



Shaping Multilaterals- the India Way

This editorial is based on “[Reimagining India's role at multilaterals via votes, values, and vision](#)” which was published in Business Standard on 28/05/2025. The article brings into picture the inherent bias within multilateral institutions, as seen in the IMF's loan to Pakistan.

For Prelims: [Paris Agreement under UNFCCC](#), [WHO's COVAX initiative](#), [Voice of the Global South](#), [World Bank](#), [India's LiFE \(Lifestyle for Environment\)](#), [India-Australia Economic Cooperation and Trade Agreement](#), [Regional Emissions Trading Systems](#), [Israel-Hamas conflict](#)

For Mains: Role of Multilateral Forums Play in Global Governance, Factors Leading to Declining Relevance of Multilateral Forums, Balancing Multilateralism with Minilateralism.

The **IMF's contentious \$2.4 billion loan to Pakistan** during active military tensions with **India** has exposed the persistent issues within [multilateral institutions](#) that undermines their **claimed neutrality**. As India rises as a global power, it must urgently **professionalize its representation, recalibrate its voting strategies, and build stronger partnerships in the Global North** to ensure its strategic interests are protected. The **growing divergence of countries from multilateralism toward minilateralism** demands that India strategically balance both approaches—**leveraging traditional multilateral forums while building focused coalitions that serve its national interests** in an increasingly fragmented global order.

What Role Does Multilateral Forums Play in Global Governance?

- **Facilitating Collective Action on Global Challenges:** Multilateral forums provide indispensable platforms for countries to jointly **address transnational issues like climate change, pandemics, and financial crises**.
 - Their convening power enables **dialogue, resource pooling, and coordinated policies that no single nation can achieve alone**. This collective framework fosters global stability and sustainable development.
 - For instance, the [Paris Agreement under UNFCCC](#) unites **196 countries in climate action**, while [WHO's COVAX initiative](#) coordinated vaccine distribution during **Covid-19**, ensuring access to poorer nations.
- **Promoting Rule-Based International Order:** Multilateral institutions uphold norms, laws, and procedures that regulate **state behavior, reducing chaos and unilateralism in global affairs**.
 - By providing dispute resolution mechanisms and enforcing trade and security rules, they contribute to predictable and peaceful international relations.
 - **WTO's dispute settlement mechanism**, despite recent challenges, **has looked over 600 trade disputes since 1995**, stabilizing global commerce.

- The [UN Charter](#) continues to guide **sovereign conduct and conflict mediation**.
- **Amplifying Voices of Smaller and Developing Nations:** By offering an inclusive forum, multilateralism empowers less powerful states to influence global decisions, ensuring equity and representation.
 - This collective bargaining balances power asymmetries inherent in bilateral relations and fosters global cooperation rooted in fairness.
 - **India's leadership of the 'Voice of the Global South' summit** highlights multilateralism's role in elevating developing countries' priorities on climate justice and finance.
- **Enabling Economic Cooperation and Sustainable Development:** Multilateral forums coordinate economic policies, harmonize standards, and mobilize financial resources for development projects.
 - They help bridge gaps between developed and developing countries, facilitating inclusive growth and poverty reduction.
 - The [World Bank](#) and IMF channel trillions in loans and grants annually; **India's \$4 trillion economy (recently surpassed Japan) benefits from integration via WTO rules** by increasing trade, fostering foreign investment, and enabling technology transfer and G20 economic dialogue enhancing stability and investment flows.
- **Enhancing Transparency, Accountability, and Global Governance Legitimacy:** Multilateral institutions provide platforms for public scrutiny, stakeholder participation, and monitoring, which build trust in global governance.
 - **Transparent decision-making and regular reporting** increase state accountability and reduce arbitrary policy shifts.
 - **WTO's openness to NGO participation** and the [UN's Sustainable Development Goals \(SDG\) progress reports](#) promote transparency, encouraging countries to align policies with global commitments.
- **Fostering Norm Diffusion and Soft Power Diplomacy:** These forums enable the spread of global norms related to human rights, environmental standards, and democratic governance.
 - They serve as arenas where countries showcase leadership, build coalitions, and influence international agendas through soft power.
 - **India's LIFE (Lifestyle for Environment) initiative at COP26 in Glasgow** propagated sustainable living norms globally, while the **International Solar Alliance promotes renewable energy leadership**.
- **Addressing Security Challenges through Collective Measures:** Multilateral platforms facilitate cooperation against threats such as terrorism, cyber-attacks, and pandemics by pooling intelligence, coordinating law enforcement, and harmonizing legal frameworks. Collective security mechanisms deter aggression and stabilize conflict-prone regions.
 - The [UN Peacekeeping Force](#) and **counter-terrorism committee** foster joint strategies.
- **Providing a Framework for Global Crisis Management and Recovery:** During global crises like financial meltdowns or pandemics, multilateral forums coordinate responses, stabilize markets, and mobilize aid. Their legitimacy and reach enable swift collective interventions essential for recovery and resilience.
 - The **G20's response during the 2008 financial crisis** and recent Global Pandemic Treaty exemplifies this.

