



Global Economic Volatilities and Economic Growth in a Sustainable form

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ABSTRACT

A thorough reading of this research (Global economic volatilities and economic growth in sustainable form) delves into important details like "what is global economic volatilities and reasons behind it" and what are the impacts of the 18th G20 summit to tackle this global issue with its roadmap of economic inclusion, sustainability, and development. We discuss here the role of Indian values and innovations that how we can give fight a global economic problem through economic growth in a sustainable form. As the 18th G20 summit theme is "Vasudhaiva Kutumbakam" the whole earth is one family and as a family, we should plan things together, phase issues together, and enjoy the taste of success together.

KEY WORDS

Volatilities, Sustainable, Roadmap, Inclusion, Innovation, Vasudhaiva Kutumbakam.

INTRODUCTION

We already are aware of the G20 group, it is a governing 20 nations that are globally governing almost 85% of global GDP over 75% of global trade, and two third of the total world population. This group of twenty nations collectively emphasizes on the issues regarding the economy, society, infrastructure, health, international peace, environmental problems, and inclusive development. So as the World Economic Outlook report by International Monetary Fund (IMF) report said "Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. Global growth is forecast to slow

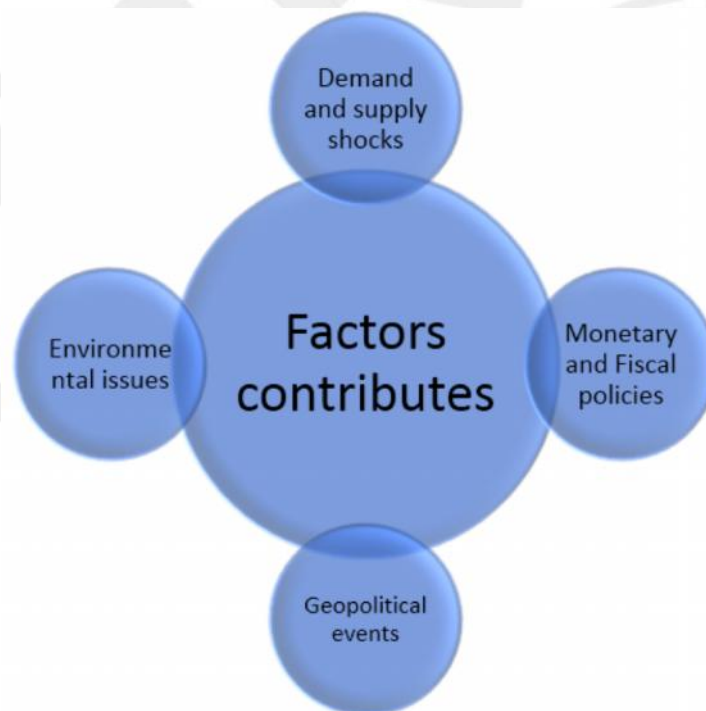
from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.”¹

So, as per the IMF report, this global economic volatility is a matter of concern to which the 18th G20 summit should pay attention and analyze the problem, and plan prevention to tackle the slow-down issue. Under the Presidency of India with a pure cultural belief of [Sarve Bhavantu Sukhinah, Sarve Santu Nir Amayah] along with the words of Honourable Prime Minister of India MR. Narendra Damodar Das Modi that “India’s presidency will: Inclusive, Ambitious, Decisive, and Action-oriented.” India always focuses on inclusive development and overall development rather than the growth of a particular section and on the other hand the ruling Government follows a mantra of “Sabka Sath, Sabka Vikas aur Sabka Vishwaas”. And as per the report of the World Bank and IMF, the highest comeback in growth and recovery rate is registered by India during post covid period or if we say that India is the first country which emits light of hope by introducing a vaccine for covid-19 and clearing out the dark clouds of a pandemic. It became possible due to the Government policy of inclusiveness, a united approach, and economic growth in a sustainable manner. The best example is according to surveys and reports during Covid pandemic Indian agriculture sector raised more output production than during pre-covid period. Economic volatility and growth are two phases of a business cycle, both create disruption as well as opportunity and India knows very well “how to find opportunity in adversity” Under the presidency of India the G20 nations can prevent the huge effect and fight back against the problem of global economic volatilities by the philosophical vision of a most powerful and global leader Mr. Narendra Damodar das Modi that is:

“Reform, Perform, Transform”.

