TRANSCRIPT
Press Briefing
“Previewing the G7 and NATO Summits”

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FEATURING
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Paige Montfort: Thank you, and welcome colleagues.

As our operator said, my name is Paige Montfort, and I am the media relations coordinator here at the Center for Strategic and International Studies in D.C. Today we have a great briefing lined up for you previewing the upcoming G-7 leaders summit in Germany and the NATO Summit in Madrid, which will occur right after. And with us today we have four of our leading CSIS experts.

First, we have Matthew P. Goodman. He will start us off, and Matt is senior vice president for economics, and holds the Simon Chair in Political Economy at CSIS. In one of his previous roles, Matt serves as director for international economics on the National Security Council staff, helping the president prepare for various global and regional summits.

After Matt, we're going to hear from Caitlin Welsh, the director of the CSIS Global Food Security Program – food security, of course, likely being a key issue on the G-7 agenda. Caitlin also has experience in the National Security Council and the National Economic Council as director of global economic engagement where she coordinated U.S. policy in the G-7 and G-20.

Next, we're going to hear from Max – sorry – Max Bergmann, the director of the Europe program here at CSIS. Max and his program have hosted various events and published numerous publications on NATO, the war in Ukraine, and other topics highly relevant to these two summits.

And finally, we're also joined by Kathleen McInnis, who is a senior fellow in the CSIS International Security Program and director of the CSIS Smart Women, Smart Power Initiative. Her research areas include transatlantic security and global security strategy, and she has recently published a few various op-eds on NATO's defense spending and Russia as a threat to NATO.

As a reminder, each expert is going to start with some individual analysis and remarks, and then we're going to open it up to your questions.

We'll remind you about how to queue up for that when it's time. And, finally, there will be a transcript sent out to all of those who RSVP’d for this briefing within just a few hours after its conclusion and the transcript is also going to be posted to CSIS.org.

So, without further ado, I want to turn it over to Matt Goodman to get us started.

Matthew P. Goodman: OK. Thanks, Paige, and good morning, everyone, from Washington. I appreciate everyone getting up this early or people in the States, at least, getting up this early on the nice first day of spring.
So just a word on the overall trip. This is – President Biden will be leaving this weekend for the regular annual summits of two organizations, the G-7, which I’ll talk about in a second as well as Caitlin, and then the NATO Summit.

There have been some ad hoc meetings, but this is the first sort of annual meeting of the year for those two summits. So it’s a pretty significant trip because, obviously, this is a chance to affirm and bolster U.S. alliances, to bolster democracy. I think those are going to be the overarching themes across both summits.

But, obviously, there’s some pretty significant headwinds here. You know, you have Ukraine bogged down. You’ve got inflation raging, you know, a series of crises from food to energy to health to climate.

So this is going to be a pretty challenging set of meetings and I think, you know, the good news is that President Biden has some wind at his back because he was able to mobilize this group of allies and partners to take on the Russia-Ukraine challenge initially. But the question is can he move the ball forward on these two – at these two meetings.

So let me talk a little about the G-7. First of all, just to remind, the G-7 is the group of the seven largest advanced democracies. And if you say all that – those words, then, these are the seven largest advanced democracies who have been meeting since 1975 when, by the way, they were dealing with a series of economic shocks – energy, and currency and so forth. So it’s a long-standing group.

They will be meeting – the leaders of the G-7 – in Schloss Elmau Castle in the Bavarian Alps on June 26th to 28th, and they will – as always, the G-7 is, actually, really 10 leaders because in addition to the seven – I’m sorry, nine leaders now, because Russia is no longer a part of it – you’ll have the seven countries plus the European Commission president and the European president as well.

So the regular nine, plus the German hosts have invited five other democracies – India, Indonesia, Senegal, South Africa, and Argentina – to join as guests at the summit.

This is not unusual to have guests. Last year, Australia and South Korea and India were there.

So Chancellor Scholz of Germany has really framed this summit or initially framed it as – he used the term that we are pioneers in pursuit of climate neutrality and an equitable world. That’s the way he introduced his summit year early this year.
They laid out – the Germans laid out five goals, which are around sustainability; around economic recovery; thirdly, health; fourth, investments in the future with a focus on infrastructure; and fifth – stronger together as the fifth theme, but really it’s about, I think, bolstering democracies. And so that brings that all together.

Obviously, Ukraine is going to loom large and, you know, the big question is around whether this group is going to be able to take forward the sanctions. Europe has already launched six rounds of sanctions, the U.S. multiple strands of sanctions, and the question is, you know, will they be able to move that further and will it have any effect, of course, on Russia’s behavior on the execution of the war.

But, you know, there’s some question as to whether President Biden is going to be willing to take on substantial new sanctions since, you know, they are, arguably – maybe more than arguably – contributing to – you know, to the inflationary pressures that we’re facing here in the U.S. and in the rest of the advanced world. So I think that’s one of the big questions is whether there will be any further efforts by this group.

There is talk, as some of the European partners, led by Italy, have been pushing for, an oil importers cartel, effectively, where they would cap the price on purchases of Russian oil. But there are various problems with that initiative, which mean it’s not clear, you know, how much enthusiasm there’s going to be in the group for that, or, you know, stopping insurance of Russian ships and so forth. So there are various things that still could be done, but a question whether the group will unify.