What Factors are Leading to Declining Relevance of Multilateral Forums?

- **Geopolitical Rivalries and Power Politics:** Multilateral forums struggle as rising powers assert strategic interests, often sidelining consensus.
 - Conflicting agendas between major players like the **US, China, and Russia erode trust and stall collective decisions**. This power contest reduces multilateralism to a battleground for influence rather than cooperation.
 - For instance, the **UN failed to play an effective role in the [Russia-Ukraine conflict](#), despite multiple resolutions**, highlighting its limited influence.
 - The **IMF's controversial \$2.4 billion loan to Pakistan** amid India-Pak tensions reflects

geopolitics influencing supposedly neutral institutions.

- **Bilateralism and Regionalism Supersede Global Cooperation:** Countries increasingly prefer **bilateral or regional deals for quicker, tailored outcomes, bypassing slower multilateral negotiations.**
 - This pragmatic shift dilutes the influence of global forums as nations prioritize direct, strategic partnerships. The proliferation of **FTAs and currency swaps is evidence of this trend.**
 - For instance, **in the last 5 years, India signed multiple PTAs, including the [India-Australia Economic Cooperation and Trade Agreement](#) and currency swap with UAE, while WTO negotiations remain stalled since the [Doha Round](#).**
- **Weak Enforcement Mechanisms:** Multilateral agreements often depend on **voluntary compliance, lacking punitive measures for non-adherence.**
 - This weak accountability undermines trust and the credibility of such forums to enforce commitments on critical issues like climate change or trade rules.
 - For instance, **the Paris Agreement's NDCs are voluntary; failure to meet targets faces no penalties,** contributing to ongoing emission rises. Similarly, **WTO dispute settlement has weakened after the US blocked appointments to its appellate body.**
- **Unequal Power Dynamics:** Dominance by major powers in decision-making fosters perceptions of unfairness, alienating smaller or developing countries.
 - This imbalance challenges the legitimacy of multilateral forums as truly representative, fueling calls for reforms or alternative alliances.
 - For instance, **India's continuous push for UNSC reforms highlights the exclusion of emerging powers.** The **years of delay in meaningful UN Security Council restructuring** signals institutional inertia against inclusive governance.
- **Fragmentation of Global Issues and Overlapping Institutions:** The proliferation of specialized forums addressing niche issues causes **fragmentation, overlap, and policy incoherence,** diluting the impact of core multilateral institutions.
 - Conflicting mandates among UN agencies, G20, WTO, and others complicate coordinated action.
 - Climate governance involves **UNFCCC, IPCC, G20 climate action, and [Regional Emissions Trading Systems](#),** often with inconsistent priorities. This fragmentation slows global consensus on urgent issues like carbon pricing.
- **Technological and Digital Sovereignty Conflicts:** Rising digital nationalism and concerns over data sovereignty disrupt multilateral efforts for a unified digital order. Competing regulations and mistrust over data sharing prevent global frameworks for cyberspace governance.
 - For instance, **India's cautious stance on cross-border data flow contrasts with US Silicon Valley interests,** reflecting divergent priorities. The stalled WTO e-commerce negotiations illustrate the challenge of aligning digital trade rules.
- **Increased Protectionism Erode Cooperative Spirit:** Resurgent **nationalism fuels protectionist policies,** undermining commitments to open trade and global cooperation.
 - Countries prioritize domestic interests, weakening the multilateral principle of mutual benefit and collective problem-solving.
 - For instance, the **rise of [tariffs](#) (US-China trade war)** has led to global trade tensions, reducing WTO's influence.

What Role can India Play in Reforming Multilateral Forums?

- **Championing Inclusive Global Governance and UN Reform:** India can lead efforts to democratize multilateral institutions, advocating for equitable representation reflecting current global power shifts.
 - Its push for **UN Security Council reform exemplifies this, aiming to amplify voices of the Global South** and emerging economies. Such reforms will enhance legitimacy and effectiveness in global governance.
- **Bridging Developed and Developing World Interests:** With its unique position as a large developing economy and democratic power, India can mediate between developed and developing nations, fostering consensus on contentious issues like **climate finance and trade.**
 - This role is critical to maintaining cohesion in multilateral forums facing fragmentation.
 - **India's leadership of the 'Voice of the Global South** and its advocacy for enhanced

climate finance and technology transfer underlines its bridging role.