Concept of Global Economic Volatilities, Causes and Affects

Basically, the word volatility means disruption, variation, or fluctuations in the same way the term “global economic volatility” describes the erratic changes and unpredictable variations in the economic circumstances and results of many nations and regions. Due to its effects on trade, investment, consumption, output, and employment, global economic volatility has the potential to have a considerable influence on businesses, households, and policymakers. Factors that contribute changes are given below:

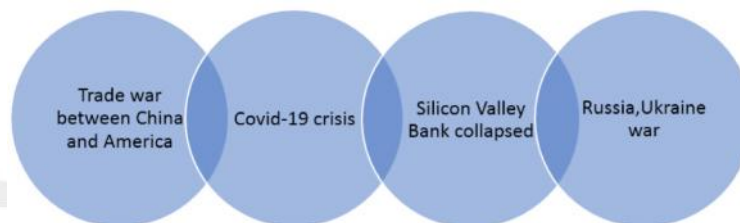


All these factors change result in economical volatility and we should note that economical volatility is not just a matter of concern related to monetary things but it also affects every aspect of the world from raising stress in state relations although international relations, it disrupts the inter-state peace of a country along with international conflicts. So, Global economic volatility gives cascading effects on every element of society.

Some of the main causes of these volatilities are:

- **Tariffs and trade wars:** When countries impose trade barriers such as tariff quotas or penalties, they alter the flow of goods and services across national borders. This leads to price volatility uncertainty and slow growth for exporters and importers.
- **Natural catastrophes and pandemics:** unexpected occurrences like earthquakes, floods, wildfires, and pandemics prevent economies and societies from operating normally. These may result in hardship for people, destruction of property and infrastructure, and a decline in output and revenue. They may also have an impact on international trade, travel, and capital flows.
- **Financial crises and contagion:** When financial institutions or markets experience liquidity or solvency issues, they may cause a domino effect that causes other participants in the financial system to default, file for bankruptcy, or suffer losses. This has the potential to expand to other nations and areas due to interdependence and spill over effects. Financial crises can also make people lose faith in the soundness and stability of the international financial system.
- **Political conflict and instability.** When a country or region experiences political unrest bloodshed or war it creates instability and uncertainty for domestic and foreign business customers and investors. They can also affect the security and stability of a country or surrounding region through migration refugee movements or humanitarian crises. Political instability and war can also complicate international coordination and cooperation in economic matters.

According to the report of the IMF and World bank, the GLOBAL SLOWDOWN is expected and the reasons for this volatility are:



As an effect of these incidents, the world may have to face the given issues:

- Disrupts global politics and relations.
- Creates conflict of interest.
- Stress in trade (import as well as export).
- The panic situation in Government as well as in society.
- For the sake of superiority, selfishness, and unplanned, unethical development may take place and result in loss of biodiversity.
- Disturbances natural calamity.

These volatilities can have major effects on the economic activity, growth, and welfare of both advanced and emerging economies. Some of the factors that affect global economic volatilities are changes in risk aversion and uncertainty, shocks to productivity and demand, trade and financial integration, institutional quality, and monetary and fiscal policies. Global economic volatilities can pose both opportunities and challenges for investors, businesses, and policymakers. On one hand, they can create incentives for innovation, diversification, and risk-sharing. On the other hand, they can also generate instability, contagion, and crises.

Therefore, understanding the sources and consequences of global economic volatilities is crucial for designing effective strategies to cope with them.

On one hand, economic volatilities can create uncertainty and instability in the global economy, leading to a decrease in investment and consumption. This can result in lower economic growth, particularly in industries that are sensitive to economic cycles. On the other hand, economic volatilities can also create opportunities for innovation and growth. For example, during economic downturns, businesses may be more inclined to adopt sustainable practices to reduce costs and improve efficiency, leading to more sustainable economic growth in the long run. In addition, global economic volatilities can also create incentives for Governments and international organizations to invest in sustainable development projects, such as renewable energy and sustainable infrastructure. This can stimulate economic growth while also contributing to the achievement of sustainable development goals.