Beyond that, climate is clearly something that Chancellor Scholz is animated by; sustainability, kind of despite the fact I said it was the first of the five themes that actually runs throughout most of what the Germans have been doing to prepare for the summit. Among other things, the Germans are trying to establish something they call a climate club, which is an open, cooperative international club of countries that are committed to going further, you know, on climate change than already – you know, the ambition already set.

And specifically in a preview event, the G-7 sherpa the other day said that there are sort of three elements of this climate club. One is putting a price on carbon and incentivizing reductions of it; second, decarbonizing industries in a very tech-driven approach; and thirdly, developing energy-transition partnerships, you know, for particularly larger emerging countries to join in partnerships, to help them with the energy transition. So that’s going to be a major theme throughout. And I think we’ll see. I’d watch, you know, what specifics come out of that.
There’ll be a lot of focus, secondly – well, thirdly, I guess – on recovery and stability of the economy and a question whether this group can do a lot more to promote growth and tamp down inflation. But obviously there will be some focus on that. There’ll be a focus on health. There’s been, for many years, a focus on global health in the G-7. And I think the question is whether this group will move further to strengthen WHO governance, to do more on vaccine distribution. And then they probably are going to highlight the establishment of a financial-intermediaries fund – a FIF, as it’s called, financial-intermediaries fund – housed at the World Bank to help promote pandemic preparedness and response. So that’s something to watch for.

And then I guess, finally, the Germans and U.S. and other G-7 countries are united in wanting to do more on infrastructure development globally, again, with an accent on sustainability, but also on developing health infrastructure and gender-related infrastructure and digital infrastructure, as well as related to climate.

So the U.S. in particular is going to roll out a new version of its global infrastructure strategy, which is called the – the new version is called the Partnership for Global Infrastructure, or PGI. And the U.S. is essentially going to kind of repackage and relaunch the Build Back Better World initiative that they announced last year at the G-7 Summit in Cornwall, England. So watch for that.

And then I think I’m going to basically, I think, just – actually, I think I’ll just end there. If there are questions – I think there will be some focus on questions of – well, there will be significant focus of questions of supply chain, with a particular focus perhaps on critical minerals and technology-related issues in supply chains. So watch for that. And implicitly in that there’s a China-related theme here, which goes beyond whether China is going to support Russia, but whether it’s – you know, how we’re going to take on the longer-term strategic competition of China, particularly in the economic and technology realm.

So I think that’s probably more than enough. And I will pass it over to Caitlin Welsh, a fellow former G-7 yak, as we call ourselves, deputy sherpa. So over to you, Caitlin.

Caitlin Welsh: Great. Thank you so much, Matt.

Hi, everybody. I’m Caitlin Welsh. I direct the Global Food Security Program at CSIS. As Matt mentioned, I’m also a former member of the G-7/G-20 sherpa team at the National Security Council and National Economic Council. And I also represented the United States in the G-7 food-security discussions for about five years before joining the White House and CSIS.
Looking at food security on the agenda of the G-7 this year, food security is likely to be high on this agenda given the impacts of Russia’s war on Ukraine on global food security and also preexisting levels of food security due to the impacts of COVID, climate change, and conflict. It’s important to remember that before the war we were seeing perhaps the highest levels of food insecurity in the world in at least 15 years, due primarily to the impacts of the COVID pandemic. Because of the effects of Russia’s war in Ukraine, the U.N. estimates that perhaps 13 million more people could be food insecure over the next several years. Also 400 million people around the world depend on Ukraine’s agricultural products for their food security.

There’s a history of the G-7 addressing food security over the last decade-plus, most notably in 2009 at the L’Aquila summit that Italy convened – the L’Aquila G-8 summit. That year Italy led the G-8 and other partners to commit over $22 billion toward global food security over three years. This was in the wake of a 2007-2008 global food price crisis, and it was the largest commitment by the G-8 to date about global food security. Also looking to Germany’s G-7 history on food security, in 2015 Germany led the G-7 to commit to – this is a quote – “to lift 500 million people in developing countries out of hunger and malnutrition by 2030.” So not only is there a history of addressing food security within the G-7/G-8, but also a history of Germany prioritizing this issue.

Looking to this year in specific, there have been a plethora of G-7 leaders and minister statements regarding the food security impacts of Russia’s war in Ukraine. These include statements by the agricultural ministers, foreign ministers, development ministers, health, employment, climate, energy, and environment ministers. So there is no shortage of political – high-level attention to this topic within the G-7 this year.

I’ll highlight two areas in specific. One is G-7 finance ministers. On May 18th, finance ministers endorsed an action plan to address food insecurity with six goals, some having to do with the short-term effects of the war on food security and some looking more long-term. These goals include supporting vulnerable people, promoting open trade, mitigating fertilizer shortages, supporting food production, investing in climate-smart agriculture, and coordinating among all partners. So coordinating for maximum impact.

