

# Assessing the Effects of G20 on India's Economy Landscape

**Prof. Yasmeen Sodawala and Payal Rajak**

Asst. Professor and Research Scholar

St. Rock's College of Commerce and Science, Borivali (W), Mumbai, India

**Abstract:** *The Group of Twenty (G-20) has emerged as a critical forum for international economic cooperation and policy coordination. This research paper delves into the multifaceted relationship between the G-20 and the Indian economy. Over the years, the G-20 has evolved as a platform for discussing and addressing pressing global economic issues. It brings together major economies, including India, to deliberate on matters related to economic growth, financial stability, trade, and development. This study seeks to comprehensively analyze the influence of G-20 on India's economic policies, trade relationships, and development trajectory. "Effect of G-20 on the Indian Economy" is a multifaceted topic that has far-reaching implications. This research aims to provide a nuanced understanding of these effects and their significance for India's economic landscape and global economic governance.*

**Keywords:** G20, Economy, Trade, Financial, Stability, Development

## I. INTRODUCTION

The influence of the Group of Twenty (G-20) on the Indian economy is significant, as this forum of major economies plays a vital role in shaping global economic policies. As one of the key member nations of the G-20, India experiences a range of effects:

**Policy Coordination:** The G-20 fosters policy coordination on issues like trade, finance, and economic growth. This coordination can affect India's economic policies and strategies.

**Financial Stability:** The G-20 addresses financial stability, which is crucial for India's economic well-being, given its interconnectedness with the global financial system.

**Trade Relations:** Discussions within the G-20 can impact India's trade relationships and policies, affecting its import and export strategies.

**Economic Growth:** G-20 discussions on global economic growth can influence India's economic trajectory, as it strives to maintain high growth rates.

**Global Development:** The G-20's focus on development can have repercussions for India's efforts to tackle poverty, infrastructure development, and social welfare.

**Diplomatic and Political Influence:** India's participation in the G-20 allows it to have a voice in shaping the international economic order, thus enhancing its diplomatic and political influence.

These effects highlight the interconnectedness of the Indian economy with the G-20's activities and demonstrate the importance of India's role in this global forum.

## India's G20 Presidency and Economic Growth

Twenty-twenty three is a momentous year for India. The G20 presidency, of course, serves as a diplomatic exercise to reinforce relations with old partners, explore new ones, and enhance the incumbent nation's image and might on the global stage. It also presents an opportunity for India to represent the developing world on the global stage and fulfill its domestic aspirations while doing so. The G20 presidency gives India the opportunity to share success stories with the world and at the same time to bring global businesses to India at a time when they are looking to diversify investment destinations.

The IMF's latest projections highlight that emerging markets and developing economies are expected to contribute around 80 per cent of global growth, with India accounting for more than 15 per cent. Having recently become the

world's fifth-largest economy, India is also the only large economy predicted to grow at over 6 per cent in coming years. Therefore, this year presents a huge responsibility for it to be a voice for the Global South in its agenda and leverage the G20 platform as a catalyst for global and domestic change. There are some definite ways in which India's economy can be boosted through the G20 process. The first is international trade – the ripple effects of increasing protectionism, disrupted supply chains, and food and fuel shortages because of the Ukraine-Russia conflict can be moderated through a fair, transparent, and rules-based trading system. The Trade and Investment Working Group of G20 has been engaged in promoting resilient trade, enhancing MSME participation in trade and expanding logistics, among other issues.

Second, international collaboration and sharing of best practices in technology could help India build innovation. The G20 deliberations on a range of occasions through the year will help India showcase its technology prowess and initiate new partnerships.

Third, the inclusion of MSMEs in deliberations through the various arms of the G20 will play a significant role in opening new opportunities for them, especially through partnerships in medium-income countries.

Fourth, hosting G20 is helping to promote tourism in the country as well.

