

AXIA IAS ACADEMY
An Institute for Civil Services

“The Global South’s Path to Economic Resilience”

Key Themes & Explanation

1. Challenges to the Global Order

- The rules-based international order is under strain, with some norms outdated and others misused by powerful nations.
- The rise of misinformation and post-truth politics is eroding democratic values and multilateral cooperation.
- The Sino-American rivalry is disrupting global economies and forcing smaller nations to choose sides.

2. Geopolitical and Economic Implications for the Global South

- The Asia-Pacific region, the fastest-growing economic zone, faces threats to its stability due to great-power conflicts.
- Economic interdependence—once a source of growth—is now weaponized through trade wars, tariffs, and sanctions.
- Multilateral mechanisms that once supported developing nations are weakening.

3. ASEAN and Middle Powers in Global Governance

- Emerging economies like India, South Korea, Brazil, Turkey, and Saudi Arabia now play a pivotal role in shaping global norms.
- ASEAN (Association of Southeast Asian Nations) is the 5th-largest economy globally and seeks to influence world affairs.
- The Gulf Cooperation Council (GCC) is seen as a model for economic transformation through diversification and innovation.

4. Malaysia’s Strategic Economic Approach

- Smart Diplomacy: Maintaining relations with both the U.S. and China to avoid being caught in a zero-sum rivalry.
- Economic Diversification: Expanding sectors like semiconductors, AI, and renewable energy.

- MADANI Economy Framework: Ensuring inclusive and sustainable growth while increasing economic competitiveness.

5. The Role of BRICS in Malaysia's Strategy

- Malaysia joined BRICS to expand its economic and geopolitical options, not to pick sides in the U.S.-China rivalry.
- Other ASEAN nations (Vietnam, Thailand, Indonesia) have made similar moves to balance power dynamics.

MCQs with Explanations

1. What is the primary concern of ASEAN countries regarding the Sino-American rivalry?

- A) Military intervention in regional conflicts
- B) Disruptions to economic growth and stability
- C) The risk of global nuclear war
- D) Increased foreign aid dependence

Answer: B) Disruptions to economic growth and stability

Explanation: ASEAN nations are concerned about how U.S.-China tensions affect trade, investment, and economic stability.

2. Which of the following statements best describes the changing role of middle powers like Malaysia?

- A) They are becoming irrelevant due to the U.S.-China rivalry.
- B) They are aligning with a single superpower for security.
- C) They are actively shaping global norms and engaging in multilateralism.
- D) They are withdrawing from global trade agreements.

Answer: C) They are actively shaping global norms and engaging in multilateralism.

Explanation: Countries like Malaysia, India, and South Korea seek independent foreign policies while influencing global governance.

3. What is the main goal of Malaysia's "MADANI Economy Framework"?

- A) Strengthening military alliances
- B) Ensuring economic resilience and inclusive growth
- C) Reducing foreign investments in the country
- D) Aligning with Western economic policies

Answer: B) Ensuring economic resilience and inclusive growth

Explanation: The MADANI Economy Framework focuses on “raising the ceiling” (growth) and “raising the floor” (equity).

4. Why has Malaysia joined BRICS?

- A) To strengthen military cooperation with China and Russia
- B) To counter Western economic sanctions
- C) To diversify economic partnerships and increase strategic options
- D) To reduce trade relations with ASEAN neighbors

Answer: C) To diversify economic partnerships and increase strategic options

Explanation: Malaysia and other ASEAN nations join BRICS to navigate global uncertainties while maintaining neutrality.

5. Which industry is Malaysia focusing on to enhance its global competitiveness?

- A) Oil and gas
- B) Semiconductor manufacturing
- C) Textile production
- D) Agricultural exports

Answer: B) Semiconductor manufacturing

Explanation: Malaysia is the world’s sixth-largest exporter of semiconductors and is investing in chip-design parks.

Key Terms & Explanations

1. Rules-Based International Order

- The global system of trade, diplomacy, and security based on international laws and agreements.
- Currently under strain due to power struggles and misinformation.

2. Post-Truth Politics

- The manipulation of public opinion through misinformation rather than facts.
- Leads to erosion of trust in democratic institutions.

3. Economic Interdependence

- The mutual reliance of countries on global trade and investment.
- Now being challenged as nations use trade policies as geopolitical weapons.

4. BRICS (Brazil, Russia, India, China, South Africa)

- A bloc of major emerging economies.
- Expanding to include more nations, helping countries counterbalance Western dominance.

5. MADANI Economy Framework

- Malaysia's policy to achieve inclusive, sustainable economic growth.
- Aims to increase competitiveness while ensuring social equity.

6. Semiconductor Strategy

- Malaysia's plan to become a global leader in semiconductor production.
- Focuses on moving up the value chain in the electronics industry.

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- **The Global South must embrace adaptability and strategic diplomacy in the face of global challenges.**
 - **ASEAN and BRICS are becoming key platforms for economic resilience.**
 - **Malaysia's proactive economic policies showcase how middle powers can navigate geopolitical shifts effectively.**