Also in May, G-7 development ministers launched a Global Alliance for Food Security, with immediate objectives to increase the supplies of food, fertilizer, and fuel, remove barriers to trade, and provide financial support to ease the impacts of the crisis. And long-term objectives to support producers to be less vulnerable to the effects of droughts and to help countries build stronger food systems. So the Global Alliance for Food Security launched by G-7 development ministers has some short and long-term objectives.
When it comes to the G-7 Summit, I expect that leaders will, at minimum, reiterate these commitments, reinforce them, and tie them into a coherent – one coherent approach. I would also expect or predict that perhaps at home G-7 leaders might commit financing to this – behind this – behind these efforts. Looking back to 2009 again, G-7/G-8 leaders at the time committed over $22 billion. We have not seen financial commitments yet, so leaders may restate previous financial commitments or perhaps add financing for all these approaches for food security.

And I am happy to pause there and pass to Matt – I’m sorry, Max.

Max Bergmann: Well, thanks, Caitlin. I’m Max Bergmann. I’m the director of the Europe Program here at CSIS. Maybe I’ll shift gears a little bit and focus – and talk about the NATO summit, which will happen toward the end of the month, next week. The NATO is meeting hopefully certify its new strategic concept. The last strategic concept was agreed to in 2010. And what the strategic concept really is, is the guiding strategy document for NATO and for NATO countries to guide how they think about the world, similar to, you know, what we do with our National Security Strategy or National Defense Strategy.

Now, obviously, it’s been 12 years since the last strategic concept. The world looks very different. How Russia was treated in the 2010 concept will not be how it’s treated now. And, you know, 2010, things like the Arctic weren’t really profiled or mentioned. Neither was China. So I think – you know, I think the first thing is we’ll see a document more reflective of the modern realities which Europe confronts itself.

So I would say the first thing is that how Russia will be treated in the new strategic concept is something that people are watching very closely. I think inevitably Russia will be treated as an adversary, essentially where NATO is going is sort of back to somewhat of a Cold War posture in terms of needing to reinforce front line states that border Russia just as NATO did during the Soviet period.

I think there’s a question over the extent of the force posture that will be extended in the east. We’ve seen a lot of forces in the midst of this crisis be deployed further east, and there is a question of how permanent that will be. The NATO Russia Founding Act of the 1990s put limits on permanent basing and other aspects of NATO’s posture, and there’s a question of how relevant that document is. I think everyone agrees that it’s basically irrelevant, but do you just completely dismiss it out of hand? Or do you describe forces that are being deployed in the east not as permanent bases, but, as we have done, describe it as sort of a persistent presence?

I also think, you know, all eyes will be focused on Sweden and Finland and how their memberships advance. It doesn’t look like Turkey will sort of give
the green light at the NATO summit, although that’s still to be determined. I think the basic presumption is that – what will happen is that Turkey will continue to hold out. They have a number of demands, some of which I think will be quite difficult for Sweden and Finland to meet. And I think what we’ll see is that, over the course of the next year, countries ratifying Sweden and Finland’s membership in NATO, and then it being left to the Turks to determine if they want to be the sole holdout.

I think we probably won’t see a clear green light given at the Madrid summit for Sweden and Finland, but I think still there will be favorable language – about their candidate status, and I think they’ll move ahead fairly quickly – or at least amongst other countries in the alliance ratifying their membership.

I think you’re going to see inclusion of the Arctic. This is something that a country like Norway – of course, Jens Stoltenberg, who’s the secretary general is from Norway, pushed for in the last strategic concept Canada, which was reticent. But I think given the importance of the Arctic and the Russian Northern Fleet, which is in the Kola Peninsula, and effectively the Russian submarine threat to supply lines – NATO supply lines for the U.S. reinforcing European countries in the event of a contingency, the Arctic will be increasingly important, as is the fact that Russia increasingly sees the Arctic, as do many countries, as a place for strategic advancement. So, I think we’ll see a mention of the Arctic.

Of course, China is something the United States has pushed to make a much bigger focus of NATO. When Secretary Blinken went to NATO for the first time as secretary of state, he mentioned China more than 10 times. I think he only mentioned Russia about four times, demonstrating kind of the U.S. focus, at least at the time, in early 2021.

But I think it will be important for NATO to recognize the growing importance of China as an actor geopolitically and as something that the alliance needs to take very seriously. So, I think there will be a lot of language on that.

I think also something to look out for – probably less of a focus for American journalists, but something that has been a big focus in Europe, at least in Brussels – is how EU-NATO cooperation is treated. I think there’s a hope and expectation that this would sort of be a real moment of change, where the kind of bureaucratic spats that have existed between the two entities would sort of move away and that – especially as Sweden and Finland are drawing closer – that the membership of both EU and NATO are increasingly aligned. And then we could sort of move past the kind of caveated language about cooperation that we’ve seen in the past.
Unfortunately, what I’ve heard from three European colleagues over the last week – or senior European officials – is that it’s not simply Turkey that is objecting, but as is the United States – that is sort of maintaining the language that we’ve had since the 1990s about no duplication and the need for complementarity, as if, you know, the strong EU sanctions and strong EU stance towards Ukraine doesn’t sort of give us enough assurance.

And what we’ve seen is also the EU play an increasingly important role in defense providing sort of first-time lethal assistance to another country, providing 2 billion euros in assistance to Ukraine, also providing 500 million euros to incentive joint procurement.

