



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## Dominant Diplomatic And Economic Policies Of Developed Countries And Global Peace In 2025

Mr. Umesh Patnaik, Dr. Arjun Singh Chauhan

Dean Department of Arts & Humanities

LCIT College of Commerce and Science, Bodri Bilaspur Chhattisgarh

### Abstract:

In an increasingly interconnected world, the diplomatic and economic policies of developed nations play a crucial role in shaping global stability and peace. In 2025, these policies are driven by a mix of geopolitical interests, economic competition, and multilateral cooperation. This paper explores the dominant strategies adopted by major developed countries, including the United States, the European Union, China, and other economic powerhouses, in addressing international conflicts, trade relations, climate change, and security concerns. It examines how protectionist measures, foreign aid, strategic alliances, and economic sanctions impact global peace and stability. Furthermore, the paper analyzes the effectiveness of multilateral institutions in mitigating tensions and fostering cooperation. By assessing recent trends and policy shifts, this study provides insights into how the economic and diplomatic decisions of developed countries influence global order and whether they contribute to long-term peace or exacerbate divisions.

**Keywords:** Diplomacy, Economic Policies, Global Peace, Developed Countries, Geopolitics, Trade Relations, Strategic Alliances, Economic Sanctions, Multilateral Cooperation, International Stability.

### 1. Introduction

In 2025, the global landscape is shaped by the diplomatic and economic policies of developed countries, which hold significant influence over international stability and peace. These nations, including the United States, the European Union, China, Japan, and other economic powerhouses, engage in complex geopolitical maneuvers that impact trade, security, and multilateral cooperation. With rising global challenges such as economic volatility, climate change, regional conflicts, and technological competition, the role of developed nations in fostering or undermining global peace has become increasingly critical.

Diplomatic strategies, ranging from strategic alliances and peace negotiations to economic sanctions and foreign aid, play a pivotal role in managing international disputes. Simultaneously, economic policies—including trade agreements, monetary policies, and foreign investments—shape the financial stability of both developed and developing nations. While some policies promote economic interdependence and global cooperation, others contribute to economic disparities and geopolitical rivalries, influencing the global order.<sup>1</sup>

<sup>1</sup> World Economic and Financial Surveys World Economic Outlook Database—WEO Groups and Aggregates Information April 2022

This paper examines the dominant diplomatic and economic policies of developed nations in 2025 and evaluates their impact on global peace. It explores how these policies shape international relations, either fostering stability or exacerbating tensions. By analyzing recent trends, policy shifts, and their consequences, this study aims to provide a comprehensive understanding of the role of developed nations in maintaining or challenging global peace.

## 2. Relation of Developed Countries with Third World Countries

The relationship between developed countries and Third World countries has been a defining factor in global economics, politics, and diplomacy. Historically shaped by colonial legacies, economic dependencies, and geopolitical interests, this relationship continues to evolve in response to globalization, technological advancements, and socio-political changes. While developed countries provide financial aid, investments, and trade opportunities, Third World countries often struggle with economic inequality, political instability, and developmental challenges. The dynamics between these two groups of nations significantly influence global peace, economic growth, and sustainable development.<sup>2</sup>

### 2.1 Historical Context

The history of interactions between developed and Third World Countries is deeply rooted in colonialism, imperialism, and post-colonial economic dependencies. During the colonial era, many developing nations were exploited for their natural resources and labor, leading to structural imbalances that persist today. After gaining independence, many Third World countries remained economically reliant on their former colonial rulers due to limited industrialization, weak governance, and financial constraints. The Cold War further complicated these relationships, as developed countries sought alliances based on ideological divides, often providing military and economic assistance to gain strategic advantages.

### 2.3 Economic Relations

Economic ties between developed and Third World countries are complex, encompassing trade, investments, and aid. Developed nations serve as major export markets for raw materials and agricultural products from Third World countries, while also providing technological and industrial goods. However, these trade relationships are often skewed, with developing nations struggling against unfavorable trade agreements, price fluctuations in commodities, and dependency on foreign markets.<sup>3</sup>

### 2.4 Foreign Aid and Development Assistance

Foreign aid plays a crucial role in the relationship between developed and developing nations. Organizations such as the International Monetary Fund (IMF), the World Bank, and various bilateral aid programs provide financial assistance for infrastructure, healthcare, education, and poverty reduction. However, aid has been criticized for fostering dependency rather than sustainable growth. Conditionalities attached to loans, such as economic restructuring policies, often place additional burdens on recipient countries.

