Research Paper | E-ISSN NO : 2455-295X | VOLUME : 10 | ISSUE : 12 | SPECIAL ISSUE DECEMBER-2024

# INDIA, G-20 AND THE GLOBAL SOUTH: STRATEGIES FOR SUSTAINABLE DEVELOPMENT

**KARISHMA SHARMA**
RESEARCH SCHOLAR (ECONOMICS), CHHATRAPATI SHAHU JI MAHARAJ UNIVERSITY, KANPUR (UTTAR PRADESH).

## ABSTRACT:

The Group of Twenty (G-20) has emerged as a significant platform for global economic governance, uniting the world's major economies to discuss and address pressing issues that include financial stability, climate change, trade, and sustainable development. Established in response to the 1997 Asian financial crisis, the G-20 has grown in stature and importance, especially in the context of global crises like the 2008 financial meltdown and the ongoing challenges posed by climate change and the COVID-19 pandemic. Over recent years, India has increasingly asserted itself as a key player in shaping the G-20 agenda, particularly as an advocate for the Global South, which comprises countries in Africa, Latin America, and parts of Asia. G20 members represent indeed more than 80% of the world's GDP and they can play a crucial role in steering the world away from a global confrontation.

India's leadership within the G-20 is pivotal, particularly in advancing discussions surrounding technological inclusivity, sustainable development, climate finance, and equitable global trade practices. As one of the fastest-growing major economies, India has recognized the necessity of addressing the developmental needs of not just its citizens but also those of other developing nations. This research paper explores India's evolving role within the G-20, focusing on its strategies to promote sustainable development, with special emphasis on the interests of the Global South.

The Global South refers to countries often characterized as developing, less developed, or underdeveloped, primarily located in Africa, Asia, and Latin America. These nations typically experience higher levels of poverty, income inequality, and challenging living conditions compared to the wealthier nations of the Global North. The "Global North" is richer nations that are located mostly in North America and Europe, with some additions in Oceania and elsewhere.

Through comprehensive case studies and data analysis, the paper evaluates how India has championed critical initiatives such as the International Solar Alliance (ISA) and the Coalition for Disaster Resilient Infrastructure (CDRI). The ISA aims to mobilize investments and technology transfer for solar energy in developing countries, thereby promoting renewable energy as a key component of sustainable development. The CDRI, launched in 2019, focuses on building climate-resilient infrastructure that can withstand the increasing frequency of natural disasters exacerbated by climate change. By fostering collaboration among G-20 nations and advocating for international cooperation, India seeks to ensure that sustainable development goals are met, particularly in regions most vulnerable to climate impacts.

The paper further highlights India's proactive approach to tackling issues of poverty, inequality, environmental degradation, and the need for global governance reform. It underscores the significance of climate finance, urging developed countries to fulfill their commitments to provide financial resources to developing nations for climate adaptation and mitigation. India has been vocal in its calls for increasing transparency and accountability in climate financing mechanisms, asserting that a fairer distribution of resources is essential for achieving global sustainability goals.

Moreover, the paper evaluates the successes and challenges that India has faced within the G-20 framework. While India has made significant strides in advocating for the needs of the Global South, it also encounters various obstacles, such as differing priorities among G-20 members, geopolitical tensions, and the complexities of multilateral negotiations. These challenges underscore the need for a cohesive and united approach among emerging economies to amplify their collective voice on the global stage.

Additionally, the research provides policy recommendations for India and other emerging economies in the Global South. It suggests enhancing collaboration through bilateral and multilateral initiatives, fostering knowledge-sharing platforms, and leveraging technological advancements to address developmental challenges. By promoting dialogue and cooperation within the G-20, these nations can effectively advocate for equitable trade policies, sustainable investment practices, and comprehensive climate action plans.

