

G7 Summit 2021 and the Post-Pandemic International Order

by KANG Seonjou

Professor, Dept. of International Trade, Economy and Development Studies

The 47th Group of Seven Summit (G7: Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) was held from 11 to 13 June 2021 in England. The G7 comprises advanced market democracies and has functioned as a platform to set global agenda for economy, security, energy/environment, and development cooperation and steer direction for multilateral consensus. Having said that, the 2021 G7 Summit was all the more significant in that it could pave the way for the post-pandemic international order to emerge thereafter.

The rules-based international order led by the US started to decline rapidly from 2017 and broke down further amid the COVID-19 pandemic. Besides the pandemic, the world also faces other crises which call for urgent responses. The post-pandemic international order would hinge on how countries solve complex global crises and who offers such visions. In that light, the 2021 G7 Summit means more than resuming diplomacy in the post-pandemic era; more importantly, it would provide a range of opportunities for the G7 as a leading group in international affairs to present a direction for the post-pandemic international order.

I. The Context of G7 Summit 2021

The reason that the 2021 G7 summit could have significant ramifications for the post-pandemic international order is, first, that the world urgently needs to restore global cooperation that has faltered during the pandemic. Global cooperation failed to emerge because key actors such as the US, China, the European Union (EU), and multilateral organizations, that are often expected to lead cooperation across multiple continents, did not rise to the occasion. In addition to the pandemic, a broad array of global challenges including climate change, income inequality stemming from globalization, cyber threats and social divisions have added complexity to the crises facing the world.

Since it is not possible for countries to address those global crises alone, global cooperation needs to be restored. Thus, the 2021 G7 Summit could be an opportunity to restart global cooperation and solidarity required to solve complex global crises.

Second, it is imperative for the G7 to put an end to the apparent decline of its status, which started before the pandemic, and respond to the challenges posed by China. The G7 has been suffering from the triple burden of economic, ideological and geostrategic threats from China. The G7's share of global GDP has declined to about

50%, its liberal democracy has been under attack both within and outside the seven countries, and there has been a growing voice calling for the G7 to be replaced with a more representative group of countries. Thus, the G7 would manage to protect its universal values, approaches, and multilateralism if it leads the efforts to find solutions to global crises and expand the bloc to include more like-minded countries.

Third, President Biden needs to fulfill his “America is back” promise and act on his promise to restore America’s leadership in shaping the international order. The 2021 G7 Summit would be an opportunity to make America’s return credible by displaying its leadership role in resolving global crises and advancing multilateral cooperation in concrete forms. Also, it is necessary for President Biden to rebuild a network of alliances required to compete against China. Since the US has been in relative decline, the US alone, without support from allies, would have difficulties countering China and leading the post-pandemic international order. The G7 countries are allies to the US, and the 2021 G7 Summit would be an opportunity for the US to restore its network of alliances, which is essential in leading the post-pandemic international order.

II. Key Achievements from G7 Summit 2021

The 2021 G7 Summit has come up with solutions for the global crises facing the world and explored ways to intensify cooperation. First, the G7 promises to collectively provide for a total of over two billion vaccine doses so that at least 60 per cent of the global population can get vaccinated and the world can end the pandemic in 2022. The G7 agrees to reform and strengthen the World Health Organization (WHO) so that the WHO can play a central role in preparing for future pandemics.

Second, the G7 agrees to recover from COVID-19 by promoting strong, resilient, sustainable, balanced and inclusive growth into the future as well as addressing the immediate challenges arising from the pandemic. The G7 endorses a global minimum corporate tax of at least 15 per cent in order to establish a fairer tax system fit for the 21st century digital economy. Also, the G7

will consider mechanisms to address risks to the resilience of the critical global supply chains in areas such as critical minerals and semiconductors. Third, the G7 stands united in its commitment to free and fair trade as foundational principles and objectives of the rules-based multilateral system. The G7 agrees to sustain effort necessary to make progress in the reform of the multilateral trading system centered at modernizing the World Trade Organization (WTO) at the 12th WTO Ministerial Conference (MC12) in November.

