

**Brookings Institution and Korea Development Institute  
Conference**

**International Cooperation in a Changing Global Order  
December 9, 2025**

The Global South and Multilateralism

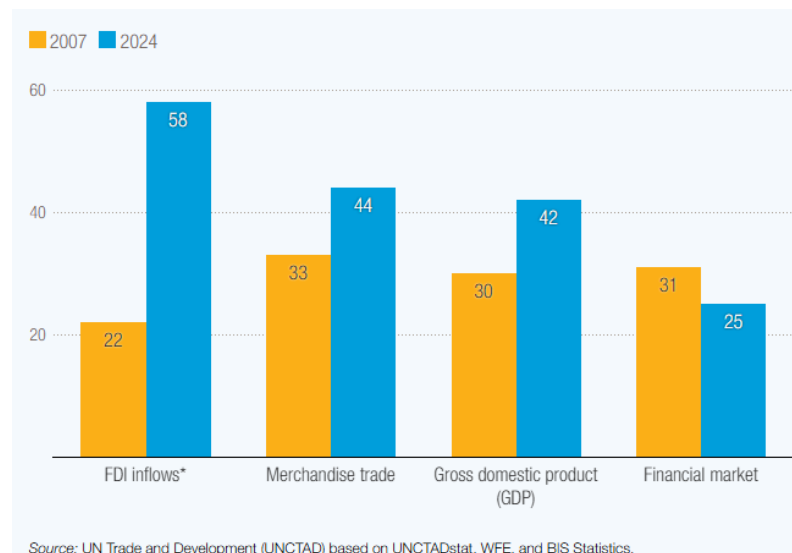
Iyabo Masha, Director, The G24

# Introduction

The paper offers a vital and timely contribution to the debate on global governance, providing a robust analytical framework for understanding the recent structural shifts in the global economy, which has been broadly in favor of the Global South. The evidence from 2007-2024 is compelling:

- 36% rise in FDI flows,
- 11% growth in merchandise trade
- 12% growth in nominal GDP, (57% on PPP terms).
- Financial markets declined by 6%.
- Other data (not captured in the chart) indicate that innovation increased, with China's patent share rising from 9% to 37%, between 2014 and 2024
- Dollar denominated reserves fell from 71% in the early 2000s to under 58% in 2024

**Share of the Global South in world foreign direct investments (FDI), trade, production and financial markets, 2007 and 2024**



# ***Key factors***

The Global South did not stumble on these successes.

The paper's central argument—that the rise of the Global South is driven by long-standing **grievances** and **newfound confidence** moves beyond simple narrative of opposition to the West, situating the strong performance of GS economies in the context of endogenous and exogenous forces. The case study of India is an exemplar of how these forces intertwine to produce assertive, interest-based strategies.

- **Exogenous factors (Grievances):**
  - Increasing uncertainties from perma-crises, poly-crises, and crises originating from GN
  - Debt burdens, currency volatility tied to the U.S. dollar, and disproportionate effects of energy/food price shocks.
  - Historical colonial legacies and Western foreign policy.
- **Endogenous factors (Confidence and self reliance):**
  - Transition of many countries to middle-income status, some projected to overtake some AEs within the next 25 years
  - Declining reliance on official development assistance from OECD countries, and on IMF resources
  - Weakening of ideological attachment to neoliberal policies re-legitimize active public policy
- The broad shift in the global economy enhances GS countries' systemic importance and strengthens the argument that their voice, representation and influence in global matters must increase proportionately.
- Notwithstanding, there is a mismatch between their share of the global economy and their influence on the global economy.

# ***Concerns of the Global South***

***The paper engages directly with key debates on representation in global institutions, climate justice, and industrial policy, making it highly pertinent to current policy discussions.***

- Representation of the Global South in institutions such as the UN Security Council, IMF, and World Bank remains limited. Despite the Global South's growing economic influence, decision-making power in the IMF and World Bank has not shifted accordingly.
- There are ongoing disputes over climate financing, particularly resistance to Western carbon border taxes. **Insufficient concessional funding for development goals and green transition forces the Global South to default on both.**
- A resurgence of industrial policy is evident, with both Northern and Southern countries adopting state-led strategies, marking a move away from neoliberal approaches.
- New alternative platforms have been established, including BRICS, SCO, and the AIIB. **The Chiang Mai Initiative, formed after the 1997 Asian financial crisis, functions as an “Asian IMF.”**

