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G20: The Emergent Driver of the New Global Order

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G20 has come a long way from its first meeting in Berlin in December 1999, which was held in the wake of the Asian financial crisis that started with the Mexican peso crisis and went on to ravage several Asian economies as well as the US economy itself. It started as a platform for the Finance Ministers and Central Bank Governors, who were brought together by Paul Martin, the Canadian Prime Minister and the German finance minister Hans Eckel. It was converted into a Summit in November 2008, held in Washington DC, at the initiative of the then US President George W Bush who was responding to the fast spreading trans-Atlantic financial crisis that threatened to engulf the entire global economy. It is pertinent to remember that the first get together in 1999, was preceded by the collapse of the Long Term Capital Management, a US hedge fund and the Summit in 2008 was foreshadowed by the Lehman Brothers collapse. The expectation from the G20, which brings together the largest economies in the world, accounting

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for nearly 85 per cent of the global GDP, is that its collective understanding and action will help thwart any major disaster that could result in massive damage to people's welfare across the world.

The nature of global 'negative public goods' that can inflict disaster on a global scale and pose existential risks for the world community expectedly changes over time. The fear of a major global financial crisis and collective effort to avert it, gave birth to the G20 Summit. It was subsequently the concerns like drugs, human trafficking, money laundering that rivetted the attention of G20 leaders. Over the last two decades, ESG has emerged as the principal focus of global policy attention. This covers universal concerns like environment degradation, women empowerment, increasing income divergence across countries and the unsavory prospect of a worsening fragmentation of the rule-based multilateral trading order and global governance. Over the past ten years, successive G20 Summits have sought to bring about universal consensus on understanding the underlying causes of these global concerns and also on the nature of the collective action required.

With its motto of 'Vasudhaiva Kutumbakam', the G20 Summit, held in New Delhi in 9-10 September 2023, successfully highlighted the ESG concerns faced by the global community today. In its deliberations, as also in its final communique, the Summit managed to focus the global community's attention on all of ESG components. The theme of 'One Earth, One Family and One Future' chosen by the Indian Presidency, echoed these ESG concerns in a comprehensive manner. The call for massive additional financial resources to meet the environmental challenge was further strengthened by the formation of the Biofuel Alliance, which was launched at the Summit. The inclusion of the African Union as a full time member was a historical step forward for social inclusion at the global level. The call for strengthening the rule-based multilateral trading order, along with a clear enunciation of the need to restructure the UN Security Council, reflected the urge to improve global governance.

The New Delhi Summit has, therefore, taken the G20 on the constructive path of addressing the principal ESG concerns facing the world community today.

Given the current global circumstances, the biggest achievement of the New Delhi Summit was to ensure a consensus based joint communique issued at the end of the gathering. The growing perception, prior to the Summit itself, was of mounting differences among the G20 members on a range of issues but most intensely on the situation in Ukraine. The consensus marked a historical reversal of this growing divergence and dissonance among the members and demonstrated the global community's implicit desire to avoid conflict and reach resolutions through negotiations. No doubt it took a herculean effort on the part of the Indian team of negotiators to achieve this consensus, but it would surely not have been possible without the willingness on all sides to forge a common position on the range of complex issues faced by the world today.

This demonstrated the ability of the Indian negotiators and of the Prime Minister to be able to drive consensus among the most powerful countries in the world, which has an important corollary for India's foreign policy. India has emerged as an influential intermediate power in the world, which can effectively bridge the divide between the 'Global North' and the 'Global South.' This is an important role which only India can perform. It derives its credibility for this critical role of been seen as a 'Vishwa Mitra' from the combination of several attributes, which are uniquely Indian. It is the fifth largest economy in the world today and also has the fastest rate of growth among all the large economies of the world; it is not only the largest democracy in the world but is also known for its robustness and vibrancy; a pluralistic society which successfully manages its incredible diversity; is home to a vast pool of human talent whose quality and abilities are globally recognized; and one which is seen as having historically and consistently contributed to world peace. All these together make India a formidable actor

for bridging the divides across different groups of nation states and playing the consensus builder.

Given the above attributes, which are increasingly recognized globally, India has far more important and critical role on the world stage at this time than to simply aspire to be a leader of the Global South. We have tried our hand at that role in the past but with little to show for it. Our leadership of the Non-Aligned Movement and of the G-77 did not yield much advantage in neither moving the needle forward on issues of global concern nor in serving our own interests. Therefore, the way forward for the design of our foreign policy is clear. It has to build upon this role of the consensus builder and provide the necessary bridge between the Global North and the Global South.

The New Delhi Summit's success was in large measure a result of the impressive number of initiatives that were launched over the two days. Similar initiatives, though not as many in any one Summit in the past have no doubt been launched on earlier occasions as well. These require careful, consistent and continuous follow up for them to make an actual impact on the welfare levels of the global community. G20 has demonstrated a higher level of coherence and consensus than is achieved in other global platform including the United Nations. Therefore, the time has perhaps come to consider a permanent secretariat for the G20. This suggestion is not new. It was first mooted prior to the Seoul Summit in 2010. The present arrangement of the Troika (with the participation of the past, present and future hosts of the Summit) is a functional one. However, it is certainly not designed to build on and carry forward the momentum achieved at each Summit. With all the lessons learnt over the past seven decades on the working of international institutions, we can surely eliminate the risk of building yet another dysfunctional international bureaucracy. The G20 secretariat, once in place, could well set the benchmark for efficient and effective operations by a multi-lateral agency.

With a permanent secretariat, which follows up on the initiatives launched in different Summits, the G20 can emerge as a dynamic driver of the new global order. It is evident that some major changes are in the making in the global order. These will require careful handling to prevent divergences from becoming conflicts. G20 already provides the platform that brings together the most powerful players, who will have the central role in the emerging world order. Its ability for timely intervention and influence will be significantly enhanced with the establishment of a permanent secretariat. It is time therefore, to include the formation of a G20 secretariat as one of the major agenda items during the forthcoming Brazilian presidency of G20.



“Today, we are working on women self-help groups with the aim of creating two crore Lakhpati Didis. We while promoting the potential of our women power, women-led development and when I have taken forward the issues of women-led development in G20, the whole G20 group is accepting its importance, and giving it a lot of support.”

*— Shri Narendra Modi
Hon'ble Prime Minister of India*