

Global social, political tensions dominate G8 summit

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The Group of 8 summit of industrialized nations, due to begin today in the German holiday resort of Heiligendamm, is dominated by extreme tensions, expressed both openly and indirectly. There has been no comparable summit in terms of the conflicts between the major powers since the launching of the annual meeting of world leaders 32 years ago.

The first meeting took place in 1975 when the government leaders of France, Germany, Britain, Italy, Japan and the United States met at the castle of Rambouillet near Paris for so-called “fire side talks”. The meeting was the result of an initiative by French President Valéry Giscard d’Estaing and German Chancellor Helmut Schmidt. After the breakdown of the Bretton Woods monetary system and the oil crisis of the 1970s, it was hoped that talks within a small circle on international economic and financial problems would prevent an international economic collapse.

Since then, with the addition of Canada (1976) and Russia (1998), the summit has metamorphosed into a gigantic event with an annually changing presidency. The original agenda of economic questions has been expanded to include foreign policy and social issues as well as environmental and security questions. The annual summits are prepared by meetings between various ministers and involve huge numbers of specialists and advisors, as well as thousands of journalists. The total cost of this year’s summit is estimated to be around 100 million euros, with the largest part spent on security measures.

This expenditure stands in reverse relation to the expected results. No serious discussion on urgent issues will take place in Heiligendamm, let alone substantive proposals for solutions to pressing problems. Explosive questions like the Iraq war have been completely excluded from the agenda.

The summit will, to a large extent, boil down a photo-shoot against the picturesque façade of the stately Kempinski Hotel and a meaningless final communiqué, which has been worked out in the course of weeks of tough negotiations between high-ranking officials, reducing it to the lowest common denominator.

There are two reasons for the inability of the heads of government to provide any answers to fundamental international problems.

First, the rivalry between the great powers over the control of raw materials, energy sources, cheap labour and markets has assumed such intensity that it directly affects all other issues. Debates about climate protection, the struggle against AIDS, or development aid have been transformed into discussions that cloak the pursuit of economic interests, the forging of new alliances and the exercise of diplomatic pressure.

Only in rare cases—such as the dispute over the planned US missile defence system—are major differences openly addressed. If the conflicts simmering between the summit participants in Heiligendamm were allowed to break into the open, it would be necessary to erect security fences between their respective delegations, in addition to the 12 kilometre fence set up to protect the summit from the masses of the population.

Second, those meeting at the summit are vastly unpopular at home. They

represent a small, super-rich elite, whose difference in property and income from the rest of the population has increased enormously in recent times. They are walking a tightrope. They sense the presence of a broad, deeply rooted social opposition, which lacks only a common voice and worked out program to articulate its interests, while they proceed to carry on with their attacks on the working class

The latest edition of *Der Spiegel* magazine published an article entitled “The Summit of Injustice,” which gives some key statistics relating to social polarization. Although it is not the intention of the authors, the article serves as a devastating indictment of capitalist society. It not only shows the extent of social divisions, but also makes clear that the pace of social polarization is increasing rapidly.

Thus, the number of billionaires increased last year alone from 793 to 946. Of these, 55 come from Germany, which trails behind the US (415) and is closely followed by Russia (53) and India (36). The fortunes of these billionaires increased in one year by 35 percent, to a total \$3.5 trillion—more “than the entire German national economy produces in terms of goods and services in one year.”

At the other end of the scale are 2.7 billion people forced to live on less than \$2 a day. The richest one percent of the world’s population possesses 51 percent of total assets, while the poorer half of the population controls just 1 percent.

This gap takes similar forms in both rich and poor countries. In Germany, lower level incomes have stagnated for the past ten years, while the salaries of top-paid employees have risen by 17 percent over the same period. In the last two years alone, the proportion of earned income in relation to total income has sunk from 42 to 38 percent, while the proportion of profit and income based on property has risen from 31 to 35 percent—a direct consequence of the “reforms” introduced by Germany’s previous Social Democratic-Green Party coalition.

In Russia, average incomes have plummeted by more than 60 percent as a result of the restoration of capitalism. More than three quarters of the population lives on less than 200 euros per month. On the other hand, the 500 richest Russians control a combined wealth equal to 40 percent of the country’s gross domestic product.

These figures say more about the character of the G8 summit than all the sanctimonious official statements. Coming together in Heiligendamm are the political representatives of a financial oligarchy which has ruthlessly plundered the planet’s wealth.

All these leaders are deeply hated by the broad masses of the population: George W. Bush, responsible for the Iraq war and Guantánamo; Tony Blair, who leaves office a few days after the summit as a thoroughly discredited politician; Romano Prodi, who is wiping out the Italian welfare state with the support of a supposed “left” coalition; Stephen Harper, who has sought to bring Canada’s domestic and foreign policy closely into line with the Bush administration; Shinzo Abe, who is reviving Japanese militarism; Angela Merkel, leader of a coalition wracked by crisis and in the throes of disintegration; and Vladimir Putin,

who has resorted to traditional Stalinist methods of repression to defend his rule.

French President Nicolas Sarkozy, who is attending his first G8 summit, won the recent presidential election on the basis of a somewhat deceptively packaged right-wing program. He owes his success to the bankruptcy of the country's so-called "left". His coming to power has been seen in Europe as a signal to finally go on an offensive and smash up all that remains of the European welfare state.

Alongside the immense heightening of social inequality there is a rapid growth in the ranks of the international working class. According to *Der Spiegel*, "The opening up of markets in China, India and the former Soviet Union, but also in Arabia, has almost doubled the number of workers to a historically unprecedented total of over three billion. They are part of the world economy ... A world-wide class society has been formed."

