

The role of the G-20 & the global south in fostering inclusive and sustainable economic development

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Abstract:

This study meticulously examines the pivotal roles of the world's powerful 'Group of Twenty (G-20)' and the Global South in fostering inclusive and sustainable economic development and highlighting its critical significance in mitigating global economic disparities. Through an exhaustive review of the literature and secondary data, the research evaluates the efficacy of G-20 strategies in promoting economic inclusivity and sustainability. The analysis delves into key domains such as trade, investment, finance, and development assistance, assessing the effectiveness of G-20 initiatives in addressing the specific needs of Global South countries, particularly in the realms of poverty alleviation, infrastructure development, and access to finance. Additionally, the study scrutinizes the impact of G-20 interventions on reducing economic disparities both within and between nations, emphasizing the integration of inclusive growth and sustainable development goals into policy frameworks. The role of South-South cooperation in augmenting G-20 efforts is also explored, highlighting its potential to complement and enhance the effectiveness of G-20 initiatives. By critically analyzing the G-20 and emerging the Global South, this research contributes to the discourse on global economic governance and development cooperation. It offers invaluable insights for policymakers and stakeholders, underscoring the necessity of coordinated and concerted efforts to forge a more equitable and prosperous global economic order. The study culminates in a series of recommendations aimed at optimizing future G-20 endeavours, thereby reinforcing the group's capacity to act as a catalyst for sustainable and inclusive global economic development.

Keywords: Global South, G-20, New Global Order 2022, Intra-south trade, Self-reliance.

Jel classification codes : O11 , O15.

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1. Introduction :

The debt-based capitalist mode of production has precipitated the collapse of the Western neoliberal globalization project. Global debt has reached an unprecedented level, raising serious concerns about another financial crisis. The world is now inundated with debt, totalling a staggering \$315 trillion, nearly three times the global GDP. This debt is distributed across households, businesses, and governments. Such an unsustainable level of indebtedness heightens the risk of widespread defaults, potentially triggering a new financial crisis. The burden of debt can have devastating consequences, particularly for households. Defaults can result in families losing their homes and savings. Moreover, the proliferation of "Buy Now, Pay Later" (BNPL) platforms exacerbates these risks. While these platforms offer accessible loans with flexible repayment options, they often come with exorbitant interest rates, further endangering financial stability. In addition, the financial requirements for infrastructural development and acquiring entrepreneurship-driven technological innovative capacity building have not been met by the World Bank and IMF, leaving developing countries, particularly in Africa and Asia, struggling.

The emergence of the Group of Twenty (G-20) as a prominent entity within the global economic sphere underscores its substantial influence in shaping policies aimed at fostering inclusive and sustainable economic development. Central to its mission is the imperative of addressing the persistent economic disparities evident worldwide, particularly between the advanced economies and the developing nations comprising the Global South. The G-20's active engagement with the Global South serves as a testament to its dedication to bridging these disparities and promoting equitable growth on a global scale (Sidiropoulos, 2010).

Amidst the backdrop of widening economic gaps and enduring developmental challenges faced by numerous nations, the role of the G-20 assumes increasing significance (Grabel, 2011). Its platform, which convenes major economies from diverse regions, serves as a nexus for dialogue, cooperation, and concerted action towards common objectives. Through its array of initiatives and policies, the G-20 endeavours not only to catalyze economic growth but also to ensure its inclusivity and sustainability, thereby leaving no nation or populace marginalized.

Furthermore, this study endeavours to explore the multifaceted nature of the G-20's engagement with the Global South, spanning various dimensions such as trade, investment, finance, and development assistance. By scrutinizing the G-20's initiatives and policy frameworks, we will evaluate the extent to which they prioritize the exigencies and concerns of Global South countries, particularly in realms such as poverty alleviation, infrastructure development, and access to finance.

In shedding light on the impact of the G-20's interventions on economic disparities within and between countries, this research aspires to contribute to a deeper understanding of global economic governance and development cooperation. It underscores the significance of collective action and international collaboration in confronting the intricate challenges of the contemporary world. Ultimately, this study seeks to furnish insights and recommendations for policymakers, international organizations, and stakeholders committed to advancing inclusive and sustainable economic development on a global scale.

The Group of 20 (G20) and the Global South represent distinctive yet intricately entwined entities within the domain of international relations and economics. The G20 epitomizes a forum comprising the world's foremost economies, while the Global South embodies a coalition of developing nations characterized by shared socio-economic attributes. This essay endeavours to undertake a comprehensive examination of the comparative analysis between the G20 and the Global South, encompassing their respective definitions, conceptual frameworks, guiding principles, policy orientations, and consequential impacts.

Formally inaugurated in 1999, the G20 functions as an international platform facilitating dialogues among governments and central bank governors hailing from 19 sovereign states and the European Union (EU). Its principal aim lies in convening major advanced and burgeoning economies to deliberate upon and synchronize global economic policy matters. The G20's membership roster spans across Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States.

Conversely, the Global South delineates countries positioned in the Southern Hemisphere, erstwhile designated as the G-77 or Third World Nations, or participants in South-South Cooperation, historically consigned to the peripheries or semi-peripheries of the colonial or imperialist core nations situated in the Northern Hemisphere (Rajanayagam, 2019). These nations exhibit discernible traits marked by subdued levels of industrialization and economic advancement, juxtaposed with exacerbated levels of poverty, inequality, and underdevelopment. The term "Global South" finds frequent utility within the realms of development studies and international relations, emphasizing the common challenges shared among developing countries.

Operating on the tenets of consensus-building, transparency, and collaborative engagement, the G20 endeavours to cultivate economic stability and enduring growth by facilitating the harmonization of policies and fostering cooperation among its constituent states. The deliberations conducted within G20 gatherings span a wide array of subjects, encompassing monetary policy, fiscal policy, trade dynamics, and financial regulatory frameworks.

In contrast, the Global South delineates its own distinct paradigm of principles, policies, and aspirations designed to confront the socioeconomic exigencies encountered by developing

nations. These policies are oriented towards the amelioration of poverty, the attainment of universal literacy intertwined with the provision of quality education, healthcare accessibility, adequate housing provisions, attainment of full employment, as well as the pursuit of economic, social, and gender parity. Additionally, the Global South advocates for the establishment of equitable and fair international trade and financial architectures that duly consider the exigencies of developing nations. The prevailing international economic and financial frameworks, driven by the paradoxical interplay of globalization (north-south integration) and regional integration (south-south integration), wield considerable influence (Akira, 2000). Nonetheless, questions regarding the efficacy of these divergent forces in mitigating economic and financial instability persist. These opposing dynamics find expression through entities such as the Group of Twenty (G-20), BRICS-SCO-EAC-RCEP, Trans-Pacific Partnership (TPP), Trans-Atlantic Trade and Investment Partnership (TTIP), and myriad other bilateral, trilateral, and mega-regional multilateral free trade negotiations on a global scale, all converging toward the pursuit of multilateralism.

