

# Editorial

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## Time of Change: A Perspective from G20 Presidency of India

This issue of the Review is published at a crucial time. India's pivotal role in the G20 could mark the dynamics of global relations. It heralds a series of Southern presidencies, as it comes between the Indonesian presidency and the upcoming terms of Brazil and South Africa. Successive Southern leadership could be not merely symbolic and could usher in a transformative phase in global diplomacy. In fact, it offers an opportunity for Southern countries - with closer economic and developmental ties - to collectively set the international agenda and articulate and advocate for a coordinated, distinctive direction on the world stage.

To be clear, the task is difficult: these are not easy times for multilateral cooperation. These are times when unilateral or bilateral action is increasingly favoured, reducing the effectiveness of international institutions and treaties. Moreover, today's international landscape is characterised by simultaneous and juxtaposed crises, often described as "polycrises". To name but a few: rapid environmental degradation, resource scarcity and global warming lead to extreme weather events, rising sea levels, loss of biodiversity and concerns about future conflict (M. Khan and S. Huq); growing economic, social and place-based inequalities both within and between countries (I. Mayaki, K. Nubukpo, M. Chakrabarti, G. Ramos), as well as ethnic and gender discrimination, lead to social unrest and discontent and hinder social and political cohesion; technological disruptions related to rapid technological progress, especially in artificial intelligence and biotechnology, offer both opportunities and threats to the inclusion of companies in value chains, induce job displacement (C. Reis), may produce privacy violations, cybersecurity threats and ethical implications of uncontrolled technological developments (G. Ramos); economic hardships, instability and wars that threaten peace, lead to recession and displace people from their homes and can produce humanitarian crises and political tensions (N. Belkacem, C. Reis); and the complex geopolitical "dance" of established powers and non-state actors leads to conflicts, trade wars and territorial disputes.

These crises exert immense pressure on national and international institutions, norms and policies. They deserve to be examined in detail, now and in the future.

Far from being exhaustive, this July-September issue aims to open at least “some of the windows” and it focuses on two important “landscapes”. First, it focuses on the need for productive transformation and innovation, with particular attention to value chains, artificial intelligence, farmers and rural development. Then it looks at needs related to climate change, particularly climate finance and adaptation and climate migration.

However, there is more than a list of policies to be considered. The above mentioned crises are not only juxtaposed, but often interconnected, and not only in their effects, but in particular in their causes. Their linkages should alert not only about the individual sick trees of the forest, but the forest as a whole. In fact, those crises and their linkages require to give a fresh look at our social and economic structures and to revisit the development narratives we use, as highlighted by Jose Antonio Sanahuja and Jorge Damian Rodriguez. The unit of analysis moves in this case towards the established core of the review: regions such as Africa (I. Mayaki) or Latin America and the Caribbean (J.A. Sanahuja and J.D. Rodriguez) and multi-sectoral strategies for global engagement (S. Chaturvedi) and development cooperation (David McNair).

## **Challenges and opportunities for policies**

### **Productive transformation and innovation**

The complexities of productive transformation, innovation, and global value chains are explored with a specific attention to developing countries: the challenges countries face in fostering industrial policies and the booming realm of artificial intelligence, in particular for small farmers and their role in society. The authors collectively highlight the intertwined nature of technology, policy, and global socio-economic dynamics, underscoring the importance of a holistic approach to fostering sustainable growth and innovation. Let’s quickly recall their recommendations.

### **Global Value Chains and industrial policies**

Industrial policies are re-entering the dictionary of economists. Cristina Froes de Borja Reis stresses that those policies are indispensable, but particularly difficult to implement for developing countries. Many of these countries continue to struggle with dependence on natural resources and low value-added activities with low returns. They must therefore work hard to find an emancipatory vision of development, exploit strategic niches in global value chains and diversify their network of suppliers and customers. Not to mention that they also need to rely on counter-cyclical macroeconomic policies to deal with sudden global disruptions such as the pandemic, promote low interest rates for micro, small and medium-sized enterprises, and maintain competitive exchange rates to promote industrial growth without fuelling

inflation. The point is that there aren't umbrellas for everyone! In short, Cristina Reis argues that industrial policies to implement effective countercyclical measures and find resilience in value chains are mostly accessible to countries in the center of the world- system, leaving the Global South at a disadvantage. For southern countries to gather more financial and technological power and voice in the global arena some strategic relationships and collaborations need to be established, including with more technologically advanced countries.

### **Artificial intelligence**

In particular, the promise of artificial intelligence depends on robust ethical, institutional and policy frameworks and the need to go beyond mere self-regulation. Gabriela Ramos argues for solid institutions, rules and competences to coordinate and implement AI strategies at national level. She proposes a central body responsible for state policy support to AI, separate agencies to evaluate and licence AI innovations, and empowered data protection authorities to prioritise data quality, coverage, transparency, fairness and verifiability. She argues for dedicated national-level checks and balances in AI, and debunks myths about the unregulability of AI. In her opinion, a series of tools are indispensable such as Unesco's Ethical Impact Assessment and the Readiness Assessment Methodology (to evaluate a country's readiness for AI). While AI democratises many processes, its diffusion, accessibility, impact on the labour markets and more generally on social ties remain a problem. International organisations and cooperation should promote dialogue and knowledge sharing between countries, on an equal footing and with an equal voice, to design a G20 toolkit in collaboration with diverse stakeholders (governments, business, trade unions, civil society) to support upskilling and reskilling programs during the technology transitions (as proposed by the Indian G20 Presidency), advocate for marginalised groups and promote capacity building in states.

