

# G7 loses ground to BRICS



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## OPINION

*One hidden transformation of the international system in the most recent years has been the hijacking of the G7 by Washington as its 'kitchen cabinet' in the transatlantic system. The G8's 'shrinkage' to G7 in March 2014 following the coup in Ukraine was a defining moment that signalled that there wasn't going to be any post-cold war peace dividend. The G7, which was conceived as a group of countries charioting the world economy, ended up as the vehicle of big-power rivalry to preserve the US's global hegemony. Isolating Russia — and lately, China, too — became its leitmotif.*



Italian Prime Minister Giorgia Meloni (L) talks to the German chancellor as he and other G7 leaders watch a skydiving demo during their summit at Borgo Egnazia, Italy, on June 13, 2024.

DOMENICO STINELLIS/  
AP



With the failure of the Western project to isolate Russia, the G7 is meandering and has lost its sense of direction. Italy, the G7 summit's rotating host this year, has made AI a key issue in the summit, and Prime Minister Giorgia Meloni invited an unlikely guest, the pontiff, to make an unprecedented appearance at the G7 event at the fashionable Italian hotel Borgo Egnazia to advocate for the regulation of artificial intelligence, a technology he's called potentially harmful. Pope Francis was a chemist prior to entering seminary and will apparently draw on his scientific training to inform his stances. Italy under Meloni's leadership has increasingly scrutinised AI technology, and temporarily banned ChatGPT in March 2023, becoming the first Western country to do so. Equally, G7 is desperate to go beyond a closed elite club of Western democracies by piloting an ambitious outreach and issued an unusually long list of invited leaders of the non-Western world to the summit. Aside from Ukraine, Meloni has invited the leaders of India, Brazil, South Africa, Turkey, Saudi Arabia, Argentina, Algeria, Kenya, and Mauritania to attend the meeting. What the logic applied was impossible to tell. But this is realpolitik and G7 is hoping to bridge the 'West vs. the Rest' hiatus in the line-up

over the Ukraine crisis. In fact, the 'outreach guests' witnessed the nail-biting finale of a geopolitical drama, which forms the core of the G7 summit — the months-long attempt by the group's leaders to make a decision on using dividends from frozen Russian assets for Ukraine's military needs. To recap, as part of the West's 'sanctions from hell' against Russia in 2022, the European Union, Canada, the US, and Japan froze Moscow's assets in the Western banks to the tune of \$300 billion. (Some say, the actual figure is closer to \$400 billion.) Only about \$5–6 billion is located in the US, while \$210 billion is stored in Europe, but the decision to use the proceeds from Russian assets was initiated by Washington with a hidden agenda to make Europe pay for the war's consequences. There is no question that the G7 move to appropriate Russian money in Western banks was bad enough, but to use the profits out of them to fund the needs of Ukraine is, to put it mildly, an act of brigandage. The US gains if the current freeze in Russia-Europe ties reaches a point of no return, as Europe is sure to bear the brunt of Moscow's retaliation. Adopting such a move will weaken the global financial system. By brazenly violating international law, the G7 will be setting a precedent that undermines confidence in Euro-

pean institutions. It will be interesting to see how the G7 leaders explain that Russia is an exception and that such a practice will not one day be used against India, Turkey, Saudi Arabia, or some other state. To be sure, the spectre of the 16th summit meeting of BRICS at Kazan (16–18 October) under the chairmanship of Russian President Vladimir Putin haunts the G7. Moscow has let it be known that if the past three years ended with the expansion of the BRICS, the new phase going forward will ensure that the participants in an expanded format create a viable structure in which the member countries work purposively to develop a viable structure. An important topic at the BRICS summit meeting in Kazan will be the creation of a single currency within the grouping, which will significantly simplify and expand the economic relations of the member countries against the backdrop of mounting pressure from the West. Speaking at the SPIEF conference in St. Petersburg, Putin announced that such an independent payment system would be created. Foreign Minister Sergey Lavrov later confirmed that a platform for payments in national currencies is being developed. The BRICS countries have realised that the creation of a single

currency has become a necessity today due to the ongoing sanctions from the US and the European Union. Lavrov noted that "recent international events have thrown off the masks" of the West, which has tried to impose its own values on other countries under the guise of universal ones and replace equal dialogue with "narrow coalitions" that assign the right to speak on behalf of the whole world. BRICS, Lavrov underscored, implies a completely opposite type of partnership — that is, anything but a bloc structure, and on the contrary, a fundamentally open format, which involves working only in those areas that are of mutual interest to all participants, big and small. Reports suggest that around 30 countries have sought BRICS membership. Meanwhile, in 'systemic' terms, G7 is entering uncharted waters. Far-right parties are storming the power centres of Europe. With an eye on the G7 summit, Politico wrote: "Dream on. The G7 summit in the southern Italian coastal resort of Borgo Egnazia features arguably the weakest gathering of leaders the group has mustered for years. Most of the attendees are distracted by elections or domestic crises, disillusioned by years in office, or clinging desperately to power. "France's Emmanuel Macron and Britain's Rishi Sunak are

both fighting snap election campaigns they called in last-ditch efforts to reverse their flagging fortunes. Germany's Olaf Scholz was humiliated by far-right nationalists in last weekend's EU Parliament election and could soon be toppled himself. Justin Trudeau, prime minister for nine years in Canada, has spoken openly about quitting his 'crazy' job. Japan's Fumio Kishida is enduring his lowest personal ratings ahead of a leadership contest later this year. And then there's Joe Biden. The 81-year-old US president's son, Hunter, was found guilty of gun charges, barely two weeks before his father's first crucial debate with a resurgent Donald Trump in a presidential campaign the Democrats are in serious danger of losing." Above all, the angst in the European mind is palpable that if Trump wins in a democracy-altering climax in the November election, he may not even have time or patience to tolerate an archaic forum like G7. Surveying the bleak landscape, it comes as no surprise that Meloni took matters into her own hands and decided to use the summit for her purposes by designing an agenda that cleaved to Italy's strategic interests — Africa, migration, and the Mediterranean.

The full article first appeared on Indian Punchline.



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