The G-20, comprised of the world's most influential nations and accounting for a staggering 95% of global GDP, swiftly emerged in response to the financial and economic tumult that engulfed the Western capitalist world during the 2007-08 crisis. This collective entity embraced a multifaceted approach, encompassing financial, technological, and trade-based initiatives, aimed at safeguarding and perpetuating the tenets of globalization and the multilateral World Trade Organization (WTO) regime. However, despite its formidable stature, the G-20 found itself unable to effectively address the critical issue of cross-border data transmission—a pivotal element necessary for fostering trade openness, investment, and technology transfer, particularly in the context of industrialization in developing and impoverished nations.

The era of Western-dominated imperialist globalization, predominantly orchestrated by the behemoths of Big Tech and multinational financial corporations (MNCs), especially since the latter part of the 20th century, has encountered a deluge of challenges across various domains. These challenges, spanning military, trade, technological, and financial spheres, are posed by the emergence of newly-formed regional economic and trade blocs such as BRICS-SCO-EAC-RCEP, alongside other regional collectives like BIMSTEC-AfCFTA (Prabhakar A. , India and ASEAN: Visions and Perspectives , 2023). This formidable bloc has pledged itself to the dismantlement of the USA-led Western hegemony through initiatives centred around 'De-dollarization,' while concurrently fostering financial, technological, and trade collaborations amongst the nations of the Global South, epitomized by grand-scale endeavours like the 'One Belt One Road Initiative.' The BRICS consortium has rapidly ascended to a position of considerable prominence within the global economic and financial milieu, not merely concentrating on achieving and administering global governance, but also

steadfastly committing to supporting and addressing the fundamental needs of both BRICS nations and other developing countries through infrastructural and sustainable development endeavours (Bawa, 2013). This commitment has been emphasized by the introduction of a \$32 billion package allocated for green energy, urban mobility, and digital infrastructure, alongside the expansive 'One Belt One Road' initiative encompassing the establishment of highway, railway, and seaport networks, all bolstered by the New Development Bank (NDB) initiative. The NDB, functioning as an alternative financial institution to the Western-dominated World Bank and IMF, has assumed a pivotal role in bolstering these undertakings. The Global South, invigorated by realignment initiatives spearheaded by the emerging quintet of Brazil, Russia, India, China, and South Africa (BRICS), has witnessed a resurgence. A notable development has been the expression of interest from 45 countries within the Global South to join the BRICS Bloc, with 15 countries, including Saudi Arabia, Mexico, Argentina, Algeria, Iran, Turkey, Ethiopia, Belarus, Bangladesh, Pakistan, Indonesia, Nigeria, the United Arab Emirates (UAE), Kazakhstan, and Thailand, formally applying to partake in the 15th annual conference held in Johannesburg (South Africa) from August 22nd to August 24th, 2023. The primary objectives of this movement are to reduce dependency on the US Dollar, promote sustainable multilateralism, reshape the global order, and foster inclusive economic growth and development by promoting trade and investment, all while endeavouring to supplant Western dominance. Since its inception, BRICS, representing 40% of the world's population, has been projected to account for 45% of global GDP in purchasing power parity terms by the year 2030.

Aims and Objectives

This paper aims to delve into the pivotal role played by the G-20 and the Global South in fostering inclusive and sustainable economic development. Through a nuanced examination of the mechanisms and strategies employed by the G-20 and the Global South nations, we seek to assess the efficacy of these efforts in mitigating economic disparities and fostering shared prosperity. The Group of Twenty (G-20) has arisen as a pivotal platform for tackling global economic challenges, with a specific emphasis on nurturing inclusive and sustainable development. In recent times, the G-20's interaction with the Global South has accentuated its importance in ameliorating economic discrepancies and advancing prosperity on a global scale. This article endeavours to delve into the objectives and breadth of the G-20's endeavours in fostering inclusive and sustainable economic development through its engagement with the Global South. The G-20 engages with the Global South to address common global challenges, such as climate change, pandemics, and natural disasters. By fostering collaboration and sharing best practices, the G-20 aims to build resilience and mitigate the impact of these challenges on vulnerable populations.

Delving into the Role of Group-20 (G-20): This analysis seeks to delve into the intricacies of the Group of Twenty (G-20), a preeminent forum for international economic collaboration comprising the world's foremost twenty nations. It aims to scrutinize the evolutionary trajectory of the G-20 and its consequential influence on global economic governance.

Evaluating the Ascendancy of the Global South: The study endeavours to comprehend the multifaceted determinants underpinning the ascendancy of nations constituting the Global South and their pivotal role in shaping international relations and global economic dynamics.

Identifying Opportunities and Challenges: This analysis discerns the manifold opportunities and challenges emanating from the G-20 and the Global South within the milieu of global economic governance, advocating for a more just global order conducive to sustainable and inclusive economic development.

Assessing Economic and Political Implications: The study meticulously evaluates the economic and political ramifications of the policies and initiatives orchestrated by the G-20 on the nations comprising the Global South, elucidating the manner in which the decisions of the G-20 reverberate across economic growth trajectories, trade dynamics, and developmental prospects within the Global South.

Exploring Future Trends: The analysis endeavours to anticipate forthcoming trends by scrutinizing the interplay of geopolitical realignments, technological advancements, and other salient factors, elucidating their potential impact on the interactions between the G-20 and the Global South within the global economic landscape.

Promoting Inclusivity: The primary aim of the G-20's engagement with the Global South is to promote inclusivity in the global economic architecture. This involves ensuring that developing and least developed countries have a voice in global economic governance and can actively participate in decision-making processes. By including a diverse range of economies from the Global South, the G-20 aims to address the needs and priorities of these countries, thereby reducing economic disparities and promoting equitable growth.

Facilitating Sustainable Development : Another key aim of the G-20's engagement with the Global South is to facilitate sustainable development. This involves promoting policies and initiatives that not only drive economic growth but also ensure environmental sustainability and social equity. Through dialogue and cooperation with Global South countries, the G-20 seeks to identify common challenges related to sustainable development, such as climate change, poverty alleviation, and access to essential services, and develop collective solutions.

