



Chapter Five

The South's approach: trade in the G20 Agenda

Carlos Frederico Coelho 

International Relations Institute (IRI)

Pontifical Catholic University of Rio de Janeiro (PUC-Rio) 

Rio de Janeiro, Brazil

Camila Amigo 

International Relations Institute (IRI)

Pontifical Catholic University of Rio de Janeiro (PUC-Rio) 

Rio de Janeiro, Brazil

Abstract

The chapter analyses the evolution of international trade within the G20 framework, focusing on the growing prominence of protectionism and its implications for the countries of the South. It explores the rise of neoprotectionism, based on protectionist policy driven by economies of the North and legitimized through sustainability and security discourses. This shift challenges the principles of a rules-based multilateral trading system, disproportionately affecting the Global South, whose structural constraints limit their influence in a power-based global economy. A comparative analysis of recent G20 Leaders' Declarations highlights the rhetorical support for multilateralism and the growing tension between stated commitments and trade practices. Particular attention is given to the weakening of the World Trade Organization's Dispute Settlement Mechanism and the strategic importance of the G20 as a potential venue for countries of the South to articulate collective responses. Through surveys conducted in Brazil, India, South Africa, and Germany, the chapter reveals



a broad consensus against protectionism, alongside diverging preferences for trade strategies between the South and the North nations. The chapter concludes with policy recommendations on plurilateral trade agreements, capacity-building in trade governance, and efforts to reduce dependency on developed countries' currencies. These measures aim to realign trade governance with the developmental priorities of the Global South and reinforce the role of the G20 in promoting inclusive and equitable global trade.

Keywords: protectionism; neoprotectionism; trade governance; Global South; WTO; G20; plurilateral agreements; trade costs; subsidies.

Introduction

In the shifting landscape of global economic governance, few issues reveal as much about the asymmetries of power as the evolving treatment of trade. Over the past two decades, trade liberalization has given way to a more fragmented, politicized, and at times coercive global trade environment. This chapter aims to address the issue of international trade in the G20, with special focus on the effects of rising protectionism to countries of the South, their reaction and potential scenario outcomes.

It is undeniable that protectionism has risen in the last decade. It is important to clearly state such a phenomenon as it predates any tariff measure taken by the Trump administration in the first few months of its second mandate. In fact, the draconian measures currently underway are the epitome of a process that has now been a part of international trade at least since 2010.

As the Global Trade Alert (2025) clearly shows in the below presented graph, when it comes to new yearly trade policies examination throughout countries from 2010–2024, there has clearly been a preference for harmful¹ policies rather than liberalising ones.

1 The Global Trade Alert classifies a measure as harmful if the implementation of a government policy instrument likely or almost

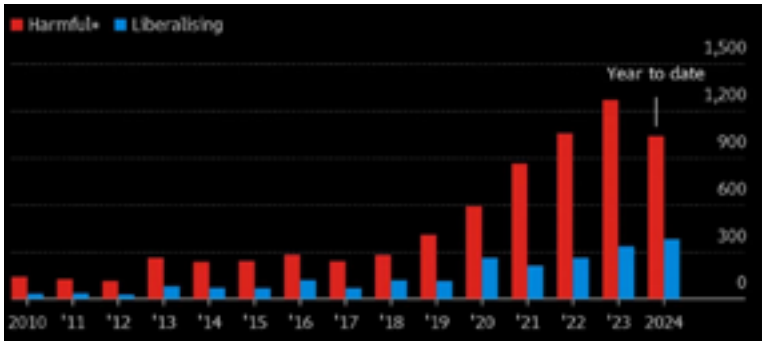


Figure 1: New trade policies (2010–2024). Reference: Global Trade Alert, 2025

Such harmful policies run counter to prevailing literature on the benefits of international trade, that have long been the staple of the discipline, going as far as to the works of Adam Smith. The novelty in what we see as neoprotectionism is that it is mostly driven by northern countries, disproportionately affecting southern countries and making G20 declarations of little value or substance.

