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A profound shift in the global order

India at a New Global Turning Point

- India today stands at a crucial inflection point, similar to Vasco da Gama's arrival in 1498.
- Global value chains are being reshaped through force, not cooperation.
- India is on track to becoming the **third-largest economy** but needs strategic direction.

End of the Post-Colonial Global Order

- The **75-year-old globalisation era**, based on multilateralism and rules, is collapsing.
- **China has overtaken the U.S.** in global trade, manufacturing, and donor contributions.
- The **WTO, UN, and treaties** are weakening as major powers pull back (e.g., U.S. exits).
- The **G-7 and G-20** are becoming ineffective, creating space for alternative groupings like **BRICS**.

The U.S. and Bilateralism

- U.S. actions, such as imposing tariffs and bilateral deals, are redefining global trade.
- Developing nations, including **Least Developed Countries (LDCs)**, are losing past trade privileges.
- U.S. is pursuing **economic self-interest** over global cooperation—others may follow suit.

Rise of Asia and India's Opportunity

- Since 2020, **India, China, the U.S., and the EU** contributed 75% of global growth.
- **Asia is regaining dominance**, projected to hold two-thirds of global wealth like pre-colonial times.
- India should replicate what **China did with WTO entry** by seizing emerging trade opportunities.

Strategic Tasks for India

- Balance ties with both **U.S. (for energy, agriculture)** and **China (for trade collaboration)**.



- Propose **new trade frameworks** with ASEAN and the African Union.
- Move beyond WTO's **Most Favoured Nation (MFN)** principle toward bilateral prosperity sharing.

Need for New Global Governance Ideas

- Indian diplomats must help frame **new principles of global governance**.
- Future agreements must cover **goods, services, investment, tech, and infrastructure together**.
- A **yearly national impact review** should be part of all major agreements.

India's Past Mistakes in Strategy

- India's foreign policy post-independence focused more on **diplomacy than trade**.
- Nehru's Non-Aligned Movement brought global prestige but **ignored economic development**.
- India lagged behind in **tech innovation partnerships** unlike Western powers.

Hard Decisions for the Future

- Build a **national consensus** among states and political parties for long-term economic strategy.
- Focus on **skilling, employment, and nurturing talent** for technology leadership.
- Engage more deeply with **China, ASEAN, and Africa** as global value chains shift.

India's Technological Edge and AI Potential

- India has the capacity to lead in **open-source software and AI innovation**.
- Example: **China's Huawei** is catching up in hardware; **India can lead in software and AI**.
- **AI is the new foundation of global power**—India must invest in large language models (LLMs).

Lesson from China's Rise

- China's growth came from **national consensus and local models**, not Western prescriptions.
- Prosperity must be driven by **patents, innovation, and affordable electricity**.
- India should launch "**grand challenges**" in partnership with academia and industry.

Conclusion



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- India must reshape its global role using its **digital talent, vast data, and policy flexibility**.
- In the **post-WTO world, technology and trade rules** will be shaped by those who innovate.
- With the right strategies, **India can become a major global power in the digital and economic era**.

Source: <https://www.thehindu.com/opinion/lead/a-profound-shift-in-the-global-order/article69531540.ece#:~:text=Instead%20of%20trade%20routes%2C%20global,all%20for%20the%20common%20good.>