### 2.5 Investment and Industrialization

Foreign direct investment (FDI) from developed countries has contributed to industrialization and economic development in Third World countries. Multinational corporations (MNCs) establish operations in these regions, generating employment and transferring technology. However, concerns regarding labor exploitation, environmental degradation, and profit repatriation highlight the complexities of these economic engagements. Many developing nations struggle to balance attracting foreign investments while ensuring economic sovereignty and equitable benefits for their populations.

<sup>2</sup> Bose, Pratim Ranjan, "Economic Diplomacy, Indian Style", The Hindu Business Line, 28 March 2013

<sup>3</sup> Chaturvedi, Sachin (2013-01-04). "India's development partnership: key policy shifts and institutional evolution."

## 2.6 Political and Diplomatic Relations

The political interactions between developed and Third World countries influence global governance, security, and stability. Developed nations often exert political influence through diplomatic agreements, strategic alliances, and international organizations such as the United Nations (UN), G20, and World Trade Organization (WTO). While some policies aim to support democracy, human rights, and conflict resolution, others reflect strategic interests that may not align with the needs of developing nations.<sup>4</sup>

## 2.7 Geopolitical Influence and Military Assistance

Developed countries frequently engage in military interventions, arms sales, and security agreements with Third World nations. While some interventions are justified under peacekeeping and counterterrorism initiatives, others have been criticized for exacerbating conflicts or serving the geopolitical interests of powerful nations. The role of developed nations in supporting or opposing authoritarian regimes has also raised ethical and political concerns.

## 2.8 International Trade Policies

Trade policies established by developed nations significantly impact Third World economies. Protectionist measures, such as subsidies for domestic industries and tariffs on imports from developing countries, create challenges for their economic growth. While trade agreements and globalization have opened new markets, they have also increased competition and dependency on volatile global supply chains.<sup>5</sup>

## 2.9 Social and Cultural Impacts

The cultural exchange between developed and Third World countries has been facilitated by globalization, media, and migration. Education, healthcare collaborations, and technological innovations have benefited many developing nations. However, concerns regarding cultural imperialism, loss of indigenous traditions, and brain drain—where educated professionals migrate to developed countries—highlight the challenges within these exchanges.

## 2.10 Challenges and Opportunities for a Balanced Relationship

While the relationship between developed and Third World countries is marked by economic and political disparities, opportunities exist for fostering more equitable and sustainable interactions.

## 2.11 Sustainable Development and Climate Change

Climate change presents a shared global challenge that requires cooperation between developed and developing nations. Many Third World countries are disproportionately affected by environmental issues, despite contributing minimally to global emissions. Developed nations must support green energy initiatives, sustainable development projects, and fair environmental policies to address these disparities.<sup>6</sup>

## 2.12 Strengthening Fair Trade and Economic Independence

Developing nations must work toward reducing economic dependency by diversifying their economies, improving infrastructure, and implementing fair trade practices. Developed countries can play a constructive

---

<sup>4</sup> Matusumoto, Saho "Diplomatic History" pages 314-316 in Kelly Boyd, ed., *The Encyclopedia of Historians and Historical Writing* (1999) p. 314.

<sup>5</sup> USITC.gov. U.S. International Trade Commission. Retrieved December 22, 2024.

<sup>6</sup> Sustainable Development Goals. UN. Retrieved 10 August 2022.

role by supporting fair trade agreements, debt relief programs, and ethical investments that prioritize local development.

### **2.13 Enhancing Political and Diplomatic Cooperation**

A more balanced global order requires genuine diplomatic engagement, mutual respect, and inclusive decision-making. Strengthening international institutions to ensure fair representation and fostering South-South cooperation—collaboration among developing countries—can contribute to a more equitable global system.

The relationship between developed and Third World countries is multifaceted, shaped by historical legacies, economic dependencies, and geopolitical interests. While developed nations provide crucial economic and political support, challenges such as inequality, trade imbalances, and political influence persist. A more sustainable and equitable partnership requires mutual cooperation, fair economic policies, and shared commitments to global peace, security, and development. By fostering balanced relationships, both developed and developing nations can work towards a more just and prosperous global future.

## **3. Developed Countries and Global Institutions: Influence, Responsibilities, and Challenges.**

Developed countries play a dominant role in shaping global institutions, which are pivotal in maintaining international order, promoting economic stability, and addressing transnational challenges such as climate change, human rights, and security threats. These institutions, including the United Nations (UN), the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO), function as platforms for global cooperation. However, the engagement of developed nations with these institutions is often marked by both leadership and controversy. While they contribute significant financial and intellectual resources, they also face criticism for their disproportionate influence over decision-making processes. This essay explores the role of developed countries in global institutions, their responsibilities, and the challenges they face in ensuring an equitable world order.<sup>7</sup>

### **3.1 The Role of Developed Countries in Global Institutions**

#### **3.1.1 Economic Contributions and Leadership**

Developed countries are the primary financial contributors to international institutions. The United States, the European Union, Japan, and other advanced economies provide substantial funding for the operations of the UN, the IMF, and the World Bank. These contributions allow institutions to function effectively in offering humanitarian aid, developmental assistance, and economic stabilization to struggling economies.

