

## **An Exploratory Analysis on India's G-20 Presidency: Socio Economic and Political Aspects**

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### **ABSTRACT**

*The paper analyses the importance of treaties amongst various countries under different forums to increase trade as well as improve ties to ensure security within the region. The presidency of the G20 summit was extremely beneficial to India as it highlighted all the positive aspects of our country. This has helped the economy increase its export potential in the world.*

**Keywords:** G20, QUAD, ASEAN, BRICS, NORTH SOUTH DIALOGUE, International Forums.

**Research Question:** The G 20 in Delhi archived a common declaration which was a remarkable aspect considering that the world is undergoing a lot of strife with respect to the Russian Ukraine crises and the so-called dominance of China as a world order. How does such forums help in achieving a peaceful world order? Would India gain from such leadership and participatory roles? How important are these for India's internal development? All these questions and more will be attempted to be answered during analysis of this paper.

### **1. Introduction**

The G-20 group of 19 countries and the EU was established in 1999 as a platform for finance ministers and central bank governors to discuss international economic and financial issues. Together the G-20 countries account for almost two thirds of the global trade, 80 percent of world GDP and 60 percent of global population. The G-20 was founded after the Asian Financial crises as the forum for the finance ministers and central bank governors to discuss global, economic and financial issues. It was a forum to unite the finance ministers and central bankers from 20 of the world largest established and emerging economy. A decade later at the height of the global economic crises the G-20 was elevated to include heads of state and Government.

In September 1999, the finance ministers and central Bank governors of the Group of 7 countries (G-7) announced their intention to broaden the dialogue on key economy and financial issues amount systemically significant economies and promote cooperation to achieve stable and sustainable world economic growth that benefits all. The G-20 represents all regions of the globe. It recognises the growing importance of the emerging economy along with their increasing integration in the global and financial market. It realises the importance of broadening the scope of international economic and financial cooperation. The group was seen as an important for the discussion of ways to prevent and resolve international financial crises and amongst the early achievement was to accept Standards and Courts that aimed at improving economic and financial transparency and strengthening the financial system. After the September 2001 terrorist attack in United States, all member countries took a forceful stand against the financing of terrorism. They introduced collective actions clauses in international bond contracts and the adoption of a conduct between major borrowers and lenders.

The finance minister of Canada Paul Martin who later became the prime minister 'was the crucial architect of the formation of the G-20 at finance minister level.' He was the one who proposed that the G-20 countries should include leaders as well.

**Figure 1: Image of G 20 Countries**



Source: Maxx studio

The first G 20 summit was held in 2008 in Washington DC, the United States which set the stage for a dramatic reform of global finance. In the follow up summit in 2009, in London, the United Kingdom, the G 20 agreed to blacklist states that refused to cooperate on efforts to tackle tax evasion and avoidance.

The list of summits held in the following year were:

- 2010 and 2011: Toronto, Seoul, Cannes
- 2012, 2013,2014: Los Cabos, St. Petersburg, Brisbane
- 2015 and 2016: Antalya and Hangzhou
- 2017: Hamburg
- 2018: Buenos Aires
- 2019: Osaka
- 2020: Saudi Arabia
- 2021: Italy
- 2022: Indonesia
- 2023: India

Since 2011 the G 20 summit has been held annually, under the leadership of a rotating presidency. The G 20 initially focused on broad macro economy policies but has expanded its ambit to include trade, climate change, sustainable development, energy, environment, climate change, anti-corruption.

## **2. Backgrounds**

**Figure 2: Visual representation of G20**



Source: TV 9 Marathi

The G 20 is premium forum for international economic cooperation, playing an extremely vital role in shaping and strengthening global architecture on all major international issues. It does not have a permanent secretariat or staff, instead the presidency rotates annually among the members and is selected from a different regional group of countries. The 19 member countries are divided into 5 groups comprising a maximum of 4 countries each. Most of the groups are formed on a regional basis, that is countries from the same region are put in the same group.

Group 1 consists of Australia, Canada, Saudi Arabia, and the United States.

Group 2 consists of India, Russia, South Africa, and Türkiye.

Group 3 includes Argentina, Brazil, and Mexico.

Group 4 includes France, Germany, Italy and the United Kingdom.

Group 5 includes China, Indonesia, Japan, and Republic of Korea.

The EU which is the 20<sup>th</sup> member in 2023 was not a member in any of the above regional groups

In September 2023 at the 18<sup>th</sup> G 20 Summit, the Indian prime minister Narendra Modi announced that the African Union would be included as a member of the G 20 group, making it the 21<sup>st</sup> member.