Let me also just say quickly about the war – and then turn it over to Kathleen – I think another major issue – and I’m not sure how central this will be at the NATO Summit, but it should be – is that there’s a key problem. You know, the war now looks like it’s going to be a war of attrition, a longer slog. The United States has sort of prepared itself to support Ukraine at least over the next year by providing a $40 billion Ukraine Assistance Act, and with more than half of that essentially going to military aid.

But Ukraine’s military demands have grown. They are increasingly expensive when we’re talking about things like advanced artillery – they’re not only expensive, but you start eating into inventories very quickly. So hence the massive increases that we’ve seen in European defense – or at least commitments to increase European defense – such as Germany committing a hundred billion; I think Europe overall, an increase of 200 billion. Well, you have two – you have a number of, now, situations that are kind eroding the purchasing power of that – both inflation eroding how much bang for the euro that will create, but then also the demand for Ukraine for increasingly advanced artillery and other systems that will – that weren’t budgeted for. So suddenly Europeans, if they’re going to provide these systems, are essentially – you know, they don’t have much slack to – they don’t have big inventories, so essentially when they start cutting or giving away systems, they are kind of cutting in the bone. And so what you’re going to – I think there’s a danger that the increase in defense spending that we’re going to see is really going to simply just maintain a force that isn’t quite ready for purpose right now, at least in many European countries, and that Europe may be not as well off – maybe their forces may not be as strong as they were actually at the beginning of this war, despite the increase in spending. And I think that’s a real problem for the alliance.

We’re going to have a paper out this week at CSIS calling for a European-Ukraine assistance act to effectively provide the financing to really get the European defense industries humming, as well as to kind of prepare Europe to support Ukraine over the long haul so that they can both modernize their militaries to defend against Russia as well as provide the support for Ukraine.
The last thing I will mention is that the– something prior to the NATO Summit, which is probably just as important if not more important to Ukraine’s future, is the European Council Summit that will happen at the end of this week in which it is now expected that Ukraine will be granted candidate status for European Union membership. This I think is a big deal which puts Ukraine on track to potentially join the European Union, and there is going to be a long slog ahead where Ukraine will have to implement, you know, 10,000 pages of law. This isn’t like joining NATO, this isn’t like joining a multilateral organization. This is like Mexico joining the United States – that you have to reform your internal systems, your judiciary, you have to adopt all the EU regulations. It will be a long process.

I think the EU will also have to reform itself before Ukraine becomes a member – sort of move away from unanimity at the European Council so countries like Hungary and Poland can’t veto things individually. But I think that will be an important step and will hopefully give Ukraine the confidence in ensuring that it has a European future.

So I want to leave it at that and turn it over to Kathleen.

Kathleen McInnis:

Good morning, everyone. I’m Kathleen McInnis. I am a senior fellow in the International Security Program here at CSIS, and in a – in a prior life, I was a staffer in the Office of the Secretary of Defense in the policy organization working on European and NATO policy.

So I thought I would complement Max’s excellent comments with a sort of view of what it’s like to be staffing a summit and, you know, what are the kinds of things that – questions that are being shaken out right now as the negotiations are proceeding.

First, there is an intense negotiation on the precise language of all the different documents, and it’s hard to overstate how important that is. The precise language that shakes out of these documents is what is used to guide the alliance’s actions and implementing guidance, and structure the alliance; not just in the – you know, stating what’s happening in the near term, but also, as Max mentioned, this is the strategic concept that will be coming out – or will be endorsed. That is a framework for which the alliance can plan its activities and think about resourcing defense planning – all of the different, you know, mechanical issues of alliance management. All of that stuff gets hung on the overall strategic concept. So what’s actually in there really matters.

What’s also going to be interesting is – you know, as Max mentioned, the strategic concept that’s going to be coming out of the summit is a long-term picture. It’s a document that’s designed to help the alliance guide its thinking, its planning processes, all of those – you know, force structure, force posture
all of those things for the next 10 years or so. So it needs to be both broad enough to allow the alliance to adapt to future threats, but also concrete enough to be able to help it respond with what’s happening currently.

What’s going to be interesting is what's in that strategic concept, a.k.a. the long-term vision, versus what might be in the communiques or declarations that are sort of what the alliance thinks is happening in the moment. And as an analyst, I’m going to be interested in the differences between the two. So what the alliance and what the members think are the short-term challenges versus really what it needs to be prepared to do in the long-term.

I'm going to be very interested to see, you know, how the language – how the alliance thinks through things, like Max mentioned, China versus Russia, these overall global strategic competition challenges. There is one view that the, you know, allies need to be more engaged in the Indo-Pacific, that doing so sends a stronger signal to Beijing about the cohesion and consensus amongst allies. And that is, in itself, a net good. There’s also, you know, France, others have interests in the Indo-Pacific. Also of note, the key Asia-Pacific partners for NATO will be at the summit – New Zealand, Australia, Japan, and the Republic of Korea.

