

G7: Desperately Seeking Relevancy

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The upcoming G7 in Cornwall at first might be seen as the quirky encounter of “America is Back” with “Global Britain”.

The Big Picture though is way more sensitive. Three Summits in a Row – G7, NATO and US-EU – will be paving the way for a much expected cliffhanger: the Putin-Biden summit in Geneva – which certainly won’t be a reset.

The controlling interests behind the hologram that goes by the name of “Joe Biden” have a clear overarching agenda: to regiment industrialized democracies – especially those in Europe – and keep them in lockstep to combat those “authoritarian” threats to US national security, “malignant” Russia and China.

It’s like a throwback to those oh so stable 1970s Cold War days, complete with James Bond fighting foreign devils and Deep Purple subverting communism. Well, the times they are-a-changin’. China is very much aware that now [the Global South](#) “accounts for almost two-thirds of the global economy compared to one-third by the West: in the 1970s, it was exactly the opposite.”

For the Global South – that is, the overwhelming majority of the planet – the G7 is largely irrelevant. What matters is the G20.

China, the rising economic superpower, hails from the Global South, and is a leader in the G20. For all their internal troubles, EU players in the G7 – Germany, France and Italy – cannot afford to antagonize Beijing in economic, trade and investment terms.

A G7 rebooted as a Sinophobic crusade will have no takers. Including Japan and special guests at Cornwall: tech powerhouse South Korea, and India and South Africa (both BRICS members), offered the dangling carrot of a possible extended membership.

Washington’s wishful thinking cum P.R. offensive boils down to selling itself as the primus inter pares of the West as a revitalized global leader. Why the Global South is not buying it can be observed, graphically, by what happened for the past eight years. The G7 – and especially the Americans – simply [could not respond](#) to China’s wide-ranging, pan-Eurasian trade/development strategy, the Belt and Road Initiative (BRI).

The American “strategy” so far – 24/7 demonization of BRI as a “debt trap” and “forced labor” machine – did not cut it. Now, too little too late, comes a G7 scheme, involving “partners” such as India, to “support”, at least in theory, vague “high-quality projects” across the Global South: that’s the [Clean Green Initiative](#), focused on sustainable development and green transition, to be discussed both at the G7 and the US-EU summits.

Compared to BRI, Clean Green Initiative hardly qualifies as a coherent geopolitical and geoeconomic strategy. BRI has been endorsed and partnered by over 150 nation-states and international bodies – and that includes more than half of the EU’s 27 members.

Facts on the ground tell the story. China and ASEAN are about to strike a “comprehensive strategic partnership” deal. Trade between China and the Central and Eastern European Countries (CCEC), also known as the 17+1 group, including 12 EU nations, [continues to increase](#). The Digital Silk Road, the Health Silk Road and the Polar Silk Road keep advancing.

So what’s left is loud Western rumbling about vague investments in digital technology – perhaps financed by the European Investment Bank, based in Luxembourg – to cut off China’s “authoritarian reach” across the Global South.

The EU-US summit may be launching a “Trade and Technology Council” to coordinate policies on 5G, semiconductors, supply chains, export controls and technology rules and standards. A gentle reminder: the EU-US simply do not control this complex environment. They badly need South Korea, Taiwan and Japan.

Wait a minute, Mr. Taxman

To be fair, the G7 may have rendered a public service to the whole world when their Finance Ministers struck an alleged “historic” deal last Saturday in London on a global, minimal 15% tax on multinational companies (MNCs).

[Triumphalism](#) was in order – with endless praise lavished on “justice” and “fiscal solidarity” coupled with really bad news for assorted fiscal paradises.

Well, that’s slightly more complicated.

This tax has been discussed at the highest levels of the OECD in Paris for over a decade now – especially because nation-states are [losing](#) at least \$427 billion a year in tax-dodging by MNCs and assorted multi-billionaires. In terms of the European scenario that does not even account for the loss of V.A.T. by fraud – something gleefully practiced by Amazon, among others.

So it’s no wonder G7 Finance Ministers had \$1.6 trillion-worth Amazon [pretty much on their sights](#). Amazon’s cloud computing division should be treated as a separate entity. In this case the mega-tech group will have to pay more corporate tax in some of its largest European markets – Germany, France, Italy, UK – if the global 15% tax is ratified.

So yes, this is mostly about Big Tech – master experts on fiscal fraud and profiting from tax paradises located even inside Europe, such as Ireland and Luxembourg. The way the EU was built, it allowed fiscal competition between nation-states to fester. To discuss this openly in Brussels remains a virtual taboo. In the official EU list of fiscal paradises, one won’t find Luxembourg, the Netherlands or Malta.

So could this all be just a P.R. coup? It's possible. The major problem is that at the European Council – where governments of EU member-states discuss their issues – they have been dragging their feet for a long time, and sort of delegated the whole thing to the OECD.

As it stands, details on the 15% tax are still vague – even as the US government stands to become the largest winner, because its MNCs have shifted massive profits all across the planet to avoid US corporate taxes.

Not to mention that nobody knows if, when and how the deal will be globally accepted and implemented: that will be a Sisyphean task. At least it will be discussed, again, at the G20 in Venice in July.

What Germany wants

Without Germany there would not have been real advance on the EU-China Investment Agreement late last year. With a new US administration, the deal is stalled again. Outgoing chancellor Merkel is against China-EU economic decoupling – and so are German industrialists. It will be quite a treat to watch this subplot at the G7.

In a nutshell: Germany wants to keep expanding as a global trading power by using its large industrial base, while the Anglo-Saxons have completely ditched their industrial base to embrace non-productive financialization. And China for its part wants to trade with the whole planet. Guess who's the odd player out.

Considering the G7 as a de facto gathering of the Hegemon with its hyenas, jackals and chihuahuas, it will also be quite a treat to watch the semantics. What degree of “existential threat” will be ascribed to Beijing – especially because for the interests behind the hologram “Biden” the real priority is the Indo-Pacific?

These interests could not give a damn about a EU yearning for more strategic autonomy. Washington always announces its diktats without even bothering to previously consult Brussels.

So this is what this Triple X of summits – G7, NATO and EU-US – will be all about: the Hegemon pulling all stops to contain/harass the emergence of a rising power by enlisting its satrapies to “fight” and thus preserve the “rules-based international order” it designed over seven decades ago.

History tells us it won't work. Just two examples: the British and French empires could not stop the rise of the US in the 19th century; and even better, the Anglo-American axis only stopped the simultaneous rise of Germany and Japan by paying the price of two world wars, with the British empire destroyed and Germany back again as the leading power in Europe.

That should give the meeting of “America is Back” and “Global Britain” in Cornwall the status of a mere, quirky historical footnote.

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