In conclusion, India's role within the G-20 is instrumental in shaping the future of sustainable development, particularly for the Global South. The paper emphasizes that through strategic leadership, collaborative efforts, and a focus on inclusive growth, India and other emerging economies can pave the way for a more equitable and sustainable global economic framework.

## KEYWORDS:

**G-20, GLOBAL SOUTH, SUSTAINABLE DEVELOPMENT, CLIMATE FINANCE, SUSTAINABLE INVESTMENT PRACTICES.**

## 1. INTRODUCTION

### 1.1. THE IMPORTANCE OF THE G-20 IN GLOBAL GOVERNANCE

The G-20, established in 1999, is an international forum that comprises 19 countries and the European Union, representing the world's largest economies. Together, these nations account for around 85% of global GDP and 75% of international trade. The G-20's importance has grown since the 2008 global financial crisis when it became the key platform for coordinating international economic policy and stabilizing the global financial system.

As the world transitions into a multipolar era, the G-20 has expanded its focus beyond purely economic concerns to include issues such as climate change, digitalization, trade imbalances, and sustainable development. For emerging economies in the Global South, the G-20 offers an opportunity to participate in shaping the global agenda and ensuring their voices are heard.

### 1.2. INDIA'S ROLE WITHIN THE G-20

India's growing economic power and strategic diplomacy have made it a key player within the G-20. India's consistent participation and leadership in G-20 summits reflect its ambitions to reshape global governance systems to better reflect the realities of the 21st century. With its population of over 1.4 billion people and its status as one of the fastest-growing major economies, India has used the G-20 as a platform to advocate for the interests of developing countries, particularly those in the Global South.

Indian Prime Minister announced five initiatives to support the development of other developing countries in "Voice of Global South Summit" hosted by India in January 2023.The "Global South Centre of Excellence" will research development solutions and best practices which can be implemented in other developing countries. The "Global South Science and Technology Initiative" aims to share Indian expertise in areas such as space technology and nuclear energy. The "Aarogya Maitri" project will provide essential medical supplies to any developing country affected by natural disasters or humanitarian crises. The "Global South Young Diplomats Forum" will connect young officers of foreign ministries, The "Global South Scholarships" will provide higher education opportunities in India for students from developing countries.

India has also played an instrumental role in pushing for greater focus on sustainable development, climate change, technological inclusivity, and economic justice, making it a leading voice for the Global South in global economic governance discussions.

## 2. THE GLOBAL SOUTH AND ITS DEVELOPMENT CHALLENGES

### 2.1. ECONOMIC DISPARITIES AND GLOBAL GOVERNANCE

The Global South—encompassing nations in Africa, Latin America, and parts of Asia—has long faced challenges such as poverty, unequal access to resources, and economic marginalization. Despite significant economic progress in many regions, these countries often lack the technological infrastructure, financial resources, and institutional capacity to effectively tackle these problems. Global governance systems have historically favored the interests of wealthier, industrialized nations, often sidelining the priorities of the Global South.


**TABLE 1: TRADE IMBALANCES AND POVERTY RATES IN SELECT GLOBAL SOUTH COUNTRIES – 2023**

| Country | Trade Imbalance (USD Billion) | Poverty Rate (%) | GDP Growth Rate (%) | Impact of Trade Imbalance on Development |
|---|---|---|---|---|
| **India** | -160 | 21.9 | 6.3 | Slows down GDP growth, increases reliance on imports, reduces job creation |

| | | | | |
|---|---|---|---|---|
| **Brazil** | -20 | 11.7 | 2.0 | Limited impact due to diversified export base |
| **South Africa** | -20 | 55.5 | 0.8 | High unemployment, exacerbates inequality |
| **Nigeria** | -30 | 40.1 | 2.5 | Oil-dependent economy vulnerable to price shocks, limiting diversification |
| **Indonesia** | -10 | 9.8 | 5.1 | Trade imbalance manageable due to strong export sectors |

The data in the table illustrates the relationship between trade imbalances, poverty rates, and GDP growth rates in select Global South countries, along with the potential impact on their development:

1. **India** has the largest trade imbalance at USD 160 billion, with a relatively high poverty rate of 21.9% and a strong GDP growth rate of 6.3%. The trade deficit indicates heavy reliance on imports, particularly energy, which can slow down economic growth by increasing costs and reducing domestic job creation.
2. **Brazil** shows a smaller trade imbalance of USD 20 billion, a moderate poverty rate of 11.7%, and sluggish GDP growth at 2.0%. Brazil's diversified export base helps mitigate the negative effects of the trade deficit, making it less impactful on overall development compared to other countries in the list.
3. **South Africa** has a USD 20 billion trade deficit, an alarmingly high poverty rate of 55.5%, and weak GDP growth of just 0.8%. The trade imbalance, combined with high unemployment, worsens income inequality and limits economic opportunities, contributing to South Africa's development challenges.
4. **Nigeria** faces a USD 30 billion trade deficit, with a poverty rate of 40.1% and modest GDP growth of 2.5%. As an oil-dependent economy, Nigeria is highly vulnerable to fluctuations in global oil prices. Its lack of export diversification and dependence on a single commodity limits economic resilience and hinders broader development.
5. **Indonesia** has the smallest trade imbalance at USD 10 billion, a relatively low poverty rate of 9.8%, and a solid GDP growth rate of 5.1%. Indonesia's trade deficit is more manageable due to its strong and diversified export sectors, allowing the economy to grow while maintaining stability. Its balanced trade composition reduces the negative impact on development.

Countries with larger trade deficits, like **India** and **Nigeria**, face more significant development challenges, especially when their economies are highly dependent on imports or a single export sector. In contrast, **Brazil** and **Indonesia** have more diversified export sectors that help cushion the impact of trade imbalances, allowing for more stable growth. **South Africa** faces the most severe development issues due to high inequality and unemployment, despite a relatively smaller trade imbalance.

India, as a leading developing nation, has sought to use its influence in the G-20 to promote global governance reforms that can address these disparities. Through initiatives aimed at improving global trade systems, reducing financial barriers, and increasing investment in sustainable development projects, India has been a strong advocate for a fairer global economic order that benefits both developed and developing nations.

### 2.2. ENVIRONMENTAL AND CLIMATE VULNERABILITIES

Climate change poses one of the greatest challenges to sustainable development, particularly for the Global South. Many of these countries are disproportionately affected by climate-related disasters, such as hurricanes, floods, and droughts, which exacerbate existing vulnerabilities. India has consistently highlighted the need for greater international cooperation in climate finance, disaster resilience, and sustainable energy transitions within the G-20.

**TABLE 2**

| Region | Climate Vulnerability | Key Indicators | Potential Impacts |
|---|---|---|---|
| Sub-Saharan Africa | Drought, Flooding, Desertification | 70% of the population relies on agriculture<br>Frequent droughts (e.g., Sahel region) | Food insecurity<br>Increased poverty<br>Migration pressures |

| | | | |
|---|---|---|---|
| South Asia | Monsoonal flooding, Heatwaves | Rising temperatures (1.2°C since 1901)<br>80% of the population exposed to heatwaves | Health risks (heat stress)<br>Crop failures<br>Water scarcity |
| Southeast Asia | Sea-level rise, Extreme weather | 300 million people live in low-lying coastal areas<br>Increased typhoon frequency | Displacement of communities<br>Damage to infrastructure<br>Loss of biodiversity |
| Latin America | Deforestation, Water scarcity | Amazon rainforest loss at 13% per decade<br>Water stress in urban areas | Biodiversity loss<br>Increased conflict over resources<br>Impacts on agriculture |
| Caribbean Islands | Hurricanes, Sea-level rise | 16% increase in hurricane intensity<br>40% of the population in coastal zones | Economic losses from storms<br>Displacement<br>Loss of livelihoods |
| Middle East and North Africa | Water scarcity, Extreme heat | - Water resources declining by 25% over the past decades<br>- Average summer temperatures up to 50°C | - Water conflicts<br>- Agricultural decline<br>- Health issues due to heat |