Overall, while economic volatilities can create challenges for sustainable economic growth, they can also present opportunities for innovation and development in the long run. It is important for Governments and businesses to take a proactive approach to sustainable development, especially during times of economic uncertainty.

Negative Impacts

1. Economic volatilities can disrupt global trade, investment flows, and financial markets, which can negatively affect the growth of sustainable businesses and industries.
2. A global economic downturn can reduce demand for goods and services, leading to job losses and lower economic growth, which can slow progress toward sustainable development goals.
3. Economic volatility can also increase poverty and inequality, which can undermine efforts to build a more equitable and sustainable economy.

Positive Impacts

1. Economic volatilities can create opportunities for innovation and change, leading to the emergence of new sustainable businesses and industries.
2. Economic volatility can lead to a rethinking of economic models and the development of more sustainable and resilient systems.
3. Global economic volatilities can also increase the urgency to address climate change and other environmental challenges, driving investments in sustainable technologies and practices.

Overall, it is important to manage global economic volatilities in a way that supports sustainable economic growth. This can involve measures to stabilize financial markets, promote international trade and investment, and slow businesses and industries. It can also involve policies to address poverty and inequality and accelerate the transition to a more sustainable economy.

Economic Growth in Sustainable Form

The 18th G20 summit should focus seriously on this global upcoming problem and the only best solution to phase this problem is to plan the path of economic growth unitedly in a totally sustainable form.

Sustainability means the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. It involves balancing the environmental, social, and economic aspects of human activity and ensuring that they do not harm or deplete natural resources. Sustainability can be applied to different domains such as energy, agriculture, transportation, urban planning, education, and health. Some examples of sustainability practices are using renewable energy sources, reducing waste and emissions, promoting biodiversity and conservation, supporting local communities and cultures, and fostering innovation and collaboration. Especially after the 2015 U.N. Conference where the “Our common future”

report represented the sustainable development from where United Nations Development Programme (UNDP) has also given 17 SDGs.



United Nations along with 170 countries adopted these goals in 2015 and set the target to achieve all these goals by 2030.

After reading these goals one thing you should note is that sustainable development is not only related to the environment but also it covers all the issues of the society, it basically promotes ethical working, good governance, and overall development of not only one nation but also this whole world. Where India has already worked on this path and got very fruitful results. The same should be discussed in the 18th G20 summit where Indian P.M. Mr. Modi is leading the summit with the value of “One Earth, One Family, One Future” Every member of the summit should have to adopt a sustainable form of economic development.

Way Forward

The slowdown is more pronounced in emerging and developing economies, which have not recovered fully from the pandemic and have limited fiscal and monetary space to support growth. The way forward for the global economy is to address these challenges through coordinated international action and comprehensive national policy responses. Some of the possible steps are:

- Resolving the trade tensions between the US and China, and restoring a rules-based multilateral trading system that promotes free and fair trade.
- Stabilizing the oil market through cooperation among major producers and consumers, and supporting the transition to cleaner and more efficient energy sources.
- Accelerating the vaccination campaigns against COVID-19 and its variants, and ensuring equitable access to vaccines and treatments for all countries.
- Supporting the recovery of the most vulnerable countries through debt relief, financial assistance, and technical support.
- Boosting productivity and innovation through investments in human capital, infrastructure, and digital technologies.
- Enhancing social protection and inclusion through policies that reduce poverty, inequality, and insecurity.

By taking these steps, the global economy can overcome the current slowdown and achieve a more sustainable, resilient, and inclusive growth path for the future.

CONCLUSION

After discussing all the aspects of our topic “Global economic volatilities and economic growth in the sustainable form”, we can say that volatility is an uncertain fluctuation and it has cascading effect on every aspect of society as global economic volatilities influence polity, trade along with relations, peace, and integrity. The global economic slowdown poses significant challenges for policymakers and businesses, who need to find ways to boost productivity, enhance resilience, and foster inclusive growth. A coordinated international response and a comprehensive set of national policy measures are needed to overcome the current crisis and pave the way forward for a sustainable and equitable recovery.

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