- **Promoting Sustainable Development and Climate Leadership:** India's commitments to net-zero by 2070 and initiatives like LiFE position it to guide global climate governance toward equity and action.
 - By championing **climate justice, India can push for balanced financial and technological support to vulnerable countries**, shaping a reformed, sustainable multilateral order.
- **Strengthening South-South Cooperation and Regionalism:** India can invigorate South-South partnerships and regional multilateralism as complementary to global forums, promoting shared development and geopolitical balance.
 - Through platforms like **BIMSTEC and the India-Africa Forum**, it can amplify the collective voice of developing regions.
 - **India's \$10 billion line of credit to Africa** and its active role in BIMSTEC demonstrate pragmatic efforts to build regional economic and strategic cooperation.
- **Advocating for Peaceful Conflict Resolution and Diplomacy:** India's principled non-alignment and emphasis on diplomacy position it as a mediator in global conflicts, reinforcing multilateral peace mechanisms.
 - Its **balanced stance on issues like Ukraine and Afghanistan** exemplifies leadership rooted in sovereignty and dialogue.
 - **India's calls for a two-state solution in the Israel-Hamas conflict** and condemnation of crimes against humanity highlight its diplomatic influence within multilateral frameworks.

How can India Balance Multilateralism with Minilateralism?

- **Strategic Differentiation through Issue-Based Forum Mapping:** India should develop a comprehensive, **dynamic 'forum-mapping' mechanism that categorizes global issues by complexity, urgency, and stakeholder composition**, enabling calibrated engagement.
 - It includes **leveraging multilateralism for systemic challenges** like climate governance **and minilateralism for tactical**, high-stakes domains like cybersecurity or regional security.
 - This precision diplomacy maximizes influence and minimizes diplomatic fatigue.
- **Institutionalizing Regional Multilateralism as a Strategic Nexus:** India should elevate regional platforms like **BIMSTEC and SAARC into sophisticated multilateral hubs by embedding cross-sectoral frameworks (economic, security, environmental)** that serve as **springboards for global diplomacy**.
 - This regional multilateralism acts as a strategic intermediary, ensuring that regional priorities seamlessly integrate into global decision-making.
- **Operationalizing Parallel Diplomatic Tracks:** India must institutionalize a multi-track diplomacy system where official multilateral negotiations, minilateral strategic dialogues, and **Track-II diplomacy operate in synergy, creating feedback loops that enhance coherence and flexibility**.
 - This holistic approach allows India to manage divergent interests, build consensus, and adapt swiftly to geopolitical flux.
- **Leveraging Cultural Diplomacy to Cement Multilateral and Minilateral Linkages:** India should deploy soft power by amplifying cultural, educational, and value-based diplomacy initiatives across forums, **reinforcing normative convergence on human rights, democracy, and sustainable development**.
 - This fosters emotional resonance and long-term alignment, strengthening cooperative foundations beyond transactional diplomacy.
- **Promoting Norm Entrepreneurship in Emerging Global Governance Areas:** India can position itself as a norm entrepreneur by actively shaping emerging governance regimes—**such as digital ethics, space law, and climate adaptation financing**—within multilateral and unilateral venues.
 - Proactively proposing innovative frameworks enhances India's thought leadership and normative influence globally.

Conclusion:

India stands at a pivotal juncture in global governance, **where its diplomatic agility must rise to match its growing global stature.** By championing **inclusive reforms in multilateral institutions and strategically engaging in minilateral groupings,** India can safeguard its national interests while upholding global equity. A calibrated blend of principle and pragmatism will allow India to shape a more **representative, resilient, and responsive world order.**

Drishti Mains Question:

"The shifting contours of global governance, marked by declining trust in multilateralism and the rise of issue-based minilateralism, necessitate a strategic recalibration of India's diplomatic posture." Discuss.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q. In which one of the following groups are all the four countries members of G20? (2020)

- (a) Argentina, Mexico, South Africa and Turkey
- (b) Australia, Canada, Malaysia and New Zealand
- (c) Brazil, Iran, Saudi Arabia and Vietnam
- (d) Indonesia, Japan, Singapore and South Korea

Ans: (a)

Q. Consider the following statements: (2016)

1. New Development Bank has been set up by APEC.
2. The headquarters of the New Development Bank is in Shanghai.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)

Mains:

Q. What do you understand by 'The String of Pearls'? How does it impact India? Briefly outline the steps taken by India to counter this. (2013)