

# Group of Seven (G7): UPSC Notes for International Relations

International organisations are an important part of the UPSC syllabus. This article talks about the G7 which is the grouping of the world's most developed countries. It is a part of the International Relations segment of the IAS exam.

The G7 or the Group of 7 is a group of the seven most advanced economies as per the International Monetary Fund (IMF). The seven countries are Canada, USA, UK, France, Germany, Japan and Italy.

## History of the G7

The concept of a forum for the world's major industrialized countries emerged before the 1973 oil crisis.

In 1975, a summit hosted by France brought together representatives of six governments: France, West Germany, Italy, Japan, the United Kingdom, and the United States. Schmidt and Giscard d'Estaing were heads of government in their respective countries, and since they both spoke fluent English, it occurred to them that they, and British Prime Minister Harold Wilson and U.S. President Gerald Ford could get together in an informal retreat and discuss election results and the issues of the day. In late spring, d'Estaing of France invited the heads of government from West Germany, Italy, Japan, the United Kingdom, and the United States to a summit in Château de Rambouillet; the annual meeting of the six leaders was organized under a rotating presidency, forming the Group of Six (G6).

Following 1994's G7 summit in Naples, Russian officials held separate meetings with leaders of the G7 after the group's summits. This informal arrangement was dubbed the Political 8 (P8) – or, colloquially, the G7+1. At the invitation of Prime Minister of the United Kingdom Tony Blair and President of the United States Bill Clinton, Russian President Boris Yeltsin was invited first as a guest observer, later as a full participant. After the 1997 meeting Russia was formally invited to the next meeting and formally joined the group in 1998, resulting in a new governmental political forum, the Group of Eight or G8. Despite not being a major economic power according to the International Monetary Fund (IMF).

However, the Russian Federation was ejected from the G8 political forum in March 2014, following its annexation of Crimea.

## Composition of the G7

The G7 is composed of the seven wealthiest advanced countries. The People's Republic of China, according to its data, would be the second-largest with 16.4% of the world net wealth, but is excluded because the IMF and other main global institutions do not consider China an advanced country and because of its relatively low net wealth per adult and HDI. Various reports suggest that the G7 (without the European Union) represents above 62% of the global net wealth. Including the EU the G7 represents over 70% of the global net wealth.

## **Facts about the members of G7**

Here we give you some brief facts about a few members of G8 nations

- All the 7 are top-ranked advanced economies with the current largest GDP and with the highest national wealth (United States, Japan, Germany, UK, France, Italy, Canada).
- The G7 are among the 15 top-ranked countries with the highest net wealth per capita (United States, France, Japan, United Kingdom, Italy, Canada, Germany).
- All the 7 are leaders when it comes to export
- 5 members of the G-7 have the largest proven reserves of gold (United States, Germany, Italy, France, Japan).
- All 5 of the members of the NATO Quint ( The Quint is the informal decision making body of NATO consisting of the U.S., U.K., France, Germany, Italy) and Canada is also a member of Five Eyes intelligence gathering body with the U.S. and U.K.
- 6 of the 9 largest nuclear energy producers (United States, France, Japan, Germany, Canada, UK), although Germany announced in 2011 that it will close all of its nuclear power plants by 2022. Following the 2011 Tōhoku earthquake and tsunami, Japan shut down all of its nuclear reactors. However, Japan restarted several nuclear reactors, with the refueling of other reactors underway.
- The requirements to be a member of the G7 are a high net national wealth and a high HDI (Human Development Index). The G7 also accounts for 46% of the global Gross Domestic Product calculated at market exchange rates and also for 32% of the global PPP GDP.