

The Group of Seven (G7)

Author: [Zachary Laub](#), Associate Writer

May 9, 2014

- [Introduction](#)
- [Membership](#)
- [The Russian Outlier](#)
- [Reviving the G7](#)
- [Rise of the G20](#)
- [Smaller Is Often Better](#)
- [Additional Resources](#)

Introduction

The Group of Seven (G7) is an informal bloc of industrialized democracies—France, Germany, Italy, the United Kingdom, Japan, the United States, and Canada—that meets annually to discuss issues of common interest like global economic governance, international security, and energy policy. Proponents say the forum's small and relatively homogenous membership promotes collective decision-making, but critics note that it often lacks follow-through and that its membership excludes important emerging powers. Russia belonged to the forum from 1998 through 2014—then the Group of Eight (G8)—but the other members suspended their cooperation with Moscow after its annexation of Crimea in March of that year.

Membership

France, West Germany, Italy, Japan, the United Kingdom, and the United States formed the Group of Six in 1975 (Canada joined the following year) to provide a venue for the noncommunist powers to address pressing economic concerns, which at the time included inflation and a recession sparked by the OPEC oil embargo. Cold War politics invariably entered the group's agenda.

The European Union has participated fully in the G7 since 1981 as a "nonenumerated" member. It is represented by the presidents of the European Council, which represents the EU member-states' leaders, and the European Commission, the EU's executive body.

There are no formal criteria for membership, but participants are all highly developed democracies. The aggregate GDP of G7 member states makes up nearly 50 percent of the global economy.



Unlike the United Nations or NATO, the G7 is not a formal institution with a charter and a secretariat. Instead, the presidency, which rotates annually among member states, is responsible for setting the agenda and arranging logistics. Ministers and envoys, known as sherpas, hammer out policy initiatives at meetings that precede the annual summit of national leaders.

The Russian Outlier

Russia formally joined the group in 1998 after partially participating in prior years' summits. U.S. president Bill Clinton thought that admitting Russia to the exclusive club would lend the country international prestige and encourage its first post-Soviet leader, Boris Yeltsin, to consolidate democratic gains and hew more closely to the West. Clinton also believed that membership would help mollify Russia as the [NATO](#) security alliance opened its doors to former Soviet satellites in Eastern Europe.

But Clinton's decision to include Russia drew pushback from within the G7. Among the detractors, the U.S. Treasury and other finance ministries were wary of coordinating global economic policy with Russia, which at the time had a relatively small economy and large public debt. Indeed, the ministerial track for finance continued to meet as the G7, even as leaders and foreign ministers convened as the G8.

Russia's backsliding toward authoritarianism under President Vladimir Putin made starker the disjunction between Moscow and the other members, as did its foreign policy. At the 2013 summit in Northern Ireland, Russia's patronage of Syrian president Bashar al-Assad in the midst of the Syrian civil war stood in marked contrast to the position of the other member states. Putin resisted other members' demands that the summit's communiqué call for Assad to leave office.

Russia held the G8 presidency for the first time in 2006 and once again in 2014, though effectively only for a few weeks, as Moscow's annexation of Crimea in March drew swift censure from its peers. "We will suspend our participation in the G8 until Russia changes course and the environment comes back to where the G8 is able to have a meaningful discussion," the G7 leaders said in a [joint statement](#).

The decision of the seven other members to pull out of the planned 2014 summit in Sochi, Russia, and meet instead as a reconstituted G7 in Brussels was little more than a symbolic diplomatic step, many analysts say. The measure is "basically a reprimand saying you're not in our club, you don't meet certain standards of international behavior, much less domestic behavior," says CFR Senior Fellow [Stewart Patrick](#).

G7 leaders invoked the forum in April to coordinate sanctions against Russia, although members diverged on how far to go and which entities to target. The EU, which has deep economic ties to Russia, imposed penalties on a number of state officials and Ukrainian separatist leaders, but did not join the United States in sanctioning several prominent Russian businessmen, including Igor Sechin, chairman of the state-owned oil firm Rosneft.

