



# AIC COMMENTARY

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## G20 and ASEAN-India Cooperation for Equitable Global Sustainable Development

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*The G20 was established to deal with global recovery in the aftermath of the financial crisis. The issues of recovery are still important in the post-pandemic period, but, the G20 now has become a forum for discussing broader global sustainable development issues. India's views on these issues are quite similar with those of the ASEAN in general and Indonesia in particular. Given this, the fact that Indonesia is the current Chair of the G20 and India is slated to take over from Indonesia later this year, provides these two countries opportunities to shape the global agenda and make it equitable and sustainable.*

### Introduction

The G20 (Group of Twenty) has emerged as among the most influential international forums over the last one and half decades. Apart from 19 major developed and emerging economies, the EU is also a member of this forum. Among the Asian developing countries, China, India and Indonesia are the members of the G20. Unlike the EU (European Union), the ASEAN (Association of Southeast Asian Nations) is not a member of this forum; it has become customary for the Chair of ASEAN to be present at summits. It is thus natural that India-ASEAN cooperation in general and India-Indonesia relations in particular will have some reflections on how these two countries influence the agenda of G20 in 2022 and 2023 as well as in future. The issue assumes special significance as Indonesia is the current chair of the forum and India is scheduled to take over the presidency of the forum post its upcoming summit later this year.

### The Agenda in Making

It is also noteworthy that India and Indonesia along with other developing countries tried to give an altogether different spin to global politics from the Indonesian city of Bandung in 1955, which led to the establishment of the non-aligned movement (NAM). While India and many other developing countries considered the NAM as the need of the time during the cold war, it seems that it still has relevance even in the post-cold war era as could be seen in the run up to the forthcoming G20 Summit.

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While in the context of the Russia-Ukraine war, some western countries demanded that Russia should not be invited to the 2022 Summit of G20. However, some developing countries including India and Indonesia have argued that no purpose would be served by denying Russia a place at the summit even though it was difficult to support Russian action in Ukraine (Rajghatta 2022). Indeed the current global economic challenges including inflation, energy, food and fertilizers supplies are linked to the war. Hence, if G20 can find some ways to ease the situation, that will be a great service to the global economy. Both India and Indonesia would try to work in that direction.

As the G20 came into being in the aftermath of the financial crisis of 2007, it was natural that it took reforms in the financial sector as priority. But it did not move much beyond implementation of the Basel III norms. Reforms of the global financial architecture including effective measures to prevent international money laundering including tax avoidance and providing international liquidity remain distant dreams. Patchy reforms of the International Monetary Fund (IMF) have not even been adequate to deal with the issues that have been long overdue and virtually no effort to deal with the emerging issues including those that became prominent during the financial crisis like excessive dependence on the credit rating agencies.

The 2022 G20 Summit is taking place at a time when countries are yet to recover from the economic downturn caused by the COVID-19 pandemic and the measures taken by governments and other stakeholders to deal with the pandemic. Hence, the theme of the forthcoming summit titled “Recover together, recover stronger” sounds timely and relevant. With this theme, the forthcoming summit is prioritizing three areas, namely, global health architecture, digital transformation and energy transition (Kemlu 2021).

## **ASEAN-India Cooperation in Building the Consensus**

The COVID-19 pandemic has shown that the global health architecture is not well prepared to contain sudden outbreak of health calamity of such a huge scale. Hence, it is important to ensure that the global health architecture is resilient enough, which is important not only from a health perspective but also from an economic angle. From the onset of the pandemic, the whole world has gone more digitized. In a situation of digital divide, this transition has also enhanced economic and social inequality. Both Indonesia and India have similar concerns in this regard. While countries like India are embracing digital transformation, they also have to ensure that the evolving global regime protects and promotes their interest. In the context of the WTO (World Trade Organization) negotiations on e-commerce, India and Indonesia are working together and along with South Africa, they submitted a joint communication to the WTO before the Ministerial Conference in June 2022 making a case for discussions on developmental aspects to check the inequitable gains arising from the digital economy. Indonesian President has emphasized on production diversification and transfer of technology to developing countries, eliminate trade barriers for vaccine raw materials, support the TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) Waiver, and continue

to increase dose sharing and support the COVAX Facility (Setkab 2021). At the G20 Health Ministers' meeting on 20 June, 2022, India called for similar actions and also advocated for an institutional framework to enable rapid sharing of genome sequencing data along with a neutral and aggregate data-sharing model amongst countries as well as for an inclusive, agile and responsive framework for health emergency management, supported by a global mechanism of surveillance, sustainable financing and equitable distribution of medical countermeasures. India also called for bringing transparency and accountability in functioning of the World Health Organisation (WHO).

Like Indonesia, India also believes building a green and climate-resilient economy will not be possible for developing countries without adequate technological cooperation and financial assistance from developed countries. This is one area where India-ASEAN cooperation can influence the G20 agenda and outcomes for positive changes in developing countries. Energy transition is an important part of this effort. The pandemic and the economic downturn have derailed the prevailing efforts towards green transition. The Ukraine war has complicated the situation further. While India and Indonesia are placed differently in terms of energy security, and they may have different priorities, they have common interests as well. For example, given their energy systems and energy endowments, both of them would like to continue with coal resources for some time and will be interested in clean coal technologies.

Indonesia intends to promote the country as an attractive destination for international investment. India has been pushing the agenda of diversifying the global production value chains to reduce the risks of disruption in the production chain as observed during the COVID-19 pandemic from which the global economy is yet to recover. The primary objective behind India's push is to have a larger share of the global production chain located within India. Thus both are talking about the same thing. At one level, they might appear to be competing for the same thing but at another level, it might appear that both of them can benefit from the same process that India has been trying to reengineer. The fact that India and ASEAN are now much better integrated can help the process. While diversification of the production chain will depend also on the improvement in the business environment of countries that can play a bigger role in diversification, it will, to a great extent, also depend on private decisions. Nevertheless, the G20 that has often been described as the board room for the global economy can play a crucial role in developing the narratives and eventually driving the process of diversification.

## **Concluding Remarks**

We are in a different kind of cold war now, where big powers can exploit other major powers like India and ASEAN countries to their advantage. But, cooperation between India and ASEAN can moderate the multi-polar power games into multilateral negotiations by upholding their common interests for which the G20 can become a useful platform. The G20 started with a narrow agenda, but gradually its agenda became much broader. In a sense, we are back to the theme of the London Summit of 2009 which was inclusive, green and

sustainable recovery. It has made some achievements, but what remains to be achieved is much bigger especially from the perspective of developing countries. Hence, as the two major emerging Asian regions/countries, ASEAN-India cooperation is rather essential for protecting and promoting interests of developing countries beyond the region to which both India and Indonesia have remained committed through decades.

## References

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Considering the work of the ASEAN-India Eminent Persons Group (AIEPG), and its Report with recommendations for forging a closer partnership for peace, progress and shared prosperity, the Heads of the State/Government of ASEAN and India at the ASEAN-India Commemorative Summit 2012, held at New Delhi on 19-20 December 2012, recommended the establishment of ASEAN-India Centre (AIC), which was formally inaugurated by the Hon'ble External Affairs Minister of the Government of India on 21 June 2013 at RIS. AIC serves as a resource centre for ASEAN Member States and India to fill the knowledge gaps that currently limit the opportunities for cooperation. AIC works with the Ministry of External Affairs (MEA), Government of India and undertakes evidence-based policy research and provide policy recommendations.

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