



भारत 2023 INDIA

## WHY IN NEWS?

Recently Indonesia hosted G20 leaders' Summit in Bali. For the next G20, India will assume the presidency. The G-20 leaders' meeting will take place in New Delhi, India, in 2023.

## WHAT IS G-20?

- The G20 was founded in 1999 against the backdrop of the financial crisis of the late 1990s, which primarily affected East Asia and Southeast Asia. Middle-income nations were encouraged to participate in order to ensure global financial stability.
- The G20 members account for nearly two-thirds of the world's population, over 75% of global trade, and 85% of the world's GDP.
- Members of the G20- Argentina, Australia, Brazil, Canada, China, France, Germany, Greece, Italy, Japan, Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and the European Union. Spain is welcomed as a permanent guest.
- Troika- Every year, members of the G20 rotate holding the president. To maintain the G20 agenda, the country in the presidency, along with the prior and following presidency-holders, constitute the "Troika." India, Indonesia, and Italy currently make up the Troika.

## WORKING OF G-20

- There is no permanent secretariat for the G20. The finance ministers and central bank governors work along with the G20 representatives, often known as "Sherpas," to organise the agenda and activities.
- Amitabh Kant, a former CEO of NITI Aayog, was recently announced by India to replace Piyush Goyal as the G20 Sherpa.
- The G20 includes:
  - Finance Track, with 8 work streams.
  - Sherpa Track, with 12 work streams.
  - 10 Private sector, civil society, and independent body engagement groups.

## SIGNIFICANCE OF G-20

- World – It provides a chance to hold bilateral or trilateral talks with the leaders of 20 nations outside of G20 conferences.
- War and invasion – in recent Bali summit they denounced Russian aggression.
- Geo-Politics - Group's commercial and financial weight gives them a decisive voice on important



international issues including global trade, security issues, disarmament, climate change, data decentralisation, etc.

- Economic - Plays a significant role in addressing financial crises that affect the world economy. For instance, helped economies during the financial crisis of 2007, by increase spending and lower trade barriers amongst member nation.
- Social - it was crucial during COVID-19 pandemic. The G20 let go of the billions of dollars in debt payments owed to them by some of the world's poorest nations. Also, assisted in immunising 70% of the world's population by the middle of 2022.
- Depoliticize the world's supply of food, fertiliser, and medical supplies to prevent humanitarian catastrophes from arising from geopolitical tensions.
- Environment - The Sustainable Development Agenda 2030 and climate change are two of the primary concerns the G20 works on.

### TAKEAWAYS FROM G20 SUMMIT AT BALI

- Health: The leaders underlined their dedication to promoting a strong and long-lasting recovery that develops and upholds universal health coverage.
- The "Pandemic Fund," a brand-new financial intermediary fund for pandemic prevention, preparedness, and response, was praised for being established by the World Bank.
- With cooperation from other international organisations, the World Health Organization (WHO) has reaffirmed the commitment of world leaders to strengthen global health governance.

### ON RUSSIAN AGGRESSION:

- A statement was released by member nations in which they denounced Russian aggression in Ukraine "in the strongest terms" and demanded a swift and total withdrawal.
- The majority of the members had expressed opposition to the war in Ukraine, but "there were divergent perspectives and differing evaluations of the situation and sanctions," they recognised as well.

### DIGITAL LITERACY AND TRANSFORMATION

- The importance of digital transformation in achieving sustainable development goals has been acknowledged by leaders.
- To maximise the advantages of the digital transition, particularly for women, girls, and those who are vulnerable, they urged for increased global cooperation to improve digital literacy and skills.



- Climate Change: G20 leaders reaffirmed their commitment to the temperature objective in the Paris 2015 accord on climate change by deciding to keep the increase in global temperature to 1.5 degrees Celsius.
- Food Security: The leaders commended the Black Sea grains Initiative and promised to work together to address issues relating to food security.
- On Global Economy: The G20 economies agreed in their declaration to pace interest rate rises gradually to avoid spill overs and warned of “growing volatility” in currency movements, diverging from last year’s focus on repairing the scars created by the Covid-19 epidemic.