Fourth, the G7 will work together to develop global norms and standards for digital ecosystems that enhance prosperity in a way that is sustainable, inclusive, transparent and human-centric, and to promote secure, resilient, and sustainable supply chains for wider digital and ICT infrastructures including 5G. Fifth, the G7 countries are committed to submitting increased 2030 greenhouse gas emission targets prior to COP26 (the 26th UN Climate Change Conference of the Parties) in November in order to achieve net-zero greenhouse gas emissions by 2050. Also, the G7 reaffirms to jointly mobilize \$100 billion per year through to 2025 to finance developing countries’ transition to net-zero economies and develop global green finance markets to mobilize private sector finance.

Sixth, the G7 will cooperate to support democracy both domestically and abroad. While the G7 countries cooperate with China where it is in mutual interest such as climate change, they will call out China to respect human rights and fundamental freedoms, maintain a free and open Indo-Pacific, encourage China to resolve cross-Strait issues peacefully, and oppose any attempts to unilaterally change the status quo and increase tensions in the East and South China Seas.

III. Implications of G7 Summit 2021

The achievements from the 2021 G7 Summit carries wide implications for the post-pandemic international order. First, the G7 has returned as the leading actor in the post-pandemic international affairs by presenting solutions to global crises and exploring ways to advance global

cooperation on the issues we face. The G7 seemed to lose its clout as the G20 has risen as the premier forum for global economic cooperation since the 2008 financial crisis, but the G7 countries have proven through the 2021 summit that they can work as one group based on their similar level of development and aligned stances and forty years of experience in cooperation.

Second, the 2021 G7 summit provided a glimpse of what America's return would look like. President Biden accepted the US responsibility within the framework of multilateral conventions and organizations such as the Paris Climate Agreement, the WTO, the WHO, etc. and proclaimed that the US would continue to uphold the multilateral international order that it helped establish by reforming and reinvigorating them rather than bypassing them. President Biden also managed to rebuild cohesion within the G7 by addressing the issues that undermined ties with the other G7 countries and restored US alliances. The collective and systematic support that the US receives from the G7 is a distinctive strength that China does not possess. It could serve as a powerful tool for the US in leading the post-pandemic international affairs.

Third, the G7 countries have reached a consensus on the principles and values that will underpin their collective response to China, if not outright anti-China. However, they appear to be divided about how forcefully to push back against China. The US, the UK, and Canada push for firm and action-oriented measures to counter Beijing, whereas Germany, Italy, Japan, and the EU prefer diplomatic approaches toward China, stressing potential areas for cooperation.

Fourth, since the G7's economic capabilities have waned, the G7 may have difficulty implementing their Summit agreements, which in turn will undermine its leading status in the post-pandemic world. Negotiations involving expertise are essential in resolving the systemic challenges facing the world, but the G7's emphasis on values like democracy and human rights as well as like-mindedness may make it difficult for stakeholders to lay the foundations for negotiations, which in turn would limit the prospects for resolving pressing global issues.

IV. Policy Considerations for Korea

Reflecting upon the outcomes of the 2021 G7 Summit, first, the Korean government should continue to build cooperative relationship with the G7 as to prepare for the G7 enlargement. While it is not likely that the G7 will expand into D10(G7+Australia, India, and Korea) soon, the G7 is more likely to adopt official steps for enlargement modeled on the 2007-09 Heiligendamm Process if it decides so. Korea needs to make diplomatic efforts to garner unanimous support for having Korea invited to an enlarged version of the G7. Second, as the outcomes of the 2021 G7 Summit portend economic transformation centered on managed globalization, values-driven data economy, and CO2 emission reduction, Korea needs to incorporate it into its economic relations with the G7. Third, the emerging debate between democracy and autocracy may have a negative impact on the G20 Summit in October. Korea could conduct middle power diplomacy to have the G20 function as a platform to manage geopolitical tensions. Lastly, the Korean government might need to prepare for a possibility that the upcoming G20 Summit turns into an arena for competition rather than consensus-building and ends up addressing only inconsequential agendas that the member states find easy to agree on. 

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The Institute of Foreign Affairs and National Security (IFANS)
Korea National Diplomatic Academy (KNDA)
Ministry of Foreign Affairs (MOFA), Republic of Korea
Nambusunhwanro 2572, Seocho-gu, Seoul 06750
E-mail: research@mofa.go.kr