So to what extent should NATO be more involved or thinking about more of what’s happening in the Indo-Pacific and specifically China versus Russia’s immediate territorial threat to Europe? And this really comes to home when you think about defense resources. Where should – where should monies go? What kind of capabilities should be developed and what challenges should they be, you know, geared towards? And, you know, should NATO focus on, you know, the Russian challenge more, or should it be thinking more about the Indo-Pacific? And how do resources align with those different priorities?

There’s some that view – you know, I mentioned earlier – there’s the view about, you know, more involvement in the Indo-Pacific. There’s a contrasting view that, actually, Europe should be focused much more heavily on the immediate threat from Russia, that it should be focusing its resources there, and that would enable the U.S. to do more of the work in the Indo-Pacific, if Europe can share more of the burden there in the European theater.

That also raises this question about, you know, burden sharing. This has been an issue – a perennial issue in the alliance. You know, to what extent the allies are sufficiently shouldering the responsibility of the security requirements in any given – you know, any given moment. That’s traditionally been measured by – to the extent to which NATO allies are spending, you know, at least 2 percent of their gross domestic product on military and defense capabilities. Obviously, in the wake of Ukraine some defense spending has increased across Europe.
And, as Max mentioned, the question then becomes: Are these monies going to be utilized towards capabilities that actually meaningfully improve Europe’s ability to conduct operations and do the mission that it assigns for itself? Is it going to spend that money more efficiently, more effectively? Is 2 percent even enough, is another question, given what we’re seeing out of the war in Ukraine and depletion of stocks because of the donations of equipment and so on by different NATO allies over to Ukraine?

And then there’s another question of, you know, as the war in Ukraine grinds on, different NATO allies are going to be feeling this in – this war and its impacts in different ways. And to what extent is the alliance preparing its members for that broader – you know, the economic impacts, the broader social, geopolitical impact of the war as it grinds on, and the differences in which its – you know, the war will be hitting different member states’ economies? Are there statements about how the alliance can build solidarity and build cohesion coming out of this summit, in order to manage the geopolitical shocks that are coming and that we’re experiencing now?

One other thing that the NATO alliance is likely to announce as part of the strategic concept which I think is quite interesting is this notion of comprehensive resilience. And the idea being that NATO has a number of key tasks that it has to organize itself to conduct – you know, collective defense, cooperative security – and so the question is, comprehensive resilience is the extent to which NATO states are able to absorb the shocks that the allies might feel in the security sphere. Like, so things like critical infrastructure and, you know, other aspects of state resilience, or how is NATO thinking about that. Does it see itself having a larger role, or is it – is it a really scoped role and it’s saying that the European Union and member states ought to be doing more on that? So that’s a question about, you know, what’s going to be coming out of the concept, what’s going to be coming out of the summit that will be quite interesting, especially because when you think about how the alliance itself is postured for the future, and thinking about how and whether the alliance is capable of absorbing different shocks to the system that are unanticipated, this notion of building comprehensive resilience becomes quite important.

So, with that, I will turn it back over to you, Paige, for questions and answers.

Ms. Montfort:

Thank you, Kathleen, and thank you, everyone, for your insights and analysis.

I don’t want to waste any time so I’m going to get this back over to the operator shortly to restate the queuing instructions and then, folks, yeah, feel free to ask your questions.
Thanks.

Operator: (Gives queuing instructions.)

And we’ll go to the line of George Condon of the National Journal. Please go ahead.

George Condon: Great. Thanks.

I’ve got the two questions.

First, the president has talked about that the United States is better off on inflation than other countries. Can any of you talk about how inflation is affecting all of them and where the United States fits in that?

And, secondly, what does Biden need to accomplish here to be able to say it was a successful two summits for him? You know, my first summit was ‘83 in Williamsburg and I can’t remember a year when the allies weren’t chafing at something the United States was doing.

Mr. Goodman: George, hi. It’s Matt Goodman.

So, on inflation, yeah, it is – it is a problem for everyone. Europe’s numbers are expected to be kind of – maybe a little – maybe at the margin as a region, you know, a little softer than ours, but still kind of 7 (percent), 8 percent in the most recent figures that will be out soon, which ranges from, you know, countries that are at a much higher rate of inflation. Like, just a fun fact, Estonia was at something like 20 percent inflation in the most recent figures.

So it’s a problem for everyone, sort of, except Japan, I guess, in the G-7, which is actually facing a little bit of inflation for the first time in a long time, around 2 percent, which for them is pretty heated price increases.

But it is a G-7 wide problem and I think, you know, certainly, the combination of impacts of trade and supply chain disruptions, you know, the Ukraine-related disruptions, particularly, you know, caused by the disruption of the war itself, by the sanctions, by retaliation, by – you know, or soft retaliation or less stated retaliation from Russia that’s constraining supplies of gas and other energy products, all of this is contributing to inflation across – you know, across the advanced world and so it’s a common concern and I think both – I think President Biden and his partners in Europe, in particular, will be, you know, interested in seeing if this group can do anything to tamp that down. I mean, frankly, historically the G-7 leaders have deferred to their finance ministers, who met last month, and came up with sort of, you know, a standard line about, you know, ensuring that
monetary policy, as it's tightening in order to deal with this inflation, also
doesn’t set back growth.

And, you know, so I think there – I doubt there’s going to be a lot new offered
here. But as I mentioned in my opening, it does have an impact on whether
this group, and particularly, I think, President Biden, are going to be willing
to consider substantial new sanctions that could further exacerbate price
increases.

