

## G7 - Build Back Better World

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**Participants:**

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**Context:**

G7 has decided to launch a new global infrastructure initiative 'build back better world' based on value-driven, high standard, and transparent partnerships. This initiative will meet infrastructure challenges in low & middle-income countries with a focus on climate, health, digital technology & gender equality, and equity.

**Background**

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, the USA, UK, France, Germany, Japan, and Italy. It was formed in 1975 in the backdrop of the oil crisis. At that time, these countries contributed to 70% of the world's GDP which has now reduced to 40%.

A 'D10' club, consisting of G7 countries – UK, US, Italy, Germany, France, Japan, and Canada – plus Australia, South Korea, and India, aims to create alternative suppliers of 5G equipment and other technologies to avoid relying on China.

**Carbis Bay Declaration** – It refers to a series of commitments to curb future pandemics by fast-tracking the development and licensing of vaccines and the creation of diagnostic tools within 100 days.

The **One Belt One Road Initiative**/Belt and Road Initiative (**OBOR/BRI**) is the global development strategy initiated by the Government of China involving infrastructural development and direct investments in many countries across the continents of Asia, Europe, Africa, and the Americas. China, via BRI, is involved in around 2000 projects spread across 100 countries.

**Significance:**

- This initiative is a positive counterbalance to China's Belt and Road initiative and its associated hazards such as disregard for a nation's sovereignty, lack of technology transfer, poor employment generation, intergenerational debt, financial and environmental sustainability, etc.
- It will try to eliminate the threat emanating from debt-trap diplomacy and Wolf-Warrier diplomacy of China.
- It will distribute the benefits of globalization to hitherto left-out countries.
- Rising importance and flux in the Indo-Pacific region due to Chinese maneuvering (incursions into Taiwan and Philippines territory).
- The move comes at a time when the USA is trying to regain its leadership role in global politics.
- It will cater to the needs of under-developed countries such as:
  - Impact of disruptive technologies.
  - Development of large-scale physical and digital infrastructure.

- High employment elasticity.
- It is aligned with other initiatives like the [Blue Dot Network](#).

**Recommendations for smooth functioning:**

- More clarity is required on the financial front and a lot needs to be done since the West is late to the party and extra effort needs to be put in to make up for the lost time.
- The G-7 should not embroil itself in a race to the bottom and work as per viability and sustainability.
- We need to evolve best practices on global governance as per values of inclusivity, mutual respect and transparency.
- Financing aspects need to be prioritized considering the poor track record of developed nations with respect to climate finance. ([Green Climate Fund](#))

**Opportunity for India:**

India is a natural G-7 ally by means of:

- Enhanced economic size.(India is the 6th largest economy in the world).
- Presence of shared values of democracy and aversion towards terrorism, extremism and coercion.
- India has huge experience in the case of developmental partnerships such as the Asia-Africa growth corridor, infrastructural development in Afghanistan, etc.
- The idea to counter Chinese BRI began from India's opposition.

This is a significant avenue to counter the geo-encirclement of India by China.

Such a platform could be used to ramp up domestic manufacturing and infrastructure and become a part of global supply chains. This will have a multiplier effect on Indian economy and help us in reaching the goal of a \$5 trillion economy by 2024-25.

**Conclusion:**

The build back better initiative provides a golden opportunity to India to retake its position of 'Jagatguru' and strive for greater authority in global affairs.