***The paper highlights the Global South as both a challenger to Western-led institutions and an active creator of alternative frameworks.***

# ***Multipolarity is no longer aspirational***

***A world order with several major competing centers of power is not just a future goal or a theoretical concept anymore, it is the current, existing reality of international affairs.***

- Some Global South countries, led by China, are actively reshaping governance through new institutions and pragmatic diplomacy in the BRICS, SCO, AIIB and APEC.
- The U.S. is retreating from multilateralism due to "America First" policies, prioritizing national interests over global cooperation, ( the UN, WHO, climate accords and **international tax negotiations**), and favoring a transactional approach to alliances. **It also blames liberal overreach for U.S. retreat from International organizations and agreements.**
- **European Union (EU) is pursuing "strategic autonomy, deepening internal integration, and seeking to build coalitions to counter U.S. unilateralism and contain China.**
- Other Global South & Middle Powers are seeking alliances, strengthening regional blocs, and pushing for reforms of multilateral organizations.

# ***Some success factors***

***New multilateral arrangements require more work to succeed.***

The author recognizes some challenges to Southern led multilateral arrangements. These include diverse strategic and diplomatic priorities, divergent views on global governance, reform, persistent border disputes, sub-regional tensions and conflicts, limited financial capacity.

Others are:

- **The paper risks narrowing the Global South's diversity to an Indian lens.**
  - The endogenous (confidence) factors supporting India's rise may not be easily replicable for smaller states that lack India's massive policy buffers (nearly \$700 billion in FX reserves).
- **The current analysis risks overgeneralizing a model that may only apply to the G3 of the Global South (China, India, Brazil).**
  - It might be useful to conduct comparative case studies focused on small, resource-constrained GS countries. How do they navigate U.S. pressure? What alternative multilateral platforms (e.g., in regional blocs) prove most valuable when the India model of self-sufficiency is unfeasible? This will help test the generalizability of the "grievance and confidence" model.

# ***Some success factors (contd.)***

## **Capacity and capability of the new organizations is primary**

- If the New Development Bank, AIIB, or other Global South institutions are to become true "alternative platforms", the paper must rigorously assess their capacity to fill this gap. Given that the most important challenge facing GS countries is the mobilization of the trillions of dollars of financing necessary to address climate and development goals, **rhetoric without resources** may render these institutions symbolic rather than structural challengers.
- **Underdeveloped risks**
  - The proliferation of alternative institutions (BRICS, SCO, AIIB) is presented as a positive corrective, but the potential downsides—fragmentation of global rules, competing standards, erosion of multilateral coherence—are insufficiently examined.
- **The Future of Traditional Institutions**
  - Given the paper's argument that Global South countries are exploiting the *weakening* of the WTO and IMF to pursue industrial policy, what is the **ideal end-state** for these institutions? Is the goal total bypass, or fundamental reform? The paper could explore the specific reforms that major Global South nations would accept to revitalize the rules-based system.

# ***The Battle for a New Multilateralism***

*Is the solution new organizations or reform of the old organizations? i.e. Fragmentation vs. Adaptation.*

- **Is the future "Bifurcation" (two separate worlds) or "Coexistence"?** For technological bifurcation, this would mean parallel worlds with limited interoperability, affecting trade, cybersecurity, and future innovation, contrasting with past globalization.
- IMF/WB, the Bretton Woods system, are not just as banks, they are providers of global public goods (financial stability, climate health). If they manage one part of the world and BRICS manages the other, how do we solve global issues like climate change?

*To navigate the period ahead, reform efforts could focus on three strategic directions:*

- **Reform governance and representation of the GS in multilateral institutions**

The post-war order and institutions were designed for a different world. To bridge the current legitimacy gap, they must change to reflect current global economic realities.

- **Empower the Global South**

Issues based coalitions to reshape norms and institutions from within may be more beneficial than building new systems from the ground up.

Advocate layered multilateralism and redistributive mechanisms.

- **Reform Global Rules**

Adapt trade and investment rules to accommodate industrial policy.

Introduce global rules for digital finance and macroeconomic spillovers.

***If the international organizations do not adapt to accommodate the Global South, and unilateral actions continue, the future of global governance will not be multilateral—it will be multipolar and divided."***