So I think, to the extent that you take further action, they’re going to be
looking at things that don’t have that effect, which is part of what in theory is
behind the notion of the Italian proposal to establish an oil cartel of oil
consumers, to say we’re only going to pay “x” price of Russian gas, which –
Russian oil, rather; gas is probably not part of this conversation because it’s
just too – Europe is too dependent on it still.

So, you know, that’s kind of the – this is a common problem. And now I’ve
forgotten your second question, which is how the – are you able to –

Mr. Condon:  What Biden needs to do to be able to say it’s a successful set of summits.

Mr. Goodman:  Well, yeah. I mean, look, I’m more patient than sometimes journalists are,
looking for headlines, which I totally understand. I was a journalist once. But
I just think one has to look at this as incremental progress. You know, no
single meeting is going to solve every problem in the world. So if they can
demonstrate, you know, collective resolve to take on, you know, some of
these key challenges that I and the others all laid out, then – and then do a
couple of tangible things to address those issues, you know, whether it’s on
food or climate, you know, or the Ukraine situation, then I think, you know,
that’s going to be, you know, a good summit.

Obviously, if they – and if they avoid any breakdowns – there have been
summits, as you know, in the past where there have been sort of visible
disagreements among the group. I don’t expect that in this case, except at the
very margins, but I don’t think any major blowups.

So I think the president can come away, you know, feeling pretty good about
this if there’s sort of a shared agenda, shared resolve, and a few tangible
things that then get passed on to – you know, to ministers in their respective
governments, and then ultimately on to Japan, which hosts in 2023.

Mr. Bergmann:  Yeah, I would add just quickly on the NATO summit, I think the major thing is
I would view it more in negative terms. I think it’s going to be hard for this to
not be a very positive summit, because I think the alliance will be very
unified. I think there’ll be a new strategic concept. I think the question is
does anything come in that really kind of upsets that alliance unity? Is there
a big fracas over Turkey and Sweden and Finland? Is there some issue that provides – that creates a real hang-up?

So, you know, I think in general it’ll be a very positive summit. The alliance has been so unified. And this will sort of cement that. So I think it’s more about looking for things that may gum up the works, which I wouldn’t anticipate. But I think that’s the thing to look out for.

Ms. Montfort: Thank you –

Dr. McInnis: It’s Kathleen. If I could –

Ms. Montfort: Oh.

Dr. McInnis: If I could just jump in real quick?

Ms. Montfort: Kathleen, go ahead and then we’ll move on to the next one. Yes, perfect. Please do.

Dr. McInnis: Yeah, of course. And just to amplify Max’s remark, I think, yes, there is an enormous amount of unity right now; that almost every time we have a summit, there’s a lot of hemming and hawing or a lot of discourse in the public about how, you know, the alliance is dying; it’s irrelevant. And I think as we walk into this summit, that’s absolutely not the case.

And the question is the extent to which the documentation – how far does the unity go, and how is that expressed in the actual documents that are endorsed at the summit, right? Does it – does the strategic concept and the related communiques and declarations, does it actually give the NATO nations the kinds of hooks, cover, to build out robust agendas on all these different issues, including China, Russia? Does it allow the alliance to effectively meet the challenges in the East, but also make progress on – as Max mentioned, on the Arctic, continue building on the work to NATO’s south, thinking about and addressing counterterrorism issues? Those kinds of questions. So does it – does the alliance have an agenda that really allows it to meet current and future needs? I think that’s what, from an analyst’s – NATO nerd’s perspective, that’s what we’re going to be watching for.

Operator: Thank you. We’ll go next to the line of Ashley Parker with The Washington Post.

Ashley Parker: Oh, hey, thank you for doing this call.

A two-part question, if you don’t mind. I was wondering if you could first kind of talk about the last time this group met in March, in Brussels, it was very triumphant, right? It was sort of the alliance being as strong as it had been in decades at the beginning of the conflict with Ukraine. And now,
obviously, the conflict is in a different phase than it was back then. So I was hoping you could kind of talk about that changed dynamic and what sort of questions these leaders are going to be asking themselves, and, you know, sort of what’s going to be on the agenda now as opposed to then in terms of Ukraine. And then sort of secondly, but related, a number of these leaders – Biden, Macron, Johnson, Scholz are as weak as they’ve ever been – are quite weak domestically.

And also, if you could talk about how that weakness back home will affect the meetings they’re having next week. Thank you.

Mr. Bergmann: Yeah, maybe I’ll start and then hand it off to Kathleen.

I mean, I think – look, I think there’s a lot for the NATO alliance to be triumphalist about. I think that the fact that Ukrainian democracy has survived the initial onslaught from Russia is something that sort of no military analyst expected, given the expectation was that basically the Ukrainian democracy was going to be decapitated in a matter of days, there was Russian efforts to try to assassinate Zelensky. And yet, it’s – they survived.

