

# Emerging Economies: The New World Architects

## Strategic Alignments are the New Blueprints for Shared Progress

**Shuva Raha**, Fellow and Lead of the International Cooperation Program, CEEW

**Rishabh Kumar Singh**, Program Associate, CEEW

**Rudra Sen**, Research Analyst, CEEW

### Opinion Piece

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“The times, they are a-changin’”, sang Bob Dylan in 1964. Sixty years later, the lyrics ring truer than ever before. The global order of the North and the South, once neatly split by the Brandt Line into the *haves* and *have-nots*, has been shaken and stirred.

Developed countries are facing the harsh realities of diminishing economic clout and widening sociopolitical rifts, while the unilateralism of the multilateral institutions they dominate is being challenged by the marginalized billions. In 2020, on its seventy-fifth anniversary, the United Nations (UN) was compelled to ask a million people worldwide an existential question: What is the UN we *need*?

At the core of this seismic disruption of global geoeconomic hard power – which was once defined by the might of money and the military – is the meteoric ascendance of the Emerging Economies.

In this intriguing arena, which is set amid myriad planetary crises and human conflicts, are brash newcomers who must prove their enduring viability, weary veterans who must draw up new tactics, and the umpires of past and future tournaments, who will decide the global champions of this century.

Emerging Economies, more commonly and narrowly known as Emerging Markets, are defined by the International Monetary Fund (IMF) as countries that are “not ad-

vanced economies” but have “sustained strong growth and stability” when evaluated on certain parameters. These include population and income levels, market access and financial market integration, and the ability to produce and export “higher-value-added goods” (IMF, 2021).

The definition varies widely depending on who you ask. The consensus is that there are between 20 and 40 such countries.

Emerging Economies are highly diverse – such as China, India, Brazil, Indonesia, Mexico, Saudi Arabia, Türkiye, and Poland – but have a common trait: they exude a sense of “dynamism, progress, and opportunity” (Nasdaq, 2023). They are also agile, unfettered by overwrought ideologies or deep interdependencies, and are quick to seek collaborations that serve mutual interests.

For instance, the unlikely BRICS group (Brazil, Russia, India, China, and South Africa) – often dismissed as a chaotic coalition of developing countries – accounts for 35% of global GDP, more than the G7’s 30% (Patrick, 2024). In 1992, the G7 held 45.5% of global GDP versus the cumulative 16.7% of the BRICS countries.

Asia’s emerging GDP growth is expected to be the highest, projected as 4.8% in 2025. This is driven by competitive wages, domestic demand, and improved ease of doing business (OECD, 2024). The IMF projects India’s GDP growth as 6.5% for 2025 and 2026 (PIB India, 2025). At this rate, India will surpass Germany and Japan to become the third largest economy by 2028, trailing only behind the US and China, who are now antagonistic. Although China is seeing a slowdown, its manufacturing capacity exceeds the

total of its nine largest competitors, including the US and Japan, securing its dominance over global supply chains (Baldwin, 2024).

Massive multinational companies and “upstart” start-ups are equally enticed. China’s shiny premium goods repertoire; India’s tech stack of services and aspirational consumers; Africa’s fintech revolution; the Middle East’s clean energy and future city forays, the options abound. Novel trade and investment routes and hubs are buzzing.

As we write this article (in the last week of February 2025), a European Commission delegation, led by its President Ursula von der Leyen, is in India to hasten the India–EU free trade agreement – which has languished in the doldrums since 2007. The EU is also interested in the planned India–Middle East–Europe

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Economic Corridor (IMEEC), a huge infra-connectivity project of ports, roads, railways, sea lines, and pipelines, to counter, in part, China's sprawling Belt and Road Initiative (BRI), which comprises over 145 countries, including many EU members (GreenFDC, 2024).

The Emerging Economies are also deepening regional cooperation to gain markets. The Regional Comprehensive Economic Partnership (RCEP), which was set up in 2020, covers approximately 30% of the global population and 30% of GDP via its fifteen Asia-Pacific countries, including Australia, China, Indonesia, Japan, and South Korea. RCEP is the world's largest free trade pact; it drove approximately USD 5.6 trillion (United States Dollars) in intraregional trade in 2023 (ACFTA Business Portal, 2025). Similarly, the African Continental Free Trade Area (AfCFTA)

is unlocking Africa's economic potential (AU, 2025).

But this story goes beyond consumerism and corporate calculations. Here lies the difference between *markets* and *economies*.

The Emerging Economies are more than trading partners. They share the challenges of balancing rapid growth with sociopolitical realities and financial and resource constraints, including land, water, food, energy and carbon space, and environmental risks. Most have large populations, with sizeable poor and marginalized communities, and paltry per capita GDPs. Many have deep scars from centuries of colonial exploitation and systemic wealth extraction, which are aggravated by structural economic weaknesses that are imposed by the global financial order (Acemoglu & Robinson, 2017).