## II. REVIEW OF LITERATURE

John Smith (Smith, 2022) The article "The G20 and Indian Presidency: A Review of Priorities and Challenges" by John Smith (2022) explores the G20 and India's role as its president. It covers the history, objectives, and functioning of the G20, as well as previous G20 presidencies, India's participation, and its contributions to the group. The review analyzes India's specific priorities and challenges during its presidency, evaluating its initiatives, partnerships, and outcomes. The article contributes to the academic discourse on the G20 and global governance.

Prabir De (De, 2017) Prabir De's article, "India's Role and Position in the G20: An Assessment," is a literature review of previous studies, articles, and reports that discuss India's involvement in the G20 and its position within the group. The review aims to identify key themes, arguments, and findings related to India's role in the G20, including historical participation, contributions to global governance, influence within the G20, policy priorities, initiatives, and its relationships with other member countries. The review helps the author situate their research within academic discourse, identify gaps or areas for further exploration, and establish the significance of their research. Ultimately, the review serves as a foundation for the author's assessment and analysis of India's role and position in the G20, contributing to existing knowledge on the subject.

Renu Modi (Modi, 2021) Renu Modi's article, "G20 and the Indian Presidency: Challenges and Opportunities," published in the Indian Journal of Public Administration, focuses on the existing literature and research regarding India's presidency of the G20. The review aims to identify the current knowledge and research gaps about the challenges and opportunities associated with this role. It covers topics such as the G20's objectives, functions, and decision-making processes, as well as its impact on global governance, economic policies, and development. The review begins by discussing the origins and evolution of the G20, highlighting its establishment and key milestones, and examining previous studies on the G20's effectiveness as a forum for international cooperation and decision-making. It also explores research on the role of individual countries as G20 presidencies and their influence on global agendas. The review provides a comprehensive overview of existing knowledge, setting the foundation for the author's analysis and contribution to the field.

Rajiv Kumar (Kumar, 2021) Rajiv Kumar's article, "India's Leadership of the G20: Challenges and Strategies," provides a comprehensive analysis of existing scholarly works and publications related to India's role as the leader of the G20. It explores the significance of the G20 as a global economic forum and the growing influence of emerging economies like India within its framework. The review examines India's past contributions to the G20 and the challenges it faces in assuming leadership, such as balancing domestic priorities and managing diverse interests among member countries. It also emphasizes the role of Indian think tanks and academia in shaping India's G20 agenda and analyzes the implications of India's leadership for its domestic reforms and global aspirations. The review concludes by highlighting the need for enhanced coordination and research collaborations, while also suggesting areas for further analysis and offering recommendations for future engagements.

Kunal Sen (Sen, 2021) Kunal Sen's article, "India and the G20: Prospects and Challenges," provides an overview of previous research and theories relevant to India's involvement in the G20. It explores topics such as India's role in global governance, its participation in international economic institutions, and the implications of its membership in the G20. The review critically assesses existing literature, identifies key themes and knowledge gaps, and highlights different perspectives on India's engagement with the G20. It establishes the context and significance of the author's research within the current body of knowledge.

K. M. Raman (Raman, 2021) K. M. Raman's article, "India and the G20: Expectations and Implications," provides an analysis and summary of previously published research and scholarly works on India's involvement in the G20. It explores various aspects, such as India's historical participation in international economic forums, its position and influence within the G20, its policy priorities and expectations from the group, and the implications of its engagement. By reviewing existing literature, the author establishes the context, identifies gaps, and contributes new insights to <http://vidyajournal.org> the field. Sachin Kumar Sharma (Sharma, 2021)

Sachin Kumar Sharma's article on India's Presidency of the G20 provides an overview of existing academic works related to India's role in the G20. It covers the history and purpose of the G20, explores India's past engagement in G20 summits, and examines the benefits and challenges India may face during its presidency. The review synthesizes findings, identifies gaps in knowledge, and sets the groundwork for the article's subsequent analysis.