In the IMF and the World Bank, for instance, voting power is often proportional to financial contributions, which grants developed countries significant influence over policy decisions. Similarly, in the WTO, developed economies are key actors in setting trade norms and regulations. While this ensures stability in global trade, it also raises concerns about equity, as policies often favor the interests of wealthier nations over those of developing economies.

#### **3.1.2 Political and Diplomatic Influence**

Developed countries leverage global institutions to promote their political ideologies, governance models, and strategic interests. The UN Security Council (UNSC), where five permanent members (the United States, the United Kingdom, France, China, and Russia) hold veto power, is a prime example of how political influence is structured in favor of powerful nations. This has led to debates over reforming the UNSC to better represent

<sup>7</sup> Understanding the WTO – The GATT years: from Havana to Marrakes.

the changing geopolitical landscape, particularly by including emerging powers such as India, Brazil, and South Africa.<sup>8</sup>

Additionally, developed countries use institutions like the G7 and G20 to coordinate global economic policies and address crises. These forums often set the agenda for multilateral institutions, shaping policies on trade, taxation, and financial regulations.

### 3.1.3 Technological and Scientific Leadership

Developed nations lead in technological advancements, scientific research, and innovation, which they channel through global institutions. The World Health Organization (WHO), for instance, relies heavily on research institutions and pharmaceutical companies based in developed countries for medical breakthroughs and responses to global health crises, such as the COVID-19 pandemic. However, concerns over vaccine equity and intellectual property rights highlight the need for a more inclusive approach to global health governance.<sup>9</sup>

Similarly, institutions like the Intergovernmental Panel on Climate Change (IPCC) depend on research from developed countries to guide global climate policies. While these nations contribute significant resources to combat climate change, their historical responsibility for carbon emissions necessitates greater commitments to environmental sustainability and support for developing nations.

## 3.2 Responsibilities of Developed Countries in Global Governance

### 3.2.1 Promoting Economic Equity

Developed countries have a moral and economic responsibility to support global institutions in reducing economic disparities. Institutions like the World Bank and IMF are often criticized for imposing stringent loan conditions on developing countries, leading to long-term financial dependency. Developed nations must advocate for fairer financial mechanisms, such as debt relief programs and increased development aid, to ensure sustainable economic growth in poorer regions.<sup>10</sup>

### 3.2.2 Addressing Climate Change

As the primary contributors to global carbon emissions, developed countries bear the responsibility of leading climate action. The Paris Agreement, facilitated by the United Nations Framework Convention on Climate Change (UNFCCC), underscores the need for wealthy nations to fund climate adaptation and mitigation efforts in vulnerable countries. While some commitments, such as the Green Climate Fund, have been made, actual financial transfers and implementation remain inadequate. Developed nations must strengthen their commitments by transferring green technologies and increasing climate financing.

### 3.2.3 Ensuring Fair Trade and Labor Practices

The WTO, under the influence of developed economies, has promoted globalization and trade liberalization. However, concerns remain over unfair trade practices, such as agricultural subsidies in developed nations that disadvantage farmers in developing countries. Furthermore, multinational corporations based in developed economies often exploit cheap labor in the Global South, raising ethical concerns about labor rights and working conditions. Developed countries must advocate for fairer trade policies and stronger labor protections through global institutions.

<sup>8</sup> R. B. B. M. Hussain et al. (Eds.): ICHSSR 2023, ASSEHR 765, pp. 519–525, 2023.