1. G20 Declarations and International Trade

The last three G20 presidencies have been from southern countries (Indonesia, India, Brazil) and South Africa's presidency in 2025 means four straight years of agenda setting with a bit more influence from the south's perspective. That has been true in the priorities set by each of the countries in their term as presidents and been a part of each of the declarations.

When it comes to international trade, declarations of the past three years have highlighted the importance of the multilateral trading system and that of the World Trade Organization as an indispensable reference point for a rules-based system of international trade. In Bali's declaration, such preferences were clear, and the text leaves no room for a different interpretation:

certainly worsens the treatment of one or more foreign commercial interests relative to domestic rivals.

“We reaffirm that the rules-based, non-discriminatory, free, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system (MTS), with the WTO at its core, is indispensable to advancing our shared objectives of inclusive growth, innovation, job creation and sustainable development in an open and interconnected world as well as to supporting the resilience and recovery of a global economy under strain due to COVID-19 and global supply chain disruption. We agree that reforming the WTO is key in strengthening trust in the MTS. We will continue to ensure a level playing field and fair competition to foster a favourable trade and investment environment for all.” (G20, 2022)

Similar language was found on the following year’s declaration, within the context of the Indian presidency, which reaffirmed the call for a rules-based system of international trade with the WTO at its core. We highlight, however, the explicit mentioning of the renewed commitment to ensure a level-playing field and fair competition by discouraging protectionism, signalling the brewing discomfort with the choices made by several countries:

“We reaffirm that a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system, with WTO at its core, is indispensable. We will support policies that enable trade and investment to serve as an engine of growth and prosperity for all. Today, we:

- i. Renew our commitment to ensure a level-playing field and fair competition by discouraging protectionism and market distorting practices, to foster a favourable trade and investment environment for all. We reiterate the need to pursue WTO reform to improve all its functions through an inclusive member-driven process and remain committed to conducting discussions with a view to having a fully and well-functioning dispute settlement system accessible to all members by 2024. We commit to work constructively to ensure positive outcomes at the

WTO's Thirteenth Ministerial Conference. (MC13)" (G20, 2023).

For a third straight year, the Rio de Janeiro Leaders' declaration emphasized the now pattern of defending a fair, non-discriminatory, rules-based system of international trade:

"International trade is an important engine for inclusive economic growth, combating poverty and hunger and promoting sustainable development and the SDGs. Stressing the importance of ensuring that trade and sustainable development are mutually supportive, we endorse the G20 Principles on Trade and Sustainable Development to serve as guidelines for the design and implementation of measures related to trade and sustainable development. To enable trade and investment to fully realize its potential and act as a driver of global growth and prosperity, we emphasize the need to ensure a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system, with the WTO at its core. Ensuring a level playing field and fair competition consistent with WTO rules is essential to ensuring prosperity and fostering a favourable trade and investment environment for all. We reiterate the centrality of the development dimension of the WTO." (G20, 2024)

While the Rio declaration made no explicit mention of protectionism as found in New Delhi, it did point out the increasing use of sustainability as a justification for protectionism policies, as can be noted on paragraph 42 that "*measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade*" (G20, 2024). This echoes other calls on that specific front, as one of neo-protectionism's facets was the use of so-called green subsidies by developed countries which protected their own domestic firms. As noted by Kristalina Georgieva, International Monetary Fund's Managing Director, protectionism disguised as green subsidies would make it even more difficult for

poorer countries to access new technologies and support green transition (Georgieva, 2023).

The South African leaders' declaration will come at a very different context than the latter three declarations that preceded it. In short, the new administration in the United States of America has brought the issue of tariffs and protectionism to the center of current international debates and have done away with existing rules of international trade without any regard for other opinions. Given such scenario, it would be difficult to envision a declaration (with US support) that would again defend a rule-based system characterized by non-discrimination and with the WTO at its core. Something will have to give: a declaration like previous ones would likely render such text meaningless while an abrupt change seems rather unlikely.

