



Bridging the Divide: Energy Poverty and the Global North-South Dynamics in the G20 Framework

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Abstract

The Global South, emerging from its long-held identity as the 'backward', 'poor', or 'inefficient' region, is trying to navigate its way through its current challenges of poverty, infrastructural deficit, food insecurity and malnutrition, access to adequate healthcare, illiteracy, political instability, refugee crises, a digital divide, climate change, and environmental degradation; particularly clean energy transition and the pre-existing divide between North and South countries in terms of accessibility and awareness. Despite strong efforts, energy poverty, inaccessibility, and a lack of digital public infrastructure remain huge barriers to achieving the Sustainable Development Goals (SDGs). This article aims to probe existing disparities and suffering due to the history of colonisation, the global North-South divide, financial inequality, clean energy transition and energy poverty as core socio-economic inequalities in the current international framework, drawing attention to the unease in developing countries and bringing awareness to the need for financial inclusion in light of the G20's growing relevance in accomplishing actions towards global issues. Following India's triumph of its G20 presidency, Brazil holds its presidential priorities in global governance, addressing inequality through inclusion and the SDGs along with climate change; therefore, it is only relevant to focus on energy poverty, accessibility, sustainability and transition. This research article aims to form a strong basis for building recommendations regarding the same set of problems concerning the global south or developing countries.

Keywords: *Global South, Global North, G20, Energy Poverty, Climate Change, Sustainable Development Goals (SDGs), Climate funds, Technology and Financial Transfer.*

1. Introduction

The term ‘Global South’ (GS) has its roots in our day-to-day understanding of the socially and economically marginalised regions, better known as third-world countries. It is taken from the 1980 Brandt Line model, which portrayed that the world is literally divided into two spheres on the map, with most of the rich countries in the North and most poor countries in the South (Figure 1.1). This area is bound together by its shared experience of colonisation and exploitation, cultural affinity, underdevelopment and recently, the shift in geo-political power dynamics wherein these nations form an alliance seeking to reform global governance, pre-existing inequalities, socio-economic development and environmental and climate justice. Perhaps the most important of these is the disproportionate impact of climate change on the GS countries, the 733 million people globally who have no access to electricity and the 1.18 billion people are energy poor and do not use power in a way that has a major influence on their daily life. (Institute for Social Research, 2024) (Min, 2024)



Figure 1.1 Brandt Line

(Source: British International Studies Association, 2020.)

To chalk its origins, the current day GS countries (India, China, Cambodia, Ethiopia, Kenya, Nigeria, Qatar, Oman, Haiti, etc.) were part of the southernmost populations known to European colonists throughout the 14th to 18th centuries and were considered literally the most distant. In the 1950s and 1960s, the Argentine economist Raúl Prebisch popularised the distinction between ‘core’ and ‘periphery’ of the world economy (Johnson & Burgee, 2012). With this, the terms North and South were integrated into the international and political discourse and notions surrounding

underdevelopment began gaining momentum. Subsequently, in the post-Cold War era, the North-South language provided an alternative to the concept of 'globalisation' which suggested a growing homogenization of cultures and societies. Despite the boom in the Asian economy and the efforts of institutions such as the Asian Development Bank (ADB), BRICS (Brazil, Russia, India, China and South Africa) and South-South cooperation, New York, London, Berlin and Tokyo remain centres of global economic activity.

2. Literature Review

An Oxfam Report on inequality states that 'The Global North is home to just 21% of the world's population, but it accounts for 69% of private wealth and 74% of billionaire wealth worldwide. (OXFAM International, 2024) This report showcases that despite developing countries uplifting millions out of poverty and providing healthcare, education, employment and infrastructure to their citizens, especially in times of crisis, they suffer from unequal development and the disproportionate burden of underdevelopment, especially in terms of climate change.

It is important to bear in mind without the impact of climate breakdown, the inequality between nations would have been 25 % less than it is today. (OXFAM International, 2024). The debate on climate change is one familiar to all, with the blame game of who owes what pertaining to their carbon emissions, halting any progressive talks. While it has been established that Global South nations have been bearing the consequences of climate change ever since their colonisers disrupted their resources for their own economic purposes, the monetary assets that were promised by the Global North (GN) for technology transfer and developmental assistance are yet to be fulfilled. Additionally, the Paris Climate Agreement stresses the importance of "averting, minimising and addressing" (United Nations Framework Convention on Climate Change [UNFCCC], n.d.) loss and damage as a key pillar of the treaty. The nations of the Global South have been facing adverse and negative effects of climate change, which are, most of the time, irreparable and irreversible.

