

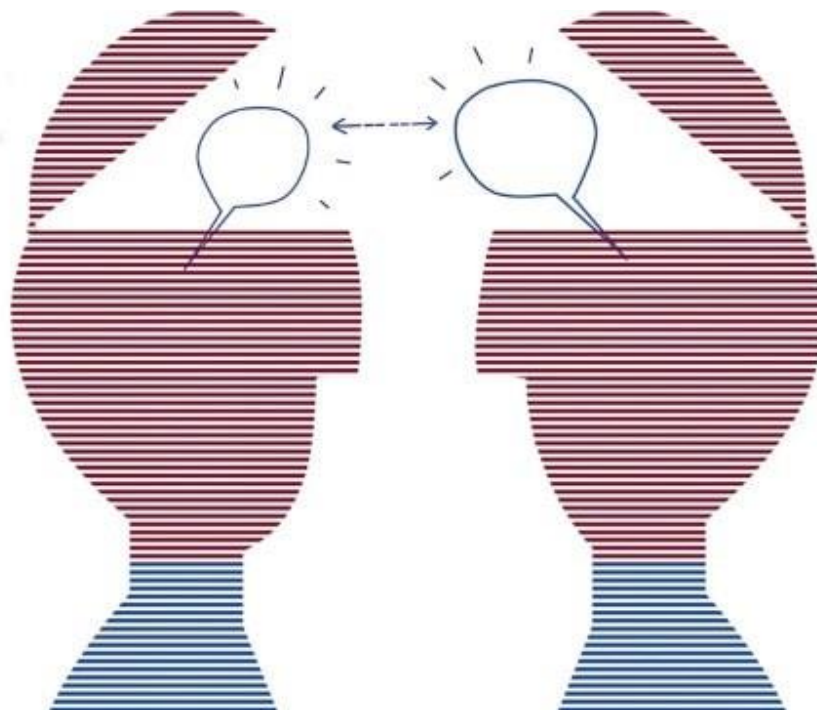
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India offers an alternate development path for Global South nations

By sharing experiences and insights on policymaking for areas such as sustainability, health security, and financial inclusion, India can offer a new direction to other developing countries

Written by Sachin Chaturvedi

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Due to imbalances in the modalities of engagement, a large section of the Global South has ended up in indebtedness of distressing proportions.

Prime Minister Narendra Modi, at the inauguration of the Third Voice of Global South Summit (VoGSS), attempted to rebalance the terms of South-South engagement with a new conceptual framework that he described as a “Development Compact”. The idea behind the concept is to leverage five different modalities of engagement in a harmonised manner, where one reinforces

the other. These are capacity building, technology sharing, trade for development, grants and the most important, concessional finance. If implemented well, India's Development Compact would set a new baseline for wider engagement with the Global South.

Due to imbalances in the modalities of engagement, a large section of the Global South has ended up in indebtedness of distressing proportions. The figures from UNCTAD (2023) say it all: Developing countries' public debt in 2023 was \$29 trillion; developing countries net interest payments on public debt was \$847 billion; 54 developing countries spend more than 10 per cent of their revenues on net interest payments; and developing countries experienced a negative net resource transfer in 2022. Here, it is also worth recalling that the debt crisis has been further accentuated by the continued failure of the OECD countries in meeting their globally agreed UN target of 1970 of providing 0.7 per cent of GNP as ODA (official development assistance); so as their commitment on climate change for \$100 billion.

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