General Studies – 2; *Topic: Effect of policies and politics of developed and developing countries on India's interests, Indian Diaspora.*

Global trends and their impact

1) **key trends**
   - The Global Risks Report 2017 and Global Trends: Paradox of Progress, both reports identify a number of common trends and factors. They are:
   - Rising income and wealth disparity
   - The challenges of climate change
   - The increasing polarization of societies
   - The growing cyber dependency, without the attendant secure infrastructure
   - Ageing population, especially in richer countries, but a growing working population in poorer countries
   - Rapidly growing technology, such as artificial intelligence and automation providing new opportunities but also causing disruptions in traditional economic models
   - Changing nature of conflict
   - Use of social media for diplomacy- Online platforms are increasingly being used for diplomatic dialogues For e.g- Israel was issued nuclear warning by Pakistan, US is increasingly using Twitter to announce policy decisions and their take on various issues
   - Heightened political and geopolitical risks
   - Currency depreciation and Rising inflation expectations

2) **Impact on India**
   - For India with the huge young workforce, automation further increases the Unemployment problem.
   - Britain and USA decision regarding Visa norms and labour migration can affect India's IT sector.
   - For India, climate change can result into droughts, floods, Cyclones etc. India ranks high on Global Climate Vulnerability Index
   - Cyber attack impacts India's drive of being digital economy.
   - Spill over of refugees from neighbouring countries. Ex - Rohingyas from Myanmar
   - India's richest 1% now hold a huge 58% of the country's total wealth
   - Demand for reservations due to job scarcity. Ex - Jat, Kapu protests

3) **Impact on the world**
   - Populist leaders are globally identifying religion, region, caste, creed, colour and other issues which are antithetical to democratic credentials and democratic institutions.
   - Melting of glaciers, rising sea level, seasonal variations and extremities of weather poses the threat to world
   - Rising cyber attacks, Internet based terrorism, Fake news, have affected every nook and corner of the world
   - Rise of right wing governments in West is leading to heightened nationalism which is putting globalisation at peril.
   - Russia's leanings towards China are indicative of attempts at creating a bipolar world with US on one hand and Russia-China on the other.

- Continued disturbance in West Asia has resulted in massive civilian casualties and mass exodus to European countries.
- Organisations like UN, MTCR are losing significance.
- Global supply and demand factors have ushered in lower global commodity prices. It will create challenges for many resource-exporting countries.
- Shift from multilateral trading practices towards regional trading agreements as seen in TPP, TTIP and RCEP.

4) **Concerns / Challenges**
- The traditional approach of state-based interaction in multilateral institutions like the UN to cope with these trends is unlikely to be effective.
- It is Multi-stakeholder multilateralism, where state work along with the private sector, civil society and local governments to address challenges.
- However, nations are in different stages of formation—pre-modern, modern, postmodern—it is unlikely that all of them would be willing or able to adopt the new approach.
- The UN is even slower to adapt to the changing global challenges (with one or two exceptions) than its constituent member states.
- Both reports identify the crisis with democracy. It might be on account of the dramatic changes brought about by rapid economic growth and technological innovations, which have translated into greater income inequality at the domestic level.
- For instance, in the US, between 2009 and 2012, the income of the top 1% grew by more than 31% while that of the rest grew by less than 0.5%.
- Other democracies, such as India, which benefited from globalization, also have similar income inequality.