Bridging Economic Disparities : The G-20 recognizes the persistent economic disparities between developed and developing countries and aims to bridge these gaps through targeted initiatives and partnerships with the Global South. By fostering investment, trade, and

technology transfer, the G-20 seeks to support economic development in the Global South, thereby reducing poverty and enhancing prosperity for all.

Scope:

Policy Coordination and Cooperation: The G-20 serves as a platform for coordinating macroeconomic policies and fostering cooperation among its member countries and guests from the Global South. This includes discussions on monetary and fiscal policies, trade, and financial regulation to promote global economic stability and growth.

Capacity Building and Technical Assistance: Recognizing the need for capacity building in the Global South, the G-20 provides technical assistance and support to help countries strengthen their institutional frameworks, improve governance, and build human capital. This includes initiatives aimed at enhancing infrastructure, education, and healthcare systems.

2. Methodology :

The methodology outlined here adopts an analytical framework, employing a multifaceted approach to data collection from primary sources via both individual and group interviews, the development of meticulously crafted questionnaires, observation of official reports, and collation of information from an array of secondary sources. Secondary sources encompass a diverse array of materials, including handbooks, development plans, seminar papers, and reports sourced from esteemed entities such as the Direction of Trade Statistics Yearbook, UNCTAD, ESCAP, ECA, World Development Reports, DGCIS, in addition to annual reports from governmental bodies such as the Ministry of Commerce and the Ministry of External Affairs, among others. This comprehensive methodology encompasses several key aspects:

- **Data Collection and Analysis:** The initial step involves the meticulous collection of data on economic indicators, development goals, and disparities within and between countries, with a particular focus on the Global South. These datasets encompass a wide range of metrics, including GDP growth rates, income distribution, poverty levels, access to education and healthcare, and environmental sustainability indices. Analysis of this data facilitates the identification of areas where the G-20 can wield the most significant influence.
- **Stakeholder Consultation:** Engaging with stakeholders from the Global South, comprising governments, non-governmental organizations (NGOs), civil society groups, and the private sector, is pivotal. Their unique perspectives provide invaluable insights into the specific challenges confronting these regions, enabling the tailoring of G-20 initiatives to address their needs effectively.
- **Policy Review and Development:** Critical assessment of existing policies and initiatives is paramount to gauge their efficacy in promoting inclusive and sustainable

development. Drawing on data analysis and stakeholder input, novel policies and strategies can be formulated or existing ones revised to better align with the objectives of fostering economic inclusivity and sustainability in the Global South.

- **Capacity Building:** Enhancing the capacity of countries in the Global South to participate effectively in the global economy constitutes a cornerstone. This endeavour may encompass the provision of technical assistance, knowledge transfer, and financial support for infrastructure development, institution building, and skill enhancement initiatives.
- **Partnership Building:** Collaboration with other international organizations, including the United Nations, World Bank, International Monetary Fund, and regional development banks, serves to bolster the G-20's endeavours in fostering inclusive and sustainable economic development. Forge alliances with these organizations facilitate the leveraging of resources, expertise, and networks to realize shared objectives.
- **Monitoring and Evaluation:** Establishing robust mechanisms for monitoring and evaluating the impact of G-20 initiatives is imperative for ensuring accountability and facilitating learning. Regular assessments facilitate the identification of efficacious strategies, areas requiring refinement, and avenues for course correction to ensure tangible progress towards bridging economic disparities and promoting sustainable development in the Global South.
- **Communication and Advocacy:** Effective communication and advocacy efforts are indispensable for raising awareness regarding the significance of inclusive and sustainable development and garnering support for G-20 initiatives. This entails the dissemination of information, sharing success stories, and mobilizing public and political will to accord priority to these issues on the global agenda.

Through adherence to this comprehensive methodology, the G-20 stands poised to play a pivotal role in fostering inclusive and sustainable economic development through engagement with the Global South, thereby advancing the noble cause of bridging economic disparities and fostering a more equitable and prosperous world.

2.1 *Survey of Literature :*

The synthesis of literature examining the pivotal role of the G-20 in fostering inclusive and sustainable economic development through engagement with the Global South underscores its significance in bridging economic disparities, drawing from a diverse array of scholarly

works and policy analyses. The comprehensive analysis provided by Chia Lin Sien (2018) sheds light on the historical evolution of the G-20, its interactions with developing nations, and its documentation of initiatives aimed at fostering inclusive and sustainable economic development. Similarly, Maryam Zarnegar Deloffre's work (2019) delves into the role of multilateral economic organizations, including the G-20, in promoting development practices conducive to inclusive growth, offering perspectives on how engagement with the Global South contributes to these efforts. Furthermore, Jeffrey J. Schott et al. (2017) examine the G-20's functions and effectiveness in addressing economic disparities on a global scale, exploring its engagement with developing countries and its impact on fostering inclusive and sustainable economic development.

Reports from authoritative sources such as the United Nations Development Programme (UNDP) and the World Bank further corroborate the importance of the G-20 in advancing inclusive economic policies and practices, particularly in the Global South. These reports often assess the contributions of global forums like the G-20 in advancing sustainable development agendas, emphasizing the need for inclusive growth and poverty reduction.

Scholars like Stiglitz and Charlton (2005), Lombardi and Woods (2008), Rodrik (2016), and Sen (1999) contribute to the discourse by emphasizing the crucial role of global governance mechanisms like the G-20 in addressing economic disparities, promoting inclusive growth, and fostering sustainable development. Milanovic (2016) highlights the role of international institutions like the G-20 in addressing global income inequality, while Sidiropoulos and Woods (2010) analyze various G-20 initiatives and their policy implications for promoting inclusive and sustainable economic development, particularly in the Global South.

However, critiques offered by Grabel (2011) raise important questions about the effectiveness of the G-20 in addressing development challenges, pointing to issues such as representation and accountability in decision-making processes. These perspectives add depth to the discussion and underscore the ongoing dialogue surrounding the G-20's role in global economic governance and development.

The wealth of scholarly literature and policy analyses referenced here collectively highlight the pivotal role of the G-20 in fostering inclusive and sustainable economic development through engagement with the Global South, underscoring its significance in bridging economic disparities on a global scale.

