

2023 G7 Summit: Preparing for a new global order?

SUMMARY

The 49th G7 Summit, bringing together the leaders of the United States (US), Canada, Japan, France, Germany, Italy, the United Kingdom (UK) and the European Union (EU), took place on 19-21 May 2023 under the Japanese Presidency in Hiroshima, a city with worldwide symbolic importance for war, nuclear devastation and peace. Russia's war of aggression against Ukraine dominated the leaders' summit once again, with Ukraine's President, Volodymyr Zelenskyy, attending in person. The other main issue was the need to increase economic resilience and build a unified G7 approach towards China.

This year's summit took place at a time where the multilateral rules-based global order is being challenged, in particular by Russia and China, and strategic relations around the world are being redefined. Key states from the Global South are becoming increasingly important for the West, in order to isolate Russia and address global challenges. For this reason, in addition to Zelenskyy, the Japanese Presidency invited a series of leaders, including those of the G20 troika – Indonesia, India and Brazil (India assumed the G20 Presidency on 1 December 2022 from Indonesia, and will hand it over to Brazil in December this year).

The G7 leaders made strong commitments to global partners, in particular those in the Global South, in their various communiqués and statements. Some side meetings drew media attention, notably that between Indian Prime Minister Narendra Modi and Volodymyr Zelenskyy.

The resulting leaders' communiqué focused on support for Ukraine, disarmament and non-proliferation, economic security, clean tech economy, food security and the convergence of policy towards China. Many commentators drew an important parallel between the reiterated strong support for Ukraine and an underlying message that the international community would provide equal support were Taiwan to be in peril. In this regard, it is also interesting to note the timing of President Biden's announcement at the G7 that the US would support a joint international effort to train Ukrainian pilots on F-16 fighter jets.



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Background

This year's G7 Summit took place at a time when the G7's global economic impact is decreasing and the future of the Western-led multilateral rules-based global order is at stake, challenged in particular by Russia. From an economic perspective, Brazil, the Russian Federation, India, China and South Africa (the 'BRICS' countries) represent more than a quarter of global gross domestic product (GDP), and 42 % of the world's population. Moreover, the rise of alternative international forums, such as the G20, has led some experts to question the G7's relevance. In this context, it was all the more important that the G7 countries, which account for 27 % of global GDP and are home to over 0.8 billion people, presented a united front, committed to tackling the global challenges.

Security and the rules-based international order have been central to the work of the <u>Japanese Presidency</u>. Japanese Prime Minister Fumio Kishida stressed during his <u>Group of Seven tour</u> that European security cannot be separated from Asian security, as Russia, the aggressor in **Ukraine**, is also a neighbour of Japan, with which it has <u>territorial disputes</u>. Moreover, Japan also identified the escalating military build-up and provocations by <u>China towards Taiwan as another G7 issue</u>.

The **Indo-Pacific** was another priority area for Japan, along with the need to reduce the **threat of nuclear war** and take practical steps towards a world without nuclear weapons. Early in its term, on 24 February 2023, the Japanese Presidency secured a <u>leaders' statement</u> to mark one year since Russia invaded Ukraine, reaffirming the G7's unwavering support for Ukraine for as long as it takes. The summit attested to a <u>reflection</u> by G7 members and, in particular the US, that in an increasingly multipolar world, to promote security and stability, it is going to be imperative to <u>avoid concentrations of military or economic power</u> by a country or group of countries. This is not a bloc logic, but one of promoting stability through balance of power and strategic economic independence. G7 countries marked their willingness to promote a coalition of like-minded countries to reaffirm democratic principles, peace and a rules-based multilateral order, security of supplies and economic development.

Japan has long been a <u>front-runner on economic security</u>. The country enacted a far-reaching <u>economic security law</u> in May 2022 to protect Japan from coercion by other countries on the basis of economic dependency. It wanted to encourage G7 members and other partners to build supply chain resilience, as a defence against economic coercion and non-market practices. The EU is heading in a similar direction: on 8 December 2021, at the request of the Council and the European Parliament, the European Commission proposed an <u>anti-coercion instrument</u> to deter third countries from targeting the EU and its Member States with economic coercion through measures affecting trade or investment. In addition to this, the Commission President, Ursula von der Leyen, has promised a communication on <u>European economic security</u> by June 2023.

