

India pivot in a time of great global churn

The coming decade will shape the future of global politics and economics. India is positioning itself as pragmatic leader on the global stage, bringing to the fore issues of importance to the Global South

- *Amitabh Kant**

The Second Trump Administration is doubling down on tariffs and 'Make America Great Again' policies. The Trump Administration is also redefining and rewriting alliances of the past, with reverberations being felt by their allies in Europe and Asia. These moves aim to strengthen the US economy by improving trade balance and reducing public spending. At the same time, the United States has withdrawn from the Paris Agreement, the World Health Organisation (WHO), and earlier, it had withdrawn from the International Court of Justice (ICJ). These moves are creating a vacuum in the global geopolitical order. This vacuum will not remain for long – it will be filled by competing powers. While the U.S. remains the most powerful actor, we are seeing the rise of a multipolar world once again. Fragmenting globalisation, the battle for technological supremacy, the geopolitics of energy, and collapsing global governance are the key geopolitical trends reshaping our world that India must navigate.

Fragmenting Globalisation

The era of globalisation we have seen in the post-World War II era is coming to an end as we know it. Since the global financial crisis, we have seen fragmented globalisation. Trade wars accelerated this fragmentation. The COVID-19 pandemic saw a massive disruption in global supply chains, prompting countries and businesses to build alternative supply chains. With the Trump Administration again pursuing tariffs, the second era of trade wars is upon us. Whether reciprocal or across-the-board tariffs, the trade wars will disrupt world trade immensely. Trade wars are no longer just about merchandise. They impact factors such as technology, energy, and industrial policy. Countries are increasingly resorting to protectionism and building capabilities in strategic industries to ensure energy and national security. With the World Trade Organisation (WTO) in limbo, countries are increasingly turning to bilateral or plurilateral trade agreements. The rise of friend-shoring and the goal of building alternative supply chains presents opportunities for India. We can attract manufacturing investments with the right policies, strategic bilateral trade deals, and a focus on ease of doing business.

Technology: The Battleground for Global Power

Technology has been the key driving force shaping global power dynamics from the First Industrial Revolution to the Fourth. In today's era, semiconductors, artificial intelligence (AI), and emerging technologies are the key drivers. Nations are pouring

billions into chip manufacturing to ensure technological sovereignty. AI is seeing massive investments from countries and companies alike. At the same time, the risks posed by cyberwarfare and AI cannot be overlooked. Cyber warfare can disrupt entire energy grids or bring down payments and banking systems. AI-driven misinformation campaigns can disrupt elections and sow social discord. AI should be shaped, owned, and deployed by communities worldwide. We must innovate efficiently, do more with less, champion open source and ingenious engineering, and create multilingual and multimodal models. The global community must ensure that technology is inclusive while limiting harm. The India model, where technology is used to bridge divides, rather than widen them, can be a template for the world.

The Geopolitics of Energy and the Energy Transition

The shift toward clean energy is redefining power dynamics. Nations rich in critical minerals (lithium, cobalt, rare earths) or those that control the processing of these critical minerals are becoming more influential. Today, about 70-80% of rare earth elements (REE) extraction and processing is controlled by China. 80% of the world's solar cells are produced by China, and so are ~ 70% of electric vehicle batteries. With China already ahead of the technological curve, the US, under the Trump Administration, has withdrawn from the Paris Agreement and has instead focused on fossil fuel expansion. This poses enormous risks for the global energy transition. Developed nations have already consumed 80% of the global carbon budget, and coal phase-out from G7 countries will now happen by 2035 instead of 2030. Further, developed nations are failing in their responsibility to provide climate finance and technology to the developing world. This leaves little room for developing countries to meet their development ambitions. Our race towards clean energy requires new forms of global alliances. Countries must collaborate on technology, such as next-generation solar panels, electrolyzers, and alternate cell chemistry (ACC) batteries. India must act decisively, continuing to build our domestic ecosystem in green hydrogen, solar energy, and electric mobility. We must also secure trade partnerships to ensure access to critical minerals while developing capabilities for processing and refining.

Collapsing Global Governance Amidst Rising Global Conflict

At a time when global cooperation is most required, the structures we have in place are failing in their mandate. The United Nations is struggling to maintain relevance. Global temperatures have already crossed the 1.5-degree Celsius mark. The Global South remains on the sidelines both in terms of its representation and its priorities. The UN Security Council remains gridlocked, the WTO lacks a functioning dispute resolution mechanism, and COP29 failed to deliver much-needed climate finance. From Ukraine to Gaza to Sudan, conflict is escalating worldwide. As PM Modi has stated repeatedly,

today's challenges of climate change, pandemics, and financial instability see no national borders. He has emphasised that we cannot fight the challenges of the 21st century with outdated institutions. A new global governance framework is needed that places the Global South at its core and recognises that the world is no longer the domain of a select few powers. This is a moment of opportunity for India—to shape an alternative global economic model and advocate for a more inclusive international system.

The coming decade will shape the future of global politics and economics. India is emerging and positioning itself as a pragmatic leader on the global stage. We are bringing to the fore issues of importance to the Global South whilst striking a conciliatory note on global conflict. The Prime Minister's recent statement that we must emphasise dialogue instead of discord has struck a chord globally. India's diplomatic balancing act is becoming a defining feature of this era.

** The author is India's G20 Sherpa, and former CEO of NITI Aayog. Views expressed are personal.*