<sup>9</sup> Proceedings asilite Sydney 2010: Full paper: Seng-Chee Tan

<sup>10</sup> M. R. Tool et al. (eds.), Institutional Analysis and Economic Policy © Kluwer Academic Publishers 2003

### 3.2.4 Strengthening Multilateralism and Institutional Reforms

Developed countries must support reforms in global institutions to make them more representative of contemporary global realities. This includes restructuring the UN Security Council to include emerging powers, adjusting voting rights in financial institutions to reflect global economic shifts, and making decision-making processes in the WTO more inclusive. Strengthening multilateralism ensures that global governance remains legitimate and effective.<sup>11</sup>

### 3.3 Challenges and Criticism

#### 3.3.1 Disproportionate Influence and Hegemony

One of the primary criticisms against developed countries in global institutions is their disproportionate influence, which often leads to policies that favor their own interests. The dominance of Western economies in the IMF and World Bank has led to accusations of neocolonialism, where developing countries are subjected to economic policies that serve the strategic interests of developed nations rather than fostering genuine economic independence.<sup>12</sup>

#### 3.3.2 Geopolitical Rivalries and Institutional Gridlock

Geopolitical tensions between major developed countries often lead to deadlocks in global institutions. The UNSC, for example, frequently experiences gridlock due to conflicts between Western nations and Russia or China. Similarly, trade disputes between the United States and the European Union can slow down WTO negotiations. Such rivalries undermine the effectiveness of global governance and hinder collective responses to pressing global issues.

#### 3.3.3 Resistance to Institutional Reforms

Despite calls for reform, developed countries have been reluctant to cede power in global institutions. The resistance to altering voting rights in the IMF or expanding the UNSC reflects the struggle between maintaining historical dominance and adapting to changing global dynamics. This lack of willingness to reform institutions hampers their legitimacy and effectiveness.

#### 3.3.4 Accountability and Double Standards

Developed countries often promote human rights and democratic values through global institutions but are sometimes accused of double standards. For instance, while the UN and Western nations advocate for democratic governance and human rights, military interventions and selective enforcement of international law raise questions about the consistency of their commitments. Addressing these double standards is crucial for maintaining global trust in international institutions.

Developed countries play a crucial role in shaping and sustaining global institutions. Their financial, technological, and political contributions are essential for international stability, economic development, and global problem-solving. However, their influence must be balanced with a commitment to fairness, equity, and inclusivity in global governance. Strengthening multilateral cooperation, supporting institutional reforms, and upholding ethical global policies are imperative for ensuring that global institutions serve the interests of all nations, rather than merely the wealthiest. In an increasingly interconnected world, the responsibility of developed nations extends beyond self-interest to the collective good of humanity.

<sup>11</sup> Kahler, Miles. "Multilateralism with Small and Large Numbers." *International Organization*, 46, 3 (Summer 1992), 681

<sup>12</sup> Badino, Massimiliano (2020). *Cultural Hegemony in a Scientific World*. Brill.

#### 4. Policy Framework of the Developed Countries and its Impact on Third World Countries:

The policy framework of developed countries significantly impacts Third World nations, shaping their economic growth, political stability, and social development. Developed countries implement policies on trade, foreign aid, climate action, and international finance that directly influence the economies of developing nations. Trade policies, such as tariffs, subsidies, and stringent intellectual property rights, often create barriers for Third World countries, limiting their ability to compete in global markets. While foreign aid and developmental assistance provide financial and technical support, they sometimes come with conditions that reinforce economic dependency rather than fostering self-sufficiency. Moreover, environmental policies in developed nations, including carbon taxation and climate regulations, can place additional economic pressures on developing countries that rely on fossil fuel exports or lack the resources to transition to green energy. The role of international financial institutions, largely controlled by developed nations, also plays a crucial role in shaping the economic policies of Third World countries, often imposing structural adjustment programs that lead to austerity measures and social hardships. Additionally, political interventions, either through diplomatic influence or economic sanctions, impact governance structures in developing countries, sometimes undermine local autonomy. While globalization and technological advancements have opened new opportunities, the dominance of developed nations in setting global economic and political agendas often exacerbates inequalities, reinforcing the gap between the developed and developing world. Therefore, a more balanced and inclusive policy framework that considers the unique challenges of Third World countries is essential to promote equitable global development.<sup>13</sup>

#### 5. Global Peace in 2025: Challenges, Opportunities, and the Path Forward

Global peace is a fundamental aspiration of humanity, encompassing the absence of war, the protection of human rights, economic stability, and social harmony. As the world enters 2025, the state of global peace remains precarious, shaped by geopolitical tensions, economic inequalities, environmental crises, and advancements in technology. While international institutions such as the United Nations (UN), the International Monetary Fund (IMF), and the World Bank continue to promote stability, numerous conflicts, ideological divides, and socio-economic disparities challenge the pursuit of lasting peace. This essay examines the key challenges to global peace in 2025, the role of international organizations and diplomacy, and potential pathways to achieving a more harmonious world.

