



THE IMPACT OF THE GLOBAL SOUTH ON THE INDIAN ECONOMY

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ABSTRACT:

In global economic and political debates, the idea of the "Global South," which includes emerging countries in Asia, Africa, Latin America, and Oceania, has gained popularity. India, a prominent voice in the Global South, has impacted and been impacted by other nations. Through an analysis of trade dynamics, investment flows, energy security, and collaborative frameworks, this article examines the complex effects of the Global South on the Indian economy. The study highlights opportunities and challenges in leveraging South-South cooperation for mutual economic growth.

KEYWORDS:

GLOBAL SOUTH, SOUTH-SOUTH COOPERATION, SUSTAINABLE FUTURE, CAPITAL FLOW, ECONOMIC DISPARITIES, CLIMATE VULNERABILITIES.

INTRODUCTION

The Global South contributes to global economic changes by making up a significant portion of the world's population and resources. India benefits from and contributes to the Global South due to its strategically located economy and rapid economic growth. This study looks at how India's economic situation has been affected by global south economic connections, policy alignments, and collaborative initiatives.

INDIA AND GLOBAL SOUTH INTRODUCTION

The phrase "Global South" describes nations that are frequently referred to as "developing," "less developed," or "underdeveloped." In contrast to the "Global North," it includes nations in Africa, Asia, and Latin America that are marked by greater rates of poverty, income disparity, and difficult living conditions. Economically advanced countries including the US, Canada, Europe, Russia, Australia, and New Zealand are referred to as the "Global North." Among other things, this classification is based on indicators related to healthcare, education, and economic inequities.

It's crucial to remember that economic prosperity is not the only factor in this separation. The idea that the Global North is the only example of growth has been called into question by the tremendous economic advancements made by nations like China and India in recent decades.

On August 17, 2024, India hosted the third Voice of Global South Summit virtually, with the theme "An Empowered Global South for a Sustainable Future." India's Prime Minister, Shri Narendra Modi, hosted the first leaders' session and opened the summit. 173 dignitaries from 123 nations in the Global South, including 21 heads of state and government, 34 foreign ministers, and 118 ministers and vice ministers, attended the summit.

The Global South's emphasis on strengthening group efforts to address the issues it faced in the contemporary international environment was carried over into the

Summit. On a number of developmental priorities, such as those pertaining to development finance, health, climate change, technology, governance, energy, trade, youth empowerment, digital transformation, women-led development, capacity building, and human-centric sustainable development, it also provided a forum for the exchange of ideas and solutions from the Global South.

Characteristics of the North	Characteristics of the South
1/4 of the world's people	3/4 of the world's people
4/5 of world's income	1/5 of world's income
Average life expectancy more than 70 years	Average life expectancy of 50 years
Most people have enough to eat	1/5 or more suffer from hunger and malnutrition
Most people are educated	1/2 of the people have little chance of any education
Over 90% of the world's manufacturing industry	less than 10% of the world's manufacturing industry
About 96% of the world's spending on research and development	4% of the world's research and development

INDIAN EFFORTS:

Development Assistance: Through programmes like the Indian Technical and Economic Cooperation (ITEC) programme, the Indian Development Cooperation Agency (IDCA), and the Line of Credit (LOC) scheme, India has been offering financial support, technical know-how, and training to developing nations in order to help them improve their infrastructure, healthcare, education, and other areas.

South-South cooperation: India has been a steadfast supporter of this concept, highlighting the importance of developing nations working together to solve shared problems and exchange best practices.

The India-Africa Forum Summit, the India-Latin America and Caribbean Forum, and the India-ASEAN Summit are just a few of the South-South cooperation conferences and initiatives in which India has taken part.

The Prime Minister emphasized the four Rs: respect

national sovereignty and peaceful dispute resolution; acknowledge the concept of "Common but Differentiated Responsibilities" for all global challenges; respond to the priorities of the Global South with an inclusive international agenda; and reform international institutions.

The "Global South Centre of Excellence—Dakshin," which serves as a project and idea incubator for strengthening South-South collaboration, was inaugurated by India.

Global Platforms: In keeping with its "VasudhaivKutumbakam" philosophy, India has continuously raised the concerns of developing countries on international forums like the G20 and the BRICS group in order to support their interests and advance a more just global economic order.

During its G20 Presidency, India emphasised inclusivity by inviting Global South leaders to a virtual summit, ensuring their voices are integrated into the G20 agenda with the theme "One earth, One family, and One Future".

GLOBAL EFFORTS:

- United Nations Development Program (UNDP): It assists nations in the Global South execute the Sustainable Development Goals (SDGs) by offering them financial and technical support.
- World Bank: The World Bank offers developing nations financial support and development knowledge. Its main objectives are sustainable development, economic expansion, and poverty alleviation.
- International Monetary Fund (IMF): The IMF offers financial support to nations that are struggling economically. Additionally, it provides technical assistance and policy recommendations to help nations enhance their economic management.
- NGOs: A large number of NGOs are attempting to close the gap between the Global North and the Global South. They advocate for the rights of minority groups and offer development and humanitarian relief.

ECONOMIC INTERDEPENDENCE

1. TRADE RELATIONS

Export Markets: With notable exports of machinery, textiles, and medicines, India's trade with Africa, Southeast Asia, and Latin America has grown.

Imports: To ensure affordable access to resources, India imports essential commodities from countries in the Global South, including minerals, natural gas, and crude oil.

2. Capital Flows and Investment

FDI and FII: Global South nations like Singapore and the United Arab Emirates have become important investors in India's real estate, technology, and infrastructure

industries.

Development Aid and Loans: Major Indian projects have been funded through partnerships with organizations such as the Asian Infrastructure Investment Bank (AIIB).

SECTORAL IMPACTS

1. Energy Security

India's transportation and industrial sectors depend heavily on energy imports from the Global South, especially the Middle East and Africa. Joint efforts to address energy concerns are demonstrated by initiatives such as the International Solar Alliance (ISA).

2. Food Security and Agriculture

While technology sharing has raised production in India and its partners, agreements with African countries have made it easier to supply vital agricultural commodities.

3. Technology and the Development of Skills

IT, renewable energy, and healthcare have all benefited from knowledge sharing in the Global South. Additionally, Indian companies give partner countries their technical know-how, which benefits both parties.

CHALLENGES IN SOUTH-SOUTH COOPERATION

Geopolitical Tensions: Disagreements between countries in the Global South can occasionally hinder collaboration.

Economic Disparities: Forming balanced relationships is hampered by various levels of development.

Climate Vulnerabilities: Infrastructure and resources are being challenged by environmental issues that the countries of the Global South share.

POLICY RECOMMENDATIONS

1. Strengthening Trade Agreements: To improve market access, India can look into regional and bilateral agreements.

2. Improving Investment Channels: Financial ties can be strengthened by promoting investments through governmental incentives.

3. Put an emphasis on sustainable development: We can address our common climate challenges by collaborating on green technologies and renewable energy.

4. Reforming Global Institutions: The Global South's voice can be enhanced by promoting fair representation in international trade and financial organizations.

CONCLUSION

The Indian economy is greatly impacted by the Global South, which offers chances for joint development, trade, and energy security. In addition to promoting a fair and balanced international order, strengthening ties within this group will accelerate India's development. India can take the lead in this revolutionary movement by embracing South-South collaboration and resolving common issues.

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