

● DELHI TO ASSUME G20 CHAIR IN DECEMBER

India to seek consensus on strategy for global recovery, inflation control

BANIKINKAR PATTANAYAK
New Delhi, July 26

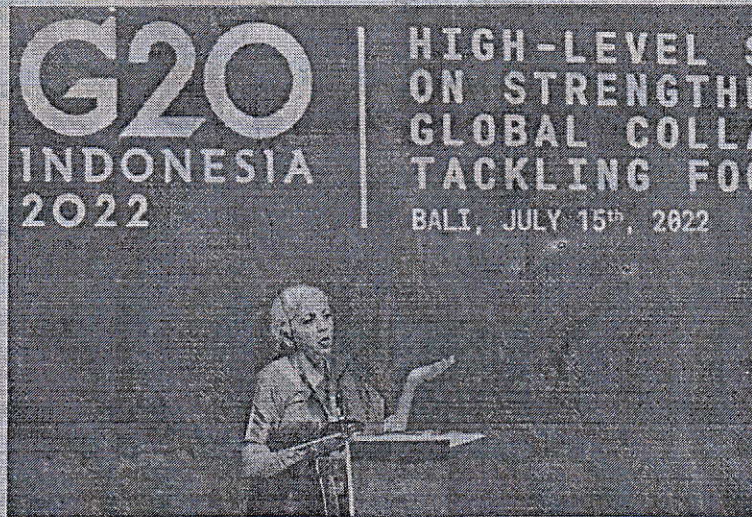
AS INDIA TAKES over the presidency of the G-20 grouping in December, it will have the opportunity to drum up consensus on an international strategy on post-pandemic global recovery and inflation control, equity in Covid vaccine access, green financing, digital technology and cryptocurrency regulations, analysts and official sources told FE.

New Delhi will also focus on 'Sustainable Living — Lifestyle for the Environment (LIFE) Movement', an initiative championed by Prime Minister Narendra Modi to promote a lifestyle that is in sync with the planet. Greater cooperation in global supply-chain management and ensuring energy security may also feature in the agenda.

However, among its biggest challenges will be to make Russia and the West come to any understanding on a post-Ukraine war world order. Moreover, India, as president, has to recognise the limitations of the grouping and the challenges, ranging from the pandemic to the Ukraine conflict, before it, while setting the agenda, said the analysts. At the same time, it must have a clear understanding of the levers that a G20 president has to make a dent in global policy response, some of them said.

Against this backdrop, former Niti Aayog chief executive Amitabh Kant, who has taken over as the new G20 sherpa, has his task cut out.

Biswajit Dhar, professor at the Centre for Economic Studies and Planning of JNU, said although the proposal by India and South Africa for a temporary patent waiver for manufacturing Covid vaccines, therapeutics and diagnostics, to wage a decisive war against the pandemic across the globe met with



KEY CHALLENGES

- Greater cooperation in global supply-chain management and ensuring energy security may feature on New Delhi's agenda
- Moreover, India, as president, has to recognise the limitations of the grouping and the challenges, ranging from the pandemic to the Ukraine conflict, before it, while setting the agenda, said analysts
- Among its biggest challenges will be to make Russia and the West come to any understanding on a post-Ukraine war world order

limited success at the recently concluded World Trade Organization ministerial, New Delhi must pursue that agenda in the G20 meetings as well.

"India also needs to flag growing protectionist tendencies, mainly among developed countries. It's not about tariffs. It's veiled protectionism under which all regulations (non-tariff barriers) are being ratcheted up. This is making lives difficult for developing countries, as their cost of compliance is going up," Dhar said.

Interestingly, India is taking over the G-20 presidency from Indonesia and it will be succeeded by Brazil — the "troika" of developing countries.

"Three broad principles should underline India's planning. First, it must recognise the value of the emerging world troika and choose policy directions that emphasise continuity. Second, it must incorporate the concerns of its dual development transitions — green and digital — into the G20's agenda. And third, it must recognise the realities of the post-pandemic world and prioritise action on those sectors that have, since 2020, been revealed to be under-capitalised," according to a report by Samir Saran and Jahnvi Tripathy of the Observer Research Foundation.

"It is also important to keep in mind that having too many

priorities is the same as having none at all. Indeed, India must prevent the G20 from suffering — as other multilateral forums such as the World Trade Organization do — from an over-expansion of its mandate," they said.

Nagesh Kumar, director of the Institute for Studies in Industrial Development, said an agreement for expanding the scale of climate finance, to provide the resources to developing countries that would be needed to achieve the net zero targets, would be an important deliverable. "However, given the aid fatigue in the advanced countries, an agreement on significant expansion of development or climate finance would not be

easy to implement, if at all agreed upon," he said. In that context, an agreement on an international financial transaction tax (or Tobin tax) on international financial transactions could not only create a new innovative source of climate finance, but also help to moderate the volatility of short-term capital flows that India and other emerging markets are currently facing, Kumar suggested. "An agreement on this, if we could achieve it, would be a lasting legacy of India's G20 presidency," he added.

Tanu Goyal, senior consultant at Icrier, said: "India's G20 presidency in 2023 will also initiate the first emerging markets troika with Indonesia and Brazil. For that reason, the Indian presidency is an appropriate opportunity to prioritise 'growth with inclusion'. To that end, one of the focus areas should be to integrate the micro, small and medium enterprises (MSMEs) in global trade."

According to WTO data, MSMEs represent 95% of all companies worldwide and account for 60% of employment. Yet, they remain under-represented in global trade. Lack of information about local policies, standards and limited access to finance are some of the key impediments to the integration of MSMEs with global trade. To accelerate the participation of MSMEs, the G20 must continue to cooperate on boosting international competitiveness of MSMEs by setting clear actions plans, Goyal said.

"The ongoing Russia-Ukraine war and divergent views on other issues pose a serious challenge to the success of multilateral dialogue forums, such as the G20. The G20 members already have conflicting views and trade policies are most vulnerable to geopolitical risks," she added.

(With inputs from Prasanta Sahu in New Delhi)