



A STUDY ON OPPORTUNITIES AND OBSTACLES OF INDIA'S G-20 PRESIDENCY IN A CHANGING WORLD ORDER

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Abstract

The potential and difficulties of India's presidency of the G20 are discussed in this article. Particular attention is paid to the most important problems and priorities that will determine India's approach to the governance of the global economy over the course of the presidency. The world is still battling to cope with the COVID-19 epidemic, climate change, and other global difficulties, and India's presidency of the G20 comes at a key moment when the world is working to address these issues. One of the most important opportunities that India will have during its presidency is the chance to demonstrate its leadership in a variety of fields, including healthcare, digital technology, renewable energy, and others. India has achieved great progress in these areas, and the G20 presidencies may offer a venue for the country to share its experiences and what it considers to be the best practices with other nations. In the beginning of the article, a general overview of the G20 and its function in the governance of the global economy is presented. After that, it moves on to a discussion of the significant problems and goals that are likely to determine India's presidency of the G20. After that, it moves on to the challenges that India will face as president of the G20, both locally and globally. There is a need for India to strike a balance between its own interests and priorities and those of the global G20, which is comprised of a variety of economies that often have their own distinct interests and objectives.

Keywords: *Geo-politics, strategic alliances, world order, global economy.*

Introduction

The fact that India is now serving as the chair of the G-20 provides the nation with a tremendous chance to exhibit its leadership on a variety of international issues and to determine the agenda for the global economy. India's chairmanship of the G20 comes at a crucial moment in the global economy, when concerns such as climate change, trade protectionism, and geopolitical tensions pose substantial dangers to economic development and stability. India is the biggest democracy in the world and the fifth-largest economy globally. During its leadership of the G20, India has presented a comprehensive agenda that strongly emphasizes three primary topics: people, the planet, and prosperity. India's Presidency of the G20 has the opportunity to make significant progress on pressing global challenges and to contribute to a world that is more equal and prosperous, with a clear emphasis on supporting economic development that is both inclusive and sustainable.

The Group of Twenty (G20), an international organization, represents the robust economies of developed and emerging countries. Argentina, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Africa, Turkey, the UK, the US, and the EU are all part of the G20.^[1] The organization's economic might is evident because its member states account for more than 60% of the world's population, 80% of GDP, and 75% of global trade.^[2] The G20 was formed in 1999 in response to the Asian financial crisis.^[3] At first, it was a forum for finance ministers and central bank governors to deliberate on international trade, finance, and economic growth policies. The Group of Twenty (G20) has developed into an essential platform for coordinating and debating economic concerns over



time. It was upgraded to the Head of State or Government level after the global financial crisis 2007. The G20 was acknowledged as the "premier forum for international economic cooperation" in 2009.^[4] Two unique tracks are used in the operation of the G20 meeting. These tracks are the Finance Track and the Sherpa Track. As part of the Sherpa Track, high-ranking government officials, known as Sherpas, work together to prepare for the G20 summit. The G20 Finance Track, on the other hand, is primarily concerned with global macroeconomic issues. Meetings are held between finance ministers, governors of central banks, deputies, and various working groups to address these concerns.^[5] Within the two tracks, numerous working groups are focused on various issues. These working groups include delegates from the relevant ministries of international organizations, guest countries, and member states. Furthermore, there are Engagement Groups that bring together members of civil society, think tanks, women, youth, labor, corporations, and academics from nations that are members of the G20. Despite the fact that the G20 does not have a permanent secretariat, the Presidency is assisted by the "Troika," which is comprised of the two most recent Presidency, the current Presidency, and the incoming Presidency. Indonesia, India, and Brazil will be members of the Troika during India's tenure in office. An annual leaders' summit is held by the G20, and other meetings are held throughout the year for finance ministers and governors of central banks.^[6] The G20's goal is to promote global economic stability and sustainable growth for all countries that are engaged via joint efforts.

India has been an active participant in the preparatory process of the G-20 ever since it was established. As the President of the G-20, India will host over 200 meetings covering 32 different sectors at more than 50 locations.^[7] During this Presidency, India intends to showcase the unique diversity in every region, culture, cuisine, and local product to the world. Up to this point, thirty meetings have been held under various tracks, and as of March 2023, ten side events or workshops have been organized in various states. The Maha Upanishad, an ancient Sanskrit text, is the source of the theme "VasudhaivaKutumbakam," or "One Earth, One Family, One Future," which the G20 Presidency of India has adopted.^[8] This theme reflects the belief in the interconnectedness of all life forms on our planet, including humans, animals, plants, and microorganisms.^[9] In addition, the G20 Presidency marks the beginning of "Amritkaal," 25 years starting on August 15, 2022, which will lead towards a prosperous, inclusive, and futuristic society that is centered on human development and culminates with the celebration of India's 100th year of independence.^[10]

