

# INDIA'S ROLE IN A DISORDERED WORLD

Relevant for: International Relations | Topic: Effect of policies and politics of developed & developing countries on India's interests

'Countries must be given the freedom to evolve their own democracies and economies' | Photo Credit: Getty Images/iStockphoto

Western nations want to throw Russia out of the G-20. China has opposed them. India will be chair of the G-20 from December 1, 2022. The world is greatly disordered. What should India stand for?

Institutions of global governance have failed to unite the world. Summit after summit has produced mostly hot air in trying to resolve the global climate crisis. Vaccines were hoarded by rich countries in the COVID-19 pandemic: poor countries starved. The World Trade Organization (WTO) was already in the intensive care unit before the novel coronavirus pandemic, with rich and poor countries unable to agree on equitable rules, when COVID-19 froze global supply chains. The war in Ukraine in February 2022 has put the final nail in the coffin of the boundary-less global economy that seemed to be emerging with the fall of the Berlin Wall and the collapse of the Soviet Union in 1991.

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Millions of civilians died in the Second World War. European cities were razed by carpet bombing. The war ended with two nuclear bombs to terrorise the Japanese government into submission, erasing two Japanese cities and killing thousands of civilians. Never again, the victors vowed.

New institutions for global governance were established — the United Nations and the General Agreement on Tariffs and Trade (GATT), and the World Bank and the International Monetary Fund (IMF) to provide finance to build the economies of all countries to eliminate poverty. However, the victors retained their veto power within the United Nations Security Council to determine when force can be used to keep the world in order, and to prevent the proliferation of nuclear power outside their small circle because they could not trust other countries to use it wisely! They also control the World Bank, the IMF, and the WTO.

The UN General Assembly meets every year — now 193 nations strong. It passes many resolutions to address global problems — hunger, poverty, women's rights, terrorism, climate change, etc. However, "might is right": members of the Security Council retain their right to deny the democratic will of the Assembly when it does not suit them. Global governance is not democratic. If the leader of any member country overrules resolutions of its own parliament, he would be branded an undemocratic dictator. Armed interventions and sanctions imposed on countries, authorised by the Security Council to restore democracy in other countries, make a mockery of global democracy.

The United States, the United Kingdom, France, Italy, Japan, West Germany and Canada formed the G7 in 1976 'so that the noncommunist powers could come together to discuss economic concerns, which at the time included inflation and recession following the Organization of the Petroleum Exporting Countries (OPEC) oil embargo'. The European Union was invited to attend in 1977. Russia joined in 1998 — and 'its inclusion was meant as a signal of cooperation between East and West after the collapse of the Soviet Union in 1991'. However, Russia was thrown out in 2014 when it invaded the Crimea. China was never a member.

The rapid spread of global finance and trade after the victory of the Washington Consensus in 1991, created instabilities in developing countries. After the Asian financial crisis, the G20 was formed in 1999 with the aim of discussing policies in order to achieve international financial stability. Russia and China are members. Now western nations want to throw Russia out of the G-20. China has opposed them. India will be chair of the G-20 from December 2022, or will it be G-19 then? Meanwhile, India is being hectorated by officials from the U.S. and the U.K. to support their sanctions on Russia. India has so far refused to be cowed down.

The belief that unfettered flows of finance and trade across national borders will lift people in all poor countries out of poverty and make the world flatter in terms of inequality has failed. Inequalities have increased within countries and amongst them too. Citizens are reacting everywhere. Even in democratic countries such as the U.S., demands are increasing for more “socialism” and less unbounded capitalism. Strong leaders who put the interests of their own countries first are gaining power through elections — in Turkey, Hungary, Poland, Russia, and even India. Donald Trump had once too.

Free market capitalism is not ideologically compatible with a genuine democracy. Capitalist institutions are governed by the fundamental principle of ‘property rights’: decision rights in capitalist enterprises are allocated in proportion to property owned. Whereas, genuine democracies are founded on the principle of equal human rights. All western electoral systems — in Britain, the U.S., and Europe, began centuries ago with rights to vote limited to property owners only. Universal adult franchise, wherein all humans have equal votes whether they are billionaires or paupers, is a more recent development in the West. In many western countries, women and racial minorities were given even *de jure* equal voting rights only in the last century, and continue their struggles for *de facto* equality in their societies.

The rules of governance of capitalist and democratic institutions have always been in tension within societies. Capitalist institutions want to be unfettered by democratic regulations to make it easier to do business. Democratic institutions want to rein in the competitive animal spirits, red in tooth and claw, of capitalism to create a more compassionate capitalism that improves the world for everyone, not only for financial investors. The simultaneous imposition of free markets and elections in countries “liberated” from communism or socialism by the U.S. has invariably increased inequalities and increased social tensions and sectarian conflicts, which more elections cannot resolve democratically.

This is the story of Iraq, Afghanistan, Russia, and even Chile, which was once the showcase of the western model of liberal capitalism. When social tensions increase too much, elections often produce populist socialists such as Hugo Chávez in Venezuela, or capitalist autocrats such as Vladimir Putin in Russia. The West does not like either sort when they stand up against the Washington-controlled “North Atlantic” hegemony of the world. Though capitalist dictators such as Augusto Pinochet in Chile, and the monarchies of the Gulf/West Asia can be their good friends. Even Chinese communists were tolerated so long as they were not a threat to U.S. power.

Power accumulates in societies by the principle of “cumulative causation”. Those who already have more power, from greater wealth or more education, will use their power to not only improve the rules of the game — ostensibly to improve the world for everyone — but also to ensure they remain in power. Redistribution of *de facto* power within a society must often precede the redistribution of assets of wealth and education that are the sources of power. Those who have power will resist losing it. That is the natural order. Violent internal revolutions and anti-colonial movements are the means of changing power equations, as are armed wars even between rich countries in Europe.

All violence must stop. To prevent violence, it is essential that global governance becomes genuinely democratic. Countries must not attack each other. But they must be given the freedom to evolve their own democracies and economies and not be dictated to by others. The hypocrisy of undemocratic global dictators using their financial powers to impose sanctions (which are weapons of mass destruction that harm innocent civilians), to bring down their opponents, must stop. Calling on a democratic country such as India, to take their side, must also end.

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