Each year another country from a different group assumes the G 20 presidency. Those in a group are equally entitled to take on the presidency when it is their group's turn. This presidency is responsible for bringing together the G 20 agenda in consultation with other members and in response to developments in the global economy to ensure continuity. It is supported by a "troika" which is made up of the current, immediate past and the next host country.

### **3. Importance of International Forums**

International organizations and forums serve many diverse functions which may be a basis for collecting information and monitoring trends (e.g., The World Meteorological Organization), delivering services, and aid (e.g. The World Health Organization). International relations are an extremely important aspect for the existence of nations in liberalized and globalized conditions. It encompasses the study and practice of interactions among nations, the consequences of their actions, and the mechanisms that govern these relationships. There are three main types of 'international organization', namely:

- Intergovernmental organizations; amongst this The United Nations (UN) is the largest and most familiar intergovernmental organization. In 1945, at the end of World War 2, governments wanted to avoid future wars. They formed the UN whose main goal was to keep peace. The main principle of these organizations is sovereign equality of all its members. All the members shall fulfill in good faith the obligation assumed by them according to the Charter. The Charter provides the basis for the functioning of the organization where all members pursue common aims and have their own special organs to fulfill specific functions.

**Fig 3: United nations emblem**



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Source: the united nation URI

- International non-governmental organization or (NGO) exert influence on the policies and programs of governments. They observe and participate in meetings in which norms, principles, treaties, and conventions are negotiated, dispute settled, and resources allocated. Some of the most important NGOs in the world are 1. Save the children, 2. OXFAM international 3. World vision.

**Fig 4: OXFAM**



Source: Wikipedia

- Multinational enterprises

Forums are an excellent way to create social connections and the essence of community, it is a place or event for discussion or debate on a subject. Organization on the other hand is an entity for carrying out activities like business or education or religious or spiritual movement. These enterprises facilitate globalization through their business activities, including foreign direct investment, exporting their products and services to various countries as also importing goods and services from different nations. This dynamic interaction sustains international trade and fosters greater economic integration among countries, as well as generate substantial employment opportunities in both developed and developing countries.

**Figure 5: Explanation of MNC**



Source: Investopedia

### 3.1 G 20

G 20 plays a significant role in shaping and strengthening global architecture and governance on all major economic issues such as international financial stability, climate change litigation and sustainable development. India's presidency in the G 20 was seen as an opportunity for the country to strengthen trade ties and attract investments from member nations particularly in sectors like infrastructure. It was also an opportunity to steer the world towards Inclusive and Sustainable growth. Asian Development Bank (ADB) supported India's G20 presidency on the following key priorities

- Economic growth
- Clean energy
- Global health



India 's summit's theme, was "Vasudhav Kutumbakam" which means "One Earth, One Family, One Future ". This platform served as a crucial step towards increasing India's role in 'Global South' concerns. At the summit India was able to leverage its economic significance to garner support from all G20 member nations, for a Leaders Declaration recognizing the conflict in Ukraine without specifying any aggressor. Prime Minister Modi advocated reforming global institutions like the United Nations Security Council (UNSC) to align with the changing world dynamics which received backing of the United States. Climate change and sustainable development were the other areas which received support from all nations. All the countries emphasized a concrete strategy for strengthening multi-lateral development banks to regulate cryptocurrencies as well as deployment of digital public infrastructure to enhance financial inclusion. The declaration also stressed clean energy technologies by 2030 and to attain net-zero emissions by 2050. The African Union was given membership of the G20. This union represents 55 countries of the African continent

**Fig 6: Vasudhav Kutumbakam**



Source: @PMO India

### 3.2 ASEAN

The Association of Southeast Asian Nations (ASEAN) is a regional organization that brings together neighboring countries to address economic and security issues. It was founded in 1967. It consists of ten members:

- Brunei

- Cambodia
- Indonesia
- Laos
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Vietnam

This group has played a significant role in Asian economic integration, joining negotiations to form the world's largest pre trade agreement, and signing Six free trade deals with other economies in this region

**Figure 7: ASEAN countries**



Source: world atlas

Experts say that ASEAN impact is limited due to a lack of strategic vision, diverging priorities among member states, and weak leadership. The biggest challenge for this bloc is to develop a unified approach to China, particularly in response to territorial disputes in the South China Sea and responding to Myanmar's civil war. It is headed by a 'chair' that rotates annually among



leaders of member states. It is assisted by a secretariat based in Jakarta Indonesia. Important decisions are usually reached through consultation and consensus guided by the principles of non-interference in internal affairs and peaceful resolutions of conflicts.