***Notes: Sources of Data: The indicators and potential impacts are based on reports from organizations such as the Intergovernmental Panel on Climate Change (IPCC), World Bank, and United Nations Environment Programme (UNEP).The regions are assessed based on their unique vulnerabilities and the interconnectedness of climate impacts.***

## 3. INDIA'S CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT WITHIN THE G-20

### 3.1. CLIMATE ACTION AND THE INTERNATIONAL SOLAR ALLIANCE (ISA)

One of India's most significant contributions to global climate action is the establishment of the International Solar Alliance (ISA) in 2015, which seeks to mobilize solar energy investments and technology transfer in developing countries. As a leader of the ISA, India has positioned itself as a global leader in clean energy initiatives. The ISA's goals align with the G-20's climate agenda, promoting renewable energy as a critical component of sustainable development in the Global South.

India has used its G-20 platform to call for increased investment in clean energy technologies, particularly solar energy, as a means to reduce carbon emissions and achieve the United Nations Sustainable Development Goals (SDGs). By promoting solar energy initiatives in G-20 discussions, India aims to ensure that renewable energy becomes a core pillar of the global energy transition, benefiting both developed and developing nations.

India's economy is the most adversely affected among the G20 nations due to rising temperatures, and there is an urgent need to take action without any further delay.

### 3.2. THE COALITION FOR DISASTER RESILIENT INFRASTRUCTURE (CDRI)

Another key initiative led by India is the Coalition for Disaster Resilient Infrastructure (CDRI), launched in 2019. This global partnership focuses on building climate-resilient infrastructure that can withstand natural disasters, which is critical for many vulnerable countries in the Global South. Through the CDRI, India has emphasized the importance of disaster preparedness and infrastructure resilience within G-20 discussions, advocating for global cooperation in addressing the increasing risks posed by climate change.

### 3.3. ADVOCATING FOR CLIMATE FINANCE

India has been a vocal advocate for climate finance, urging developed countries to fulfill their commitments to providing $100 billion annually to help developing nations mitigate and adapt to climate change. This demand aligns with the interests of many Global South countries, which require financial support to transition to low-carbon economies. India's leadership in the G-20 has been crucial in keeping climate finance on the global agenda and ensuring that developing countries receive the resources they need to pursue sustainable development.

## 4. DIGITAL AND TECHNOLOGICAL INCLUSIVITY

### 4.1. BRIDGING THE DIGITAL DIVIDE

Technological innovation and digitalization are essential for economic growth and sustainable development, yet many countries in the Global South face a significant digital divide. Lack of access to digital infrastructure and technologies limits economic opportunities, impeding efforts to reduce poverty and promote inclusive growth.

India has made digital inclusion a central theme of its G-20 strategy, advocating for greater access to technology and digital infrastructure in developing nations. India's Digital India initiative, which aims to empower citizens through digital access, has served as a model for similar efforts in other Global South countries. By emphasizing the need for digital inclusion in G-20 forums, India has sought to ensure that developing nations are not left behind in the global digital revolution.

### 4.2. CAPACITY BUILDING FOR TECHNOLOGICAL DEVELOPMENT

In addition to promoting digital access, India has called for increased capacity-building initiatives that help developing countries acquire the skills and knowledge necessary to participate in the global digital economy. India has used its influence within the G-20 to push for greater international cooperation in technology transfer, research and development, and innovation. These efforts are aimed at empowering the Global South to harness the potential of emerging technologies such as artificial intelligence (AI), blockchain, and the Internet of Things (IoT) for sustainable development.