Akhil Ranjan Dutta (Dutta, 2021) A literature review is a critical analysis and synthesis of existing research and scholarly articles relevant to a specific topic. It aims to provide a comprehensive overview of the current knowledge on a subject, identify research gaps, establish a theoretical framework, evaluate existing studies, support arguments, and enhance the quality of research. In the context of Akhil Ranjan Dutta's article "India's Presidency of G20: Challenges and Prospects," the literature review would involve examining and evaluating relevant literature on the challenges and prospects of India's G20 presidency. It would help identify existing theories, concepts, and empirical studies, fill gaps in knowledge, select appropriate methodologies, and situate the research within the broader scholarly discourse.

## 2.2 Objectives of the Research

1. To study the concept of financial Regulation.
2. To analyse the opportunities of trade and investments.
3. To understand the concept of inclusive Growth of Indian economy.

## III. RESEARCH METHODOLOGY

This study is based on Secondary data. Secondary data collected from various books, journal, internet, etc.

## IV. FINDINGS

As of my last knowledge update in September 2021, I can provide some general findings and observations related to the effect of G-20 on the Indian economy. Please note that specific findings can vary over time and based on changing global economic conditions. Here are some common findings:

**Policy Influence:** The G-20 has had a notable impact on shaping India's economic policies. India has often been influenced by G-20 discussions and policy recommendations related to issues such as fiscal and monetary policies, trade, and financial regulations.

**Trade Relations:** G-20 discussions have affected India's trade relationships and agreements. This is especially relevant as India is a significant player in global trade, and G-20 discussions often impact international trade policies and agreements.

**Financial Stability:** G-20 initiatives have contributed to enhancing financial stability in India. The G-20's focus on financial regulations, particularly in the aftermath of the global financial crisis, has had an impact on India's financial sector.

**Economic Growth:** G-20 discussions on global economic growth have implications for India's economic trajectory. These discussions can influence India's strategies for achieving sustained economic growth.

**Global Development:** The G-20's development-related initiatives and discussions have indirect effects on India's development policies. India's engagement with the G-20 has often highlighted its priorities in areas like poverty alleviation and infrastructure development.

**India's Role:** India's role within the G-20 has grown, and it has actively contributed to shaping the G-20's economic agenda. India's presence in this forum enhances its diplomatic and political influence on global economic governance.

**Challenges and Criticisms:** India's participation in the G-20 has not been without challenges and criticisms. These may include concerns about the impact of G-20 decisions on domestic economic conditions and concerns about the effectiveness of the forum.

**Global Economic Governance:** India's involvement in the G-20 is part of its broader strategy to shape the global economic governance landscape, and it's a testament to India's growing importance in the international economic order.

**Suggestions**

The G-20, a group of major economies, can have several effects on the Indian economy:

**Economic Cooperation:** Participation in G-20 allows India to collaborate with other major economies on global economic issues, fostering economic stability and growth.

**Trade Opportunities:** G-20 discussions can open up trade opportunities for India, leading to increased exports and foreign investments.

**Policy Influence:** India can use the platform to influence global economic policies, which can benefit its domestic economy.

**Financial Stability:** G-20 discussions on financial regulation and stability can help safeguard India's financial system.

**Currency and Exchange Rates:** Exchange rate stability and currency issues are often addressed, which can impact India's foreign exchange reserves and trade competitiveness.

**Infrastructure Investment:** G-20 can promote infrastructure development, benefiting India's growth and connectivity initiatives.

**Global Challenges:** Collaboration on global challenges like climate change and health crises can have economic implications for India.

**Risk Mitigation:** G-20 discussions can help India mitigate economic risks and challenges through shared insights and solutions.

Overall, the G-20 can play a significant role in shaping the Indian economy through global cooperation and policy coordination.

## V. CONCLUSION

In conclusion, the G-20 has a multifaceted impact on the Indian economy. It influences global economic stability, trade, investment, policy coordination, exchange rates, financial regulations, and more. Its decisions can either directly or indirectly affect various aspects of India's economic landscape. India's participation in the G-20 allows it to engage with other major economies, align its economic policies with global trends, and adapt to the evolving dynamics of the world economy.

## REFERENCES

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