2.2. *The World Economic Scenario :*

The World Economic Outlook (WEO) for January 2024, as unveiled by the International Monetary Fund (IMF), has delineated an optimistic trajectory in real GDP growth. It prognosticates an expansion of 3.1% in 2024, followed by a marginal uptick to 3.2% in 2025. Similarly, the recently disseminated Global Trade Outlook and Statistics (GTOS) report for

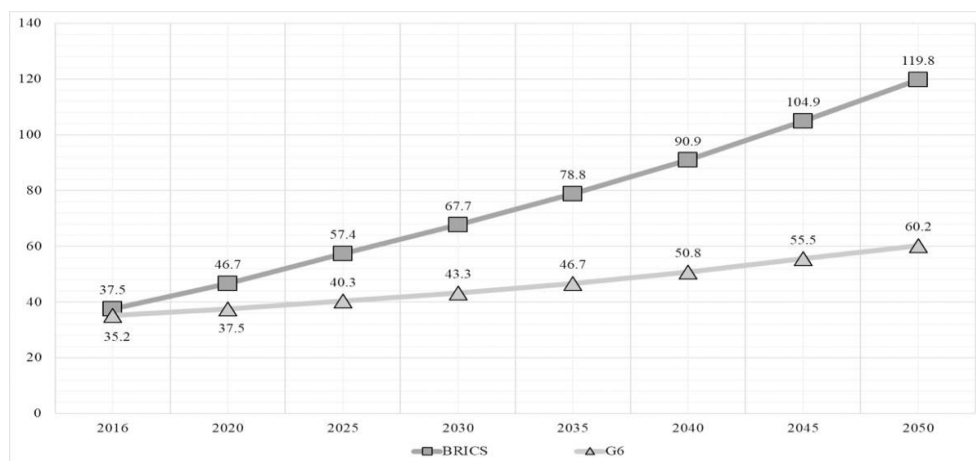
April 2024, released by the World Trade Organization (WTO), has foreseen a noteworthy upswing in the growth trajectory of global merchandise trade volume. Despite encountering multifarious hurdles, the forecast envisages a transition from a negative growth rate of -1.2% in 2023 to a positive 2.6% in 2024, with a further ascent to 3.3% in 2025.

The pivotal role assumed by the Group of Twenty (G-20) in championing inclusive and sustainable economic advancement through robust engagement with the Global South cannot be overstated (Prabhakar A. C., *The Current Global Recession: A Theoretical and Empirical Investigation into Developed and BRICS Economies*, 2016). Emphasizing its indispensability in addressing economic inequalities on the world stage, the G-20 signifies a beacon of hope for fostering equitable growth and development worldwide (Jipson, 2019).

Additionally, South-South cooperation and the broader concept of the Global South have garnered significant attention in academic literature, reflecting a growing recognition of the importance of cooperation among developing countries and the need to amplify voices from the Global South in global governance structures (Mohanty, 2019). This survey seeks to explore key themes, perspectives, and contributions within the literature on South-South cooperation and the Global South, drawing on a diverse range of authors and their viewpoints (Prabhakar, 2014).

The BRICS countries—Brazil, Russia, India, China, and South Africa—constitute a cohort of burgeoning economies wielding substantial influence in global affairs (Prabhakar A. C., *Trade and Economic Integration in BRICS: Towards Multi-Polarity*, 2016). Boasting a collective population accounting for nearly 40% of the world's inhabitants and a combined GDP surpassing \$26 trillion, BRICS exercises a formidable impact on global economic dynamics, particularly within the realms of the developing world. Central to its mission is the endeavour to foster economic development not only within its member states but also across the broader Global South, an umbrella term encompassing less developed regions spanning Africa, Asia, and Latin America. The group is committed to advancing trade and investment among BRICS nations while concurrently championing development initiatives on a global scale (Prabhakar A. E., 2020). To operationalize this vision, BRICS has instituted key financial institutions such as the New Development Bank and the Contingent Reserve Arrangement, which serve as pivotal platforms for extending financial support to critical infrastructure and development projects both within member states and beyond.

Figure 1. Projected GDPs in PPP of BRICS and G6 economies by 2050, \$ trillion



Source: Authors' development based on PricewaterhouseCoopers (2017)

2.3 *The Asian Monetary Fund: Charting a Path Beyond the US Dollar Hegemony*

The emergence of the Asian Monetary Fund represents a significant stride towards de-dollarization, challenging the longstanding hegemony of the US dollar and euro that has prevailed since the post-World War II era. The BRICS nations are at the forefront of this endeavour, actively seeking to liberate the global economy from the dominance of traditional Western currencies. Notably, major oil-exporting nations like Saudi Arabia, Iran, and Nigeria, alongside other influential players such as Egypt, Indonesia, and South Africa, have pledged to collaborate with China in conducting trade transactions utilizing the Yuan currency. In a bold move, Malaysia has proposed the establishment of an "Asian Monetary Fund," an idea gaining traction with China. Spearheaded by China and Malaysia, this initiative aims to cultivate an alternative currency for Asia, thereby reducing dependence on the US dollar and the International Monetary Fund (IMF). The declining percentage of global bank reserves held in US dollars—from 72% in 1999 to 59% in 2022—reflects a noteworthy 13% reduction, signalling a shift in global economic dynamics.

The BRICS consortium is actively laying the groundwork for robust financial infrastructure, including the establishment of a joint payments network. Notably, Egypt, Turkey, Iran, and Saudi Arabia have expressed formal interest in obtaining permanent membership within the BRICS framework, highlighting growing international recognition of its significance.

Furthermore, notable developments include agreements among Saudi Arabia, France, Brazil, Russia, Iran, and India to adopt the Yuan as the preferred currency for settling import-related payments originating from China. Additionally, over 18 nations have inked agreements with India, signalling their readiness to embrace domestic currencies and utilize the Indian Rupee for import transactions.

Expanding on this trend, 41 nations have committed to leveraging their respective domestic currencies and embracing the Chinese Yuan, including its use in transactions involving the 'Petro-Yuan'. Simultaneously, 18 countries have opted to integrate the Indian Rupee into their economic frameworks.

Bilateral trade relations between China and Brazil have flourished, with trade volumes reaching an impressive US\$150.5 billion. Similarly, the partnership between China and Russia has witnessed substantial growth, with trade volume soaring by 38% in 2023. In a strategic manoeuvre indicative of a proactive response to evolving global economic dynamics, Russian financial institutions have strategically allocated 60% of their assets to the Yuan. This deliberate allocation underscores a concerted effort to diversify currency reserves and adapt to the shifting terrain of the global economic arena.