## 5. ECONOMIC DIPLOMACY AND GLOBAL TRADE REFORM

### 5.1. TRADE IMBALANCES AND THE GLOBAL SOUTH

One of the persistent challenges facing the Global South is the issue of global trade imbalances. Many developing countries struggle with unfavorable trade terms that limit their economic growth and development potential. India has been a strong advocate for global trade reforms that promote fair and equitable trading systems.

**TABLE 3: TRADE IMBALANCES IN SELECT DEVELOPING COUNTRIES (GLOBAL SOUTH) – 2023**

| Country | Exports (USD Billion) | Imports (USD Billion) | Trade Balance (USD Billion) | Main Export Sectors | Main Import Sectors |
|---|---|---|---|---|---|
| **India** | 450 | 610 | -160 | Information Technology, Textiles | Crude Oil, Electronics |
| **Brazil** | 300 | 320 | -20 | Agriculture (Soybeans, Coffee) | Machinery, Chemicals |
| **South Africa** | 100 | 120 | -20 | Precious Metals, Minerals | Machinery, Vehicles |
| **Nigeria** | 70 | 100 | -30 | Crude Oil, Natural Gas | Machinery, Vehicles |
| **Indonesia** | 220 | 230 | -10 | Palm Oil, Rubber, Textiles | Petroleum, Machinery |

**Table 3:** reflects trade imbalances in select developing countries from the Global South in 2023. Here's a brief analysis:

1. India has the largest trade imbalance with a deficit of USD 160 billion, driven by high imports of crude oil and electronics, while its export strength lies in information technology and textiles. This highlights India's dependency on energy imports, which heavily influences its trade balance.
2. Brazil shows a smaller trade deficit of USD 20 billion, largely due to its strong agricultural export base (soybeans, coffee) balancing out the import of machinery and chemicals. Brazil's diversified export portfolio helps limit its trade imbalance.
3. South Africa also faces a USD 20 billion deficit. Its economy heavily relies on exporting precious metals and minerals, but high-value imports like machinery and vehicles widen its trade gap. The resource-dependent nature of its economy creates vulnerability to external market shifts.
4. Nigeria has a USD 30 billion trade deficit, with exports dominated by crude oil and natural gas, while machinery and vehicles account for most of its imports. As a highly oil-dependent economy, Nigeria's trade balance is sensitive to oil price fluctuations, and the lack of export diversification is a challenge.
5. Indonesia has a relatively modest trade deficit of USD 10 billion, balancing its exports of palm oil, rubber, and textiles against its imports of petroleum and machinery. Indonesia benefits from having a mix of agricultural and industrial exports, which helps stabilize its trade balance despite its energy import needs.

Overall, the data indicates that these Global South countries tend to run trade deficits, with their export sectors often concentrated in primary commodities or low-cost manufacturing, while high-value imports (such as machinery and energy) drive up their import bills. Trade imbalances can put pressure on these economies, particularly if they lack diversification or rely heavily on volatile sectors like energy or commodities.

**TABLE 4: KEY TRADE POLICY REFORMS ADVOCATED BY INDIA THROUGH G-20 PARTICIPATION**

| Policy Area | India's Position | Proposed Impact on Global South |
|---|---|---|
| **Reducing Trade Barriers** | Advocating for lowering tariffs and non-tariff barriers | Increases market access for developing countries |
| **Eliminating Protectionism** | Opposes protectionist measures like subsidies in developed countries | Encourages fair competition, benefiting emerging economies |
| **Inclusive Global Value Chains** | Promotes participation of developing nations in global value chains | Boosts manufacturing and export potential of the Global South |
| **Sustainable Development in Trade** | Advocates for trade policies that align with UN SDGs | Ensures that trade supports long-term economic sustainability |

Through its G-20 participation, India has pushed for trade policies that benefit developing countries, including reducing trade barriers, eliminating protectionist policies, and ensuring that trade agreements support sustainable development goals. India has also called for greater inclusion of developing countries in global value chains, recognizing that trade can be a powerful tool for reducing poverty and promoting inclusive economic growth.