Reviving the G7



Prime Minister David Cameron of Britain, President Barack Obama, Chancellor Angela Merkel of Germany, Jose Manuel Barroso, President of the European Commission, and others watch the Champions League final during the G8 summit at Camp David in 2012. (Photo: Pete Souza/White House/Courtesy Reuters)

For many observers, the crisis in Ukraine reconfirmed Russia's standing as an outlier in the group. "The G8 never really made sense," [James Goldgeier](#), dean of American University's School of International Service, told CFR. The political expedient Clinton sought in Russia's relations with the West did not pay off, and alternative forums for Western contact with Russia existed all along, he says.

The reconstituted G7 will likely be better poised to facilitate collective action, experts say. Without Russia, the group is more "like-minded and capable," says Patrick, with both common interests and common values. But while suspending Russia may have improved the G7's ability to speak with one voice, many analysts note that voice is not as influential as it once was. "As new players have emerged in recent decades, the global power balance has shifted, leaving the G7 representative of a smaller piece of the pie. Any organization that does not include China, for example, is not truly global," wrote [Ian Bremmer](#), president of the Eurasia Group, in March 2014.

The G8 often garnered criticism for its failure to deliver on ambitious commitments, particularly with respect to development assistance. Civil society organizations drew attention to noncompliance and transparency, and since 2010, members have published an [annual accountability report](#). Meanwhile, various [nongovernmental organizations](#) do

scorekeeping of their own. Whether the revived G7 improves on the G8's record remains to be seen.

Rise of the G20

Many analysts believe the power and prestige of the Group of Twenty (G20), a forum of finance ministers and central bank governors from the world's largest economies, has surpassed that of the G7. Emerging powers such as China, Brazil, India, Mexico, and South Africa, whose absence from the G8 was oft noted, all belong to the G20. (Russia remains a member of the G20, which, Patrick says, "is much more where they belong.")

U.S. president Barack Obama seemed to affirm this in 2011, calling the G20 the "[premier forum](#) for global economic coordination." Many observers note that the forum was most effective during the financial crisis. (G20 leaders first met in 2008 after the fall of Lehman Brothers.)

"The Washington summit in 2008 and the London summit in 2009 did much to avert a new great depression," writes the [Brookings Institution's Thomas Wright](#). "Unprecedented cooperation between the world's largest economies provided liquidity that limited the contagion of the banking crisis, kept markets open and prevented countries from resorting to protectionism, and provided a stimulus that cushioned the drop in growth."

But as that sense of urgency subsided, multilateral consensus was harder to come by. "[We are now living 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," wrote Bremmer and economist Nouriel Roubini in *Foreign Affairs* in 2011.

For the time being, the G20 seems unlikely to replicate its preeminence in economic governance in the realm of international security. Mexico hosted the first meeting of G20 foreign ministers in February 2012, but that appears to have been a one-off event. The agenda for the [2014 G20 summit](#), hosted by Australia, is centered on promoting economic growth and insulating the global economy from future shocks.

Smaller Is Often Better

Some global governance experts assert that Russia's fallout with the G7 is a belated recognition that smaller international forums comprised of like-minded states are often preferable over larger, more diverse groupings. "When it comes down to the choice of doing 'global and ineffectual,' or 'limited with coherent leadership,' the latter is the lesser of two evils. We need to learn that lesson, both in terms of how we [organize coalitions of countries](#) with aligned interests and ideals, and in terms of how we brace for global shocks," wrote Bremmer.

Rather than a "G-Zero" world, CFR's Patrick foresees a "[G-x world](#)"—one of "multilateralism"—where states adopt an ad hoc approach to collective action, "coalescing in a bewildering array of issue-specific and sometimes transient bodies depending on their situational interests, shared values, and relevant capabilities." For Patrick, the reconstituted G7 serves as one such useful forum among many.

Additional Resources

The University of Toronto's [G8 Information Center](#) compiles primary sources from ministerial meetings and summits, analysis, and compliance studies.

The [UK Department for International Development](#) compiled the most recent accountability report for the erstwhile G8. The [Overseas Development Institute](#), a British think tank, critiques the official report's methodology.

Ian Bremmer and Nouriel Roubini argue in this [2011 Foreign Affairs essay](#) that the heyday of the G7 and G20 has passed, saying: "We are now living in a G-Zero world." Bremmer revisited the argument in the [New Statesman](#) in 2013.