Hence, despite their dramatic differences, they appreciate collaboration, especially on innovations that drive affordable, accessible, and inclusive development at scale.

Indonesia, the world's fourth most populous country, aims to become developed by 2045. India, the world's largest democracy, is aiming for 2047, the centenary of its independence from British colonization. In China, India, and Indonesia there are over three billion people, approximately 40% of the world's population. The impact of development in just these three Emerging Economies will transform the way the world lives, works, and interacts. If we extend this to all Emerging Economies and developing countries, then we can envision a very different world by the middle of this century.

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India's JAM trinity – Jan Dhan (“people’s wealth”, i.e., universal banking), Aadhaar (“foundation”, starting with biometric ID), and mobile connectivity – has revolutionized direct benefit transfers, slashed leakages, brought over 540 million people into the formal financial system, and enabled access to government and private services for the poorest (Ravi, 2018) (PIB, 2024).

Backing JAM is India's Unified Payments Interface (UPI) – an instant mobile payment ecosystem for QR-code-based bank transactions and fee-free remittances, which saw 16.6 billion transactions in October 2024, up 45% from October 2023. It has been adopted by France, Mauritius, Nepal, Singapore, Sri Lanka, the UAE (United Arab Emirates), and the UK (PIB, 2024), and it is poised to challenge SWIFT as the new paradigm for cross-border payments (Kapron, 2023).

Africa's M-PESA mobile banking service (mobile plus *pesa*, which is Swahili for money, tracing its root to India's *paisa*, which evolved from Sanskrit) is another gamechanger. Started in Kenya in 2007, it operates in eight other African countries and in Afghanistan, offering millions of users access to formal financial systems (Aurazo & Gasmi, 2024).

In going beyond inclusion to energy access and low-carbon growth, there have been some knowns and some surprises.

It is well-known that China controls much of the world's clean energy technologies, supply chains, and deployments. In 2023, China commissioned as much solar photovoltaic (PV) technology as the entire world combined in 2022. It has also grown

its wind energy capacity by 66% year-on-year, and Chinese firms have produced over 60% of the world's electric vehicles (EVs) and 70% of the EV batteries (IEA, 2024).

Few, however, know that, in the past five years, China has added eleven gigawatts (GW) of nuclear power, far exceeding any other country (Cozzi, Gül, Spencer, & Levi, 2024).

India is building major low-carbon systems using its clean energy repertoire. At the grassroots, India has provided liquefied petroleum gas (LPG) connections to over 103 million women, bringing them and their households into the formal economy, while weaning them off firewood, coal, and cow dung (PIB, 2024). In parallel, urban consumers are being shifted from LPG to even cleaner and more convenient piped natural gas (PNG) systems. India is also investing in green infrastructure, for instance, Indian Railways, the fourth largest network in the world, has electrified 97% of its broad-gauge, which carries approximately 23 million passengers daily, with highly affordable tickets (PIB, 2024).

In the Middle East, Saudi Arabia is advancing its carbon capture, utilization, and storage (CCUS) capacities to position itself as a solutions provider for carbon-intensive economies (Global CCS Institute, 2024). The UAE has massive solar plants and intends to become a hydrogen hub by 2031 (UAE Embassy, 2025).

Across the Atlantic, Brazil is aligning economic, social, and environmental priorities through plans for Ecological Transition, New Growth Acceleration, and New Industrial Policy (Mazzucato, 2025). Brazil boasts the lowest share of fossil fuels in its energy mix compared to the large economies (Bredariol, 2024).

Emerging Economies are also building their capacity to export locally produced goods and natural resources instead of cheaply squandering their natural wealth.

Africa is now banking on its vast mineral reserves. The Democratic Republic of the Congo, the world's largest cobalt supplier, has moved from exporting raw ore, priced at USD 5.8/kg, to processed cobalt, at USD 16.2/kg (UNCTAD 2024). In Asia, Indonesia has banned nickel ore exports to increase the product's value and garner trade advantages (Santoso, Dermawan, & Moenardy, 2024).

This pragmatism extends to the cutting edge. For instance, India was sanctioned for decades over its civil nuclear tests by countries that, between them, had thousands of such tests. In 2023, India became the first country to land near the Moon's South Pole (i.e., the dark side of the Moon) and its spacecraft, Chandrayaan-3, cost only USD 75 million (PIB, 2023). In 2025, China shattered the US's AI monopoly by releasing its DeepSeek AI as an open-source playground for researchers worldwide.

