

Road Map for Strengthening International Cooperation: India's Presidency in G-20

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Abstract

India assumed the G 20 Presidency at a time when the world was facing multiple crises due to the backlash of the Covid-19 pandemic, exacerbated by the inability to avert the Russia-Ukraine war. These disasters, triggered food and fuel inflation, fractured supply chains, etc. which has delayed the achievement of SDGs. India with strong democratic roots embraced the turmoil in the international landscape and turned it into an opportunity. An inclusive approach was adopted to resonate to the world that the only way to shape the future with peace and prosperity is through cooperation and collaboration. This paper discusses the key issues prioritized in G-20 and the outcome of the year long summit. There was consensus among heterogeneous countries and India succeeded in being the voice of the global south. Measures to achieve strong sustainable growth and accelerating the pace of SDGs were clearly recognized as well as the need for Multilateral Development Banks to address the financial constraints of emerging economies. Bridging the digital divide and gender disparity were necessary for inclusive growth while the Green Pact focused the transition to a decarbonised world to protect the present and future generations. Overall, the G-20 Presidency enabled India to build consensus on polarizing issues in the world order and craft a policy for international progress through cooperation.

Key words: *G-20, multilateral institutions, sustainable and inclusive growth, gender equality*

India Hosts G-20:

In December 2022, India embarked on a one year Presidency of G-20, at a time when the global economy was staged at a critical juncture. These critical challenges are not domestic in nature for any country, but international in character, and require resolution through collective action. The multiple crises facing the world are largely due to the backlash of the Covid-19 pandemic in both developed and developing countries, exacerbated by the inability to avert the Russia-Ukraine war. Both these catastrophes have

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triggered a major food and fuel inflation, debt crisis and fractured supply chains. Other challenges facing the global economy are the increasing occurrence of extreme weather events having negative impact on agricultural productivity, transition to green energy, inclusive economic growth, bridging the digital divide, etc. The Sustainable Development Goals (SDGs) goals are nowhere near the 2030 targets and hence require to be expedited.

G-20 as a multilateral institution, comprising of developed and developing nations, serves as a premier forum for international economic cooperation. Through collective consensus, G-20 encourages each country to implement economic policies which promote growth which is sustainable and corrects disparities, focuses on making supply chains more resilient and encourages transformation towards a decarbonized economy.

India with strong democratic roots and steep upward trajectory in its growth process, embraced the turmoil in the international landscape, with an attempt to transform it into an opportunity. The need for a cooperative approach to tackle the global turbulence was realized and accordingly India's G-20 Presidency chose an inclusive dialogue and shaped the theme “One Earth, One Family One Future” which aimed to resonate to the world, that the only way to shape a future with peace prosperity and inclusiveness is through collaboration.

Since global governance is normally skewed in favor of developed countries, which normally have a disproportionate share in framing the rules for trade, cooperation, security, etc, India utilized the G-20 Presidency to promote parity between developed and developing economies in international negotiations. Accordingly, India expanded the mandate of the G-20 dialogue, by making it a priority to enlarge the voices of the global south, which comprise a major chunk of the world population but whose voices are neglected in multilateral dialogues. India thus placed importance on multistakeholder collaboration as a means to address fundamental challenges across geographies, notably the global south and thus enhance their strength in global governance. Thus in a heterogeneous group of developed as well as emerging economies, India displayed commitment towards handling issues such as polarization, international politics, inclusive growth, environment etc through a cooperative approach.

Priorities in G-20:

Through the theme selected for G-20, India aimed at providing a global solution for the well being of all citizens in the globe through participatory discussions, deliberations and debates on major challenges confronting the world order.

The key issues prioritized were:

- (i) **Green Development, Climate Finance & Life** : The G-20 represents a major part of the world economy which accounts for significant share in international trade, energy consumption and carbon footprints. Hence it is imperative that G-20 must provide action plan for transitioning to a greener economy. Environmental degradation and climate change negatively impact eco systems and populations across the world and hence, climate and environmental crisis must be addressed. In this context, India introduced the concept of 'Lifestyle for Environment' (LiFE) as a mass movement to mobilize Indian and global citizens to become environment friendly. A collective approach towards sustainability can be achieved by nudging consumers, markets as well as policy, to influence the demand and supply dynamics of production, so as to promote sustainability.

India already has a history of traditional practices such as water harvesting strategies, which enables judicious utilization of natural resources. The rejuvenation and planting of medicinal plants, cultivation of sturdy climate resilient crops such as millets, preserving bio-diversity, usage of bio degradable materials, consumption largely of plant based food in dietary patterns, shift to solar energy, etc. are other examples of conserving the environment. Other features for protecting the environment include circular economy, climate finance, accelerating progress in SDGs and move to green energy from fossil fuels. Blue economy, characterized by sustainable and responsible use of ocean resources is vital for human well being and economic prosperity. With increasing use of ocean resources, there is threat to biodiversity loss, collapse of fisheries, marine pollution and long term viability of our oceans. These issues as well as measures to address them formed an important feature in the G-20 deliberations, besides showcasing green tourism in India as well as the importance of yoga for physical and mental health benefits.