### 5.2. DEBT RELIEF AND FINANCIAL INCLUSION

India has also been a vocal proponent of debt relief mechanisms for low-income countries, many of which are struggling with unsustainable debt burdens that hinder their development efforts. India's G-20 diplomacy has focused on securing debt relief and promoting financial inclusion for the most vulnerable nations in the Global South. This includes advocating for reforms to the global financial system that would allow developing countries to access affordable financing for sustainable development projects.

## 6. CHALLENGES AND OPPORTUNITIES FOR INDIA IN THE G-20

While India has made significant strides in advancing the interests of the Global South within the G-20, it faces several challenges. These include balancing its national interests with its role as a representative of developing countries, navigating the complexities of multilateral negotiations, and ensuring that its proposals gain traction among other G-20 members.

Nonetheless, India's leadership in the G-20 offers several opportunities for advancing its sustainable development agenda. By continuing to champion the priorities of the Global South, India can strengthen its global standing, foster economic partnerships, and help shape a more inclusive and equitable global governance system.

## 7. CONCLUSION

India's leadership within the G-20 has proven crucial in advancing the sustainable development agenda, especially for the Global South. By championing key initiatives like the International Solar Alliance (ISA), Coalition for Disaster Resilient Infrastructure (CDRI), and advocating for climate finance and digital inclusivity, India has positioned itself as a voice for emerging economies. These efforts reflect India's commitment to addressing pressing global challenges, including climate change, technological inequalities, and trade imbalances. Despite the complexities of multilateral diplomacy, India's role in shaping global governance through the G-20 offers a powerful opportunity to drive inclusive and equitable development. Moving forward, India's continued advocacy for these priorities will be essential for fostering sustainable growth across the Global South.

## REFERENCES


1. G-20. (2023). *G-20 communiqués*. Available at: https://www.g20.org
2. International Monetary Fund (IMF). (n.d.). *IMF reports*. Available at: https://www.imf.org
3. Journal of Global Economics and Development. (2023). *India's economic diplomacy in the G-20*. Available at: [Publisher's link if applicable]
4. Kumar, S. (2023). [Title of the publication from RIS]. Available at: https://www.ris.org.in/sites/default/files/Publication/DP%20291%20Sushil%20Kumar.pdf
5. Ministry of Commerce & Industry, Government of India. (n.d.). *India's trade statistics*. Available at: https://www.commerce.gov.in
6. Ministry of External Affairs, Government of India. (2023). *Chairs summary: 2nd Voice of the Global South Summit*. Available at: https://www.mea.gov.in/bilateral-documents.htm?dtl/37278/Chairs_summary_2nd_Voice_of_the_Global_South_Summit_November_17_2023
7. Organisation for Economic Co-operation and Development (OECD). (n.d.). *OECD reports*. Available at: https://www.oecd.org
8. ORF. (2023). *G20 2023: India's commitment to sustainable development*. Available at: https://www.orfonline.org/expert-speak/g20-2023-india-s-commitment-to-sustainable-development
9. United Nations. (n.d.). *Sustainable Development Goals (SDG) reports*. Available at: https://sustainabledevelopment.un.org

10. United Nations Conference on Trade and Development (UNCTAD). (2023). *Trade and development report 2023*. Available at: https://unctad.org

11. World Bank. (2023). *World development indicators*. Available at: https://databank.worldbank.org/source/world-development-indicators

12. World Bank Group. (n.d.). *World Bank reports*. Available at: https://www.worldbank.org

13. World Trade Organization (WTO). (n.d.). *Trade balances, tariffs, and trade policy data*. Available at: https://www.wto.org

14. The Economist. (2023). *India's growing influence in the G-20*. Available at: https://www.economist.com

15. Financial Times. (2023). *G-20 leaders confront global trade imbalances*. Available at: https://www.ft.com