But I think the situation Ukraine finds itself now in is a long slog war of attrition against a global military superpower. And they’re fighting this war on their own. And I think the challenge now for the alliance, for the U.S., for Europe is that we have to also posture to support Ukraine over the long haul. So that initial triumphalism, as we’re sort of giving away fairly inexpensive small arms and anti-tank weapons, now leads to the need to provide much sort of robust longer-term support. You know, if we think about the war in Iraq, it was costing the U.S. off-budget, I think, at times more than $10 billion a month.

And so Ukraine is going to need massive amounts of assistance. This is going to be, I think, really difficult for the European military establishment. It’s also going to be a challenge for us to maintain. We’ve done that through our $40 billion Ukraine Assistance Act. I also think the nature of the sanctions and the economic transition of Europe, so aggressively decoupling from Russia – which is something that no one anticipated prior to this conflict. You know, when we were – when the White House was sort of gaming out, you know, how the Europeans would respond, and when they were talking to Europeans prior to the war in December and January and early February, it was a hypothetical exercise. And there was real, I think, shock – in a good way – at how strong Europe has responded. And so I think it’s now about continuing with that economic decoupling.

The question related to – and so the second question, you know, each of these political leaders being in a really weak state, I mean, Macron was just
reelected as French president. So he will be there for another five years. His parliamentary election did not go his way. Scholtz is facing some internal – a lot of – his approval ratings are down. But I think that’s largely because he hasn’t acted as strongly as many in his coalition and the opposition have wanted. And I think what you’re seeing is all these leaders are now also coping with the economic impacts of inflation, of coming out of the pandemic, things that Matt mentioned. But so I think that is – that is going to have some impact.

However, I think a lot of these leaders – Scholtz as well – Scholtz, Macron have just been reelected. There’s no real danger of Scholtz’s coalition, I think, falling at any, you know, time in the next, you know, year or so. I think it’s most likely that – for all the interested parties – that he’ll be there through the next four – until the next election in 2025. So I think what we’re – what we’re seeing is that, yeah, there’s a lot of political angst. These leaders are going to have to respond, but I also think that there’s real opportunity, especially for Macron and Scholz, the French-German relationship to sort of get back on track. But both leaders need to find their footing when it comes to the war in Ukraine, and I think that’s where they’ve struggled a bit.

Operator: We’ll go next to the line of Andrea Shalal of Reuters. Please go ahead.

(Pause.) Andrea, your line is open.

Andrea Shalal: Hi. I’m so sorry, just was – (inaudible). Thanks for doing this.

I had a question. I wanted to go back to the issue of China and, you know, the fact that these other Asian countries are participating. Can you say a word about whether you think that this is sort of intended to show those countries in Asia how NATO does it and kind of lay the groundwork for some kind of more effective alliance in Asia?

And then, on China also, you know, I know the president is looking at potentially rolling back these tariffs to sort of address the inflation question. Do you think that there could be some kind of unified action by G-7 on, you know, the – China as an unfair competitor in the global economy, some language on that? Are you expecting that in a communiqué? Thanks.

Mr. Goodman: I can – this is Matt Goodman. I can take the second one and then pass it back to Max or Kathleen on the other.

Just very quickly: You know, I think the administration, the Biden administration, is still debating what to do about, you know, the tariffs that are in place on Chinese imports into the U.S. and I think, you know, there is the possibility that they’re going to readjust those tariffs and, you know, recalibrate them in some way. But there’s also talk about a new trade action possibly, a new announcement by USTR about a Section 301 case on Chinese
industrial policies, and that latter part could be part of a conversation among
the G-7 leaders about, you know, joint efforts to take on Chinese subsidies
and industrial policies because all countries in that group in the G-7 are
concerned about that and their previous efforts among those countries to try
and have more robust disciplines and potential actions against Chinese
action in that regard, so –

Ms. Shalal: I mean, I guess my question, Matt, is that are you expecting – I mean, do you
think those conversations are far enough along that there could be
something that would happen or do you think it’s just the beginning of that
conversation?

Mr. Goodman: I expect more of a process outcome and expression of concern about this and
a determination to move on it and possibly a reinvigoration of – remember
the trilateral grouping of the U.S., EU, and Japan back in the Trump
administration that focused on those issues? You may see some – I don’t
have hard evidence of that but that would be the most I would expect is, you
know, is a revival of that effort rather than, you know, any particular new
action at this stage.

Dr. McInnis: And Kathleen – I’m jumping in on the question of partners in Asia. The NATO
alliance has been engaging in these partnership discussions for quite some
time. NATO itself acts as this framework; it’s got this international military
staff that allows different nations across NATO to work together, think
through how to tackle common challenges, how to do operations together, so
on and so forth, and what these partnerships do is allow these Asian states to
participate at different levels in those kinds of conversation, from, you know,
helping organize thinking about strategy for different operations that they’re
conducting together, like, you know, Japan supported operations in
Afghanistan for NATO through leading a lot of reconstruction and
development assistance. So it’s a way to cement and to further evolve these
practical measures of cooperation amongst all the – between the NATO allied
states and the partners in the Asia Pacific. Does this mean a NATO in Asia? I
don’t think so.

Operator: We’ll go next to the line of Tamara Keith with NPR. Please go ahead.

Tamara Keith: Thank you so much for taking my call.

