Brazil's G20: Building on India's Legacy

This editorial is based on "[Global South seeks to put its imprint on G20](#)" which was published in Hindustan Times on 18/11/2024. The article brings into picture Brazil's G20 presidency in Rio, which prioritized social inclusion, hunger reduction, and sustainable development, continuing India's 2023 human-centric approach. As part of the G20 Troika with Brazil and South Africa, India remains committed to fostering balanced global governance for developing nations.
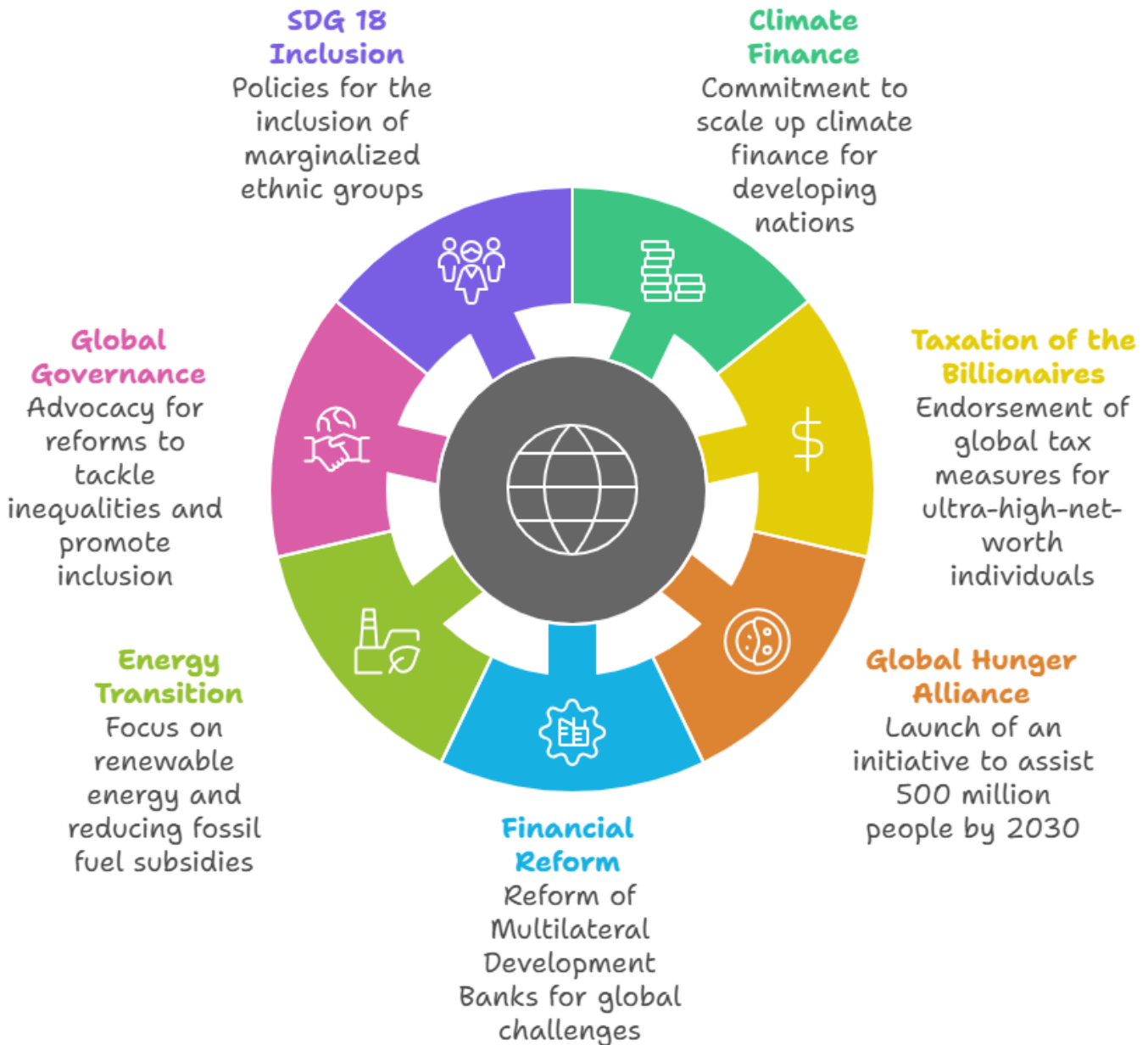
For Prelims: [G20 summit in Rio de Janeiro](#), [Social inclusion](#), [Sustainable development](#), [India-Middle East-Europe Economic Corridor](#), [G20 presidency in 2023](#), [Global Biofuel Alliance](#), [LiFE (Lifestyle for Environment) initiative](#) , [International Solar Alliance](#), [European Free Trade Association](#), [Common Framework for Debt Treatment](#) , [Multilateral Development Banks](#).