Some experts feel that the norm of consensus and non-interference have increasingly become obsolete and have hindered this bloc's issues such as dealing with China and other crises in some of the member states.

Brunei became a member in 1984, Vietnam in 1995, Laos and Myanmar in 1997, Cambodia in 1999. Timor –Leste is the latest country to join ASEAN, it will get full membership in 2025.

Singapore has the highest GDP per capita in the group at about \$83,000, according to 2022 World Bank figures. Myanmar is the lowest at around \$1100. Singapore and Vietnam are among the world's most religiously diverse countries (2014, Pew Research Centre report)

### **3.3 BRICS**

This refers to certain emerging marketing countries-Brazil, Russia, India, China and South Africa. They seek to establish deeper ties between member nations and cooperate on economic expansion including trade. These countries act as a counterbalance to traditional western influence. This term was initially created by the Economist Jim O'Neil in 2001. South Africa was added to the list in 2010. The belief was that these economies would dominate global growth by 2050.

Saudi Arabia, Iran, Ethiopia, UAE, Egypt, and Argentina were invited to join BRICS in 2023. BRIC countries would emerge as the fastest growing emerging economy due to low labor cost, favorable demographics, and abundant natural resources.

The group operates as an informal confederation of nations that meets annually at the BRICS convention. The heads of state seek to build economic cooperation between the nations.

**Figure 8. BRICS countries**



Source: study IQ

Growth in the BRICS economies has slowed down after the global financial crisis of 2007-2008 and the oil price collapse that began in 2014. By 2015, the BRICS no longer looked like an attractive investment proposition.

The main goal of BRICS are cooperation, development and influence in international affairs. It aims to build further on development financing, political coordination, social and cultural exchange, technology and innovation, sustainable development and peace and security.

It has been discovered that in recent years BRICS are not on the same path to attain economic hegemony. The interplay between BRICS economies and G7 is viewed by the investment community as a critical aspect of globalization and interdependence. The key to further progress is improving long term conditions to promote growth including macro-economic stability, political institutional development trade and investment openness and education. The synergies between economic wellbeing, sustainability, macro-economic fundamentals on one hand and the well-functioning of a countries financial market in general, and the stock market in particular are still being discovered. Further research is needed to understand the impact of institutional change on growth.

The BRICS countries have undergone dramatic land use transformation e.g. China has attempted to reestablish the Silk Road Economic Belt initiative across Europe and Asia. In India the Modi administration plans to develop 100 smart cities connected by bullet trains; Moscow aspires to build Russia into a “new economic bridge”, between Europe and Asia through the development of Advanced Special Economic Zones; Brazil and South Africa have embarked on the expansion of large-scale farming.

Land serves as a medium through which a combination of political, social and economic interest has led to a spectacular amount of capital as investment in BRICS countries. In recent years the heightened India – China hostility, and the muted economic performance of Brazil and South Africa have undermined the BRICS’ potential for coordinated geopolitical influence and Economic policies respectively. Even if the BRICS coalition exists in its reduced form, it is still a reasonable choice as these countries remain important as drivers of “Southern- led” investment in the Global South.

### **3.4 QUAD**

The above is known as ‘Quadrilateral Security Dialogue’(QSD), the Quad is an informal strategic forum that comprises of four nations namely USA, India, Australia and Japan. One of the primary objectives is to work for a free, open, prosperous and inclusive Indo-Pacific region. The group met for the first time in 2007 and is considered as an alliance of maritime democracies.

The motive behind the Quad is to keep the strategic sea routes in the Indo-Pacific free of any military or political influence. It is seen as a strategic grouping to reduce Chinese domination. The leaders exchange views on contemporary global issues such as emerging technology, connectivity and infrastructure, cyber security, maritime security, humanitarian assistance, climate change and education.

**Figure 9; QUAD countries**



Source: INSIGHTIAS

#### **4. IMPORTANCE OF NORTH SOUTH PACIFIC ALLIANCE**

The Pacific Alliance formed by Chile, Colombia, Mexico, Peru all bordering the Pacific Ocean was formed with the purpose of improving regional integration and moving towards complete freedom in the movement of goods, services, capital and people between the four member states. These are important as they represent 35 percent of Latin American GDP. Analysts describe this alliance as a tool to practice a kind of joint ‘Nation branding’ to promote trade and investment and to enhance the international status and visibility of the member state. It began on April 28 ,2011. It is a regional integration initiative with a number of observers. Indonesia, Singapore, Thailand and the Philippines are observer countries are the specific alliance.