I wanted to go back to the rebranding of Build Back Better World. And sort of
curious if you know why they are rebranding it and just how much focus or
energy is going to be behind that, given that so very many things have
happened since that was announced with some fanfare, like, you know,
inflation and, oh, war. And a lot seems to have changed.

I think that they did announce this Big Build Back World initiative last year at the G-7 Summit in Cornwall with great fanfare because I think there was a – there is a real conviction in the White House that the U.S. has a lot to offer in the global-infrastructure space, that it – and that the U.S. – you know, that there’s a demand signal for U.S. involvement in global infrastructure, you know, certainly in the Indo-Pacific region, which is what I focus on, but also, you know, Africa, Latin America. And, you know, there’s a demand in particular for an alternative to what China is offering through the Belt and Road Initiative. So there’s a strong conviction about all of that.

And I think the theory of the case is that by putting targeted amounts of U.S. government money and effort into this effort of global infrastructure policy, it can mobilize, you know, billions, tens of billions of dollars of private investment from hedge funds, private-equity funds, sovereign-wealth funds, into, you know, promising projects around the world, in particular digital projects. But also, as I mentioned, I think, some of the themes about health and climate and gender-related projects are also high on the list in this initiative.

So I think there’s still this sort of set of convictions and beliefs that this is a really important area for the U.S. to be engaged in and that we can do that without putting massive amounts of public money behind it, because, you know, there’s not going to be support for that here. And, you know, and working with allies in particular, not only the G-7 countries but also Australia and Korea and others that are strong in this area, there’s a real effort to make an impact here in developing – in development in those countries and in responding to the China challenge in this area.

Maureen Groppe: Hi. Thanks for taking my question.

My question is for Caitlin about food security. On the steps that have already been taken that you expect to be reinforced, can you talk about whether you think those are sufficient steps? How do you assess what the leaders are likely to do in this area? Is it going to be enough?

Ms. Welsh: Yeah, thanks for that good question.

I think that it is sufficient in the sense that the steps that leaders have voiced to date have to do with the short-term impacts and the long-term impacts of Russia’s war in Ukraine on global food security. Again, what I haven’t seen yet is a dollar amount, a Euro amount, attached to these steps.

In 2009, G-8 leaders pledged – and other leaders – pledged over $23 billion toward global food security and committed to mobilizing that over a span of three years. I’ve seen reiterations of amounts of funding that have already been pledged, but I haven’t seen any new money attached to this. So I think
that the steps that they have – that they’ve said that they will be taking are sufficient and comprehensive, but I just haven’t seen the financing behind that yet. And I’m hoping to see that coming out of the summit next week.

**Operator:** Thank you. We have time for one more question. That will come from the line of Howard LaFranchi of the Christian Science Monitor.

**Howard LaFranchi:** Hi. Yeah, thank you for doing this. And this is a good follow-up to the last question. This is for Caitlin on food security.

So, first of all, very specifically, but on the numbers that you mentioned, you said that the U.N. was predicting 13 million more people could be food-insecure this year. But then you also said that 400 million people depend on Ukraine for food security. So I’m just wondering about the sort of – is that telling us that a lot of countries are finding alternatives to Ukraine? I'm just trying to understand those numbers.

And then, secondly, I’m wondering if the countries that are invited to the G-7, including Argentina – I know Argentina and some of the others are important food producers, and I’m wondering if that’s part of the reason that Germany invited them. I was just in Argentina a month ago and there was a lot of discussion of measures by the government on, like, taxes on food exports and things to try to keep prices – internal prices low. So I’m just wondering if the invite list has anything to do with the food security issue at the summit as well.

**Ms. Welsh:** Sure. Thanks very much, and I’ll make this quick since I know we’re at time. When it comes to those numbers, the U.N. early on estimated that it was potentially over 13 million people could suffer from under nourishment over the next four years. So, they're looking at the long-term impact of the effects of this war.

When it comes to the number of people who rely on Ukraine for their imports, yes, it’s a much higher number. Markets are adjusting in the short-term, but again, the long-term impacts are, you know – simply, apples and oranges is what we’re looking at.

When it comes to invitees to the summit, you know, I don’t know about the timing. I don’t know if Argentina was invited earlier on, if this was planned before – you know, before we realized the food security impact of the war, but it could be that they were invited because of their agricultural potential.

When I mentioned the efforts of the G-8 in 2009 for global food security, it was not just the G-8 governments who made that commitment, it was other governments, and – (background noise) – I’m sorry – philanthropies as well who made up part of that commitment. So, it makes sense to involve not just
G-7 governments, but other countries and other donors as well in efforts on
global food security.

Ms. Montfort:  

Great. Thank you so much, Caitlin, and thank you to all four of our experts for
your comments and analysis and everyone else for joining with your
questions this morning – or afternoon, or evening, depending on where
you’re calling from.

As I mentioned on the beginning of this call, we will have a transcript
available within just a few hours. If you’ve RSVPed with me, Paige Montfort,
then I’ll send it direct to your inbox. It’ll also be available publicly on CSIS.org
at the same time.

Thank you so much, and if you did not get your question asked because you
were towards the end of our queue and we ran out of time, please feel free to
ping me for a one-on-one interview with one of our excellent experts here.

So, thank you, all, and have a great day.