2. From rules-based to power-based: effects for the South

Devoid of material capabilities that are a staple of the northern countries, the Global South has historically preferred strategies that centered on coalition-building, international laws and norms and multilateral forums to optimize their collective strengths and exercise their interests on the international arena, as indicated by Blarel and Van Willigen (2017), among others.

Recent surveys published in 2024 and 2025 with approximately 1,000 experts in Brazil, India, South Africa, and Germany² provides insightful information as to the positions in the Global South in relation to protectionism and international trade (Ganter et al., 2024; 2025). First, and notably, not all southern countries are created equal and when it comes to trade, unfairly or not, it is impossible not to distinguish China and the rest of the Global South, as most of the trade policies recently found in the northern countries are directly aimed at curbing China's influence in their international trade as China is the leading trade partner of more than 120 countries (Green, 2023). Hence, it is important to note general perspective towards

2 The survey was funded by a German Foundation, hence the inclusion of the country.

the issue at hand – protectionism, but also general positions towards both the northern countries and China.

The importance of international trade is unquestionable for Global South, as the sample of South Africa, Brazil and India shows. When asked to name the top three foreign policy priorities for their countries, respondents highlighted the issue of international trade in each of the countries (Ganter et al., 2025, p.7).



Figure 2: Foreign Policy Priorities for Brazil, India, South Africa and Germany. Reference: Ganter et al., 2025; p. 7

As it relates to protectionism, the 2024 survey showed a rejection of such practices in all countries (Ganter et al., 2024; p.23), a reminder of strain endured by the southern countries when unilaterally faced with higher tariffs in direct circumvention of common agreed rules of international trade.

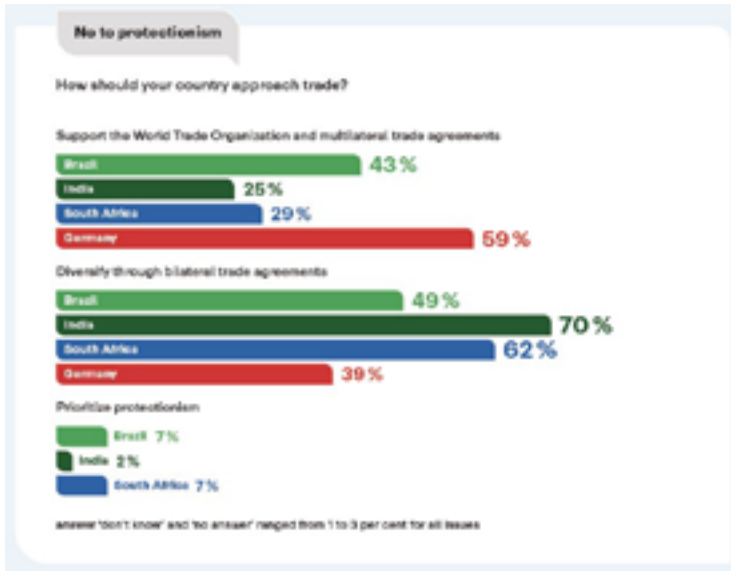


Figure 3: No to protectionism. Reference: Ganter et al., 2024; p. 23

Caught between China, the United States and the European Union, southern countries find little room to navigate the current streams of international trade, squeezed between the interests of agenda-setting powers. The response as to whether countries will suffer from a Chinese-US trade war shows the amount of tension the current situation brings and in general, there is great dissatisfaction as to the perceived unfairness of the trade practices of the major trading partners of the world.

Although it is true that countries of the Global South often face structural constraints when caught between the competing interests of China, the United States and the European Union, it would be misleading to suggest they have no agency. On the contrary, many of them have historically used geopolitical frictions to advance their own agendas. Brazil's longstanding tradition of non-alignment, for instance, has allowed it to diversify partnerships and preserve room for maneuver, while India has also pursued pragmatic strategies to benefit from tensions between great powers. These examples illustrate that

the current scenario, marked by trade disputes and systemic uncertainty, does not eliminate agency but rather creates opportunities for strategic action. Southern countries may, therefore, leverage such tensions to negotiate better conditions, diversify financing sources, and expand their influence in multilateral fora. If pursued in a coordinated and strategic way, this could enable them to advance their development priorities while shaping a more balanced global trade order.