- (ii) **Accelerate Inclusive & Resilient Growth**: The global economy has weakened and the outlook is one of persistently high inflation being controlled largely by monetary policy. Other factors such as pandemic and geo politics associated with sanctions and energy concerns have contributed to slowing of global economic growth. The role of G-20 in accelerating economic growth by strengthening the resilience of global value chains would restrict future shocks. Hence such issues were prioritized in the G-20 deliberations. Inclusive growth is also to be

achieved through integration of MSMEs in global trade, promoting labour rights and welfare, addressing global skill gap, etc.

- (iii) **Accelerating Progress on SDGs :** The SDGs Agenda 2030 had laid out a blueprint to ensure that all forms of capital such as human, physical, social and natural are protected and there is synergy and linkage between them. However, while several years have passed after laying down the SDGs, the progress of these goals remains far from satisfactory and only 12% of the targets are on track. It is clear that Covid 19 pandemic and geo politics have contributed to slow progress of SDGs and G-20 leaders have recognized the key role that G-20 can play in contributing to realizing the agenda of SDGs. The Indian G-20 Presidency set the stage for reflecting on the progress of SDGs and providing a road map to accelerate and achieve the same. The G-20 platform has a relative advantage in mobilizing collective ability to adopt and support initiatives as well as create a global enabling environment that will facilitate the achievement of the SDGs which aim at providing inclusive and sustainable development of human life while protecting nature. The problems faced by the developing world, including their financial constraints and debt vulnerabilities were also to be discussed and the G-20 attempted to achieve SDGs through global partnerships and cooperation with all international organizations. Overall, collective action, increased collaboration and multilateral partnerships for addressing digital divide, achieving gender equality, inclusive growth and other major challenges was to be made possible through the forum of India's Presidency in G-20.
- (iv) **Technological Transformation & Digital Public Infrastructure:** India is a pioneering example of creating and promoting digital infrastructure and the progress made in this direction served as a priority topic in G-20 deliberations. Digital infrastructure is the backbone of digital transformation and the same must be strengthened so that the digital divide is bridged. Digital infrastructure which refers to digital identification, payment infrastructure and data exchange solutions can facilitate countries to deliver essential services to their citizens, be an employment enabler and also bring about societal change. The need for strengthening digital infrastructure, bridging the digital divide across countries and gender through international cooperation, served as a notable theme in G-20 hosted by India.
- (v) **Multilateral Institutions for the 21st century:** An important priority issue taken up by India in the G-20 discussions was to focus on the voices and crying needs of the global south. In this context there is

requirement for Multilateral Development Banks (MDBs) to provide finance for development projects to the sensitive needs of low income countries. The G-20 agenda aimed at initiating reforms in MDBs, so that they are better equipped to maximize their impact for addressing pressing needs of the developing world.

- (vi) **Women led Development:** In an era defined by progress for every citizen, without any discrimination, the active participation of women in every sphere of life is imperative. However, there are several constraints that create barriers and hinder the progress of women. G-20 therefore served as a platform for discussions and deliberations to overcome the obstacles and create an environment where women can realize their full potential and participate in economic activity. Empowerment of women requires ensuring equal access of women to education, digital technology and health, which will prepare them to participate in the labour force. In order to achieve this, concerted efforts are required from policy makers and G-20 served as a forum, to act as a catalyst in creating a more inclusive and equitable world.

Outcome of G-20 Summit 2023:

India's Presidency in G-20 served as an exemplary forum to spearhead a cooperative and unanimous approach, for gearing up for the multiple and complex crises facing the developed and developing world. Although the G-20 is not recognized as a platform to settle geopolitical issues, it was recognized that the principles of international law, including territorial integrity and sovereignty, international humanitarian law and the multilateral system that safeguards peace and stability must be honored. In the deliberations, it was highlighted that the Principles of the UN Charter must be upheld.

The salient outcomes of India's G-20 Presidency, after consensus among all members and to be achieved through international cooperation are:

Strong Sustainable and Inclusive Growth:

In view of the world order being in dire straits, and global growth being below its long term average, the members reiterated the need for well calibrated monetary, fiscal, financial and structural policies to promote growth. The members recognized the need for supply –side policies which will help to boost growth and control inflation. Start-Ups and MSMEs were emphasized not only as the engine of growth but also for socio-economic transformation.

Trade must be rule based and protectionism and market-distorting practices should be discouraged. Skill gap should be bridged and adequate social protection for all including gig and platform workers must be ensured.

Accelerating Progress on SDGs:

The members committed to enhancing G20 cooperation and partnerships to address constraints being faced in achieving the SDG targets by 2030. The role of digital technology and finance to accelerate the progress on SDGs was highlighted so that developing economies could benefit. Another milestone to eliminate hunger and malnutrition was to be achieved through collectively strengthening research on climate-resilient nutritious crops such as millets. The members aimed at achieving a Universal Health Coverage and strengthening the infectious diseases surveillance systems. An import aspect of SDG was to protect culture with its intrinsic value as a transformative driver and enabler for achievement of SDGs.