Other issues, such as **energy and food security, climate change, global health, and development**, were also on the Japanese G7 agenda. As the only Asian G7 country, Japan could play an important role as a <u>bridge between the G7 and the G20</u> and also – as Kishida pointed out – serve as a <u>bridge between the G7 and the Global South</u>. In addition to Zelenskyy, Japan invited <u>leaders</u> from India (G20 presidency), Indonesia (ASEAN chair), Australia, South Korea, Vietnam, the Cook Islands (Pacific Islands Forum Chair), Comoros (African Union chair) and Brazil (which will take over the G20 Presidency in 2024). Charles Michel, President of the European Council, and Ursula von der Leyen, President of the European Commission, represented the EU. The <u>EU priorities</u> included Ukraine, China, economic security and clean energy technologies.

European Parliament position

In its <u>resolution of 18 January 2023</u> on the implementation of the common foreign and security policy, the European Parliament called for decisive steps at G7 level to address global infrastructure investment gaps and for action to further strengthen cooperation with NATO and the G7.

Outcome of the summit

The G7 leaders adopted a great number of <u>documents</u>, including an extraordinarily long communiqué (12 pages longer than last year), and five standalone statements, on <u>Ukraine</u>, <u>nuclear disarmament</u>, <u>economic resilience and economic security</u>, <u>clean energy economy</u> and <u>global food security</u>, an issue that was high on this year's agenda. Leaders wanted to tackle the <u>Russian disinformation campaign</u> blaming the West for the current food crisis, and to address the concerns of the countries from the Global South that are suffering from famine.

The G7 leaders reiterated their willingness to **support Ukraine** 'for as long as necessary' in the face of Russian military aggression, and to make Russia fully accountable for the crimes committed in Ukraine. The G7 promises to intensify diplomatic, financial, humanitarian and military efforts to support the Ukrainian authorities. Among the new pledges of military equipment, the US has lifted its veto on the supply of **F-16 fighter jets**, including through a coalition led by the UK and the Netherlands. Allied countries will also provide pilot training for these fighters. Finally, the G7 countries will continue to act to 'freeze, seize and, where appropriate, confiscate' the assets of individuals and entities supporting Russian military aggression, with such assets to remain 'immobilised until Russia pays for the damage it has caused to Ukraine'. On Sunday, 21 May, the G7 leaders hosted the Ukrainian President Volodymyr Zelenskyy in Hiroshima.

The G7 leaders called for a 'de-risking' of economic relations with **China** rather than a 'de-coupling', but also called on China to press Russia to stop its military aggression in Ukraine. The communiqué also had strong language on the <u>human rights record in Tibet and Xin-Jiang</u>, China's military activities in the <u>East and South China Seas</u> and a call for peace across the Taiwan Strait. In the standalone statement on economic resilience and economic security, the G7 leaders pledged to diversify their supply chains, and decided to set up a 'coordination platform on economic coercion', which should increase the collective assessment, preparedness, deterrence and response to economic coercion, and further promote cooperation with partners beyond the G7.

The G7 leaders also expressed support for a G7 five-point plan for critical minerals security. The aim was to make their supply chains secure and ensure that their critical raw materials policies are inclusive of poorer countries, by supporting a more significant role for low and middle-income countries in supply chains through the Partnership for Global Infrastructure and Investment (PGII).

On **climate**, G7 leaders reconfirmed their common goal of net zero greenhouse gas emissions by 2050 at the latest, but noted that there were various ways to achieve it. The leaders also recognised the risk of <u>carbon leakage</u> and wanted a coordinated G7 approach to address it. The leaders committed to making clean energy technology more affordable for all nations; they also committed to transparency and coordination, and to preserving the level playing field. Public investment in the liquefied natural gas sector was deemed a <u>'temporary solution'</u>, which the G7 leaders considered appropriate to accelerate the phasing out of their dependence on Russian gas. They also reiterated the need to accelerate action on climate, but again avoided fixing a date for ending the use of coal. In the context of the EU-US dispute over the <u>US Inflation Reduction Act</u>, European Commission President Ursula von der Leyen <u>asked G7 leaders</u> to play fair when it comes to green technology.

The outcome of the summit also attests to a renewed commitment among the leaders to reach out and further develop a capacity of true political and economic partnership with the **Global South** and to their awareness that, in a more complex world, an effective industrial policy becomes a strategic geopolitical interest, precisely because it ensures economic independence. The G7 leaders made strong commitments to global partners, in particular from the Global South, in their various communiqués and statements, such as the commitment to reverse the first global decline in life expectancy in more than seven decades, with targets and timetables. In order to guarantee grain exports from Ukraine to fight food insecurity and to ensure a stable supply to those in need, the G7 leaders reaffirmed the importance of the EU-Ukraine solidarity lanes, the 'grain from Ukraine' initiative and the continued and scaled-up implementation of the Black Sea grain initiative (BSGI).