### **Farmers and rural development**

Milindo Chakrabarti focuses on how digital technologies are changing farming practises. He raises concerns about unequal access to digital technologies, for example, for small farmers that do not often have the means to upgrade their skills and are confined to production without benefiting from insertion in other phases of the agricultural value chain. If their livelihoods are threatened, the global food supply may also be at risk and food insecurity looms. Given the constraints they face, especially in Southern countries, the author proposes three recommendations to feed into the G20 discussion. 1) There is a need to collectively provide small farmers with digital services and to group them together so that they have access to facilities and better negotiate in the market (This point is reminiscent of policies in regions such as Emilia-Romagna in Italy or the Valencia in Spain for small businesses facing

technological changes). 2) Milindo Chakrabarty calls for training and resources to be made available to farmers so that they can effectively use technical inputs and address the pressing issues of climate change (A comparison could be made with the so-called Extension Services). 3) Small farmers have an important role to play in marketing their products and ensuring that they benefit from the surpluses they generate (following the traditions of many cooperatives). Kako Nubukpo too emphasises the consequences of overlooking small-scale farmers, particularly in sub-Saharan Africa where the damaging effects of climate change have already taken their toll, reducing agricultural productivity by 20% since 1980. It has led to migration that can exacerbate inter-ethnic and regional conflicts over dwindling resources. Combined with the rise of populism and identity politics, this not only threatens the continent's geopolitical balance, but may also extend conflicts beyond its borders. The author presents a vision of a possible revival rooted in "rational solidarity" and the ancient ethos of Commons, with priority to local innovation and local supply chains. To realise this vision, he stresses that protectionist measures that favour the local over the global, combined with massive public investment in rural modernisation, are essential.

## **Climate Change**

Together with productive transformation, climate change stands as a crucial theme in the policy agenda. While the discussions around greenhouse gas emissions and their mitigation remain critical, two intertwined aspects of the human dimension of climate change are equally important: the ever-urgent matter of climate change adaptation and the escalating crisis of climate migrants.

## **Adaptation and Finance**

Are we going in the right direction? Mizan R Khan and Saleemul Huq raise a number of concerns. The original trajectory of the UN Framework Convention on Climate Change (UNFCCC) was predominantly anchored in the mitigation of greenhouse gas emissions. However, the increasing severity of climate change impacts combined with insufficient mitigation action required a shift towards adaptation. Nevertheless, global support for adaptation remains woefully inadequate and characterised by unfulfilled and unbalanced promises of funds relative to actual vulnerabilities, for example in small islands and leather developed countries. Financial instruments should be critically reassessed to avoid the burgeoning 'climate debt trap'. They should take into account the non-immediate returns from adaptation projects. They should ensure timely and full disbursement of approved funds. Finally, they should result from the convergence of development aid with climate finance, but with a double scaling up in both areas to maintain the sanctity of development goals, especially in low-income countries.

## **Climate Migrants**

How do we deal with climate refugees and asylum seekers? Najat Belkacem highlights that: a) we inadequately address climate migrants. With climate change set to displace nearly one billion people over the next 50 years, international cooperation and reform are more urgent than ever. b) Many countries are neglecting their responsibility to help people in distress at sea. For example, more than 25,000 people have died in the Mediterranean since 2014. c) Many developed countries are circumventing their duty to protect refugees by outsourcing their responsibilities to poorer countries, often at great human cost. She makes four recommendations: 1) the international community must act to expand the definition of refugees beyond the Geneva Convention to include people displaced by climate change; 2) international cooperation should invest in sustainable urban development, renewable energy and adaptation strategies, recognising their role in global warming and the resulting migration challenges; 3) legal and safe migration routes must be created and Euro-Mediterranean cooperation must be strengthened; 4) the outsourcing of refugee management to third countries, which often have questionable human rights records, needs to be reconsidered. The international community should uphold the principle of non-refoulement and ensure that all countries provide fair and efficient asylum procedures.

## **A call for new narratives and strategies**

Up to here, we have seen contribution concerning specific policies and there is no doubt that the present situation requires complicated policy solutions. But, apart from them, what should be the general diagnosis on the situation and the narratives and what should be the strategies to address the increasing complexity we face? What should the dynamics of international cooperation look like?

### **Is this a “Polycrisis”?**

While the term “polycrisis” seems to capture the multiple challenges facing our world today, it packs the various crises into a single conceptual box and does little more than emphasise the magnitude of their sum. It can also lead to a defensive view, a defeatist mindset that suggests the world’s problems are too complex to find solutions and downplays the agency of states and institutions to act. It could unintentionally stifle innovative thinking by pushing stakeholders to short-term responses and refusing from the outset to seek overarching solutions to structural problems. Not to mention the paradoxical claim by some actors that the various crises would be exogenous to the developed countries and would not call into question their responsibility.

