

An Analysis of India's G-20 Presidency and Future Challenges

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Abstract

The Indian Prime Minister, Narendra Modi, has proclaimed that the Presidency would exhibit inclusivity, ambition, action-orientedness, and decisiveness in transforming it into a 'People's G20' for a world that has emerged from the epidemic. Despite several limitations, establishing the G20 undeniably represents a significant shift away from the historical period in which industrialized nations had exclusive control over global economic policy. By vocal advocacy and leveraging their growing power, developing economies, with a specific focus on the BRICS nations, would be able to guide the global economy. The assumption that India's chairmanship of the G20 would significantly contribute to the global community's overall improvement is a plausible proposition.

Keywords: Global politics, economy, Developing economies, Political groups, National interest.

Introduction

To start, providing a concise overview of the G20 is imperative. Undoubtedly, the Group of Twenty (G20) is widely regarded as one of the most significant international organizations. The primary objective of this organization is to facilitate and nurture global economic collaboration. One of the major concerns facing the global community in contemporary times pertains to how independent nations can effectively collaborate to ensure that globalization is inclusive and beneficial for all stakeholders involved. According to Slaughter (2005), We now live in an epoch characterized by globalization. In the present global context, the G20 has shown its efficacy as a platform and venue in addressing and mitigating the financial problems that have impacted almost all nations worldwide.^[1] The forum, established in 1999 after several global economic crises, focuses on various topics, including the worldwide economy, efforts to mitigate climate change, and promoting sustainable development. India has been a member of the G20 since its inception.^[2] According to Vestergaard, J., & Wade, R. H. (2012),^[3] Since its establishment in 1999, the G20 has developed as a prominent venue for addressing the global economy's many difficulties. Up to this point, the G20 has effectively endeavored to foster immediate and enduring measures to advance global human prosperity and well-being. The Group of Twenty (G20) has significantly promoted advancements towards attaining economically, socially, and ecologically sustainable global growth and development. The G20 Presidency of India has adopted the 'Vasudhaiva Kutumbakam' theme or 'One Earth, One Family, One Future'.^[5]

The theme of this work has been derived from the Maha Upanishad, an ancient Sanskrit scripture. Upon delving more into the subject matter, it becomes evident that the topic pertains to the inherent worth of all life forms, including both human and animal. It is important to note that the theme also emphasizes LiFE (Life for Environment), which encompasses environmentally sustainable and responsible choices.^[6] These choices are relevant at both the individual and societal levels, contributing to transformative actions that aim for a cleaner,

greener, and more sustainable future. It is noteworthy to mention that, in the case of India, the assumption of the G20 Presidency also signifies the commencement of "Amritkaal," a 25-year duration commencing from the 75th anniversary of India's independence on August 15, 2022.^[7] This period aims to lead India towards its centenary of independence and to establish a forward-looking, prosperous, inclusive, and technologically advanced society. Central to this endeavor is the adoption of a human-centric approach. Once again, disasters have significant importance within the framework of any given civilization. In light of this perspective, India's Presidency will form a new working group focused on Disaster Threat Reduction. The primary objective of this group is to foster collaborative efforts among the G20 nations, facilitating interdisciplinary research and sharing best practices in disaster threat reduction. The nations that India considers as special dwellers are "Bangladesh, Egypt, Mauritius, Netherlands, Nigeria, Oman, Singapore, Spain, and the United Arab Emirates."

The G20 summit included transnational associations and extended invitations to several transnational organizations, such as the United Nations (UN), International Monetary Fund (IMF), World Bank, World Health Organisation (WHO), World Trade Organisation (WTO), International Labour Organisation (ILO), Financial Stability Board (FSB), Organisation for Economic Co-operation and Development (OECD), African Union (AU) Chair, New Partnership for Africa's Development (NEPAD) Chair, Association of Southeast Asian Nations (ASEAN) Chair, Asian Development Bank (ADB), International Solar Alliance (ISA), and Coalition for Disaster Resilient Infrastructure (CDRI). Hence, the G20 encompasses not just nation-states but also include multinational organizations. It is important to note that the theme of "Vasudhaiva Kutumbakam" - "One Earth, One Family, One Future" advocates for individuals to adopt a global citizenry mindset, prioritizing a lifestyle that promotes environmental healing. Additionally, world leaders are encouraged to actively pursue peaceful and harmonious relations with other nations, while humanity is urged to maintain hope for a prosperous future. According to Garg (2022), this initiative aligns with the Prime Minister's objective of adopting a comprehensive government approach. India is set to organize more than 200 meetings across 50 major cities, covering 32 distinct focus areas.^[8]