##### 5.1 Challenges to Global Peace in 2025

##### 5.2. Geopolitical Tensions and Regional Conflicts

One of the most significant threats to global peace in 2025 is the rise of geopolitical tensions and ongoing regional conflicts. The competition for global dominance between major powers such as the United States, China, and Russia has intensified, leading to economic sanctions, military buildups, and diplomatic standoffs. Additionally, regional conflicts in the Middle East, Eastern Europe, and parts of Africa continue to fuel humanitarian crises and political instability. The situation in Ukraine, the tensions in the South China Sea, and conflicts in Syria and Yemen remain unresolved, further complicating global diplomatic efforts.<sup>14</sup>

##### 5.3. Economic Inequality and Social Unrest

Economic disparities between nations and within societies contribute to social unrest, radicalization, and political instability. The effects of the COVID-19 pandemic, ongoing supply chain disruptions and inflation have widened the wealth gap, particularly in developing nations. Many countries struggle with debt crises, unemployment, and food insecurity, leading to mass protests and civil unrest. The inability of governments to

<sup>13</sup> Tomlinson, B.R. (2003). "What was the Third World

<sup>14</sup> Amineh, Parvizi M.; Houweling, Henk. Central Eurasia in Global Politics

address these economic grievances effectively can result in violent uprisings and the weakening of democratic institutions, undermining peace at national and international levels.

#### **5.4. Climate Change and Environmental Conflicts**

Climate change remains a pressing challenge that threatens global peace by exacerbating resource scarcity, displacing populations, and increasing tensions over land and water. Extreme weather events, rising sea levels, and prolonged droughts have intensified competition for vital resources such as food and clean water, particularly in vulnerable regions like Sub-Saharan Africa and South Asia. Climate-induced migration is also increasing, leading to border tensions and humanitarian crises. While international agreements such as the Paris Agreement promote climate action, the failure of developed nations to provide sufficient financial and technological support to developing countries hampers collective efforts to combat environmental degradation.<sup>15</sup>

#### **5.6. Technological Threats and Cyber security Risks**

Advancements in technology, while offering numerous benefits, also pose serious threats to global peace. Cyber warfare, misinformation campaigns, and artificial intelligence (AI)-driven military applications have increased the risks of conflict. Nation-states and non-state actors alike exploit digital vulnerabilities to manipulate elections, disrupt economies, and incite violence. The spread of misinformation through social media platforms fuels division, extremism, and political instability, making it harder for societies to maintain peace. Moreover, the lack of global regulations on AI and cybersecurity heightens the risks of uncontrolled technological warfare.

#### **5.7 The Rise of Extremism and Terrorism**

Despite significant efforts to combat terrorism, extremist ideologies continue to threaten global peace. Groups operating in the Middle East, Africa, and South Asia exploit economic hardships and political instability to recruit followers and launch attacks. The resurgence of radical movements, both religious and political, has also contributed to violence in many parts of the world. In developed countries, the rise of far-right nationalism and hate-driven violence presents another dimension of extremism that challenges democratic institutions and social cohesion.

### **6. The Role of International Organizations and Diplomacy**

#### **6. 1. The United Nations and Peacekeeping Efforts**

The UN remains a crucial actor in promoting global peace through diplomatic negotiations, peacekeeping missions, and humanitarian assistance. The UN Security Council, despite its limitations, continues to mediate conflicts and impose sanctions on aggressor nations. However, the need for Security Council reform is increasingly evident, as the current structure fails to reflect the modern geopolitical landscape. Strengthening the UN's ability to intervene in conflicts, enforce peace agreements, and support post-war reconstruction is vital for global stability.<sup>16</sup>

#### **6.2. Economic Institutions and Developmental Assistance**

Institutions such as the World Bank, the IMF, and regional development banks play a vital role in addressing economic inequalities that contribute to instability. Debt relief initiatives, fair trade policies, and targeted financial assistance can help struggling economies recover, reducing the risk of conflict. The G20 and other

<sup>15</sup> Richard B.; Schlosberg, David (eds.). The Oxford Handbook of Climate Change and Society. Oxford University

<sup>16</sup> United Nations Peacekeeping. Retrieved 2022-07-28

economic forums also provide platforms for dialogue and cooperation among nations to address financial crises and promote sustainable development.

### 6.3. Climate Action and Environmental Cooperation

Addressing climate-related conflicts requires global cooperation through institutions such as the UN Framework Convention on Climate Change (UNFCCC). Developed nations must fulfill their commitments to climate financing and technology transfer to help developing countries mitigate and adapt to environmental challenges. Regional cooperation on water management, reforestation, and disaster preparedness can also reduce tensions and promote long-term peace.

### 6.4. Strengthening Cyber security and Regulating Technology

International agreements on cyber security and AI governance are crucial in preventing technological threats to global peace. Countries must collaborate to establish norms and regulations that prevent cyber attacks, election interference, and the use of autonomous weapons. Initiatives such as the Paris Call for Trust and Security in Cyberspace provide frameworks for ensuring digital peace and security.

