kanwal Sibal</i> Firstpost June 17, 2021</p>	<p>The reference to promoting shared values as open societies in the international system, as reflected in the Statement on Open Societies signed with the leaders of countries from the Indo-Pacific region and Africa, namely, Australia, India, South Africa and the Republic of Korea, and committing to increase cooperation on supporting democracy also targets the challenge from authoritarian political systems. All the references to China, direct and indirect, are helpful from India's point of view in taking cognisance of the mounting Chinese threat with which the country is now confronted more openly and durably.</p>
<p>G7 Summit 2021: Leaders of richest democracies failed to agree on climate and funding, again Firstpost June 17, 2021</p>	<p>The leaders of (supposedly) the world's richest democracies failed again to agree to new funding to help poorer parts of the world invest in green technology and adapt to extreme weather. It's the elephant in the room at any gathering where the leaders of rich countries discuss climate change: historical responsibility. Everyone knows that G7 nations have contributed disproportionately to the global warming that has already happened. But exactly how much more?</p>
<p>G7's anti-China stance is not enough to counter the dragon <i>By Indrani Bagchi</i> Times of India June 16, 2021</p>	<p>At its heart, the G7 summit was all about China, even though some of the members attempted to temper (Paywall) the increasingly hard line that America has adopted. Senior British official briefing journalists suggested that the summit was "what we are about rather than who we are against." It's more democracies versus autocratic/authoritarian systems, Biden suggested. "We're in a contest, not with China per se, but with autocrats and autocratic governments around the world as to whether democracies can compete with them in a rapidly changing 21st century."</p>
<p>Why The G7 Still Matters To The Global Economy <i>By Cornelia Meyer</i> Eurasia Review June 16, 2021</p>	<p>Why then does the G7 still matter? Firstly, its members are democracies that share a multitude of values. Secondly, the group is a good way to gauge the state of the world. Thirdly, the member countries propose important initiatives which can then be further developed by the G20. The communique, if nothing else, highlights a consensus by an important and very wealthy group of nations.</p>

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<p>We Don't Need the G7 <i>By Jeffrey D. Sachs</i> Project Syndicate June 16, 2021</p>	<p>The latest G7 summit was a waste of resources. If it had to be held at all, it should have been conducted online, saving time, logistical costs, and airplane emissions. But, more fundamentally, G7 summits are an anachronism. Political leaders need to stop devoting their energy to an exercise that is unrepresentative of today's global economy and results in a near-complete disconnect between stated aims and the means adopted to achieve them. The G7 is particularly irrelevant because its leaders don't deliver on their promises. They like making symbolic statements, not solving problems.</p>
<p>From G7 summit, a template for Indian engagement with the West <i>By C. Raja Mohan</i> The Indian Express June 15, 2021</p>	<p>Two important messages emerge from India's participation, in the summit of the world's leading industrial democracies in the Cornwall. One is Prime Minister Narendra Modi's proclamation that India is a "natural ally" of the G7 and its partners. The other is the emphasis on shared democratic values that bind India with the West. This was reflected in a statement on "open societies" that India issued along with the members of the G7 and three other invited guests — Australia, South Africa and South Korea.</p>
<p>The G7's New Global Infrastructure Initiative <i>By Matthew P. Goodman and Jonathan E. Hillman</i> CSIS June 15, 2021</p>	<p>Group of Seven (G7) leaders agreed on a new initiative to support global infrastructure investment, launched as global needs rise and China's Belt and Road Initiative (BRI) pulls back. Details on the initiative were sparse in the lengthy G7 communiqué, but the Biden White House issued a more detailed fact sheet dubbing the initiative "Build Back Better World (B3W)" and describing it as "a values-driven, high-standard, and transparent infrastructure partnership led by major democracies to help narrow the \$40+ trillion infrastructure need in the developing world."</p>
<p>Global solutions: Four things that came out of the G7 summit <i>By Douglas Broom</i> World Economic Forum June 15, 2021</p>	<p>There was a lot on the table, from climate change to the pandemic and global economic recovery, and although not everyone will think the outcomes go far enough, here are four of the key takeaways from the summit:</p> <ol style="list-style-type: none"> 1. A billion doses of COVID-19 vaccine 2. No more coal 3. America is back 4. Tech giants and tax havens targeted
<p>Where the G7 summit failed <i>By Mohan Kumar</i> Hindustan Times June 15, 2021</p>	<p>The much-awaited G7 communique from Carbis Bay is long on rhetoric and short on substance. G7 ignores the three immediate actions recommended by the Report of the Independent Panel on Pandemic Preparedness and Response. The three actions included one billion vaccine doses by September 2021 and two billion doses by end of 2022; waiving intellectual property rights (IPR) if voluntary action does not occur quickly; and lastly, committing 60% of the \$19 billion required for Access to Covid-19 Tools (Act) Accelerator in 2021 for vaccines, therapeutics, diagnostics and strengthening of health systems. G7 falls short significantly on all three counts.</p>

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<p>India natural ally of open societies: PM Modi at G7 Summit The Times of India June 14, 2021</p>	<p>Describing India as a natural ally of G7, Prime Minister Narendra Modi said democracy and freedom were a part of India’s civilisational ethos while sharing concerns that open societies were particularly vulnerable to disinformation and cyber-attacks and underlining the need to ensure that cyber space remains an avenue for advancing democratic values and not subverting it.</p>
<p>G7 Leaders Offer United Front as Summit Ends, but Cracks Are Clear <i>By David E. Sanger and Michael D. Shear</i> The New York Times June 13, 2021</p>	<p>The leaders tried to present a unified front against a range of threats. But they disagreed about crucial issues, from timelines for halting the burning of coal to committing tens or hundreds of billions of dollars in aid to challenge Beijing’s Belt and Road Initiative, China’s overseas investment and lending push. This time, however, the session had distinctly Cold War overtones — a reflection of the deepening sense that a declining Russia and rising China are forming their own adversarial bloc to challenge the West.</p>
<p>Onus on India to make strides as G7 partner <i>By Gurjit Singh</i> The Tribune June 11, 2021</p>	<p>Until India reaches a level of development where it can share the costs of international cohabitation with the G7 countries, it will not be able to undertake the responsibilities that an association with G7 may entail. It has to focus on common priorities where the mutual gains in a strategic matrix can be maximised. The effort to expand vaccination for all by investing in production and distribution infrastructure is one area of cooperation.</p>
<p>G7 needs a reset. It must reflect the world of today <i>By Ram Madhav</i> Hindustan Times June 11, 2021</p>	<p>The time has come for the G7 to find a new rhythm, vision and purpose for its existence in the emerging post-Covid world order. The countries of G7 need to look beyond the future of their markets, into the domain of the values they claim to stand for. India, Australia and South Korea have been invited to join in the meeting this year. It has led to the speculation that G7 might rechristen itself as D-10, upholding values like democracy, freedom and human rights.</p>
<p>The G7's tax reform could entrench global inequality <i>By Jayati Ghosh</i> International Politics and Society June 11, 2021</p>	<p>The proposal is based on the recognition that the international tax architecture, designed for an earlier and very different era, contains anomalies that enable multinational companies (MNCs) to avoid paying the same rate of taxes that local companies pay. They do this through accounting procedures described as ‘base erosion and profit shifting’ (BEPS), artificially moving profits to low-tax jurisdictions to avoid paying higher taxes in countries where they actually operate.</p>

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