

## AIR Spotlight - PM's Intervention at G7 Summit 2021

AIR Spotlight is an insightful programme featured daily on the All India Radio Newsonair. In this program, many eminent panelists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation. In this article, the topic of discussion is the PM's Intervention at G7 Summit 2021.

### Participants:

- Anil Wadhwa, Former Diplomat.
- Indrani Bagchi, Journalist.

### Context:

Prime Minister Narendra Modi's intervention at the [G-7](#) outreach session.

### Background:

- At the invitation of UK Prime Minister Boris Johnson, Prime Minister Shri Narendra Modi participated in the Outreach Sessions of the G7 Summit on 12 and 13 June in virtual format.
- The UK currently holds the Presidency of the G7 and has invited India, along with Australia, the Republic of Korea, and South Africa, as Guest Countries for the G7 Summit. The meeting was held in hybrid mode.
- The theme for the Summit was 'Build Back Better' and the UK has outlined four priority areas for its Presidency. These are:
  - Leading the global recovery from coronavirus while strengthening resilience against future pandemics.
  - Promoting future prosperity by championing free and fair trade.
  - Tackling climate change and preserving the planet's biodiversity, and
  - Championing shared values and open societies.
- The Leaders exchanged views on the way forward on global recovery from the pandemic with a focus on health and climate change.
- This is the second time the Prime Minister participated in a G7 meeting. India had been invited by the G7 French Presidency in 2019 to the Biarritz Summit as a "Goodwill Partner" and the Prime Minister participated in the sessions on 'Climate, Biodiversity and Oceans' and 'Digital Transformation'.

### What is the G-7?

- The Group of 7 (G7) is an informal group of seven countries — the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom, the heads of which hold an annual summit with the [European Union](#) and other invitees. Together the member countries represent 40% of global GDP and 10% of the world's population.
- Unlike other bodies such as NATO, the G7 has no legal existence, permanent secretariat, or official members.

- The G7 draws its roots from a meeting between the current G7 members, excluding Canada, that took place in 1975. At the time, the global economy was in a state of recession due to the OPEC oil embargo.
- As the energy crisis was escalating, US Treasury Secretary George Schultz decided that it would be beneficial for the large players on the world stage to coordinate with each other on macroeconomic initiatives.
- After this first summit, the countries agreed to meet annually and a year later, Canada was invited into the group which marked the official formation of the G7.
- The President of the European Commission was asked to join the meetings in 1977 and following the collapse of the Soviet Union in 1991 and a subsequent thaw in relations between the East and the West, Russia was also invited to join the group in 1998.
- Thereafter the group was named the G8 until 2014 when Russia was expelled for its annexation of Crimea from Ukraine.
- The presidency of G7 meetings is held by each of the seven countries, in turn, each year. The country holding the presidency is responsible for organizing and hosting the meeting. The UK holds the G7 presidency for 2021 and has organized the conference on 12th and 13th June 2021.

#### **Key highlights of the Prime Minister's intervention at the G-7 Virtual Summit:**

- The session, titled 'Building Back Stronger – Health', focused on global recovery from the coronavirus pandemic and on strengthening resilience against future pandemics.
- During the session, the Prime Minister expressed appreciation for the support extended by the G7 and other guest countries during the recent wave of COVID infections in India.
- He highlighted India's 'whole of society' approach to fight the pandemic, synergizing the efforts of all levels of the government, industry, and civil society.
- He also explained India's successful use of open-source digital tools for contact tracing and vaccine management and conveyed India's willingness to share its experience and expertise with other developing countries.
- The Prime Minister committed India's support for collective endeavours to improve global health governance.
- He sought the G7's support for the proposal moved at the WTO by India and South Africa, for a [TRIPS](#) waiver on COVID-related technologies.
- Prime Minister Modi said that today's meeting should send out a message of "*One Earth One Health*" for the whole world.
- Calling for global unity, leadership, and solidarity to prevent future pandemics, the Prime Minister emphasized the special responsibility of democratic and transparent societies in this regard.

#### **What will be the actions of the European countries regarding the supply of raw materials for vaccines?**

- The United States has recently stated that the supply chain process for raw materials will be kept open for India.

- In light of this decision, other countries which are also the major suppliers of raw materials for vaccines to India have come forward.
- France has shown its commitment to supply raw materials to India and will also keep the supply chain open.

### Key points of the G-7 Summit:

There are certain important takeaways from the summit which are discussed below:

- **A billion doses of Covid-19 vaccines:** The G-7 summit has resulted in a commitment to provide a billion doses of vaccines to developing countries.
- **America is back at the table:** US President Joe Biden sought to consign some of the friction between his predecessor and the world community to the political past.
- **No more coal:** G7 leaders pledged to phase out coal-fired power generation at home and to end funding for new-coal burning power plants in the developing world. The leaders committed to offering developing nations \$2.8 billion to help them switch to cleaner fuels.
- **Tax havens targeted:** The summit agreed measures to dissuade multinational companies from shifting profits to low tax-havens. Leaders signed up to levy a minimum 15% corporate tax rate.

Read more on [Global Minimum Corporate Tax](#) in the link.

### What are the commitments towards Climate Change?

- British Prime Minister Boris Johnson has given the slogan “build back greener” and he is highly committed to the issue of climate change.
- The summit promised to make good on a pledge, first made in 2009, to jointly mobilize \$100 billion per year from public and private sources, through 2025 to developing countries to help them tackle the impact of climate change.
- Leaders also moved to help protect the global financial system from the impact of climate change by agreeing on rules to require companies and financial institutions to disclose the extent to which their business is exposed to climate change risks.
- As far as India is concerned, India has made some important announcements in the past and India has been raising important issues of climate finance.
- We can expect that there will be a movement towards greater commitment from the G-7 for fulfilling their promises of climate finance.

### What is the importance of the G-7 Summit?

- China has been fairly dismissive of the G-7 summit arguing that this is an old grouping and does not reflect the current reality.
- The G-7 has a role to play regardless of China's statement as it is not part of the G-7 summit.
- There are various important issues that are discussed and acted upon in the G-7 meetings.
- The Prime Minister of the UK Boris Johnson has come up with a 500 million euro Blue Planet fund. This 500 million euro fund aims to support developing countries to protect the marine environment and reduce poverty and seeks outcomes in biodiversity, climate change, marine pollution, and sustainable seafood.

- G-7 countries also asserted their commitment to “conserving or protecting at least 30% of global land and at least 30% of the global ocean by 2030 to halt and reverse biodiversity loss by 2030 and address climate change.”

#### **The China factor:**

- There was disagreement among G-7 countries over how to tackle China’s assertiveness. The USA and Canada were of the view that the G-7 should take a tougher stand against China. However, other countries such as Germany and Italy didn’t agree to it.
- The disagreement is due to the fact that Germany and Italy have deeper economic ties with China, so they do not want to take tougher measures against China.
- The relation of India with China is also on the downslope after the Ladakh stand-off. This can also impact trade relations between the two countries.
  - India is insisting on the status quo and is demanding that China should retreat to the initial position.
  - Until the status quo is reached, it is very unlikely that the relationship between India and China will improve.
  - Read more on the [Indo-China border standoff](#) in the link.

#### **Conclusion:**

The G-7 summit has discussed multiple issues and also saw the participation of India. The success of the summit lies in the successful implementation of its commitments. India can play an important role in setting the agenda for G-7, highlighting major global issues and thus protecting its interests at the global level.