John Kirton has spoken of the significance of the G20 in the history of international institutions. Interestingly, the Group of Twenty (G20) was accelerated against the backdrop of the Asian Financial Crisis in 2008. The scholars of the 21st century realised that capability and connectivity go hand in hand as the defining features of the international system. Therefore, the countries that were the most powerful at the time needed the most interconnected countries to form an

international institution that not only solved crises but also prevented the next financial crisis. With the catastrophic collapse of the Lehman Brothers New York investment bank, there was clearly a need for greater coordination and collective action. This prompted the US government to recognise the urgency and the interconnected nature of the crisis and to reconsider the G20 and its potential role in addressing this unprecedented global challenge. Thus, we saw the first leaders' summit in Washington, DC, in November 2008.

Adding on, at the onset of COVID-19, the G20 group was the first global governance responder holding the 2021 Rome summit, focusing entirely on health. Moreover, the G20 was formed at a time when only a few multilateral institutions existed that were different from the traditional organisations or not meant for a particular region. This means that the G20 forum, which began as a financial platform, has also been successful in addressing global security issues and has potential to essentially bridge the gap between the Global North and South. The problem at hand must be one of the primary concerns for the group and the Brazilian presidency, considering the recent inclusion of the African Union as a full member of the group. Following India's triumph of its G20 presidency, Brasília holds its presidential priorities in global governance, addressing inequality through inclusion and the SDGs along with climate change; therefore, it is only relevant to focus on energy poverty, accessibility, sustainability and energy transition.

It is argued that since the G20 nations' participation provides an appropriate framework to enable the international collaboration needed to successfully alleviate the global problem of climate change, as they account for 80% of global GHG emissions. (Smith, G., Heinbecker, 2010). According to a paper emphasizing on the role of the G20 in the climate change regime, since each country has different requirements for responding to climate change, the highly informal institutional setup of the G20 and its adaptable cooperation tools may allow its members to tailor their policies to advance the climate change agenda and improve relations with other nations. (Kim, Chung, 2012) What distinguishes the group from other multilateral platforms is the range of inclusion it has, the strength of nineteen countries and two regional bodies spread across six continents, with the five largest economies representing around 85% of the world's GDP, more than 75% of world trade and around two-thirds of the world's population. (G20,2024)

No discourse on matters of international importance and the Group of Twenty would be complete without examining its summit outcomes or the leader's statements. A leader's summit is the result of more than 100 G20 summits that are held over the course of the year. The word originates from its English connotation, which refers to a mountain's highest peak. (G20, 2024). One perspective is the success India had in re-emphasizing climate financing for the developing countries, with the leader's declaration acknowledging that to meet its targets for zero emissions, the developing world will require an additional \$4 trillion annually for clean energy technologies, on top of the \$5.9 trillion it will need to fulfil its Nationally Determined Contributions by 2030. (Chaudhary, 2023).

3. Data and Methodology

This paper was intended to gather relevant information and data on energy poverty, climate change impacts, and financial flows from the Global North to the South; mainly to support the argument that there is an existing gap between the GS and GN countries in regard of access of tools combating climate change. This also includes the disproportionate impact of these phenomena to a varying extent. The approach combines qualitative and quantitative data collection methods to provide a comprehensive understanding of energy poverty and its implications.

For quantitative data, the International Energy Agency (IEA) provides statistical information on energy consumption, access to electricity, and metrics related to energy poverty across various countries. Additionally, the World Bank offers economic indicators, demographic data, and reports on Sustainable Development Goals (SDGs) that pertain to energy access and poverty and the United Nations Development Programme (UNDP) contributes reports on human development indices and energy-related initiatives in developing countries. In terms of qualitative data, the research includes original analysis of different briefs, policy assessments and books to an extent. There is a use of thematic analysis to uncover recurring themes related to energy poverty, financial inclusion, and the impact of G20 initiatives. Different interactions from scholars aim to gather insights into local challenges and perceptions regarding energy access and sustainability. Furthermore, case studies provide in-depth analyses of specific countries, such as India, Brazil, and Nigeria, illustrating the unique challenges and successes these nations face in addressing energy poverty and transitioning to clean energy.

The study's analytical framework includes a number of techniques. To discover best practices and expose discrepancies, comparative analysis is used to evaluate socio-economic metrics and energy availability in Global North and Global South nations. Notwithstanding the study's goal of offering a thorough perspective, a number of limitations must be noted. The availability of data might provide a barrier, since certain places may have little or obsolete trustworthy information on socio-economic situations and energy access, which could significantly impact the research. Furthermore, the various political and cultural circumstances of the Global South nations may affect how broadly the results may be applied.