### 6.5. Counterterrorism and De-radicalization Programs

Global counterterrorism efforts must go beyond military interventions and focus on addressing the root causes of extremism, such as poverty, lack of education, and political marginalization. Investment in community-based de-radicalization programs, education, and economic opportunities can help prevent radicalization. Strengthening intelligence-sharing mechanisms among nations can also enhance the effectiveness of counterterrorism efforts.

### 6.6 Pathways to Achieving Global Peace in 2025

While global peace remains a complex and evolving challenge, several measures can help foster a more stable and harmonious world in 2025.<sup>17</sup>

1. **Strengthening Multilateralism** – Nations must reaffirm their commitment to multilateral institutions and diplomacy to resolve conflicts through dialogue rather than aggression.
2. **Promoting Inclusive Economic Growth** – Reducing wealth disparities through fair trade, debt relief, and equitable development policies can prevent social unrest and instability.
3. **Addressing Climate Change Proactively** – Strengthening international cooperation on climate adaptation and mitigation strategies can prevent resource-driven conflicts.
4. **Enhancing Cybersecurity Cooperation** – Establishing global cybersecurity norms and regulations can mitigate the risks of digital warfare and misinformation.
5. **Investing in Education and Social Programs** – Promoting education, gender equality, and youth empowerment can reduce the appeal of extremism and build more resilient societies.

The state of global peace in 2025 is shaped by a range of interconnected factors, including geopolitical conflicts, economic inequalities, environmental crises, and technological advancements. While significant challenges remain, opportunities for peace exist through strengthened international cooperation, economic justice, environmental sustainability, and responsible technological governance. Achieving a more peaceful world requires collective action from governments, institutions, and civil society. By embracing diplomacy, fairness, and sustainability, humanity can move closer to a future defined by stability, justice, and harmony.

<sup>17</sup> Mousseau, Michael (Spring 2009), "The Social Market Roots of Democratic Peace", *International Security*, vol.33

## 7. Case studies:

Here are some relevant case studies illustrating the impact of dominant diplomatic and economic policies of developed countries on global peace in 2025:

### 1. The U.S.-China Trade and Technology Rivalry

- **Overview:** The ongoing competition between the United States and China in trade and technology continues to shape global economic policies. The U.S. has imposed strategic tariffs and export restrictions on advanced semiconductor technology, while China has responded with countermeasures, including investment in domestic innovation.
- **Impact on Global Peace:** This rivalry has led to economic realignments, forcing third-party nations to navigate between the two powers. While some countries benefit from diversification in trade, others face economic instability due to disrupted supply chains. The geopolitical tensions also extend to security concerns in the South China Sea and Taiwan.

### 2. The European Union's Green Deal and Carbon Border Adjustment Mechanism (CBAM)

- **Overview:** The EU has implemented the Carbon Border Adjustment Mechanism, which places tariffs on imported goods based on their carbon footprint. This policy aims to combat climate change by encouraging global industries to adopt greener practices.
- **Impact on Global Peace:** While the policy promotes environmental sustainability, it has created trade tensions with countries dependent on carbon-intensive exports. Developing nations argue that it imposes unfair economic burdens, leading to diplomatic negotiations over exemptions and assistance.

### 3. Russia-West Relations and Economic Sanctions

- **Overview:** Following geopolitical conflicts, including Russia's continued engagement in Ukraine and other regions, Western countries have imposed strict economic sanctions. These include financial restrictions, trade embargoes, and asset freezes targeting Russian businesses and political figures.
- **Impact on Global Peace:** While the sanctions have weakened Russia's economy, they have also led to strategic alliances between Russia and non-Western powers, such as China and Iran. The energy crisis in Europe, exacerbated by reduced Russian gas supplies, has influenced global energy markets and diplomatic negotiations.

### 4. The U.S. Foreign Aid Strategy in Africa and Indo-Pacific

- **Overview:** The U.S. has intensified its foreign aid and investment initiatives in Africa and the Indo-Pacific through programs like the Build Back Better World (B3W) and the Indo-Pacific Economic Framework (IPEF). These initiatives aim to counter China's Belt and Road Initiative (BRI).
- **Impact on Global Peace:** While these efforts provide much-needed infrastructure and development assistance, they also intensify geopolitical competition. Some recipient countries benefit from increased economic opportunities, while others face pressure to align with one superpower over the other.