Conversely, American consumers have showcased resilient purchasing power, evidenced by imports reaching a substantial sum of US\$3.3 trillion during the fiscal year of 2022. In stark contrast, the demand for American products from non-US consumers amounted to a more moderate US\$2.1 trillion.

The enduring perception of the US dollar as a haven for assets has fortified its allure among non-US entities, with select stakeholders opting to hoard USD reserves in physical cash. Consequently, the US Federal Reserve Bank finds itself under heightened pressure to augment the global circulation of US dollars through amplified printing and dissemination initiatives.

The phenomenon of de-dollarization spearheaded by Russia and China manifests as a deliberate strategic shift away from reliance on the US dollar in the overwhelming majority, exceeding 90%, of their bilateral trade transactions. Instead, they have opted to transact in their respective sovereign currencies, namely the yuan and the rouble. This calculated manoeuvre represents a significant departure from conventional trade norms, signifying a mutual reduction in dependency on the US dollar for bilateral trade.

The symbiotic rapport between Russia and China is notably characterized by an exponential surge in trade, particularly within the agricultural sector, where the supply of Russian agricultural commodities to the Chinese market has experienced a substantial uptick. Furthermore, this synergy extends into the energy sector, where collaborative ventures are steadily maturing. This momentum is further accentuated by the joint implementation of projects spanning the investment and industrialization spheres. The tangible reciprocal benefits derived from such collaborative endeavours are palpably discernible along both sides

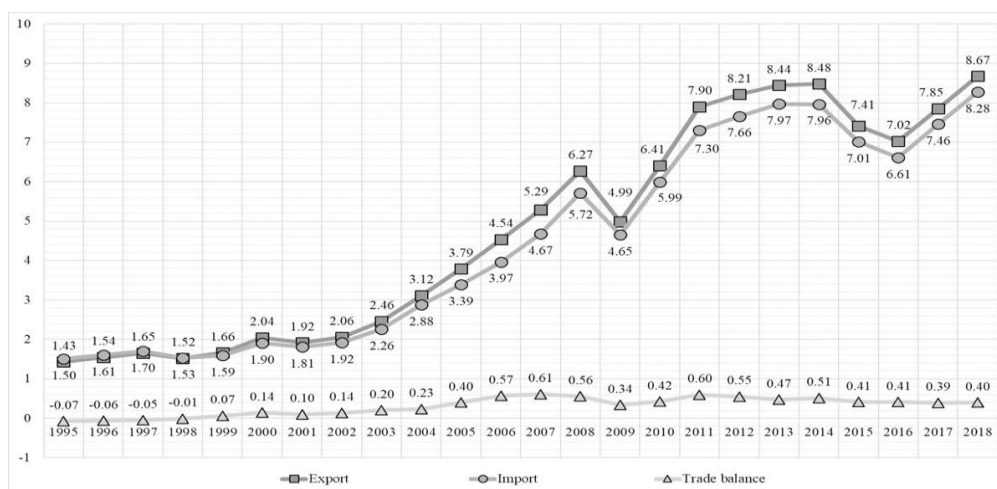
of the Russo-Chinese border, corroborating the efficacy of their bilateral cooperation. Notably, the utilization of the rouble and yuan in bilateral trade has reached an impressive zenith, constituting 95% of trade settlements. The robust trade relations between Russia and China have culminated in a historic pinnacle, with trade volumes surpassing the \$200 billion mark in the fiscal year of 2023. Noteworthy is the fact that a substantial segment, comprising 68%, of Russo-Chinese trade transactions has been conducted through the employment of their respective national currencies. Expanding beyond bilateral interactions, Russia has extended the adoption of the yuan in trade dealings with a diverse array of nations, including but not limited to Mongolia, the Philippines, Malaysia, the United Arab Emirates, Thailand, Japan, Tajikistan, and Singapore.

2.4 Empowering Economic Realignment : The Global South's Impact on Intra-Trade Dynamics

The Global South retains its pivotal role in shaping intra-trade dynamics, consistently affirming its significance through substantial contributions to the world's Gross Domestic Product (GDP) (Prabhakar A. C., 2003). This designation encompasses nations primarily situated in Africa, Latin America, Asia, and Oceania, delineating regions often perceived as less economically developed compared to their counterparts in the Global North, exemplified by the United States, Canada, and Europe.

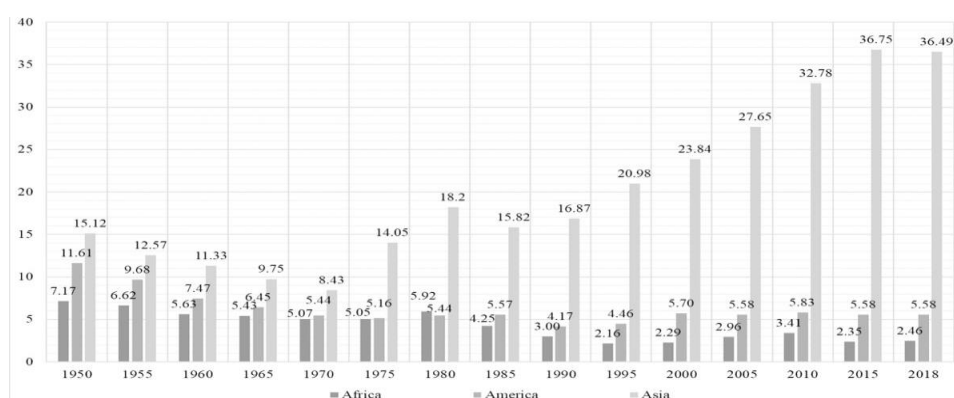
Drawing upon meticulously curated data from esteemed institutions such as the International Monetary Fund (IMF) and the World Bank, it becomes evident that the Global South occupies a central position within the intricate tapestry of the global economic landscape. As of the year 2024, the amalgamated GDP of nations comprising the Global South commands an estimated share ranging from 40% to 50% of the world's total GDP. This statistic denotes a remarkable ascent from preceding years and stands as a testament to the enduring economic growth and progress witnessed across many countries within the Global South.