## **Rather an “Organic Crisis” in search for New Social Contracts**

Sanahuja and Rodriguez stress that the current crises are interconnected. They are part of an “organic crisis” of the hegemonic order based on neoliberal ideology. 2008 would be a similar phenomenon to 1929: it started as a financial crisis and quickly turned into an economic, social and then political crisis of the international order inspired by *laissez-faire*. The old norms would die off, the new ones would not yet emerge and the current phase would be a kind of “interregnum” leading to phenomena such as the rise of new authoritarianisms. The current scenario would ultimately reveal historical societal challenges that require a transformative, equitable and sustainable overhaul of economic and social structures. They suggest to focus in particular on the **climate emergency** and the **social challenges** that accompany the digital and green transitions. Countries should build a common agenda that should accommodate different starting points and prior asymmetries and be based on mutual learning. For example, the EU is striving to stimulate public and private investment in Latin America and the Caribbean through the European Fund for Sustainable Development plus and the Global Gateway initiative. While they are valuable tools, they should not overshadow other EU development cooperation programs such as social cohesion, technical assistance, education, human rights, and gender equality initiatives. Furthermore, support in comprehensive tax reforms will be essential to improve national tax systems’ coverage and progressiveness and mobilize internal resources.

## **Regional Solutions**

Sanahuja and Rodriguez stress that all macro-regions are currently developing and testing strategies to overcome the “interregnum” and renew their social contract. Echoing this observation, Ibrahim Mayaki concentrates on Africa. According to the author, a regional focus that promotes democratisation and a stronger collective voice for African nations is needed. The situation requires a shift towards regional solutions, such as the African Free Trade Agreement, to address Africa’s fragmentation and prioritise regional integration. They should empower local communities and ensure social, economic and political equity, in line with the African Agenda 2063. In short, Mayaki thinks the continental development requires a redesign of strategies and implementation processes. Traditional development benchmarks are often inadequate and new development models are needed. On the one hand, countries like Tunisia, which had commendable development indicators and recognition from international organisations, are in danger of imploding. On the other hand, Botswana that has emphasized inclusiveness in its policies and governance seems developing in an encouraging way. Mayaki also stresses that not only the benchmarks, but also the traditional multilateral system is increasingly strained.

## **Development Cooperation Reinvented**

The present multilateral system is actually the focus of David McNair's paper. He stresses that actors, goals and modalities of cooperation have changed, while traditional assistance has not. China's Belt and Road Initiative has redefined cooperation for infrastructure, while the EU's Global Gateway and the G7's Build Back Better World Initiative show a shift towards using development finance as a soft power instrument. There has been a sharp increase in global remittances and credit from non-OECD countries. The Global South, represented by leaders such as Lana Nusseibeh, and President Bazoum, are advocating for changes in global structures. Ambassador Nusseibeh argues that the Global South has a pivotal role in shaping global agendas, emphasizing the need for collaboration, consensus-building, tangible results, and context-specific initiatives. President Bazoum argues that the democratisation of international decision-making institutions is a prerequisite for fair, equitable, authentic and ethical cooperation and that African nations need better representation in international bodies. Development aid strategy in the education sector, Bazoum argues, is preferable to vast action programmes and budgetary support often provided by people and institutions cut off from the concrete reality experienced by their rural populations.

The conventional paradigm of official development assistance (ODA) is in a perceptual crisis. Scepticism about development aid is growing both in donor countries, where inequality is sparking debate about whether to target assistance at home or abroad, and in recipient countries, which see it as a post-colonial instrument of control. As global financial needs increase and many countries in the South face major debt problems, there is a call to reinvent development cooperation, to include in it knowledge sharing and to move beyond the ODA dominated model. McNair puts forward three suggestions: 1) a common fund for humanitarian needs: this fund could be sustained by taxing carbon-intensive industries. A body with a wider stakeholder base than the DAC should oversee the resource management; 2) infrastructure financing should focus on reducing capital costs by assessing the influence of Credit Rating on energy transition and reforming Multilateral Development Banks to provide more low-cost capital; 3) remittance flows should be recognized as significant for social protection and development. The focus should be on reducing the costs associated with these transfers.

## **For Life**

Sachin Chaturvedi argues that a new development paradigm should integrate values, recognise inequalities and views challenges as global and interconnected. He convincingly underlines the growing consensus to look beyond gross domestic product (GDP) as the sole measure of development and recalls that the UN Secretary General

himself suggests well-being based measurements. Although several organisations, including UNDP and OECD, have proposed alternative systems for measuring well-being, these measurements have not yet replaced GDP in making key public decisions. Against this backdrop, India has introduced the Lifestyle for Environment (LiFE) approach, which focuses on sustainable consumption and production patterns, a low-carbon-circular economy, eco-friendly supply chains, and local food systems. The LiFE economy aims to ensure that international relations, especially within financial institutions, are guided not only by monetary concerns but by a shared ethical value system.