



# From BRICS to G 20: India's Evolving Role in Global Economic Forums

Dr.Suman Sonkar, Associate Professor, Department of Economics  
Lakshmibai College, University of Delhi, Delhi

## Abstract

Global economic forums play a crucial role in shaping the trajectory of the global economy and international relations. India, as a rising economic superpower, has been actively participating in various international forums, mainly the BRICS (Brazil, Russia, India, China, and South Africa) and the G 20 (Group of Twenty). In this paper, I am exploring and analyzing India's evolving role in global economic forums, particularly from BRICS to G 20. The present paper tries to find its implications for India's foreign policy, economic strategies, and global influence. The paper has been divided into four parts. The first part traces the historical overview of India's participation in global economic forums, with a focus on BRICS and the G20. The second part of the paper seeks India's purposes and goals. Further paper evaluates the impact of India's involvement in BRICS and the G20 on its economic policies, international relations, and global influence. The fourth part of the paper explains the areas of concern or challenges. At the end of the paper achievements and conclusions will be discussed.

Keywords: Economic landscape, International Diplomacy, Economic Strategies, global governance.

## Introduction

The G 20, also known as the Group of Twenty, serves as an international forum bringing together governments and central bank governors from 19 countries and the European Union. In contrast, BRICS represents just five major global economies. The G20 was established in 1999 in response to the Asian financial crisis, aiming to foster international financial stability and economic collaboration among major advanced and emerging economies. On the other hand, the BRICS group came into official existence in 2006 when four nations Brazil, Russia, India, and China formed the group. Subsequently, during the third BRIC summit held in Brasília, Brazil, in 2010, South Africa was invited to join, expanding the group's name to BRICS and solidifying its current composition. The term 'BRICS' is an acronym formed from the initial letters of each member country's name: Brazil, Russia, India, China, and South Africa. BRICS primarily seeks to promote cooperation among its member nations in various domains, encompassing economics, politics, and culture and conducts annual summits.

The G 20 includes a diverse array of member countries, such as Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the United States, and the European Union (represented by the European Commission and the European Central Bank). The G20 held its inaugural summit in 2008, a pivotal moment coinciding with the global financial crisis. This meeting was noteworthy for gathering leaders from major economies to deliberate on policy matters crucial for global economic stabilization. Importantly, the G 20's annual summits occur in varying host countries. The G 20 countries represent around 80 percent of global economic output in terms of gross domestic product (GDP), around two-thirds of the global population, and account for three-quarters of global trade. Of the 20 countries with the largest volume of exports worldwide, 15 are members of the G20<sup>1</sup>. The G20 agenda encompasses the coordination of policies related to global economic stability, international finance, and trade. Over time, it has also taken on issues such as climate change, development, and sustainable growth. Nevertheless, it's essential to understand that the G20 serves as a platform for mutual dialogue and cooperation on policy matters concerning economic stability, lacking decision-making authority akin to the United Nations.

The historical evolution of BRICS originated with discussions among Brazil, India, Russia, and China, recognizing these emerging economies' substantial populations and resources. The inaugural BRIC Summit convened in Yekaterinburg, Russia, in 2009, marking a pivotal step in the group's emergence on the global stage. BRICS has prioritized economic cooperation, trade, investment, and development as its key areas of focus.

India's role in BRICS has been substantial since joining the group. It has been a key advocate for reforming international financial institutions such as the IMF and the World Bank, striving to secure greater representation for developing economies. In 2014, BRICS established the 'New Development Bank' (NDB) to fund infrastructure and sustainable development projects not only within BRICS nations but also in other economies, fostering increased cooperation. Over time, BRICS has grown in geopolitical significance, influencing the global power balance and ensuring that their voices are heard on various global issues.

India's active membership and involvement in both the G20 and BRICS have significantly elevated its profile on the global economic stage. India has emerged as a prominent voice in the realm of global economic governance, fostering cooperation and policy coordination with other major economies. This collaboration has proved particularly crucial during critical junctures like the 2008 financial crisis, underlining the role India plays in advancing development and sustainable growth on the global economic agenda. Chair of the Financial Stability Board (FSB), Mark Carney said that the 'main elements of the reform package have been agreed, and

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<sup>1</sup>The Federal Government, Germany, "*Participants of The G20 Summit In Hamburg*",

[https://www.g20.org/Webs/G20/EN/G20/Participants/participants\\_node.html](https://www.g20.org/Webs/G20/EN/G20/Participants/participants_node.html)

their implementation is well underway<sup>2</sup>. India's engagement in these forums has contributed significantly to discussions surrounding the achievement of Sustainable Development Goals (SDGs) on global poverty and inequality. Moreover, participation in these international bodies has enabled India to establish constructive dialogues and forge diplomatic relationships beyond its immediate neighborhood.