### 5. Japan and South Korea's Strengthened Alliances in the Indo-Pacific

- **Overview:** In response to regional security threats, Japan and South Korea have deepened their diplomatic and military cooperation with the U.S., particularly concerning North Korea and China's maritime expansion.
- **Impact on Global Peace:** While this alliance strengthens regional security and deterrence, it also fuels tensions with China and North Korea, increasing the risk of military escalations.

## 6. The Role of Multilateral Institutions in Conflict Resolution

- **Overview:** Institutions such as the United Nations (UN), World Trade Organization (WTO), and G20 have played a critical role in mediating conflicts, particularly trade disputes and territorial conflicts. In 2025, the WTO has actively worked to resolve U.S.-China trade frictions, while the UN has focused on peacekeeping efforts in conflict zones.
- **Impact on Global Peace:** While multilateral institutions provide platforms for dialogue, their effectiveness is often limited by the conflicting interests of major powers, leading to partial resolutions rather than lasting peace.

## 7. India's Strategic Position in the U.S.-China Rivalry

- **Overview:** As the U.S.-China economic and technological rivalry intensifies, India has positioned itself as an alternative manufacturing hub through initiatives like *Make in India* and the *Production-Linked Incentive (PLI) Scheme*. The U.S. and EU have increased trade and investment in India as they seek to reduce dependence on Chinese supply chains.
- **Impact on Global Peace:** India's rising role in global supply chains strengthens its diplomatic leverage. However, it also faces challenges, such as pressure from China through border tensions and trade restrictions. India's balanced approach—engaging with both the U.S. and China—contributes to regional stability but also necessitates careful diplomatic maneuvering.

## 8. India's Role in the Quad (Quadrilateral Security Dialogue)

- **Overview:** The Quad alliance (India, the U.S., Japan, and Australia) continues to play a significant role in ensuring a free and open Indo-Pacific. In 2025, Quad nations have deepened military cooperation, infrastructure projects, and supply chain resilience to counter China's regional influence.
- **Impact on Global Peace:** While the Quad promotes regional stability and maritime security, China views it as a containment strategy, leading to heightened tensions. India's diplomatic approach—engaging in security dialogues while maintaining trade ties with China—helps de-escalate conflicts while strengthening its strategic position.

## 9. India's Role in Multilateral Climate Agreements

- **Overview:** India has been a key advocate for climate justice at forums like COP30 and the G20. As developed nations implement carbon taxes and green tariffs (e.g., the EU's CBAM), India has led negotiations to secure financial and technological assistance for developing economies to transition to green energy.
- **Impact on Global Peace:** India's diplomatic efforts have helped bridge gaps between developed and developing nations, ensuring that green policies do not disproportionately harm emerging economies. This leadership enhances India's global stature as a mediator in environmental diplomacy.

## 10. India-EU Trade Relations and Free Trade Agreement (FTA)

- **Overview:** India and the European Union (EU) finalized a long-awaited Free Trade Agreement (FTA) in 2025, boosting trade in key sectors like pharmaceuticals, textiles, and IT services. The agreement provides India with preferential access to European markets, strengthening economic ties with a major global bloc.
- **Impact on Global Peace:** Strengthened India-EU ties contribute to global economic stability by diversifying supply chains. However, the FTA also brings challenges, such as compliance with EU's strict environmental and labor standards, requiring India to adapt its regulatory framework.

## 11. India-Russia Relations Amid Western Sanctions

- **Overview:** Despite ongoing Western sanctions on Russia, India has continued energy and defense cooperation with Moscow, purchasing discounted Russian oil and expanding joint military projects. India has also played a diplomatic role in mediating Russia's relations with the West.
- **Impact on Global Peace:** India's neutrality in the Russia-Ukraine conflict allows it to maintain balanced relations with all major powers. While India benefits economically from discounted energy imports, it faces criticism from Western allies for engaging with Russia. However, its mediation efforts have positioned it as a key player in peace negotiations.

## 12. India's Expansion of Digital and Financial Diplomacy

- **Overview:** India's *Unified Payments Interface (UPI)* and digital infrastructure have been integrated into multiple developing economies, supported by collaborations with the U.S., Japan, and the UK. By promoting fintech diplomacy, India enhances global financial inclusion and digital connectivity.
- **Impact on Global Peace:** India's digital diplomacy fosters economic development and reduces financial dependence on China-led digital networks. However, concerns over data security and geopolitical competition in the digital space remain challenges.<sup>18</sup>

These case studies illustrate how India navigates the complexities of global diplomacy and economic policies while contributing to regional and global stability. Let me know if you'd like more details on any of these!

