

# And the Circus Leaves Town: A Critical Examination of the G7 as a Legitimate Form of Global Governance

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## Executive Summary

This policy brief critically evaluates the G7 as a legitimate form of global governance. In doing so, it questions whether the G7 can mobilise the economic power necessary to be an effective institution, or whether China and the G20 provide more promising forms of global governance. The brief also questions whether G7 summits are simply a façade for domestic voters, and whether pledges agreed at summits actually bring about the change necessary to address global collective action problems. The brief ends with a rebuttal of positive arguments usually made in favour of the continuation of the G7.

## Introduction

The first incarnation of what is today known as the G7 originally met in [1975](#) to discuss the looming global economic crisis, with the United Kingdom, the United States, France,

West Germany, Japan and Italy as the first attendees. Canada joined the following year, and the EU has also had a seat at the table since 1977. Despite its initial focus as a forum for economic issues, inevitably other common areas of concern were placed on the agenda, including security and international aid. The G7 therefore became the world's premier arena for addressing global issues, and ensuring cooperation between countries.

However, [2008](#) saw the first meeting of the G20 leaders, again in response to an economic crisis. This forum included 20 countries that collectively represent 85-90% of world GDP, nearly two-thirds of the world's population and most of the world's landmass. As a result, the G7 no longer represented the only meaningful setting in which leaders are able to meet, leading to widespread criticism that the G7 was too exclusive, representing nothing more than a

Western 'club' trying to push their political and economic agenda on the world. In addition, with the rise of BRICS and other emerging powers, the global economic picture has shifted dramatically since 1975, bringing into question the relevance of the G7, with its members no longer having the economic or political monopoly they once enjoyed.

### **The Economic Problem**

At the first 'G6' meeting in 1975, it was clear that all of the world's economic powers were in attendance. The countries present were specially selected, as they were the major advanced economies, and they had the financial impetus to provide an effective solution to the most pressing issue of the moment: the looming global economic crisis. However, the G7's current share of the world's GDP is 29% lower than that which it owned in the mid-1980's. According to the World Bank, the members of the G7 all reside in the [top 10 of GDP](#), but this is marginal, as Canada is ranked 10th globally for total GDP. Furthermore, this is likely to change, with other countries just outside this mark experiencing far greater growth than the traditional powers. The exclusion

of the fastest growing economies from making decisions which have the potential to impact massively upon global governance means the G7 is not 'futureproof'. In this regard, the exclusion of emerging powers that may have the most economic power in the future may well inhibit the effectiveness of the G7.

The loss of economic power represents a great problem for many of the countries involved in the G7. For instance, the annual summits were previously legitimised by the argument that it was vital for the world's richest and most powerful countries to meet, since this would provide the forum for effective global policy and create a mechanism for action. Nevertheless, as Ian Bremmer and Nouriel Roubini [claimed in 2011](#), we now live 'in a G-Zero world, one in which no single country or bloc of countries has the political and economic leverage—or the will—to drive a truly international agenda'. The truth of this claim has increased in relevance, since the global GDP share of the G7 countries has [decreased further](#) and looks to continue on this trajectory. This is, therefore, an issue that will only become more acute as time passes, giving critics greater ammunition to suggest

that the G20 has become a more economically viable place to do business.

### **The China Problem**

Russia was first invited as a full member of what then became known as the G8 in [1998](#), as a measure to improve relations between the traditional Eastern and Western blocs. It remained a member until 2014, when its actions in Crimea led to its exclusion from the group. According to 2015 data, Russia has the 12<sup>th</sup> largest economy, while China's is 2<sup>nd</sup>, behind only the US. In this way, the argument that the G7 represents a meeting of the world's richest countries is suspect.

China's recent advances in all policy areas have been rapid and widespread. This may have actually been helped by its omission from the G7. The logic is that, under this current structure, China has been able to pursue its own agenda without the socialising effects of group membership. Consequently, China has been able to act as a pioneer into difficult markets, and spend money in places where G7 countries showed trepidation or imposed sanctions, especially in key African countries. For example, the building of a [Chinese military](#)

[base in Djibouti](#) is just one manifestation of China's increasing influence at the global level, both militarily and in foreign investment. This could be seen as a form of 'one-upmanship' towards the G7, where African migration and aid are frequently on the agenda, yet have failed to make effective pledges, instead allowing these issues to be consistently overshadowed.