Amid a challenging climate characterized by the continued crisis in Ukraine, the need for COVID-19 recovery, and global economic volatility, India assumed the chairmanship of the G20. The global community has been significantly impacted by several factors, including the proliferation of protectionist trade policies and the conflict between Russia and Ukraine, which has led to shortages and increased prices of food, fuel, and fertilizers (the "3Fs"),^[11] rising global inflationary trends, the possibility of financial contagion, increasing geopolitical tensions among major powers, and the ongoing challenges posed by climate change. Because these problems are global in scope, addressing them collectively via a worldwide response is of the utmost importance. India was confronted with many internal concerns, including but not limited to poverty, economic misery, social and sectarian conflicts, inequality, unemployment, air pollution, deforestation, water shortages, corruption, and issues about governance. Despite these obstacles, India's Presidency of the G20 provided the nation with a significant chance to showcase its potential as a leader in the global economy and promote its goals worldwide (international).



Prime Concerns of India

Since gaining independence, India has regularly voiced concerns in multilateral forums on behalf of developing nations and the global south. India is anticipated to use its Presidency to address urgent issues like food security, technology, healthcare, sustainable development goals, women-led development, and reforms to multilateral institutions. Additionally, India needs to make the establishment of a Presidency in these areas a top priority.

The continuing confrontation between Russia and Ukraine and the attempts to recover from the epidemic are examples of significant difficulties. As an additional point of interest, India must demonstrate leadership in addressing future difficulties, such as reestablishing faith in international organizations and strengthening the digital public infrastructure.

Providing Evidence of Goods and Services for Global Public Health

Given the unequal recovery from the COVID-19 epidemic caused by poor access to vital healthcare, India's Presidency of the G20 gives a massive opportunity for the country to prioritize global public health on the international agenda. This is especially important because India is now taking the chairmanship of the G20. Even though the World Health Organisation (WHO) had set a goal of vaccinating forty percent of its population by 2021, only fifty percent of its member states have achieved this objective. Furthermore, only ten percent of people living in low-income countries had received at least one dose of the vaccine.^[12] Adequate financing is required to address these urgent health-related issues. According to recent research published by the International Monetary Fund (IMF), around 23.4 billion American dollars are required to offer fundamental healthcare facilities and guarantee the world population's health.^[13] As a result, India needs to investigate new funding mechanisms for the prevention, preparation, and response to pandemics while in the Presidency. One of the top rising economies, India has significantly contributed to COVID-19 vaccines. Further, it can push other G20 economies to aid struggling countries in their areas in achieving their immunization objectives and promise further contributions to multilateral projects.

During the Presidency, India can concentrate on enhancing global health governance by increasing the role of the World Health Organisation (WHO) in coordinating worldwide health activities and guaranteeing the safety of global health.

The Presidency of India in the Group of Twenty and Digitalization

A chance to promote an inclusive, creative, and transparent digital agenda is presented by India's Presidency of the G20. India's fast-increasing digital infrastructure reinforces this potential. The country has implemented initiatives like the Aadhaar biometric system and the Unified Payment Interface (UPI) to improve access to public services and economic mobility. In FY2021-2022, the UPI transaction growth rate was 106%, with December 2022 alone recording a record-breaking 782.9 crore digital transactions worth \$12.82 trillion.^[14] During the pandemic, India's successful use of the Co-Win digital platform facilitated targeted cash transfers and vaccination drives for the poorest communities. These statistics are according to reports from the Reserve Bank of India. In its role as President of the G20, India will collaborate with other members to encourage the development of a digital infrastructure that is resilient, inexpensive, and secure. This infrastructure will be designed to meet the requirements of many stakeholders, such as governments, corporations, and individuals. The promotion of a coordinated and collaborative approach to digital governance that is focused on the values of democratic involvement, accountability, and transparency will be the focus of this work.



Climate Change and Sustainable Development: India, which is now serving as the Presidency of the G20, has the objective of refocusing collective efforts on the achievement of the Sustainable Development Goals set in the 2030 Agenda,^[15] with a particular emphasis on climate change and clean energy and other related topics. India's Life (Lifestyle for Environment)^[16] project draws on its old sustainable traditions to promote environmentally aware habits and influence markets. Meanwhile, India's renewable energy capacity development has made it the fourth biggest in the world, and the country has goals to attain 500 GW by the year 2030.^[17] India is working with Brazil and the US on a Global Biofuel Alliance to promote sustainable biofuel use and advance the adoption of solar energy. It also utilizes the International Solar Alliance to secure financial support for lowering carbon emissions and mobilizing over \$1 trillion in investments by 2030.^[18] India's G20 Presidency presents a unique opportunity to hasten the adoption of clean energy among member nations.