However, the challenge lies in striking a balance between domestic priorities and international commitments. This necessitates aligning economic policies with global standards while addressing domestic challenges, including poverty, inequality, and development. India's vulnerability to external shocks like the global economic crisis and market volatility due to its dependence on global economic fluctuations, foreign investment, and trade highlights the importance of careful policy formation. Furthermore, the geopolitical dynamics and conflicts within G 20 and BRICS member countries can inadvertently affect India's capacity to advocate for its interests and contribute to constructive dialogues. Despite the manifold opportunities that participation in these forums affords, India faces some challenges with international obligations, especially in the context of aligning economic policies with global benchmarks.

Membership in the G20 and BRICS amplifies India's global influence and bolsters its recognition as a major player on both economic and political fronts. These platforms furnish India with invaluable opportunities to articulate its interests and exert a meaningful impact on the shaping of global policies. Moreover, engagement with other major economies can pave the way for increased economic growth through trade and investment prospects, potentially driving India's economic development and job creation initiatives. Additionally, these platforms empower India to champion its interests in critical areas like poverty alleviation, infrastructure development, and healthcare, thus facilitating progress on multiple fronts simultaneously.

### **India's G20 Presidency 2023: Evolving Role in Global Economy**

India's G20 presidency steps into this role with a backdrop of pressing economic issues, such as inflation, global financial instability, increasing income inequality, supply chain disruptions, the Russia-Ukraine conflict, food and energy supply concerns, and the ongoing COVID-19 pandemic. The G 20 Presidency in 2023 centers on the theme 'Vasudhaiva Kutumbakam,' symbolizing unity with "One Earth, One Family, and One Future." The summit's key areas of focus for 2023 encompass achieving Inclusive, Equitable, and Sustainable Growth, emphasizing the importance of addressing these critical issues on a global scale. India's evolving role in the global economy is characterized by several key factors, including its large population, growing consumer base, and increasing focus on human capital development. India, as the world's second-most populous country, wields substantial economic influence. This vast reservoir of human resources offers a sizable youthful labor force that can be effectively utilized for both domestic production and international outsourcing. India's significance in the global economy is due to the rapid rise of its middle class and the concurrent expansion of its consumer base. This burgeoning middle class is a driving force behind the surge in consumer spending, spanning a diverse

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<sup>2</sup>. Mark Carney, "Ten Years on: Fixing the Fault lines of the Global Financial Crisis", *Financial Stability Review*, No. 21, April 2017, pp. 13-20.

spectrum of goods and services, ranging from automobiles and electronics to healthcare and leisure activities. This surge in domestic consumption not only fuels India's domestic economic growth but also presents enticing opportunities for global enterprises seeking to tap into new markets.

India's unwavering commitment to human capital development, notably in education and technology, has yielded a skilled workforce that is in high demand on the international stage. Proficient in fields such as information technology, software development, and engineering, Indian professionals have become vital contributors to innovation and productivity worldwide, solidifying India's status as a global hub for knowledge-based industries. Furthermore, India is progressively integrating itself into the web of global supply chains, both a producer and a consumer. This multifaceted engagement substantiates India's evolving role as an essential component of the global economic ecosystem. India's growing economic prominence is not confined to its borders, it extends to international forums such as the G20, BRICS, and the United Nations.

## Conclusion

India's membership in both BRICS and the G20 holds immense significance for the nation's economic strategies, diplomatic relationships, and global influence. These affiliations empower India to actively contribute to shaping the global economic agenda while advocating for its interests and those of other developing nations. India's evolving role in the world economy is defined by its demographic advantage, the expansion of its consumer base, investments in human capital, and active involvement in global trade and diplomacy. Despite challenges, India's trajectory indicates a growing prominence in shaping the global economic stage. However, this ascent is not without its hurdles, including the delicate task of balancing domestic priorities, managing divergent interests, and addressing economic vulnerabilities, especially during global downturns. India's ability to effectively navigate these challenges and seize the opportunities offered by its participation in BRICS and the G20 will determine its role in the broader global economic and political landscape.

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