Additionally, this event will allow G20 delegates and guests to appreciate India's diverse artistic heritage and immerse themselves in a distinctive Indian cultural experience. The Presidency of the G-20 also provides an opportunity for the G-20 Secretariat to provide the people of member nations with a distinctive occasion to participate in India's G-20. The Indian administration of the G-20 has devised a comprehensive India Experience program for member nations of the G-20, as well as select enterprises and other entities. The concept embodies a comprehensive perspective on development that integrates sustainability and considers all living organisms' well-being while recognizing the need to safeguard the environment. The G-20 is widely recognized as a prominent platform for fostering global economic collaboration and establishing policy frameworks. It primarily focuses on engaging developing countries to address and mitigate the global economy's many difficulties collectively.

Uniqueness

The distinctive characteristic of the G-20 is its primary focus on the 20 largest economies globally. In addition to those above, the G-20 encompasses the participation of nine guest countries and fourteen multilateral organizations. These include prominent entities such as the "United Nations (UN), World Trade Organisation (WTO), World Health Organisation (WHO), World Bank, International Monetary Fund (IMF), International Labour Organisation (ILO), Association of Southeast Asian Nations (ASEAN), African Union, International Solar Alliance (ISA), and Coalition for Disaster Resilient Infrastructure (CDRI)."

Major Obstacles in India's Path

The G-20 Presidency of India is confronted with the challenges arising from geopolitical unpredictability and a deceleration in global economic activity. India has many problems on its path forward, including the conflict in Ukraine and the global COVID-19 epidemic, both of which threaten the worldwide economy. These issues manifest in interrupted supply chains, a crisis in the cost of living, escalating energy costs, and obstacles to climate action. Upon inheriting the responsibility of the G-20 Presidency from December 1, 2022, to November 30, 2023, India is confronted with many issues.^[9] The task at hand involves enhancing effectiveness and achieving desired outcomes. Several hurdles exist within the context of agenda-setting for the year. At the same time, India concurrently has to focus on enhancing its capacity for expanding important areas of international involvement via political endeavors. In addition to this factor, India is compelled to yield to Western demands in this respect. There is an undeniable consensus that confronting this situation is not easy but rather arduous. The current situation may be traced to a conflict between two distinct groups of states: democratic nations, mostly headed by the United States of America, and authoritarian governments aligning with China. These elements have significantly contributed to the increasing complexity of the landscape. The likelihood of India's G20 Presidency achieving success in this complex circumstance largely hinges on effectively identifying and implementing strategies and technological measures to overcome the existing divisions. Furthermore, India must prioritize the reconstruction and restoration of the impaired supply chains since they are an essential prerequisite for the functioning of the G20. Using the G20 as a mechanism to transform a planet characterized by divergences into a forum for mutual interests is imperative.

Major Global Challenges -1: Put an end to the Russia–Ukraine Conflict

Upon serious examination, it becomes apparent that the global community faces seven significant difficulties. The fundamental responsibility of the G20 is to examine existing issues, provide appropriate solutions, and implement requisite actions to address them. The primary focus of attention is undeniably the war between Russia and Ukraine. In this particular scenario, India faces a formidable undertaking, which needs the careful attention of Narendra Modi, the Prime Minister of India, to devise a feasible resolution to this complex issue. India must strategically navigate its relationships with the Western countries and Russia, with a specific emphasis on disengaging from the conflict in Ukraine. Once again, it is imperative to acknowledge the infeasibility of excluding Russia from the G20 network, stance Western nations favor. Simultaneously, it is crucial to recognize the undesirability of perpetuating the Russia-Ukraine war indefinitely. Given the prevailing conditions, adopting a moderate approach may provide a viable solution to the situation at hand. According to international experts, a potential resolution to this issue could involve temporarily suspending Ukraine's NATO membership. This suggestion considers that Russia strongly opposes Ukraine's NATO membership while emphasizing the need for Russia to withdraw its forces from the Ukrainian battleground. It is well acknowledged that India maintains robust diplomatic ties with Western nations and Russia. However, both factions are in a state of conflict regarding global politics. In the given scenario, it is incumbent for India to assume the role of a diplomatic intermediary and endeavor to resolve the impasse.