## 8. Recommendations for a Better World in 2025

As global challenges such as economic inequality, geopolitical tensions, climate change, and technological disruptions intensify, a collaborative and inclusive approach is necessary to build a more peaceful, just, and sustainable world. The following recommendations focus on diplomacy, economic policies, technological advancements, and environmental sustainability to foster global stability and cooperation:

### 1. Strengthening Multilateral Cooperation and Diplomacy

- **Reforming Global Institutions:** The United Nations (UN), World Trade Organization (WTO), and International Monetary Fund (IMF) should undergo structural reforms to ensure fair representation of emerging economies and address global challenges effectively.
- **Conflict Resolution and Peace building:** Developed nations should prioritize diplomatic engagement over economic and military coercion. Increased investment in mediation, peacekeeping missions, and dialogue forums can prevent conflicts.
- **Enhancing Regional Cooperation:** Strengthening alliances like BRICS, the Quad, G20, and the African Union can promote regional stability and economic resilience.

### 2. Promoting Inclusive and Sustainable Economic Growth

- **Fair Trade Policies:** Developed countries should reduce protectionist measures and create equitable trade agreements that benefit developing nations, ensuring sustainable economic development.
- **Reducing Economic Inequality:** Progressive taxation, social safety nets, and wealth redistribution policies should be implemented to address income disparities and promote inclusive growth.
- **Encouraging Ethical Investments:** Governments and multinational corporations should prioritize impact investments that support social, environmental, and economic development in underprivileged regions.

<sup>18</sup> Prakash, Amit. "Digital India needs to go local. The Hindu. Retrieved 26 February 2017.

### 3. Advancing Climate Action and Environmental Sustainability

- **Global Commitment to Net-Zero Emissions:** Developed countries must take the lead in achieving carbon neutrality by investing in renewable energy and supporting developing nations in their green transition.
- **Technology Transfer for Climate Solutions:** Developed economies should facilitate the transfer of green technologies to developing nations to ensure a just and efficient transition to clean energy.
- **Sustainable Agriculture and Water Conservation:** Governments must invest in sustainable farming techniques, reforestation, and water conservation projects to combat food insecurity and climate-related disasters.<sup>19</sup>

### 4. Ethical and Inclusive Technological Development

- **Regulating Artificial Intelligence (AI) and Automation:** AI policies must be framed to prevent bias, job displacement, and unethical surveillance while promoting responsible AI governance.
- **Digital Inclusion and Cyber security:** Efforts should be made to bridge the digital divide by providing access to affordable internet and digital literacy programs in developing nations.
- **Ensuring Data Privacy and Protection:** Stronger global frameworks should be established to regulate data privacy, cyber security, and ethical AI development.

### 5. Strengthening Global Public Health Systems

- **Universal Healthcare Access:** Developed countries should support global health initiatives to ensure equitable access to medical facilities, vaccines, and life-saving treatments.
- **Pandemic Preparedness:** Strengthening international collaboration through early warning systems, vaccine-sharing mechanisms, and robust health infrastructure can prevent future pandemics.
- **Mental Health and Well-being:** Governments should integrate mental health into public health policies, recognizing its importance for overall societal progress.

### 6. Promoting Education, Human Rights, and Social Justice

- **Universal Education Access:** Investment in free and quality education, especially in underserved regions, can create equal opportunities and drive long-term economic growth.
- **Gender Equality and Social Inclusion:** Policies that promote equal pay, women's empowerment, and minority rights should be prioritized globally.
- **Protecting Freedom and Democracy:** Governments must work to uphold human rights, freedom of expression, and democratic values while resisting authoritarianism and political oppression.

### 7. Reforming Financial and Development Assistance Policies

- **Debt Relief for Developing Nations:** Developed economies and international financial institutions should implement fair debt restructuring programs to help struggling nations recover from economic crises.
- **Fair Foreign Aid Policies:** Instead of conditional aid that fosters dependency, donor nations should focus on capacity-building initiatives that empower developing countries to become self-sufficient.
- **Encouraging Public-Private Partnerships (PPPs):** Governments should collaborate with private enterprises to invest in infrastructure, healthcare, and education in economically disadvantaged regions.

<sup>19</sup> Duane D. Baumann; John J. Boland; John H. Sims (April 1984). "Water Conservation: The Struggle over Definition". *Water Resources Research*. 20 (4): 428–434

## Conclusion

A better world in 2025 is achievable through collaboration, ethical policymaking, and sustainable economic and environmental practices. By prioritizing diplomacy, climate action, technological responsibility, and social justice, nations can work together to build a peaceful and prosperous global society. The role of developed countries is crucial in ensuring that progress is inclusive, leaving no nation behind.