Figure 2. Total trade of developing countries in 1995-2018, \$ trillion



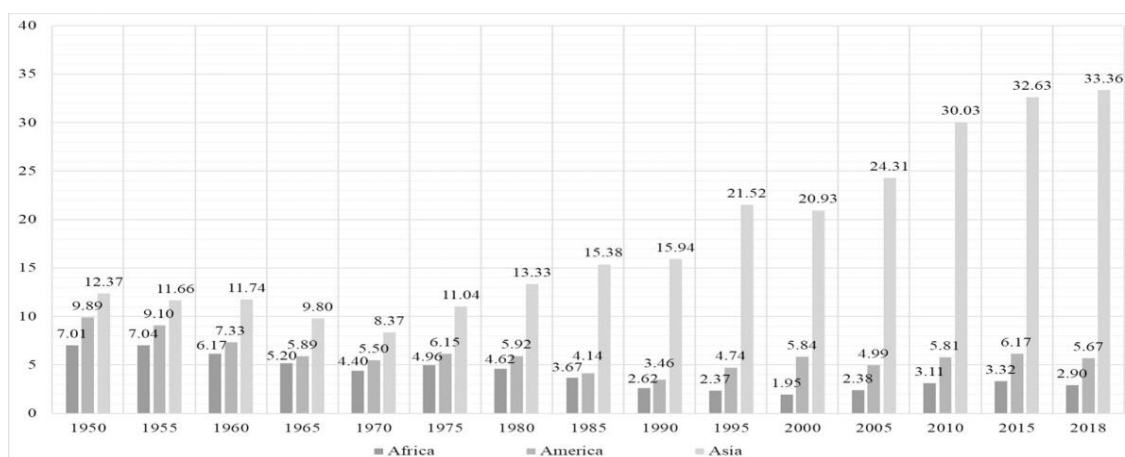
Source: Authors' development based on UNCTAD (2019)

Figure 3. Total merchandise exports from developing countries in 1950-2018, percentage of total world



Source: Authors' development based on UNCTAD (2019)

Figure 4. Total merchandise imports to developing countries in 1950-2018, percentage of total world



Source: Authors' development based on UNCTAD (2019)

Table 1. Intra-trade and extra-trade of Global South countries in 1995-2018, percentage by destination

Countries	1995		2000		2005		2010		2015		2018	
	IG	W	IG	W	IG	W	IG	W	IG	W	IG	W
Africa	12.01	87.99	9.38	90.62	9.53	90.47	13.81	86.19	17.94	82.06	15.26	84.74
America	20.50	79.50	17.84	82.16	18.66	81.34	19.97	80.03	17.26	82.74	16.14	83.86
Asia	42.22	57.78	41.65	58.35	46.58	53.42	51.46	48.54	53.60	46.40	53.85	46.15
Oceania	0.35	99.65	2.41	97.59	3.99	96.01	2.90	97.10	2.81	97.19	2.62	97.38

Note: IG – intra-group; W – rest of the world

Source: Authors' development based on UNCTAD (2019)

Table 2. Intra-trade and extra-trade of Global South countries by-products in 1995-2018, percentage by destination

Countries	1995		2000		2005		2010		2015		2018	
	IG	W	IG	W	IG	W	IG	W	IG	W	IG	W
Africa												
Food items	15.05	84.95	17.47	82.53	18.46	81.54	26.66	73.34	26.04	73.96	23.77	76.23
Ores and metals	5.02	94.98	7.90	92.10	8.13	91.87	6.55	93.45	6.26	93.74	11.97	88.03
Fuels	6.03	93.97	5.01	94.99	5.29	94.71	6.62	93.38	10.26	89.74	9.08	90.92
Manufactured goods	24.44	75.56	18.66	81.34	19.78	80.22	33.70	66.30	33.62	66.38	25.52	74.48
Chemical products	30.33	69.67	27.62	72.38	26.64	73.36	32.88	67.12	39.16	60.84	29.13	70.87
Machinery	28.87	71.13	20.13	79.87	16.83	83.17	36.81	63.19	29.35	70.65	19.96	80.04
Electronic goods	55.61	44.39	64.53	35.47	47.43	52.57	49.21	50.79	44.31	55.69	37.47	62.53
Iron and steel	20.59	79.41	12.37	87.63	15.98	84.02	23.29	76.71	28.49	71.51	28.28	71.72
Textile and clothing	9.54	90.46	7.09	92.91	7.13	92.87	11.88	88.12	15.20	84.80	12.53	87.47
America												
Food items	17.56	82.44	18.51	81.49	14.43	85.57	16.80	83.20	15.12	84.88	14.21	85.79
Ores and metals	12.00	88.00	12.64	87.36	12.30	87.70	9.26	90.74	7.45	92.55	5.96	94.04

Fuels	26.5 6	73.4 4	28.2 8	71.7 2	21.6 6	78.3 4	19.4 6	80.5 4	24.8 0	75.2 0	24.3 2	75.6 8
Manufactured goods	22.5 0	77.5 0	15.4 9	84.5 1	20.7 9	79.2 1	26.8 8	73.1 2	19.6 3	80.3 7	17.8 0	82.2 0
Chemical products	48.4 4	51.5 6	49.3 2	50.6 8	47.3 5	52.6 5	50.0 8	49.9 2	49.0 9	50.9 1	44.5 9	55.4 1
Machinery	15.8 1	84.1 9	9.53	90.4 7	15.9 0	84.1 0	20.2 1	79.7 9	12.7 6	87.2 4	11.8 5	88.1 5
Electronic goods	9.57	90.4 3	6.16	93.8 4	10.9 3	89.0 7	10.2 7	89.7 3	7.30	92.7 0	6.16	93.8 4
Iron and steel	21.3 6	78.6 4	23.8 8	76.1 2	25.0 0	75.0 0	33.0 3	66.9 7	24.8 0	75.2 0	23.7 2	76.2 8
Textile and clothing	21.4 8	78.5 2	11.7 2	88.2 8	15.2 9	84.7 1	28.9 0	71.1 0	23.2 2	76.7 8	23.5 5	76.4 5