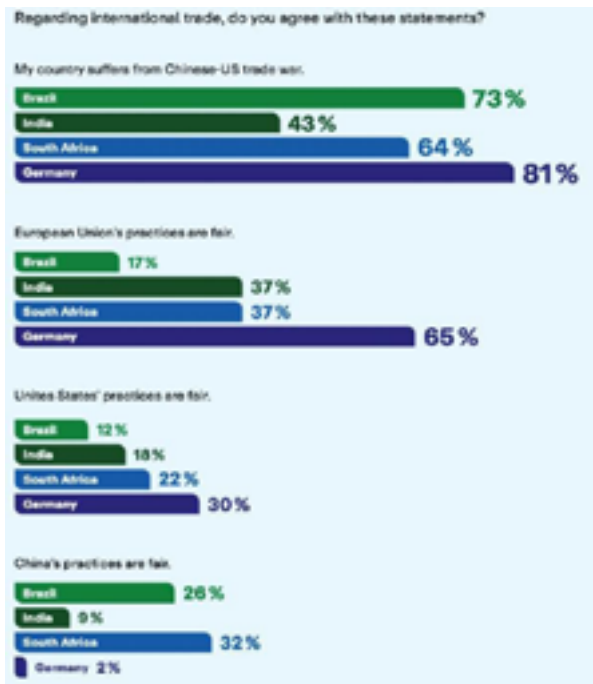


Figure 4: Accordance with statements regarding international trade. Reference: Ganter et al., 2025; p. 17

Henceforth, a transition from a (albeit imperfect) rules-based system with the World Trade Organization at its core and a power-based system characterized by unilateralism and threats harms the Global South in great disproportion than its counterparts in the North. The G20 represents more than 85% of global economic output and approximately 75% of international trade, as well as roughly two-thirds of the world's population

and its yearly declarations on international trade are evidence that something is amiss, because the disconnect between the text and the practice has reached unforeseen heights.

The international trade that transitions from a rules-based system to a power-based one has the effect of doing away with almost 80 years of work of an imperfect but collectively constructed international trade regime. The journey from the General Agreement on Tariffs and Trade to the World Trade Organization has not been without its challenges and criticism. However, the alternative is worse. The Global South has negotiated mechanisms and bound tariffs at the WTO that are currently being ignored by the world's largest economy, with no legal recourse available, after a long period of suffocation of the World Trade Organization's Appellate Body of the Dispute Settlement Mechanism.

Such impasse at the WTO's Dispute Settlement Mechanism is illustrative of the difficulties of the WTO as a whole and of other multilateral institutions. Again, the preference of the Global South for acting through multilateral institutions is a product of their material capabilities and the dysfunction of the WTO means that the voicing of interests is severely jeopardized. In the absence of rules, there is nothing to stop international trade from its continuing use as a geopolitical tool where every action is on the menu.

3. The Disproportionate Impact of Protectionism on the South

Protectionist measures are designed to shield domestic industries from foreign competition. Although international trade literature has described the benefits of a free flow of international goods for more than 200 years, political economy has also long taught us that politics is the game of who gets what, when and how (Laswell, 1936). As such, tariffs and other trade-constraining measures have also been a part of international trade literature for hundreds of years.

As it relates to the Global South, it should be noted firstly that the same asymmetries found in other international

relations' fields also apply to international trade. While protectionist policies may serve domestic political or economic goals in the northern countries, they often exacerbate existing vulnerabilities in the southern countries. As such, the ability of southern countries in dealing with unilateral protectionism is hampered by their own systemic, structural shortcomings, including that of an export-based economy which usually exports commodities or low value-added goods.