Although not referred to, these class contrasts dominate the summit. While the fire side chats at Rambouillet represented an attempt to dampen and control economic conflicts, the summit at Heiligendamm signals a new stage of international conflict and class warfare.

This is already made clear by the physical accoutrements of the summit—the sealing-off of the summit from the public, the enormous security precautions and the brutal offensive by the police against summit opponents and demonstrators.

The dispute over the planned US missile defence system escalated on the eve of the summit. Russian President Vladimir Putin made absolutely clear that he regards the stationing of parts of this system in Poland and the Czech Republic as a threat to the existence of Russia. In so doing, he departed from the normal diplomatic protocol.

On the Friday before the summit he invited journalists from the participating states to his private residence in Moscow and warned of a "new arms race in Europe". He told *Der Spiegel*, "For the first time in history, components of the American nuclear system will be established on the European continent" That changes "the entire configuration of international security," he said, and disturbs "the strategic balance in the world". Shortly before, Russia had demonstratively tested two new intercontinental missiles, which are capable of penetrating the planned anti-missile screen.

Putin also warned against any recognition of an independent Kosovo, which is being pursued by Washington. He indirectly threatened a reciprocal recognition of the rebel Georgian provinces of Abkhazia and South Ossetia, as well as Moldavian Transnistria, if Kosovo was recognised as an independent state.

For its part, the Bush administration has made clear that it is not prepared to back down on its missile plans, and has stepped up its pressure on Russia. On his way to the summit, the American president has made a point of making stop-offs in the Czech Republic and Poland. On his way back from the summit, he plans trips to Albania, which borders the predominantly Albanian inhabited enclave of Kosovo, and Romania.

The American missile system is not only directed against Russia, it is aimed at driving a wedge between Russia and Europe, which is deeply divided over the issue. While the ruling elite of Eastern Europe supports the project, both Germany and France are sceptical and largely reject the project. Relations between Europe and Russia have worsened clearly in recent times, while relations with the US have also become increasingly tense.

The elevation of the issue of climate protection to centre stage of the summit is not least an attempt by the host of the conference, Angela Merkel, to challenge Washington. Knowing very well that the Bush administration would never agree, she wanted a definite guarantee in the summit's final statement that global warming be limited to a maximum of two percent. In order to achieve this, the output of greenhouse gas must be reduced to half the level of 1990 by the year 2050.

In the past few days, the German chancellery has leaked a number of

reports that American negotiators black-pencilled entire paragraphs from the draft summit document with which they did not agree. Merkel, it was suggested, was prepared to accept the failure of the summit rather than back down and accept a watered-down compromise on the climate question. The press reacted with the desired headlines: "Merkel Stays Firm", "Merkel Stands Up to Bush," etc.

The German chancellor is, in fact, following a number of aims with her initiative.

In the first place, she is able to win applause at home when she opposes Bush and poses as a defender of the environment. While broad opposition from the working class is growing to the anti-social policies of Merkel's government, she can rely on the support of environmentalists from sections of the middle class and the social layers around the Greens.

Minutes of a confidential discussion between Merkel and her closest advisors from May 20, which have been cited in several newspapers, make clear that her initiative is primarily aimed at a domestic audience. According to *Der Spiegel*, the protocol reads "like the film script of a, while not planned, nevertheless not so unpleasant provocation".

The climate issue is to be deliberately shifted into the public arena, because—according to the protocol—it is "easier to communicate" than other issues such as financial markets and world trade. In other words, the issue is to be used as a diversion from the German government's right-wing economic policies and close cooperation with the Bush government on matters relating to foreign and military policy.

According to *Der Spiegel*, Merkel is seeking to weaken two impressions that proved counterproductive in her election campaigns—that she tamely follows America, and that she does not prioritise the environment.

A new image could give her a crucial advantage in the event of a break-up of her ailing grand coalition and new national elections. In particular, it would open up prospects for a possible alliance with the Greens.

In addition to such domestic considerations, Merkel is using the climate issue to pursue foreign policy goals. She has the support of French President Sarkozy and British Prime Minister Blair on this issue, and can therefore step up European pressure on the US while at the same time moving closer to Washington on foreign and military policy.

Merkel is also cooperating with the American Democrats. Last week she received the Democratic Speaker of the House of Representatives, Nancy Pelosi, and the pair expressed their basic agreement on environmental questions.

The climate question also involves substantial economic interests. Against a background of rising prices and depleted supplies of oil and gas, alternative energies have become a profitable billion-dollar business. In this respect, Europe, and above all Germany, has a technological lead over the US that can be used to good advantage should the G8 agree on a short-term lowering of greenhouse gases.

It therefore came as no surprise when the CEOs of eleven major concerns supported Merkel's initiative with an open letter. They demand that the "blockades in climate policies" on the part of the US "be finally lifted", and call for "reliable basic conditions in the globalised economy"

Amongst those supporting the letter are German Railways, Deutsche Telekom, the OTTO retail company and Allianz-Insurance, as well as the energy companies EnBw, Vattenfall and BP. Shell Oil and the multinational concern Unilever have also backed the letter.

In terms of the environment, Merkel's proposals have mostly a symbolic meaning. They stipulate a general target without specifying practical steps for achieving the goal. Such general targets—for the reduction of poverty, debt relief for the poorest countries, etc.—are a hallmark of G8 summits and have had little impact in terms of practical consequences.

The growing tensions between the major powers recall the initial years of the previous century, when the struggle for the re-division of the world between the imperialist powers, after the suppression of colonial

rebellions like the Chinese Boxer uprising and proxy wars like the Balkan wars of 1912-13, erupted in the slaughter of the first World War.



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