This is a significant problem that India must confront, and if successfully addressed, it will serve as a commendable achievement during India's G20 leadership. The effective resolution of these complex issues would manifest the tangible outcomes of the many confidential discussions and conversations between the United States, the European Union (EU), and NATO on the one hand and Russia on the other. In this context, it is pertinent to

refer to the Preamble of the United Nations Charter, which begins with the statement: "We, the members of the United Nations, are determined to save succeeding generations from the devastating effects of armed conflict." The cessation of armed conflict and the pursuit of peace are the central objectives of the United Nations and the global community as a whole. The Indian Prime Minister, Narendra Modi, aptly asserts that the absence of peace and security would impede the ability of future generations to reap the advantages of economic progress and technical advancements.^[10] Therefore, the primary responsibility is with the United Nations first. It might be argued that the United Nations has yet to address this issue successfully. As the current G20 Presidency, India is faced with the inherent task of seeking a mutually agreeable resolution to this issue. In the given scenario, if India were to assume a catalytic role in resolving the much-discussed dispute between Russia and Ukraine, it would demonstrate to the global community that India has achieved success where the United Nations and the Security Council have encountered limitations. This will elicit enduring respect from all nations that prioritize peace. It has been accurately said that if the situation between Russia and Ukraine remains unresolved, India must explore alternate approaches to address the issue.

Challenge 2 – Mitigating the Escalation of Prices

One of the primary challenges faced by India is the need to address the rapid escalation of price levels, which are now on an upward trajectory. The food industry is of utmost importance and requires rapid action. The urgent need to handle the concurrent inflation problem, which has affected the global economy, is evident. It is well-recognized that increases in food and energy costs are causally linked to inflation. In the context of a market economy, it is well recognized that an increase in commodity prices leads to a decrease in consumption, affecting both the production system and the supply of commodities. In the given scenario, India must assume responsibility for shaping the G20 agenda, focusing on establishing novel food supply networks and effectively addressing current food scarcity concerns. This measure would undoubtedly contribute to curbing inflation. From a statistical standpoint, the current inflation rate reveals that three out of the nineteen member nations exhibit an inflation rate exceeding 10 percent.

Additionally, seven member nations demonstrate inflation rates ranging between 7.5 percent and 10 percent, while five countries experience an inflation rate between 5 percent and 7.5 percent. Furthermore, four countries exhibit an inflation rate below 5 percent. It is essential to acknowledge that inflation does not uniformly affect all G20 members, although it warrants significant consideration from the G20.^[11]

Challenge 3: The Energy and Food and Fertiliser Supply Challenge

The third difficulty pertains to providing energy for food production and the availability of fertilizers. The ongoing conflict between Russia and Ukraine has significantly impacted the region. The global fertilizer markets have seen a decline in the supply of Russian and Ukrainian nitrogen and potash owing to restrictive trade practices and increasing energy costs, leading to a deterioration of the situation. According to available data, Russia and Belarus account for over 40 percent of worldwide potash production. In the case of Russia specifically, its contribution to global commercial ammonium nitrate production is around 23 percent.^[13] However, due to the ongoing conflict, there has been a significant limitation on exporting goods and resources. India and numerous other nations have experienced enduring hardships, resulting in a significant threat to food security. India relies significantly on importing nitrogen, phosphorous, and potash fertilizers to meet its agricultural needs. In several African nations, the cost of fertilizers has seen a significant increase of around 300 percent in the aftermath of the epidemic. The efficacy of India's participation in managing food prices would be assessed in the given scenario, particularly in its ability to facilitate the adoption of

natural farming practices and technology-driven 'vertical farming' methods that minimize or eliminate the need for fertilizers. India must consider the divergent energy interests within the G20, including energy-producing nations such as the United States, Russia, and Saudi Arabia, as well as energy-consuming regions like Europe and other countries. Integrating these nations into a cohesive and functional framework will lie with India.