They reaffirmed their shared commitment to mobilising up to US\$600 billion by 2027 for the G7 partnership for global infrastructure and investment. The EU will contribute half of that commitment. Through the EU's <u>Global Gateway</u>, the European part of this initiative has launched <u>90 projects worldwide</u> this year. The US has meanwhile mobilised <u>US\$30 billion</u> in grants, federal financing, and leveraging of private sector investments.

The G7 countries committed to engage with developing and emerging countries to speed up emissions reduction and support these countries' just energy transitions. They also spoke out in favour of the African Union's G20 membership and expressed support for a free and open Indo-Pacific. Italian Prime Minister Giorgia Meloni (Italy will hold the next G7 Presidency), announced that the south of the world would be central during the 2024 G7 Summit.

It remains to be seen whether Japan's G7 Presidency and <u>India's G20 Presidency</u> will be able to move ahead productively and in a synergistic fashion when it comes to outreach to and partnership with the Global South and climate action.

Side events

The media focused on dynamics between the G7 and the major democracies of the Global South in the context of Russia's war on Ukraine. In this setting the bilateral meeting between **India's Prime Minister**, **Narendra Modi**, **and Ukraine's President**, **Volodymyr Zelenskyy**, drew much attention. It was their first in-person meeting since the beginning of the war. Experts take the view that, given the country's economic importance and geostrategic position, India's engagements with the G7 are imperative to address the challenges the grouping is facing, in particular in the context of the war. India, which has so far refused to condemn the invasion, holds the presidency of the G20 and is considered – together with Brazil and Indonesia – as one of the 'swing states' (countries that are not firmly backing Ukraine in the conflict). Moreover, India has been a prime buyer of Russian oil and weapons. Zelenskyy invited Modi to join Ukraine's peace efforts to bring the war against Russia to an end. Modi said India would do 'everything we can' to help end the war.

A planned meeting between Brazilian President Luiz Inácio Lula da Silva and Zelenskyy did not take place, as the Ukrainian leader was late, which reportedly <u>upset Lula</u>. Lula, however, also stated that the right forum to address the war was the UN and not the G7. He also used the occasion to reiterate a <u>longstanding demand</u> of Brazil for <u>reform</u> of the UN Security Council, including new permanent members, in order for the UN to regain its effectiveness and the political and moral authority to deal with the conflicts and dilemmas of the 21st century.

Views

In principle, experts considered that the outcome to the summit meeting had been <u>positive</u>, and stressed the importance of the G7 leaders having managed to come to a unified position on Russia and China. Moreover, the <u>inclusive nature</u> of this G7 summit, its outreach to the Global South, and concerted efforts to address pressing global challenges have been commended. For <u>Creon Butler</u>, Director of Global Economy and Finance Programme at Chatham House, the most important outcome from Hiroshima was the agreement reached within the group on handling future economic relations with China. According to the G7 Research Group, the G7 leaders gave a <u>strong performance</u>, among the strongest ever in the 49 years since the summits first began in 1975. However, experts from the <u>Centre for Strategic and International Studies</u> also stressed that, ultimately, implementation of the commitments made at Hiroshima would define whether the summit was successful or not. Following the 2022 Summit, G7 leaders were <u>accused</u> of watering down their commitments, in particular regarding the fight against climate change.

It was also <u>noted</u> that Japan used the G7 presidency to seize a more prominent role in supporting Ukraine and to distance itself from Japan's domestic pacifist construct.

There were, however, also criticisms, particularly as regards the <u>absence of African leaders</u> (with the exception of the Presidency of the African Union). African development seems to have been lower on the agenda, despite the continent still facing continuing and compounding challenges this year, as argued by the <u>G7 and G20 Research Groups</u>.

<u>China took the view</u> that while the G7 claims it is promoting a peaceful, stable and prosperous world, what it does is hinder international peace, undermine regional stability and curb other countries' development. It called the US the great coercer and ordered Chinese infrastructure companies to stop buying from US chipmaker Micron. <u>China also summoned the Japanese ambassador</u> to China to protest over what the ministry called the 'hype around China-related issues' at the summit.

Ahead of the G7 leaders' meeting, Oxfam reported that the G7 owes a huge US\$13 trillion debt to the Global South in unpaid promised aid and funding for climate action, and called on G7 countries to cancel the debt of low- and middle-income countries that need it and to return to the aid target of 0.7 % of gross national income.

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