

Q. Discuss the role of G7 in the global economic recovery and to counter china. Why G7 is relevant to India. 15 marks

Therefore, G7 provides opportunity to raise voice of the global south but G20 is the reality to solve all the associated problems.

G7 was formed after World War II which is a major block of industrialized countries to discuss the economic policy and how to recover the world from economic recession. G7 comprises of seven countries, namely USA, Canada, Italy, Germany, France, UK and Japan.

Within the economy, G7 is working in geo-political context in the following manner:

- Putting up more sanctions on Russia, decreasing oil and natural gas prices and restricting trade.
- Since 2021, G7 (especially Italy and USA) tries to counter China's One Belt One Road initiative by Build Back Better World (B3W) initiative.
- It recently came out with Physical Partnership for Global Infrastructure Investment by investing \$394 billion.
- invitation to India, South Africa, South Korea, Senegal, etc. since 2019 as they are prominent in Indo-Pacific region to generate confidence.
- G20 on the other hand, is a group of 20 countries i.e., G7 + other emerging countries like Australia, New Zealand, South Africa, etc. In G7 India is just an invitee. For India it is only a photographic session highlighting India's growing importance.

G20 is a group of emerging nations which is a symbol of changing world order. G20 is better than G7 in the following ways:

- The economic decisions are taken in context of emerging economies rather than only the industrialized economies.

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- G20 is a platform for south-south cooperation, north-south dialogue, talk of economic recovery and other topics like terrorism, extremism, climate change, etc.

- Even G20 solves the problem of emerging countries like base erosion and profit shifting, digital taxation and role of regional economic groupings and WTO.

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