Challenge 4: The Challenge of Stagflation

One of the primary challenges that arises is the potential risk of stagflation. The deceleration or plateauing of economic expansion is closely associated with increasing inflation. India must prioritize including this problem on the agenda of the G20 and ensure that the group allocates additional attention to address it.

Challenge 5: Mitigating the Adverse Effects of the Post Covid-19 Pandemic

India is faced with a significant problem of carefully addressing the issue of repairing the harm caused by the post-Covid period. India has become a prominent advocate for the Global South in several global forums. India has actively pursued its goal and consistently advocated for its cause after the Covid-19 epidemic. Undoubtedly, this poses yet another significant difficulty for India. The epidemic has undeniably resulted in significant economic deterioration throughout these nations.

Consequently, they have been compelled to divert their attention from attaining sustainable development objectives. The COVID-19 outbreak has shown a significant disparity in healthcare systems between less developed nations and their developed counterparts worldwide. In the given scenario, India must tackle these concerns effectively. In this context, India must use its expertise and capabilities in digital inclusion, public health, medicines, and sustainable growth and development. If successful, the integration of emerging and developed economies might be achieved under a unified framework. It is noteworthy to acknowledge that India's 'Vaccine Maitri' initiative during the pandemic has shown its dedication to the international community, specifically targeting the most vulnerable global population who lack the resources to combat the widespread health disaster that has affected the whole globe.^[13]

Challenge 6 — The Dilemma Posed by Climate Change

Currently, the global community is grappling with the challenges posed by the phenomenon often called "climate change." To address this dilemma, India uses its abundant and time-honored traditions to promote environmentally conscious practices, prioritizing them above market-driven consumerism, as shown by the LiFE (lifestyle for Environment) idea. Furthermore, India has emphasized the need to adopt a strategy of Green development, which would be facilitated by climate financing and technology, as well as equitable energy transitions for poor nations worldwide.

Challenge-7: pertains to the failure to implement resolutions

One significant difficulty faced by the G20 pertains to the incomplete implementation of agreements adopted at the G20 Summit. The under-representation in the G20 may be attributed to several factors. About 200 nations globally do not have membership in the G20. It has been observed that the G20 decision-making process includes just a fraction of the world's nations, namely 100 out of 200. Naturally, this gives rise to a valid request for questioning the organization's authority. It is noteworthy to emphasize that the power of the G20 is significantly diminished as a result of key members often failing to uphold their pledges made at G20 conferences.

In Conclusion

In summary, the G20 must confront and address supplementary issues in addition to the primary obstacles. Several challenges need to be addressed, such as environmental sustainability, ensuring accountability of technology platforms to national governments, promoting employment and health, fostering the growth of the digital economy, facilitating trade and investment, mitigating climate change, combating corruption, promoting tourism and culture, advancing socio-economic development, improving education, and empowering women. It is important to note that a key responsibility of the Indian Presidency would be to address the transboundary problems associated with meeting funding requirements via multilateral development banks (MDBs). Despite being a significant obstacle, it poses a substantial barrier to effectively tackling collective global economic issues such as worldwide inflation, food and energy shortages, and the macroeconomic consequences of climate change. Nevertheless, Indian Prime Minister Narendra Modi has proclaimed that the Presidency would exhibit inclusivity, ambition, a propensity for action, and resolute decision-making, transforming it into a 'People's G20' for a world that has emerged from the epidemic. Despite its limitations, the establishment of the G20 unequivocally represents the conclusion of an era characterized by the hegemony of industrialized nations in global economic governance. By vocal advocacy and leveraging their growing power, developing economies, with a special focus on the BRICS nations, would be able to guide the global economy. The assumption is made that India's chairmanship of the G20 would significantly contribute to the global community's overall improvement.

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