Also, it is no surprise that the institutional capacity of the southern countries to respond to trade restrictions is generally weaker than that of their northern counterparts. Legal and administrative mechanisms to challenge protectionist measures in the WTO, for example, are often underutilized due to resource constraints and limited expertise. As such, building trade capacity is of great importance to countries of the Global South.

Finally, we should consider the work of the World Trade Organization under its Trade Cost Index series. As presented, the Trade Cost Index has been produced to complement other statistics that WTO provides on trade costs, such as average tariffs or the number of non-tariff measures, with the aim to give a sense of the degree of restrictiveness of some of these measures, to measure how trade policy barriers compare to other trade costs, and who bears these costs (World Trade Organization, 2024). Unequivocally, the WTO Trade Cost Index shows that the cost of doing trade in southern countries is 27% higher than in northern countries and that manufacturing trade costs in low-income economies are approximately 34% higher than in high-income economies, with Least Developed Countries (LDCs) experiencing a 47% higher cost (2025).

4. Recommendations

Given the current scenario in international trade, the recommendations here presented are limited as to the scope of what is potentially feasible. Hence, our approach in this section does not pose what would be most desirable for the Global South in the international trade system but rather, what could be achievable. Three ideas are then proposed: (1) continuing work

on minilateral or plurilateral agreements; (2) trade-capacity building; (4) decoupling from northern countries' currencies in international trade.

4.1. Advancement of minilateral/plurilateral agreements

Our core starting point for this recommendation is the belief that the era of consensus in the World Trade Organization has been long gone, as evidenced by the paralysis that hit the WTO's Dispute Settlement Appellate Body and the agonizing failure of the Doha Development round, after more than a decade, in 2011. As a result, it would be unreasonable to expect a global trade deal to be negotiated among non-stop call for the reform of the organization. Furthermore, the current proposed tariffs coming from the United States which targets every possible market around the world might ironically be the starting point for trade discussions among third parties seeking to diversify from the American economy.

By allowing a pick and choose model, plurilateral agreements allow interested parties to select issues for coordination and participations in different negotiations. Well-designed issue-based plurilateral agreements can serve the needs of like-minded Global South and Global North countries alike, enhance the spread of foreign direct investment (FDI) driven global supply chains, and complement multilateral and FTA rule-making.

Let there be no doubt: the preferred outcome on the international trade system would be that of a global trade deal encompassing several issues and consensually brought to close. However, there is nothing in the current situation that would encourage such thinking. As a result, the search for plurilateral agreements clearly appears as the second-best scenario. Most recently, on the issue of fisheries, such plurilateral agreement was possible with the participation of more than 100 countries (WTO, 2022), which did not configure consensus but nonetheless broke the inertial forces that have long haunted the organization.

The Multi-Party Interim Appeal Arbitration, created in the shadows of a dysfunctional Dispute Settlement Mechanism at the WTO given the absence of Appellate Body members, is another example of a plurilateral agreement that has been working effectively. It would not be reasonable to believe that all members of the G20 would participate in the MPIAA, since the United States as one of them is responsible for not providing the consensus needed to renew the WTO's Appellate Body. However, participation from all other members would signal a step in the right direction and embolden other creative solutions that are rules-based. At the moment, there are 29 parties to the MPIAA, including trade heavyweights such as the European Union, China, Japan, Canada and Brazil. Global South participation in the MPIAA would provide the necessary, even in temporary, legal framework to insulate developing countries from unilateral initiatives from fellow MPIAA signatories.

4.2 Capacity-building on trade

Even before the Trump administration's "Liberation Day", which saw unprecedented and unilateral tariff hikes for every country in the world, technical assistance in international trade was sorely needed for the Global South. They often face substantial challenges in effectively participating in the WTO's complex legal and negotiating processes. They can be summarized in three different factors: (1) limited institutional capacity; (2) insufficient legal expertise; (3) lack of financial and technical resources. This underscores the critical need for enhanced technical assistance and capacity-building measures tailored to the needs of the southern countries.