Green Development Pact for a Sustainable Future:

The need to pursue environment friendly policies for sustainable economic growth was resolved in G-20, so that the present and future generations are safeguarded. Climate change must be tackled through full and effective implementation of the Paris Agreement and its goal, to limit the increase in the global average temperature. Mainstreaming Lifestyle for sustainable development through collective action, acknowledging the critical role played by circular economy, sharing best practices on water, emphasizing the need for low carbon emissions and phasing out fossil fuels were major outcomes of the G-20 summit. Equally important was the need for conserving and protecting the oceans and marine eco systems by ending unregulated fishing and plastic pollution.

Multilateral Institutions for the 21st Century:

The G-20 noted that challenges facing each country are not isolated but infact inter-connected and can only be addressed through strengthening multilateralism and promoting international cooperation. The need to reform International Finance Institutions and make Multilateral Development Banks more effective so that they scale up their finance to middle and low income countries was an important outcome of G-20. The debt vulnerabilities of developing economies were also addressed by member countries.

Technological Transformation and Digital Public Infrastructure:

A strong digital public infrastructure with cross-border data flows while respecting applicable legal framework was recognized in G-20, as an enabler for rapid development of the world economy. The fast paced developments in crypto assets was to be monitored while harnessing Artificial Intelligence (AI) for expanding the digital economy was considered to be very promising. International cooperation would be promoted to unlock the full potential of AI, mitigate the risks and equitably share the benefits across the globe.

International Taxation:

The members of G-20 reaffirmed their commitment to continue cooperation towards a globally fair, sustainable and modern international tax system suitable for the requirements of the 21st century. Capacity building was required to build the international tax package effectively and also prepare a plan for technical support catered to the unique characteristics of developing countries. A roadmap for international tax transparency on real estate was also considered important.

Gender Equality and Empowering All Women and Girls:

Gender equality was considered as utmost important and investing in education of women alongwith digital literacy, will not only lead to their empowerment in every aspect, but also have huge multiplier benefits. Enforcing gender inclusive climate action including water, sanitation and hygiene solutions were stressed upon and so was food and nutrition security for women. This will lay the foundation stone for women's health which in turn will benefit the entire family.

Financial Sector Issues:

G-20 members reaffirmed their commitment for the effective implementation of the road map for enhancing cross-border payments to achieve global targets for faster, cheaper, more transparent and inclusive cross-border payments by 2027. All efforts in this direction as well as innovative solutions by international organizations were applauded. The need to strengthen policy and regulatory frameworks for corporate governance that encourage finance from capital markets which will go further in stimulating economies was also endorsed.

Countering Terrorism and Money Laundering:

All forms of terrorism and its manifestations were strongly condemned by G-20 members as they posed to be the most serious threat to international peace

and security. International cooperation can play a major role in combating these activities including illicit trafficking and diversion of small arms and light weapons.

Creating More Inclusive World:

India's G-20 Presidency advocated the inclusion of the African Union in G-20 which represents 55 African states, and thus India chose to shape an inclusive ecosystem, cutting across multiple geographies and communities. The G-20 members welcomed the African Union as a permanent member of the G-20 and recognized that the African Union plays an important role in the global economy.

While the fundamental freedom of migrants was to be respected, the need to prevent irregular migration flows and the smuggling of migrants was equally important. Strengthening cooperation between countries of origin, transit and destination was necessary to ensure smooth migration. The members also deplored all acts of religious hatred and promoted religious and cultural diversity.

Conclusions:

The G-20 Presidency offered India with immense opportunity to steer a highly efficacious multilateral forum at a time when the global order is witnessing post pandemic recovery as well as geopolitical tensions. These crises have in turn propelled multiple grave economic challenges such as inflation, energy insecurity, supply chain shocks and overall financial instability. In the light of this dismal landscape in the international scenario, India's G-20 theme-“One Earth, One Family, One Future”, played a critical role in attempting to shape a global architecture characterized by inclusive socio-economic growth and restoration of financial stability through multilateral collaboration and cooperation.

The one year Presidency which commenced on December 1st 2022, enabled India, to bring consensus among heterogeneous countries going through different stages of development, on various priority issues. Several working groups were organized in different states of the country thus displaying cooperative federalism, to discuss, deliberate and debate on global challenges. The final outcome was unanimous among members and India succeeded in being the voice of the global south. Measures to achieve strong sustainable growth and accelerating the pace of SDGs were clearly recognized. The need for MDBs to maximize their potential in addressing the

financial constraints of emerging economies was emphasized while bridging the digital divide and gender disparity served as a reminder for inclusive growth. The Green Pact focussing transition to a decarbonised world stressed on the need to protect the present and future generations. Besides aiming at promoting socio-economic and inclusive growth, the G-20 also condemned terrorism and all its manifestations, so that international peace and harmony is maintained. Overall, the G-20 Presidency enabled India to build consensus on polarizing issues in the global order and craft an effective policy package through multilateral action so that international progress in every direction is maximized.

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