Perhaps as a means to regain relevance, counter-terrorism policies suggested by the G7 in Africa, which were made in [the 2017 communiqué](#), could provide them with a better foothold on the continent, although this could also be undermined at the Taormina summit by Trump's reluctance to spend more on aid or on the migration crisis.

Another argument for relevance is the G7's normative commitment to democracy, which is often heralded by advocates as a form of 'normative power', incentivising other countries to follow suit and join the club.

At the moment, China would struggle to fit this criterion. Yet, it also presents a paradox concerning whether the G7 is about economic power or the form of political system. In the case of China, it is the second

largest economy in the world and still growing, yet the ruling Communist Party [owns all the urban land in China](#), and any potential political opposition is often swiftly crushed. This is ordinarily presented as the primary reason why China has not yet been invited to participate in the most exclusive global governance meetings. However, if the G7's decreasing political and economic influence means its critics grow louder, then the group may find itself in need to reluctantly invite China to participate, so as to maintain a front of legitimacy as the key institution for steering global governance.

### **Expanding Global Governance**

As mentioned above, structures have now been put in place outside of the G7, which undermine its status as the primary domain in which to discuss global issues. As also mentioned, the foremost of these is the G20, of which all G7 countries are members. Barack Obama [described the G20](#) as the 'premier forum for global economic coordination' during his tenure as US President. The Taormina Leaders' Communiqué also acknowledged the G20's increasing power on a global scale, when it 'welcomed the Global Forum on Steel

Excess Capacity, established by the G20 and facilitated by the OECD' in its section on trade.

In relation to legitimacy and political 'buy-in', the G20 has one undeniable advantage over the G7. Namely, the G20 represents a wider range of countries, and a far greater proportion of the world's population, with the G7 representing approximately 10%, whilst the G20 [accounts for two-thirds](#). Linked to this is the argument that the G7 only discusses issues which are relevant to the G7 countries, whereas the G20's members exhibit a far greater variety in their geography, politics and cultures, encouraging a wide-ranging agenda, and therefore a far greater mandate when attempting to address global issues.

Even the G7 leaders themselves recognise they require help from the G20 in order to be able to have their desired impact upon global politics. In the 2017 Taormina Leaders' Communiqué, the G7 recognised there 'was an opportunity to bring [the] tragic crisis to an end' in Syria, through the removal of President Assad. The responsibility for enforcing this change, however, was apparently outside the reach of the G7. Instead, Russia and Iran were

specifically named as the countries that needed to use their influence in order to deliver a ceasefire. Russia's membership of the G20, but not the G7, highlights how the expanded G20 has the potential for a far greater remit in global politics, which has been recognised by world leaders, privately if not publicly. It could therefore be argued that the G20 has overtaken the G7 as *the* forum in which to best formulate long-term solutions to global issues and subsequently to push through their implementation, by getting buy-in from more countries.

### **G7 at the foot of the agenda**

The G7 naturally receives its greatest publicity within those countries that find themselves represented at its table, with far less coverage in states that have to look in from the outside. To this extent, the G7 summits could be perceived as little more than political posturing on behalf of the leaders of the participant countries. This notion is supported by the unease with which first-time summiteers take on commitments introduced by their predecessors. Instead, each leader has their own agenda to push, and will want to

appear as a strong figure on the world stage in order to gain support back home.

Indeed, Theresa May used her press conference to attempt to score points against Labour leader Jeremy Corbyn. The opposition leader had claimed earlier that day that British foreign policy had contributed to the UK being a target for Islamic fundamentalist attacks. The Prime Minister retorted that there was no excuse for terrorism, and argued voters back home had a choice between the ruling Conservative party, which would protect the national interest, and a Labour party which 'isn't up to the job'. In addition, it is important to note that this 'tit-for-tat' on domestic politics was driven by questions from [British journalists](#), who were selected in advance to ask questions which May knew would have a domestic focus.