For Mains: Key Challenges Undermining the Effectiveness of the G20, Role of G20 in Enhancing India's Leadership Role.

Brazil hosted the [**G20 summit in Rio de Janeiro**](#), carrying forward the momentum of inclusive governance established during India's presidency in 2023. Under Brazil's presidency, the G20 prioritized [**social inclusion**](#), **hunger reduction, and** [**sustainable development**](#) - themes that aligned closely with India's previous presidency's **human-centric approach.** As part of the G20 Troika alongside Brazil and South Africa, India continues to ensure that the forum evolves towards more balanced global governance that represents developing world interests.

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G20 Summit 2024 Outcomes

SDG 18 Inclusion
Policies for the inclusion of marginalized ethnic groups

Climate Finance
Commitment to scale up climate finance for developing nations

Global Governance
Advocacy for reforms to tackle inequalities and promote inclusion

Taxation of the Billionaires
Endorsement of global tax measures for ultra-high-net-worth individuals

Energy Transition
Focus on renewable energy and reducing fossil fuel subsidies

Global Hunger Alliance
Launch of an initiative to assist 500 million people by 2030

Financial Reform
Reform of Multilateral Development Banks for global challenges

How has India Leveraged G20 to Enhance its Global Leadership Role?

- **Diplomatic Leadership:** India's successful **G20 presidency in 2023** established its position as a **bridge between developed and developing nations.**
  - The historic **inclusion of the African Union as a permanent G20 member** under India's leadership expanded the forum's representation.
  - India's diplomatic triumph was evident in achieving the **unanimous Delhi Declaration** despite deep geopolitical divisions.
- **Economic and Trade Opportunities:** G20 membership gives India **direct access to shape global economic policies**, particularly crucial as India aims to become a $5 trillion economy.
  - The **India-Middle East-Europe Economic Corridor** (IMEC) announced during India's G20 presidency represents a strategic alternative to **China's BRI,** potentially saving **40% of time in trade routes.**
  - India's **digital public infrastructure success,** particularly **UPI**, was endorsed by G20 as a model for developing nations.
  - These economic initiatives position India as **both a major market and a source of**

developmental solutions.
- **Strategic Autonomy:** India's G20 role helps balance its **strategic autonomy,** particularly crucial in managing relations between the **US-led Western bloc and Russia-China axis.**
    - The establishment o**f Global Biofuel Alliance** during India's presidency, demonstrates India's leadership in energy security and climate action.
    - India's successful navigation of contentious issues like **China's territorial expansionism** and **Russia-Ukraine conflict** during its presidency showed diplomatic maturity.
- **Sustainable Development and Climate Leadership:** India used the G20 platform to advance its climate commitments while **ensuring development rights of the Global South.**
    - India's **LiFE (Lifestyle for Environment) initiative** received global endorsement, with a commitment to reduce **1 billion tonnes of projected emissions by 2030**.
    - The **International Solar Alliance (ISA),** championed by India, saw increased G20 support.
- **Cultural and Soft Power Projection:** G20 provided an unprecedented platform for showcasing India's cultural heritage and modern capabilities.
    - The 200+ G20 meetings across India generated a huge chunk of tourism revenue.
    - India's presidency saw the launch of "**Culture Unites" initiative.** This cultural diplomacy strengthens India's position as a civilizational state with modern capabilities.

What are the Key Challenges Undermining the Effectiveness of the G20?

- **Consensus Building and Decision Implementation:** The growing **geopolitical tensions**, particularly evidenced in the Russia-Ukraine conflict, make **consensus-building increasingly difficult within G20.**
    - Recent summits have shown this challenge - **while India achieved consensus in 2023,** the **Bali summit in 2022 struggled to issue a joint communique**.
    - This implementation gap threatens **G20's credibility as an effective global governance forum.**
- **Global Economic Fragmentation:** The rise of **economic blocs like the European Free Trade Association** and protectionist policies threaten G20's ability to maintain global economic cooperation.
    - The trade coverage of the **trade-restrictive measures was estimated at USD 828.9 billion** which was up significantly from **USD 246.0 billion in the 2023 G20 Report.**
    - The growing US-China trade tensions have led to supply chain reorganization. **Global FDI fell by 12% in 2022 to $1.3 trillion,** reflecting growing economic nationalism.
- **Institutional Legitimacy and Representation:** Despite the **African Union's inclusion,** questions persist about G20's legitimacy in representing global interests.
    - Criticism continues regarding **overrepresentation of European countries (EU plus individual members)** while regions like Africa remain underrepresented.
    - The challenge of balancing efficiency with inclusivity remains central to G20's future relevance.
- **Climate Action and Development Trade-offs:** Balancing climate commitments with development needs **presents significant challenges for G20 members**.
    - Despite pledges, **G20 countries account for 80% of global emissions**.
    - The **promised climate finance of $100 billion annually remains unmet.**
    - Developing G20 members face particular challenges - **India alone requires $2.5 trillion by 2030 to fulfill its commitments under the Paris Agreement.**
    - The tension between immediate development needs and long-term climate goals continues to impede decisive action.
- **Debt Sustainability and Financial Stability:** Growing global debt levels pose significant challenges to **G20's economic coordination efforts.**
    - IMF reports global debt reached 238% of GDP in 2022, **with developing G20 members particularly vulnerable**.
    - The **Common Framework for Debt Treatment** has faced implementation challenges.