There have been various ASEAN – Pacific ministerial meetings to explore cooperation in areas of mutual interests. This was first attempted in 2014 and since then there has been greater progress with respect to integration and development among the nation.

The Pacific alliance alone has achieved results in trade due to cooperation and strengthening the competitiveness and Innovation of enterprises.

**Figure 10: The Pacific Alliance Toronto (2018)**



Source: universe events 2018

#### **4.1 North South Cooperation**

Global North and Global South are terms used to group countries based on their defining characteristics regarding socio, economic and politics. The Global South countries are identified as those that have a low standard of living which includes low incomes, high levels of poverty, high population growth rate, inadequate housing, limited education opportunity, deficient health system and poor Infrastructure. Global North on the other hand consists of the world's developed countries. The two groups are defined in terms of their differing levels of wealth, economic development, income inequality and strength of democracy. Countries of the global North tend to be wealthier, less unequal, more democratic and capable of exporting technologically advanced manufactured products. While the global south countries tend to be poorer, more unequal, less democratic and dependent on resource based primary commodities. The benefit of the North South cooperation is to foster economic, scientific and technological self-reliance. It also opens up additional channels of communication between the developed countries and the developing ones. In recent years the sustainable development goals as defined by the UN emphasize the growth limits in the global ecology setup. This means learning how to live being mindful of the earth's interests without encroaching on its capital. It is a fact that there is a wide gap development between the global south and global north economies. It is generally believed that the global North economies are on the way in achieving sustainability while the global South are yet to find their feet with respect to ensuring sustainability.

**Figure 11: Symbol of North south cooperation**



Source: Google image

## 5. Impact of India's G20 presidency

**Figure 12: G20 under prime minister Modi presidency**



Source: The economic times

Under the G20 presidency India mainstreamed the Global South concerns in an international arena and ushered in an era where developing countries took their rightful place in shaping the global narrative. India worked upon inclusivity and infused domestic approach to G20 making it

a people presidency. It provided a platform for international economic cooperation and also an opportunity for India. India's G20 was perhaps the largest till date and had a huge participation of countries governments in terms of Economic, financial and social spheres. It focused on global health challenges as well as promoted gender equality and women empowerment. The six G20 priorities were

- Inclusive growth
- Green development
- Progress on UN SDG (Self-development goals)
- Technological transformation
- Multilateral institutions for the 21 st century
- Women Empowerment

India also worked towards boosting digital transformation that includes

- Digital economy
- Digital education
- Digital health
- Digital government
- Digital finance

Under India G20 presidency was one of the most successful and outstanding in the history of this global forum for economic and financial governance, north south development dialogue, cooperation and decision making. The country set extra ordinary benchmark that will be difficult to match but an honor to follow. India chartered new territories and created an enduring legacy as it a major power in Global South and also in the world. During its presidency it showcased its five-thousand-year-old 'civilizational state' in all its cultural, intellectual and spiritual depth, diversity and grandeur. It also exhibited it technological progress in areas like Artificial Intelligence (AI), robotics and space. There was full attendance at the summit by all its members (43 heads of countries and international organizations were present), except President Putin and President Xi. The prime minister stated that it was the people's G20 and he secured the Africans Union admission into the G20 as a permanent member. India passes the test of being a unifier. It also made them grapple with issues like terrorist funding money laundering, regulation of crypto



assets, combating corruption and moving to establish a globally fair sustainable and modern international taxation system for the 21 st century.

## **6. Positive and negative outcomes of India's G20 presidency**

The positive impact on the Indian economy has been an increase in foreign investment, promotion of trade liberalization, improvement in financial regulation and addressing climate change impact. It has also provided India with an opportunity to continue its leadership in this area and promote international cooperation to address global health challenges, promote gender equality and women empowerment.

The disadvantages of the G20 summit in India were the heavy security measures and disruptions that occur during the summit which inconvenienced local residents and disrupted normal activities. Additionally hosting of such a large-scale event did require a large number of financial resources. The other disadvantages were;

- Lack of legitimacy
- Inability to reach consensus.
- Dominance by a few countries
- forum to address global challenges.

## **7. Conclusion**

In today's world it is extremely important for developing countries like India to be a part of international forums like all the ones mentioned above as it strengthens India's position as a global player in spite of it being a developing economy. This would increase India's export potential as well as foreign investment entering in the economy. Both these factors would enhance India's GDP and go a long way in reducing unemployment and poverty levels prevalent in the economy. Under prime minister Modi India as a country is known and well respected in the world. This in-turn has made it easier for its citizens to trade with the rest of the world.

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