continues on the following page

Table 2. Continued

Countries	1995		2000		2005		2010		2015		2018	
	IG	W	IG	W	IG	W	IG	W	IG	W	IG	W
Asia												
Food items	45.2 7	54.7 3	44.9 9	55.0 1	45.6 1	54.3 9	54.1 6	45.8 4	56.9 1	43.0 9	58.0 5	41.9 5
Ores and metals	61.6 4	38.3 6	62.3 5	37.6 5	70.0 8	29.9 2	70.0 3	29.9 7	67.9 0	32.1 0	66.8 3	33.1 7
Fuels	40.7 3	59.2 7	45.4 2	54.5 8	49.8 8	50.1 2	59.3 2	40.6 8	66.0 2	33.9 8	64.7 1	35.2 9
Manufactured goods	41.4 2	58.5 8	39.9 1	60.0 9	44.4 4	55.5 6	47.9 5	52.0 5	50.1 0	49.9 0	50.5 7	49.4 3
Chemical products	69.2 5	30.7 5	65.4 1	34.5 9	62.8 2	37.1 8	62.2 4	37.7 6	60.0 4	39.9 6	62.8 8	37.1 2
Machinery	40.8 8	59.1 2	41.5 6	58.4 4	47.1 0	52.9 0	51.1 6	48.8 4	54.9 3	45.0 7	55.4 7	44.5 3
Electronic goods	22.3 3	77.6 7	20.8 4	79.1 6	27.8 8	72.1 2	31.8 4	68.1 6	34.8 9	65.1 1	33.8 4	66.1 6
Iron and steel	64.9 7	35.0 3	58.4 2	41.5 8	64.0 9	35.9 1	62.1 4	37.8 6	59.0 5	40.9 5	59.1 6	40.8 4
Textile and clothing	39.2 9	60.7 1	34.3 1	65.6 9	30.7 9	69.2 1	30.2 9	69.7 1	33.6 8	66.3 2	32.3 9	67.6 1
Oceania												
Food items	0.22	99.7 8	4.34	95.6 6	9.42	90.5 8	6.18	93.8 2	5.03	94.9 7	6.08	93.9 2
Ores and metals	0.01	99.9 9	2.62	97.3 8	0.17	99.8 3	0.11	99.8 9	0.47	99.5 3	0.24	99.7 6

Fuels	0.39	99.6 1	0.91	99.0 9	4.46	95.5 4	5.05	94.9 5	2.65	97.3 5	2.28	97.7 2
Manufactured goods	1.21	98.7 9	2.58	97.4 2	3.99	96.0 1	6.34	93.6 6	7.49	92.5 1	5.79	94.2 1
Chemical products	3.09	96.9 1	7.62	92.3 8	22.8 7	77.1 3	15.9 3	84.0 7	7.95	92.0 5	8.12	91.8 8
Machinery	1.86	98.1 4	9.09	90.9 1	5.68	94.3 2	9.09	90.9 1	8.25	91.7 5	6.90	93.1 0
Electronic goods	0.85	99.1 5	1.78	98.2 2	4.88	95.1 2	26.4 4	73.5 6	17.7 9	82.2 1	9.97	90.0 3
Iron and steel	0.03	99.9 7	0.29	99.7 1	0.36	99.6 4	0.34	99.6 6	0.57	99.4 3	0.33	99.6 7
Textile and clothing	0.15	99.8 5	0.45	99.5 5	1.41	98.5 9	5.78	94.2 2	11.0 5	88.9 5	14.9 7	85.0 3

Note: IG – intra-group; W – rest of the world **Source:** Authors' development based on UNCTAD (2019)

Intra-trade dynamics within the Global South manifest remarkable resilience across diverse sectors, with notable prominence observed in communications equipment, chemicals, electric machinery, and basic metals. Significantly, South-South trade commands a substantial portion, contributing nearly half of the world's trade in communication equipment alone. Furthermore, a salient characteristic of South-South trade, particularly in the realm of exports, lies in its significant reliance on primary commodities, with a particular emphasis on oil, gas, coal, and petroleum products. This reliance is especially pronounced among developing nations situated in Latin America, Africa, and the Middle East. Primary products account for approximately a third of exports in both South-South and South-North trade, as delineated in Table 2. The emergence of China and India as formidable economic forces on the global stage has indelibly shaped the contours of the 21st century. Despite their divergent political frameworks—China's adherence to communism and India's adoption of a semi-feudal, semi-capitalist model—both nations have pursued developmental trajectories underpinned by aspirations of self-sufficiency, the advancement of South-South collaboration, and ardent advocacy for multilateralism. The Beijing Consensus, christened in the nascent years of the 21st century, encapsulates China's unique ethos of development (Jacques, 2005). At its nucleus resides a paradigm characterized by state-driven progressivism, with a discernible emphasis on the expansion of the economic realm, the preservation of sociopolitical equilibrium, and the cultivation of harmonious societal relations. Central to this paradigm are several key tenets:

- Economic Liberalization, championed by Deng Xiaoping in the twilight of the 1970s, constitutes a seminal component of China's developmental narrative. This transformative journey has been delineated by a suite of reforms, marked by the

liberalization of avenues for foreign capital, the inception of Special Economic Zones (SEZs), and endeavours aimed at privatizing state-owned enterprises (SOEs). These reformative endeavours have served as the linchpin propelling China's meteoric economic ascent.

- Export-oriented Growth stands as a cardinal principle within China's economic calculus. Through assuming the mantle of the globe's preeminent manufacturing nucleus, China adroitly harnesses its formidable labour reservoir and cost-competitive manufacturing prowess, thus ascending into the echelons of premier industrial prowess.
- Infrastructure Augmentation serves as another hallmark of China's developmental saga. Spanning domains encompassing transportation, energy, and telecommunications, this concerted impetus towards infrastructure bolstering fosters an environment conducive to economic expansion, augmented interconnectivity, and bolstered national competitiveness.
- State-driven Investment, a defining feature of China's developmental blueprint, emphasizes the centrality of state-directed investment, particularly within sectors deemed strategically salient such as technology, infrastructure, and advanced manufacturing. This statist interventionism has furnished China with a robust industrial bedrock, propelling its ascendancy as a global vanguard across sundry high-technology domains.
- Social Cohesion Imperatives constitute a cornerstone of China's developmental ethos, underscored by the unequivocal prioritization of social harmony as a sine qua non for sustained economic progress. Through the promulgation of an array of policies aimed at assuaging poverty, fortifying educational and healthcare infrastructure, and nurturing societal cohesion, China strives to forge a cohesive societal fabric conducive to progress.

In stark contrast, the Delhi Consensus epitomizes India's idiosyncratic approach to development, underscored by principles of democratic governance, inclusive growth, and sustainable development. Anchored within this consensus are several core principles:

- Democratic Governance, underpinning India's developmental trajectory, serves as a robust edifice deemed pivotal for progress. The country's vibrant democratic apparatus, epitomized by periodic electoral exercises, an unfettered press, and an independent judiciary, stands as a bastion of stability and institutional accountability.
- Inclusive Growth Imperatives underscore India's commitment to ameliorating the scourges of poverty, inequality, and social ostracization. Through initiatives such as

the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the National Rural Health Mission (NRHM), India endeavours to foster inclusive growth, thereby uplifting marginalized cohorts and fortifying societal cohesion.