What Measures can be Adopted to Enhance the Effectiveness of G20?

- **Strengthening Implementation Mechanisms:** Create a **permanent G20 secretariat to**

maintain continuity and compliance tracking.
    - Introduce **legally binding commitments with clear timelines** and accountability measures.
    - Develop an **automated tracking system for member commitments** with quarterly reviews. Establish financial incentives and penalties tied to implementation rates. Create a peer review mechanism for major commitments.
- **Reforming Decision-Making Process:** Implement **two-tier voting: consensus for strategic decisions, qualified majority for operational matters**.
    - Establish crisis resolution protocols for deadlock issues. Create specialized technical committees for complex policy areas.
    - Align with **Brazil 2024's success in achieving consensus on billionaire taxation and Global Alliance Against Hunger.**
- **Enhancing Financial Architecture:** Create dedicated funding mechanisms for climate finance implementation.
    - Scale up climate finance **"from billions to trillions"** as committed in **Brazil Summit 2024**.
    - Reform **Multilateral Development Banks** with enhanced capital adequacy frameworks. Establish standardized debt restructuring procedures. Develop innovative financing instruments for developing nations.
- **Strengthening Climate Action:** Create **binding commitments for climate finance with clear disbursement timelines.**
    - Establish technology transfer mechanisms between developed and developing members. Develop standardized emissions tracking systems. Institute climate action compliance monitoring.
- **Improving Crisis Management:** Establish a permanent emergency response coordination center. Create standardized protocols for **different crisis types.**
    - Institute rapid response funding mechanisms. Create crisis-specific task forces with clear mandates.
- **Tackling Global Economic Fragmentation:** Promote initiatives like the **"Global Supply Chain Resilience Forum"** within G20, focusing on minimizing disruptions caused by geopolitical tensions or economic nationalism.
    - Facilitate dialogues aimed at **minimizing protectionist policies,** supported by targeted incentives for multilateral trade agreements.
    - Launch a **G20 framework to attract FDI in green and digital technologies**, with emphasis on harmonizing tax regimes and reducing regulatory bottlenecks.
- **Enhancing Institutional Legitimacy and Representation:** Expand representation by including additional voices from underrepresented regions such as **South America, and small island developing states.**
    - Foster stronger engagement with **non-G20 nations, UN agencies, and civil society organizations** to ensure that global perspectives are reflected.
- **Ensuring Debt Sustainability and Financial Stability**: Reform the **Common Framework for Debt Treatment** by including private creditors and promoting greater transparency.
    - Promote initiatives **allowing debt-laden countries to exchange debt obligations** for investments in climate resilience projects.
    - Establish a permanent **debt observatory to monitor vulnerabilities,** provide early warnings, and propose preemptive measures for global financial stability.

Conclusion:

The G20 has emerged as a vital platform for addressing global challenges, and **India has skillfully leveraged** it to champion inclusive governance, economic resilience, and climate action. Strengthening institutional mechanisms, fostering equitable representation, and aligning development goals with climate commitments are essential for enhancing the G20's impact.

Drishti Mains Question:

India's G20 presidency in 2023 was a defining moment in showcasing its diplomatic leadership and championing the concerns of the Global South. Discuss.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims:

Q. In which one of the following groups are all the four countries members of G20? (2020)

(a) Argentina, Mexico, South Africa and Turkey

(b) Australia, Canada, Malaysia and New Zealand

(c) Brazil, Iran, Saudi Arabia and Vietnam

(d) Indonesia, Japan, Singapore and South Korea

Ans: (a)

Q. With reference to the "G20 Common Framework", consider the following statements (2022)

1. It is an initiative endorsed by the G20 together with the Paris Club.
2. It is an initiative to support Low Income Countries with unsustainable debt.

Which of the statements given above is/are correct?

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans: (c)

PDF Refernece URL: https://www.drishtiias.com/printpdf/brazil-s-g20-building-on-india-s-legacy