Bernard Hoekman observed that "*the disparity in negotiating capacity between developed and developing members undermines the principle of inclusive participation in global trade governance*" (2005). Furthermore, without adequate support, countries of the South find it difficult to promote their interests in trade negotiations and may end up adopting obligations that are not aligned with their developmental needs. This, in turn, compromises not only the fairness of the WTO system but also its legitimacy and effectiveness in promoting global economic equity.

We are not indicating an absence of technical assistance programs at the WTO but there is little evidence on its effectiveness, especially as it relates to short-term training courses which are often provided in Geneva and delivered by WTO Headquarters' Divisions. Borrowing from the example of the IMF, which G20 countries should be very familiar with, this seems like the right time to decentralize the WTO's training and assistance's functions, with the consequential set up of a network of regional training centers in selected Global South countries. It is our belief that involvement of local expertise combined with international experts would enrich the quality of the training and technical assistance.

In conclusion, the creation of trade building capacity is a feasible recommendation that might be non-controversial even in times of great tensions such as today. The Global South would benefit from such a move and maybe apart from one, every other WTO and G20 member could throw its support behind such idea.

4.3. Decoupling from currencies of the northern countries

The global monetary system has long been anchored by the U.S. dollar and to a lesser extent, the Euro. For the Global South, this reliance has imposed systemic vulnerabilities that affect trade, investment, debt sustainability, and macroeconomic policy autonomy. In response, a growing tide of discussions regarding *currency decoupling* is taking place.

Such discussion is not a mainstay of G20 talks but it is surely present in other forums where the Global South is represented, such as the BRICS, where albeit a common currency is not currently under discussion, all other strategies to divert from the US Dollar dominance are on the table, including the usage of local currency in international trade transactions (Agência Brasil, 2025). The Dollar Dominance Monitor (Atlantic Council, 2025), which tracks the foreign exchange reserves from different countries, has not seen much variation in the last eight years.

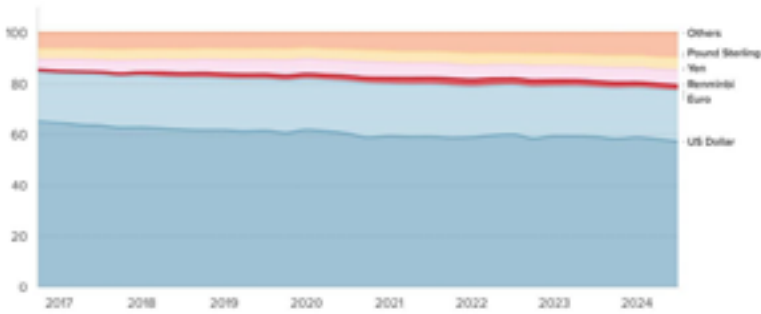


Figure 5: Currency composition of official foreign exchange reserves. Reference: Atlantic Council, 2025.

Obviously, any change of currency use in international business is ripe with complexity, but the discussion has continued, and the Global South would do well to keep it that way. At the very least, this might become a usable bargaining chip in the search for a more equitable development among countries.

5. Conclusions

The present chapter aimed at providing a perspective from the Global South as it relates to international trade and how such discussion takes place at the G20, while offering three recommendations for the group to take on moving forward.

As demonstrated, the past three declarations, adopted under the presidencies of India, Indonesia, and Brazil, are very similar in that they defend the existence of a rules-based system of international trade, while pledging to keep the WTO at its core. Protectionism appears in the last two declarations, but with different emphases: India made an explicit call for its end, while Brazil highlighted the risk of confusing support for green initiatives with disguised trade subsidies. It will be interesting to note what can be achieved in terms of a declaration under the South African presidency, given the current turmoil in international trade.

The preference of Global South countries for rules-based system is intuitive and correlates to their material capabilities in

comparison to others. It may be that the current crisis will turn into a stark reminder that a rules-based system of international trade allows for much desired predictability that facilitates trade and investment flows.