- The Sustainability Mandate serves as a bedrock anchoring India's developmental schema, harmonizing economic expansion with ecological preservation. Through policies aimed at fostering renewable energy uptake, curbing carbon emissions, and safeguarding natural endowments, India seeks to ensure sustainable development trajectories.
- Private Sector-led Progression, a salient feature of India's economic stratagem, ascribes primacy to private sector dynamism as a harbinger of progress. The government endeavours to nurture entrepreneurial vigour, foster innovation, and catalyze investments, particularly within spheres delineated by technology, finance, and manufacturing.
- Social Cohesion Imperatives acknowledge India's multicultural tapestry, emblematic of its diversity. Through measures aimed at fostering social cohesion and national unity, inclusive of affirmative action directives and initiatives preserving cultural pluralism, India endeavours to forge a cohesive societal fabric.

The Beijing and Delhi Consensuses, while differing in approach and emphasis, share several commonalities:

- Developmental Goals: Both China and India share a commitment to achieving self-reliance, promoting South-South cooperation, and advocating for multilateralism. Both countries pursue development strategies aimed at reducing poverty, improving living standards, and enhancing economic competitiveness.
- Economic Growth: Both China and India have experienced rapid economic growth driven by domestic reforms, globalization, and technological advancement. Leveraging their vast labour force and market potential, both countries have emerged as major players in the global economy.
- Infrastructure Development: Significant investments in infrastructure development, including transportation, energy, and telecommunications, underscore the importance both countries place on facilitating economic growth, improving connectivity, and enhancing competitiveness.
- State-led Development vs. Private Sector-led Progression: While China's approach is more state-led, with the government playing a central role in directing investment and economic planning, India's approach is more market-oriented, with greater emphasis on private sector-led growth. Nevertheless, both countries recognize the

importance of state intervention in key strategic sectors and have implemented policies to support industrialization and innovation.

- **Social Stability:** Both China and India prioritize social stability, recognizing its importance for economic development. Through policies aimed at reducing poverty, improving education and healthcare, and promoting social cohesion, both countries endeavour to foster an environment conducive to progress.
- The Beijing and Delhi Consensuses represent two distinct yet complementary approaches to development, each underpinned by unique philosophical moorings. As China and India continue to play pivotal roles on the global stage, understanding the nuances of their developmental trajectories becomes imperative for forging collaborative frameworks and charting sustainable paths towards shared prosperity.

4. Conclusion

The G20 has exerted a profound influence on global economic governance since its inception. This forum has played a pivotal role in coordinating policy responses to global economic crises, notably the 2008 financial debacle and the COVID-19 pandemic. It has also championed inclusive growth and development through initiatives such as the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. However, the challenges faced by developing countries remain formidable, with new and emerging obstacles compounding their struggles. For instance, the annual SDG funding gap has surged from \$2.5 trillion pre-COVID-19 to an estimated \$4.2 trillion today.

Simultaneously, the Global South has made an indelible mark on global economic governance. Developing nations have steadily accrued influence in international organizations like the United Nations and the World Trade Organization. Moreover, the Global South has been instrumental in shaping global trade and financial policies, advocating for fair and equitable treatment of developing countries.

The era of globalization, as we understand it, is undergoing a state of flux, with the rise of regional economic and trade blocs spearheaded by the Global South. Notable examples include BRICS-SCO-EAC-RCEP and other regional collectives like BIMSTEC-AfCFTA. These blocs are determined in their mission to supplant the USA-led Western hegemony through initiatives like 'De-dollarization' and by fostering 'financial-technological-trade cooperation,' alongside visionary endeavors such as the 'One Belt One Road Initiatives' in the Global South region.

The Global South has leveraged technological and financial capabilities to transition from an

agrarian-centric economy to a modern industrial one, utilizing community-based, social-behavioral, green technology-driven, sustainable economic development models. This transformation aims to reduce reliance on "debt-based" and foreign multinational corporation (MNCs)-led foreign direct investment production-distribution-consumption patterns. Consequently, the Global South must optimize its available resources to expedite economic metamorphosis and enhance its standing in increasingly globalized value chains.

A comparative analysis of the G20 and the Global South provides invaluable insights into the challenges and opportunities facing the global economy. Both entities play pivotal roles in shaping global economic governance and fostering inclusive growth and development. By comprehending the principles, policies, and ramifications of the G20 and the Global South, policymakers and scholars can better navigate the intricate issues confronting the global economy.

Indeed, emerging economies such as China, India, Russia, South Africa, Brazil, and Iran serve as the foundation of the Global South. These nations have not only acquired substantial financial, technological, and military capabilities but have also emerged as key players in reshaping the global order through 'de-dollarization' and 'regional integration' initiatives.

The current global order, historically dominated by Western imperial and colonial powers like the USA, UK, and Germany, is experiencing a seismic shift. The emergence of these new economies is gradually challenging the hegemony of traditional powers.

For instance, China has metamorphosed from a primarily agrarian economy into the world's second-largest economy. Its Belt and Road Initiative (BRI) is reshaping global trade routes and infrastructure development. India, on the other hand, is swiftly modernizing its economy and is a major player in the information technology and pharmaceutical sectors. Russia, with its vast energy resources, plays a critical role in global energy markets. South Africa is pivotal in the African continent and has a robust presence in mining and agriculture. Brazil is a major agricultural powerhouse with a growing industrial sector. Iran, with its strategic location and abundant energy resources, holds significant sway in the Middle East.

These emerging economies are also asserting themselves in international institutions. For example, China has become a major player in the World Trade Organization and the United Nations. India wields increasing influence in global climate change negotiations and is a key player in the Group of 20 (G20) forum. Russia is a permanent member of the United Nations Security Council and has significant influence in global energy markets. South Africa is a

member of the BRICS group and is increasingly involved in international development initiatives. Brazil is a member of the G20 and plays an important role in global climate change negotiations. Despite facing international sanctions, Iran holds significant sway in the Middle East and is a key player in regional geopolitics.

The emergence of new economies like China, India, Russia, South Africa, Brazil, and Iran is reshaping the global order. These nations have acquired substantial financial, technological, and military capabilities, and are increasingly challenging the hegemony of traditional Western powers.

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