Similarly, President Trump has a [strong narrative on climate change](#), from which he does not want to deviate. In many ways, the Taormina G7 Summit was essentially portrayed as 'Trump vs. the others' over climate change, and this rift was clearly visible in the Leader's Communiqué, which says: 'The United States of America is in the process of reviewing its policies on climate change and on the Paris Agreement and

thus is not in a position to join the consensus on these topics', whereas the other members reaffirmed their commitments. A refusal to submit to the wishes of others on the world stage, however, is an act that will have resonated strongly with his supporters back home. As a result, this summit showed how all leaders, but Trump especially, are willing to sacrifice global progress for domestic gain.

This particular problem had the ideal opportunity to manifest at the Taormina G7 Summit, as both Theresa May and Angela Merkel are to face elections soon after the summit ends. In the case of May, this is within a two week time period, which is the reasoning behind her shortened stay in Sicily. Again, domestic politics appear to have taken priority over international consensus and collaboration, thus begging the question of why the leaders met at all.

### **Implementation of Policy**

The Taormina communiqué is highly non-committal overall, with very few concrete pledges or policies included. It is also significantly short in length, coming in at less than 6 pages long. For context, the 2016 equivalent was [32 pages long](#). This

highlights how some summits could be construed as a waste of time, money and effort on behalf of the leaders and their respective countries. If one leader is disengaged, as in the case of Trump, the potential for this becomes even greater.

Following the [American Leadership model](#), a lack of willingness to cooperate with other states on behalf of the US could be catastrophic for progress at a summit. In the instance of the Taormina summit, this fear was realised, in the case of climate change. While the other six countries had some form of consensus that the Paris agreements needed to be adhered to, Trump's total opposition caused a huge fracture in the group, and destroyed any real possibility of a comprehensive outcome. Angela Merkel claimed in a post-summit interview that the climate talks were '[unsatisfactory](#)'.

In terms of external validation of the legitimacy of the G7, NGOs are also frequently unsatisfied with the final outcomes of global summits, with the G7 in Taormina being no different. [World Vision](#), a global children's charity, claim the 2017 G7 Summit has provided 'no real commitment to address the needs of 20 million people

on the brink of starvation’, and has also ignored a possible solution for tackling deaths from preventable diseases. In a similar vein, [Oxfam](#) claim that the G7 leaders have ‘been absent without leave on some of the biggest issues of our age’, describing Donald Trump as the ‘spoiler-in-chief’. Again, a lack of definitive policy in the domain of climate change or international aid forms the basis of criticism. This supports the notion that the G7 is nothing more than a showcase for the world’s richest countries.

Furthermore, [compliance reports](#) show sporadic implementation, both across the different G7 summits as well as between individual countries. For example, the average compliance over the last 3 summits fluctuates between 75-82%. When broken down into how different policy areas are treated, in 2016 there was 100% compliance to the Paris agreement on climate change, whilst there was a paltry 19% compliance with pledges to ‘strengthen women’s engagement in emergency response situations’. In terms of individual countries, the 2016 compliance scores range from 83% by the EU and Germany, to 61% by Italy. This irregular approach to

policy implementation would only serve to undermine the G7 as a global governance force.

### **Conclusion**

This brief has argued the case that the G7 is an ineffective form of global governance, inhibited by pitfalls in its makeup and process. The premise of the first ‘G6’ meeting was that all countries present were economic powerhouses. However, in 2017, this is no longer the case. The exclusion of China from the G7 constrains the group’s ability to implement policy which can have a genuine impact on the life experiences of individuals, particularly those in the developing world. The G7 is also made to look like a relic from a foregone time by the consistent meeting of the G20, of which all G7 members are already participants in any case. When leaders rank their priorities, the global summits ordinarily finish far below their domestic agendas, and their want to satisfy voters back home. This can lead to countries being at loggerheads as leaders refuse to move from their entrenched domestic positions.

All of these factors combine to impede the G7 from being able to formulate policies,



and then to see them through to implementation. Some of the traditional arguments the G7 proponents make can actually be countered, which only contributes to the theory that the G7 is nothing more than a show of status for old powers. According to [ONE](#), an NGO concerned with global poverty, 'Prime Minister Trudeau must also show rapid leadership to ensure the G7 doesn't die

altogether' in Canada in 2018. From the arguments presented in this brief, that would not necessarily be a bad thing for addressing the world's most pressing issues. Perhaps the time has come to broaden the size of the club.

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