With the world's second-largest urban population and an expected addition of 416 million dwellers by 2050, India is promoting smart cities and sustainable urban development by prioritizing investments in public transport, green spaces, and energy-efficient buildings.^[19] India's G20 Presidency aims to promote sustainable urbanization and infrastructure development, including implementing specific goals of G20, a city diplomacy initiative launched by G-20 in 2017.^[20] The report on Indian urban infrastructure and services compiled by the High-Powered Expert Committee (HPEC) on urban projects indicates a need for a substantial amount of capital expenditure that exceeds 870 billion United States dollars over the next twenty years. Investments of US\$ 1.2 trillion are projected by a McKinsey study on India's urbanization over the same period.^[21] As the G20 Presidency, India will tackle the issue of sustainable finance to meet its ambitious goals for renewable energy and urban sustainability in the next decade. It will also collaborate with other G20 members to promote sustainable finance practices and encourage private investment in sustainable development.

Women's empowerment with India's Presidency of the Group of Twenty

India has the chance to use its G20 Presidency to promote women's empowerment on a global scale, with a particular emphasis on advancing women's economic empowerment, health and education, leadership and representation, and digitization. Several initiatives have been recently implemented in India to enhance women's conditions. These initiatives include facilitating the progression of women's self-help groups (SHGs) to the subsequent stage of economic empowerment by supplying them with raw material supply, branding, and marketing of products, among other things. Additionally, India has recently introduced the "MahilaSamman Saving Certificate Scheme," a new one-time small savings scheme that offers a fixed interest rate of 7.5 percent and is available until March 2025. Additionally, the government has implemented tax concession schemes for salaried women, which exempt women earning up to Rs. 7 lakhs from paying taxes under the new tax regime. This contrasts the previous tax regime, which exempted women earning up to Rs. 5 lakhs from paying taxes.^[22] India's goal is to promote policies that support women's economic empowerment by promoting policies that support women's entrepreneurship, access to finance, and workforce participation. In addition, India is working to promote regulations that provide equitable access to digital technology while addressing gender-based digital disparities. These policies are intended to empower women to hold leadership positions at all levels of government and society.

Restructuring of Multilateral Organizations

To establish a more responsible, inclusive, fair, equitable, and representative international system that is capable of confronting the problems of the 21st century, India's top objective as President of the G20



is to advocate for changes in multilateral organizations such as the International Monetary Fund (IMF), the World Trade Organisation (WTO), and the United Nations (UN). India has been persistent in its advocacy for changes to the International Monetary Fund's (IMF's) governance and quotas, which would result in more developing and emerging market nations being represented inside the organization. However, the 16th review of IMF quotas, which was supposed to be finished in 2020, has been postponed until the end of 2023. This means an agreement is unlikely to be reached before 2025, and the implementation could extend into 2028. This is something that India disagrees with.^[23] To speed up the process, India should seek the support of other G20 members to push for an early agreement and implementation. In addition, India has advocated for the World Trade Organisation (WTO) to undergo changes, which would include the enhancement of the Dispute Settlement Mechanism and resolving the problem of unique and differentiated treatment provided to poor nations. Restructuring the United Nations, specifically the Security Council, is another issue India is concentrating on. Recent global events, including the COVID-19 pandemic, the war between Russia and Ukraine, and China's increasing assertiveness, have brought to light the limits of the multilateral strategy used by the United Nations International Organisation. Therefore, India is advocating for a revitalization of multilateralism, which includes incorporating burden-sharing practices within the institutional framework of the Caribbean Community. India has been increasingly relying on multilateral groups, such as the Quad (which consists of Australia, India, Japan, and the United States), IBSA (which consists of India, Brazil, and South Africa), BRICS (which consists of Brazil, Russia, India, China, and South Africa), Presidency Pro Tempore CELAC (Common of Latin American and Caribbean States), India CARICOM (Caribbean Community), and trilateral formats, such as India-France-Australia, India-France-the United Arab Emirates, and India-Indonesia-Australia, to search for new frameworks of global governance. As the G20 presidency gives a chance to address the grievances with the current global system, India's goal is to make the institutions that are already in place more inclusive and indicative of the realities of the modern world.

Major Obstacles to Overcome

India's G20 Presidency presents an excellent chance for the country to showcase its global leadership and advance its agenda; however, the task is made more difficult by the need to navigate complex geopolitical tensions, strike a balance between national goals and international obligations, address declining macroeconomic trends, contend with rising unemployment and living expenses, and handle food and energy crises.