Given the way that protectionism disproportionately affects the South, three recommendations are made, within the realm of what is feasible. Firstly, a recommendation to continue to advance plurilateral agreements. Secondly, a proposal to create regional trade centers where trade training can take place. Finally, and surely the most complex recommendation, that of diverting away from the use of US Dollar and Euros as a way to improve balancing of economic relations between southern and northern countries.

After three years of mostly the same language at the G20, the issue of international trade is at a critical juncture both within the forum and outside of it. A repeat of often used language at this time will likely test the limits of hypocrisy in international diplomacy. An absence of agreement on language will be more sincere but will also serve as evidence of the chaotic times that international trade currently face.

References

- AGÊNCIA BRASIL. BRICS should enhance use of local currencies among member countries. Available at: <https://agenciabrasil.ebc.com.br/en/economia/noticia/202502/brics-should-enhance-use-local-currencies-among-member-countries>. Accessed on: May 12, 2025.
- ATLANTIC COUNCIL. Dollar Dominance Monitor. Available at: <https://www.atlanticcouncil.org/programs/geoeconomics-center/dollar-dominancemonitor/>. Accessed on: May 15, 2025.
- BLAREL, Nicolas; VAN WILLIGEN, Niels. Coalitions and foreign-policy-making: insights from the Global South. *European Political Science*, v. 16, p. 502–514, 2017. <https://doi.org/10.1057/s41304-016-0066-7>

Chapter Five

- G20. Bali Leaders' Declaration. November 2022. Available at: <https://g20.org/wpcontent/uploads/2024/09/2022-11-16-g20-declaration-data.pdf>. Accessed on: May 12, 2025.
- G20. New Delhi Leaders' Declaration. September 2023. Available at: <https://www.mea.gov.in/Images/CPV/G20-New-Delhi-Leaders-Declaration.pdf>. Accessed on: May 12, 2025.
- G20. Rio de Janeiro Leaders' Declaration. Available at: <https://www.gov.br/planalto/ptbr/media/18-11-2024-declaracao-de-lideres-g20.pdf>. Accessed on: May 14, 2025.
- GLOBAL TRADE ALERT. New policies per year. Available at: <https://globaltradealert.org/>. Accessed on: May 17, 2025.
- GANTER, J.; COELHO, C. F.; ESTEVES, P.; GRUZD, S.; KRIPLANI, M.; LEHRER, J. Listening Beyond the Echo Chamber: Emerging Middle Powers Report 2024. Berlin: Körber-Stiftung, 2024.
- GANTER, J.; COELHO, C. F.; ESTEVES, P.; GRUZD, S.; KRIPLANI, M.; LEHRER, J. Momentum for Middle Powers: Emerging Middle Powers Report 2025. Berlin: KörberStiftung, 2025.
- GEORGIEVA, Kristalina. Policy priorities for the G20: one earth, one family, one future. International Monetary Fund (IMF), 2023. Available at: https://www.imf.org/en/Blogs/Articles/2023/02/22/policy-priorities-for-the-g20-one-earthone-family-one-future#.Y_YtKjzSGvA.twitter. Accessed on: May 15, 2025.
- GREEN, Mark. China is the top trading partner of more than 120 countries. Wilson Center, 2023. Available at: <https://www.wilsoncenter.org/blog-post/china-top-trading-partnermore-120-countries>. Accessed on: May 15, 2025.
- HOEKMAN, B. Operationalizing the Concept of Policy Space in the WTO: Beyond Special and Differential Treatment. *Journal of International Economic Law*, v. 8, n. 2, p. 405-424, 2005. <https://doi.org/10.1093/jielaw/jgi027>
- LASWELL, H. Politics: Who Gets What, When and How. New York: McGraw Hill, 1936.
- WORLD TRADE ORGANIZATION (WTO). Agreement on Fisheries Subsidies, 2022. Available at: https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm. Accessed on: May 15, 2025.

G20 in Brazil and South Africa

WORLD TRADE ORGANIZATION (WTO). Trade Cost Index. Available at:
<http://tradedcosts.wto.org/>. Accessed on: May 15, 2025.