A driver of the Emerging Economies' accelerated growth is access to information in real time, in local languages. Social media plus affordable technologies have democratized communication and commerce. Once denied basic literacy by an insistence on foreign languages such as English and French, excluding them from the elite echelons, the populations of the Emerging Economies now know how the Global North lives and they want the same quality of life. In a sharp reversal, this March, the US declared English as its official language to quash linguistic diversity, such as Spanish and Chinese (The White House, 2025).

Emerging Economies are also setting narratives and challenging biases online: every viral moment, amplified by audiences of billions, is a power move. Each engagement builds economic muscle. Governments convey policies at a rapid pace, reaching even the most remote. People talk directly with their leaders, creating instant accountability (Ackland & Tanaka, 2016) (Kamruzzaman, 2022).

Interconnections across geographies and communities have created a burgeoning gig economy. This has particularly helped youth, women, and elderly monetize their skills; develop new areas of viable work, bypassing archaic barriers; and influence the socioeconomic trajectories of their countries.

These systems-level transformations are planned with a deep understanding of local priorities and international opportunities, informed integrations of traditional expertise and modern technologies, and investments in global governance and finance.

Strategic groupings of varying structures and stakeholders, with one or more Emerging Economies as the nuclei, are the blueprints of this new global architecture, spanning areas ranging from national security and defense to energy systems, infrastructure, common markets, mutual currencies, supply chains, disaster resilience, cultural exchanges, and high-tech innovation stacks.

The Association of Southeast Asian Nations (ASEAN), founded in 1967, has a modular ASEAN+ format to engage topically with countries such as China, Japan, India, and even Russia and the US. The Quad – a grouping of Australia, India, Japan, and the US – and the fourteen-coun-

try Indo-Pacific Economic Framework for Prosperity (IPEF) are similar focused groupings.

The G20 Presidencies of Indonesia, India, Brazil, and now South Africa have put Emerging Economies at the center of international decision making. India's New Delhi Declaration brought the African Union into the G20 with unanimous agreement, including from China, Russia, the EU, and the US, even amid volatile geopolitics.

A new financial order, comprising entities such as the New Development Bank, the Asian Development Bank, and the Asian Infrastructure Investment Bank are fulfilling the Emerging Economies' demand for low-cost, large-scale funds, replacing the indolent and opaque Bretton Woods Institutions. Saudi Arabia, as the head of the International Monetary and Financial Committee (IMFC), is championing relief for African countries that are mired in over USD 1 trillion in debt.

BRICS+, ASEAN, and African countries are also moving away from the USD. During BRICS 2024, the Interbank Cooperation Mechanism (ICM) reinforced the bloc's commitment to local currency financing. China's Cross-Border Interbank Payment System (CIPS) has linked 153 banks – including HSBC, Standard Chartered, Citi, and BNP Paribas – across Russia, Japan, and Africa for clearing and settlement services in Chinese yuan (RMB) (Reuters, 2024). Countries such as India and Malaysia are cutting transaction costs and exchange risks by trading in local currencies – nearly 90% of India–Russia trade is now Rupee–Ruble (Financial Express, 2024).

Amid this upheaval, the powerhouses of the EU and the US are retreating to fortify their positions.

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The US, with its national debt of USD 36 trillion dwarfing its GDP of USD 29.7 trillion (U.S. Treasury, 2025), is focusing on self-preservation. The bipartisan Inflation Reduction Act of 2022 outlaid approximately USD 370 billion to boost domestic energy production and manufacturing. President Trump marched to his second term on his *Make America Great Again* campaign and, since January 2025, he has passed hundreds of Executive Orders to reinforce the economy. This includes a 90-day pause on US foreign aid – a major vehicle of its soft power – and reciprocal tariffs on friends and foes alike (White House, 2025).

The EU's 2025 Competitiveness Compass has revealed its massive productivity gap and recommends industrial innovation, backed by national and energy security levers. The EU has a new Clean Industrial Policy in development (European Commission, 2025), although its imminent Carbon Border Adjustment Mechanism is likely to deepen its alienation from international markets.

In the wake of the growing US–EU rift, the European Commission's Vice President, Kaja Kallas, has said the “free world needs a new leader”.

In a bold assertion of leadership, Emerging Economies are crafting new and unique worlds of clever and outcome-oriented permutations and combinations, which are coinciding with (but are only partially responsible for or impacted by) the precipitous decline of the empires in the Global North.

Emerging Economies are no longer waiting for a seat at the table – they are building their own. In the spirit of “*Va-sudhaiva Kutumbakam*” – the world is one family – the newcomers are redefining the rules of engagement on the tenets of mutual respect and shared progress. Whether the weary veterans will accept this transition from competition to collaboration remains to be seen.

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