
The G7's Innovation Challenge

What will the future hold for the G7 in a world where the geopolitical centre of gravity is both shifting and contested? The G7 has adapted in its past and will have to adapt again in its future. How it partners with governments and other stakeholders in emerging markets and developing economies will be a litmus test for how the G7 can innovate in light of the many emerging issues and potential disruptions ahead.

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The G7, in existence since 1975, has evolved from a body addressing economic issues to one that covers a full range of topics, including those related to international peace and security. While the public image of the G7 is one of the family photograph of leaders at annual summits, the work of the grouping comprises much more than this, and includes [ministerial meetings](#) from across government (transport, finance, foreign affairs, the interior, etc.), [technical working groups](#), and [engagement platforms](#) for civil society and youth, to name only a few. Recent agreements reached by the G7 – on [corporate taxation](#) and [infrastructure](#) – and members' shared [support for Ukraine](#) in the face of the Russian invasion have galvanised the body.

All this points toward an institution that has remained relevant since its founding. Yet to stay relevant into the future and enhance its role in world affairs, the G7 will need to continue innovating. In particular, how the G7 engages with new partners outside its membership will be critical. This imperative is necessary because the world needs G7 leadership, owing to the many global governance challenges that exist, ranging from climate change to conflict. It is also necessary because the G7 represents leadership by a group of states committed to a rules-based international order in a world where other states are challenging aspects of that order, including China's and Russia's attempts to erode the democratic norms underpinning the existing multilateral system.

Challenges facing the G7

Among the challenges facing the G7 is the question of how it can exert leverage in an increasingly complex global governance landscape. Engaging other countries, particularly emerging markets and

developing economies, will be an important part of the answer. The G7's membership has evolved from six countries at the first summit in 1975 (France, Germany, Italy, Japan, the United Kingdom and the United States) to the current seven (Canada joined in 1976; Russia joined in 1998 and was suspended in 2014; and the EU has participated in meetings since 1981 as a non-enumerated member). Yet demographic and economic trends paint a clear picture of the increasing relevance of countries outside the core G7 countries. Currently the G7 accounts for just [29% of global GDP](#), while for emerging market and developing economies that figure is 59%. In [1980](#) the same figures were 50% for the G7 and 37% for emerging market and developing economies. Population figures are similar. Some [88% of the world's population lives in the \(non-G7\) so-called Global South](#), while G7 countries account for only about 10%. The gap will grow considerably given lower birth rates in G7 countries. These figures point to increasing power outside the G7 and therefore the growing weight of bodies where such countries and peoples are represented, for example the [G20](#) or [BRICS](#).

Rising inequality represents a related challenge. For many, the G7 looks like a rich countries' club that is at risk of appearing to represent power and privilege more than equality and inclusivity. The latest [UNDP Human Development Report](#) speaks to growing inequality among countries and argues that "by 2030 up to two-thirds of the world's extreme poor could be living in conflict and fragile settings", all of which are outside G7 member states. Although it is unfair to wholly characterise G7 countries as unaware of – and uncaring for – the plight of the world's poor and dispossessed, there is a marked

contrast between wealth within the G7 and poverty outside of it.

The G7's strengths

Despite these challenges, the G7 does possess important strengths that potential new partners around the world should find enduring and attractive. First and foremost, the G7 is a like-minded group that brings together countries that [share core values](#) around the rule of law, democracy, freedom, human rights, and equality. And in the wake of Russia's invasion of Ukraine, [Stewart Patrick](#) has argued that to make the G7 even more attractive as a forum, it would be smart to focus on members' adherence to the UN Charter rather than their democratic politics. While this point is an important one, whatever the focus, such values remain attractive to would-be partners.

Another of the G7's strength is that it has proven to be a flexible form of "minilateralism" without a heavy bureaucratic structure behind it. Although the G7's lack of a formal secretariat has disadvantages, it also allows the grouping to pivot quickly and adopt new working arrangements, keep members engaged, and address novel problems while engaging external parties.

Innovating the G7

Historically, the G7 has shown that it is willing to adapt in the face of global change. Today, there is a need for the grouping to find ways to foster meaningful and sustained collaboration with countries outside its membership. Where can the G7 innovate in light of global trends?

1. *Cooperation on critical and emerging issues:* The G7 should prioritise bold leadership on critical emerging issues that matter to a larger group of countries and other constituents such as young people. Aggressive action on addressing issues such as climate change that are adversely affecting [global public goods](#) is a fitting example. The consequences of climate change will fall disproportionately on vulnerable societies and peoples (it has been estimated that by 2050 up to [216 million people](#) will be forced to migrate due to slow-onset climate change impacts). G7 action on climate change and other critical emerging issues should prioritise solidarity with low- and middle-income countries.

Such initiatives need not be led by the G7 alone, but can be undertaken in partnership with non-G7 countries, multilateral institutions and non-state actors. In May 2022, for example, Germany,

as host of a G7 development ministers meeting, launched the Global Alliance for Food Security [in partnership with](#) the World Bank, regional organisations such as the African Union, non-G7 states, and philanthropic and non-governmental organisations. In the future, the G7 ought to be inspired by this example, listen to the priorities of non-G7 stakeholders, and form partnerships with them. Doing so should then result in joint statements and concrete projects.

2. *Structured engagement:* The G7 should move from ad hoc invitations to non-member countries to attend G7 heads of state annual summits to permanent structured engagement and cooperation with them. Such activities should range from the ministerial level all the way up to the heads of state summit. Doing so would be an important signal of the value and central role of the G7's willingness to build and sustain partnerships.
3. In addition, the G7 ought to consider more seriously the *conditions under which new full members might be added*. This is a tricky subject, involving issues such as adherence to core values (the Russian example is illustrative here, as a result of which the G8 reverted to being the G7 after that country's Ukraine invasion), as well as the advantages and disadvantages involved in membership expansion. Nonetheless, it is important that the G7 approach the subject of member expansion seriously, in light of the need to leverage the group's impact globally.

Conclusion

Such innovations will help make the G7 a more effective contributor on the world stage. However, doing so will not eliminate potential surprises. The group – and all other forums and institutions – will remain vulnerable to global shocks and disruptions – as was the case, for example, with the Ukraine war and the COVID-19 pandemic – and, in the future, how China behaves towards Taiwan.

Yet despite these concerns, the G7 remains a robust forum. It can augment its power to tackle the world's challenges by being more aware of its operating environment and how global trends impact what it does and how it does it. The world needs more, not fewer, flexible, inclusive, cooperative, and proactive global governance arrangements like the G7 if we are to tackle the complex and interconnected global challenges we face today – and will undoubtedly face tomorrow.