During India's chairmanship of the G20, the conflict between Russia and Ukraine was a serious worry. This presents a chance for India to engage with both nations and seek a diplomatic settlement to the crisis. Even though it continues to purchase materials from Russia and receives high-tech military equipment from the United States, India has chosen to remain neutral in the war between Russia and Ukraine. It has dodged sanctions imposed by the West. When it comes to finding a solution to the war, which has impacted the global economy owing to supply chain limitations, India has the task of bringing Russia and other global powers together to find a solution. Even though this issue is not on the agenda for the G20, its members must debate it.

The COVID-19 epidemic has produced an insignificant rise in global debt levels, making it difficult for numerous nations to fulfill their debt commitments. India's Presidency of the G20 is up against the difficulty of dealing with this pandemic, which has substantially increased worldwide debt levels. According to the World Economic Outlook published by the International Monetary Fund, the debt-to-



G-Presidency in the median emerging market and middle-income countries was sixty percent in 2021. This figure is much higher than the forty percent recorded during the taper tantrum conducted in 2013. In addition, the debt to gross domestic product ratio in low-income nations increased by a factor of two in 2021 compared to 2013-23. When addressing this issue, India will need to work with the other nations that make up the G20 to identify solutions such as debt relief and restructuring.^[24]

A problem India will face during its chairmanship of the G20 is the need to resolve the continuing confrontation with China. For decades, the disagreement over the boundary between the nations that produce oxos has been going on, but in recent years, tensions have worsened. India can interact with China and other global powers via the G20, a crucial forum for India to accomplish its goal of finding a peaceful end to the dispute. India will need to take action to balance its duty as a mediator and its strategic interests in the area. India will have the chance to demonstrate its leadership on global problems throughout the stridency of the G20; nevertheless, the disagreement between India and China will need careful Presidencyorder to prevent it from interrupting the agenda summit's agenda are several causes that have contributed to the rise in food costs and inflation. These variables include the COVID-19 epidemic, the presidential war between Russia and Ukraine, and the energy supply interruption. With Estonia, Lithuania, and Latvia experiencing the most substantial effect at 24.1 percent, 22.5 percent, and 22.0 percent, respectively, the European Union (EU) has witnessed a significant rise in the inflation rate, which has jumped from 3.4 percent in October 2021 to 10.9 percent in October 2022.^[25] This represents a significant increase in the overall rate of inflation. The inflation rate in India has also increased, going from three percent in June 2019 to about seven percent at present.^[26] This has resulted in an increase in interest rates all over the globe, with the Federal Reserve in the United States boosting rates from zero to three and a half to four percent owing to a forty-year high inflation rate.^[27] In addition, the Bank of England has increased interest rates from 0.1 percent in November 2021 to 2.25 percent,^[28] while the Reserve Bank of India has increased rates by 50 basis points to 5.9 percent in September 2022, which is a significant rise from 5.75 percent in June 2019.^[29] Therefore, India has a critical role in leading global efforts to solve these economic difficulties and ensuring that the international community works together towards this aim. This is because India is the President of the G20.

India presents a considerable challenge in promoting consensus and co-President among the nations that comprise the G20. These nations come from various economic, political, and cultural backgrounds. For India to obtain agreement and cooperation on President, India must make a significant investment in establishing an understanding among the participants of the G20 meeting.

Despite being a member of the G20, India needs help with trade and investment issues. These difficulties are caused by the high tariffs developed countries impose on imports from India, which must make developed countries provide subsidies to their domestic industries, resulting in an uneven global market competition for businesses in developing countries. To add insult to injury, the sluggish implementation of economic changes makes it more challenging to attract investment from elsewhere. India can push for equitable trade policies and investment possibilities by working together with other members of the G20. This would allow India to assist economic growth and development on a much larger scale.

During India's leadership of the G20, the country will face significant challenges, most of which will be related to internal politics. At the moment, India is confronted with a great deal of internal difficulties.



These internal issues are receiving significant attention from the Indian government, which is simultaneously focusing most of its emphasis on international issues.

Concluding remarks

While it is possible to conclude that India's G20 Presidency gives a one-of-a-kind chance for the country to promote its goals and agenda on a global scale, it also comes with several obstacles, such as managing complicated geopolitical conflicts and striking a balance between regional and international duties. To handle these difficulties and achieve agreement and collaboration about India's Presidency of the G20, it would be essential to have effective global governance and multilateralism. The Presidency maintains close relationships with international, interstate, and regional organizations. However, structural issues exist within the G20, such as a lack of Presidency and continuity in agendas, unequal development among nations' confidence areas, and a widening gap between pledges and their execution, which weakens conference Presidencies issues are problematic because they damage the credibility in nations of the G20. India needs to make an effort to decrease this gap and meet its goals, even though the G20 duties are optional. However, it is essential to manage expectations about what can be accomplished via the informal international grouping of the G20.

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