## INDIA’S G20 AGENDA

- Inclusive: - The G20 Presidency of India will endeavour to advance the idea of humanity as one.
- The theme of India’s G20 Presidency is “One Earth, One Family, One Future,” or Vasudhaiva Kutumbakam. It takes recent changes to human circumstances into account.
- For instance, the biggest problems the world is currently facing, like as terrorism, pandemics, and climate change, cannot be resolved by fighting but rather by working together.
- Eco-friendly: - India will actively promote eco-friendly and sustainable lifestyles in accordance with its longstanding
- Ambitious: - The preceding 17 Presidency’s accomplishments were reducing country debt burdens, streamlining international taxation, and ensuring macroeconomic stability. India will continue to build on these successes.
- Action-oriented: - India’s G20 priorities would be developed in cooperation with the Global South, whose voice is frequently ignored, as well as G20 partners.
- Logo: - Prime Minister elaborating the logo said “The lotus flower symbolizes our Puranic heritage, our aastha (belief) and boddhikta (intellectualism)”.

## IMPORTANCE OF INDIA’S G20 PRESIDENCY

- Promoting India’s recent successes. This includes the capability to tackle COVID-19 both domestically and internationally through India’s vaccine diplomacy, its digital revolution, and other initiatives.
- Infrastructure It can be used to improve India’s physical infrastructure and turn into a desirable location for investment and tourism, given that several G20 meetings will be held outside of Delhi.
- IBSA Forum members India, Brazil, and South Africa will each occupy the G20 presidency in 2023, 2024, and 2025. They can create a coherent strategy to tackle issues of Global South.



- India may push for an inclusive approach with human-centered solutions to global concerns by taking the opinions of nations not represented in the G20.
- For example, may ask the G20 to upgrade the AU from permanent observer to full member.
- Rajiv Bhatia calls it a moment for India to move from a “rule-taker to being a rule-maker”.

### INDIA NEED G20 FOR

- Expanding the idea of global common good to find long-term answers to some of the global problems brought by globalisation like climate change, new and developing technologies, food and energy security, etc.
- Addressing the issue of Least Developed Nation like agriculture, health and food subsidies, during its G-20 Presidency.
- Collaborating with developed nations on climate financing. Transfer of clean technologies and renewable energy sources to middle- and low-income nations.
- PM Modi on India’s G20 presidency stated that we must take advantage of this “great opportunity” to concentrate on the welfare and good of the entire world.

### G20 NEED INDIA FOR

- Voice of the global south - S Jaishankar says We must take the role of voice of the global south, which is now underrepresented in such fora. Asia, Africa, and Latin American nations rely on India to speak up for them.
- Resolving conflict - India, amongst nations having good ties to both Russia and the west, can contribute to the argument for a negotiated diplomatic end to the conflict.
- Reform in multilateral institutions India’s “steadfast commitment to South-South Cooperation” can aid in international financial institution governance reform.
- India’s own successful models- India now has many models to showcase, particularly for the developing world such as :-
  - A seamless digital payment model built on the Unified Payment Interface (UPI).
  - Successful financial inclusion model.
  - Seamless transition to green energy.

### CHALLENGES FACING G20 NATIONS

- Geopolitical Rifts: Dispute between the world’s two largest economies, the US and China, or the decline in trade between the UK and the euro area after the Brexit decision are proving difficult for the global economy to handle.



- Economies Slowing Down: Due to its protracted real estate crisis, China, one of the main drivers of the global economy, is currently suffering through a severe downturn.
- High Inflation: Globally, rising inflation has lowered purchasing power and slowed economic growth. In certain nations, inflation is at historic highs.
- Russia's invasion of Ukraine has dramatically boosted global inflation in addition to greatly creating geopolitical ambiguity. The situation has gotten worse as a result of the related Western sanctions. Read more about the conflict between Russia and Ukraine in the article that is linked.
- Impact of Rising Inflation: In reaction to the high inflation, central banks around the world have raised interest rates, which has further slowed down economic activity.
- Expected Recession: While a recession is anticipated in some of the world's greatest economies, such as the US and the UK, others, such as those in the euro area, are more likely to see a slowdown or even a stop.

## WAY FORWARD

- Governments must come up with strategies to help the weak without necessarily raising debt levels. There would be a significant problem in this regard if external dangers weren't carefully monitored.
- To address the global supply constraints, the G20 leaders must promote "more open, stable, and transparent rules-based commerce."
- Increasing the robustness of the global value chains would help protect against upcoming shocks.
- The G-20's top objective is to stop the spiraling inflation.
- G-20 cooperation is necessary for a robust, long-lasting, equitable, and inclusive recovery, and this cooperation entails not just keeping the peace in Ukraine but also "helping prevent future division".

## CONCLUSION

- The chance to collaborate on creating a new paradigm of human-centric globalisation based on the values of healing, harmony, and hope is presented by India's G20 Presidency. Fortunately, modern technology makes it possible to tackle issues that affect the entire human race.