4. Results

While the Global South crawls toward self-sufficiency most countries heavily rely on aid, trade, and investment from the Global North for their economic stability and growth. Additionally, the idea of investing and collaborating in African countries was established while discouraging African Union and its GS counter parts to adopt the victim mentality and working towards their potential. Perhaps the most important outcome of this meeting was the assertion that, it's time for the Global North to demonstrate their commitment through tangible action and collaborate on low-cost funding, debt relief, technology upgrades and the digital divide or in laymen terms '*walk the talk*' (World Economic Forum, 2024). The United Nations Conference on the Human Environment, widely known as the Stockholm conference, took place nearly 50 years ago wherein the themes of climate justice, loss and damage fund originated but are yet to transcend into formidable action. The GN play a significant role as it consists of major global players with power to influence international policies and practices therefore the need of the hour is self-evident. We should prioritize initiatives that empower developing nations, fostering an environment rather than imposing limitations and questioning of the developmental needs of the GS.

The numbers are very well known, as previously mentioned, the GS needs 2.5 trillion US dollars to stay on track for energy transition alone. At COP15 in 2009, it was agreed that 100 billion US dollars will be mobilised by developed countries for climate action and currently the capital remains stagnant as the in-house debate of division among the developed countries is facing objections. However, it would be unfair to overlook the finances that have been transferred, the top ten emerging economies outside the OECD effectively garnered \$12 billion in investments for

solar technologies and \$7.7 billion for wind power technologies (EARTH.ORG, 2021). There have been reports such as one by OECD stating that the aggregate wealth mobilised in 2019 was 79.6 billion USD (OECD, 2021) and 83.3 billion USD in 2020, although a mere 8 percentage went to low-income countries and a quarter to Africa despite being more prone to the impacts of climate change (UN, n.d.). The complexities and gaps in these mechanisms are adding on to the existing disparities of the South and North. Apart from the monetary aspects, technology transfer is an essential requirement for the advancement of the GS since tools such as efficient energy grids need resources that the GN has. moreover, this technological capability in most cases is yet to trickle down from the developed nations to the south.

A promising and upcoming dimension would be the interplay of Digital Public Infrastructure and Artificial Intelligence. This is not explicit to the divide of the global north and south but spans to intervening in the entirety of environmental issues, it is again a nudge to the evident and mature perspective to focus on productivity and give less importance to the blame game of developed, underdeveloped or developing or within the developed nations as to who is responsible in historically polluting more. The DPI playbook is an extensive toolkit created to assist nations in creating inclusive and rights-based digital public infrastructure. During India's G20 leadership and in collaboration with the UNDP, guidelines and DPI examples that use or have the potential to incorporate AI were gathered. Building on the 13th Sustainable Development Goal of Climate Action, it presents the Global Forest Watch, which was embraced by 25 nations and provides near-real-time deforestation data that can be used to create custom apps using open APIs. Surprisingly, Namibia has reduced greenhouse gas emissions by 91% and was the first nation in Africa to adopt a carbon trading DPI (UNDP , 2023).

5. Discussion

5.1 The Path Ahead: Emphasizing Action and Encouraging Technological Advancement

There is a substantial amount to be explored and examined in the context of the G20, the Global South and climate change individually or interrelatedly; this article is a foundation to build arguments and solutions for future presidencies of the group to take effective measures to bridge the Global North and South divide. Of course, substantiating from its past summits, it would be fair to explore questions such as, How can this platform work on financial inclusion, climate

financing and technology transfer considering the original and primary goal of the G20 was to combat economic crises? What global South countries within the forum are facing what disparities compared to the developed countries and how can we address them in the future? What should Brazil try to achieve in their G20 declaration under their three themes of priority? How have the same of the previous countries performed during their G20 presidency with regards to the themes of SDGs, energy transition, accessibility, and sustainability? How is it relevant to the global South, particularly Africa? What is the data to underscore this, and how can it be interpreted? Most importantly, what can Brazil learn from these findings?

6. Conclusion

The Global North needs to move beyond commitments and deliver initiatives, and commitments like as low-cost funding, debt reduction, technology transfers, and tackling the digital divide. The Global North and Global South have significant wealth disparities, with the GN controlling most of the world's wealth. Climate change exacerbates these disparities, with GS countries experiencing disproportionate impacts despite their lower global emissions contributions. While the Paris Climate Agreement and other international commitments place emphasis on addressing these imbalances, the Global North has not taken concrete action to address them. The Global South is grappling with challenges like poverty, infrastructure deficits, climate change, and energy poverty while striving for sustainable development. Energy poverty is a significant barrier to achieving the Sustainable Development Goals (SDGs), highlighting disparities rooted in historical colonization and current geopolitical dynamics. It is crucial that we identify and recognise the problem in order to tackle its challenge. The initial step should be to thoroughly examine and comprehend the nature and scope of the problem, before considering the various potential approaches to addressing it. Without a deep understanding of the problem's complexities and nuances, recommendations or remedies - even for twenty of the world's largest economies - may fall short.

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