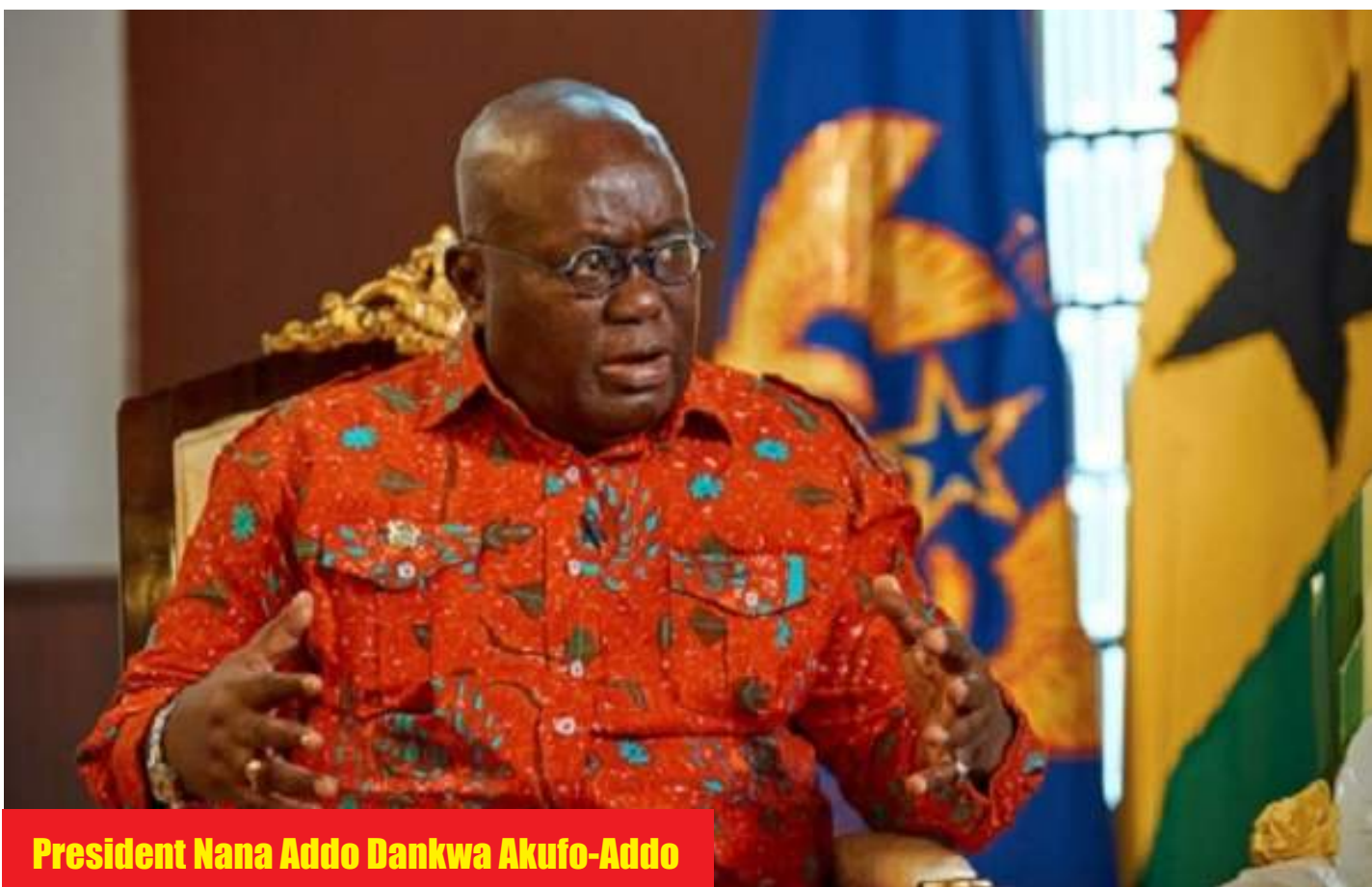


## Restoring Macroeconomic Stability Under Prevailing...

# ECONOMIC CRISIS

## ISSER Calls On Akufo-Addo To Reduce Size Of Govt



**President Nana Addo Dankwa Akufo-Addo**

The Institute of Statistical, Social and Economic Research (ISSER) of the University of Ghana has called for a reduction in the size of government amid Ghana's economic turmoil. Addressing a 2023 budget review

forum at the institute on Tuesday, the Director of ISSER, Professor Peter Quartey, said to restore macroeconomic stability and build a resilient economy, there was the need for fiscal consolidation — raising revenue and reducing

expenditure, including reducing the size of government. According to him, the increase in the VAT and cost-cutting measures in the public sector should be complemented by a reduction in the size of the

*Cont. on page 3*

### Deputy Finance Minister Says Govt's Over Borrowing Cause Of Hardship



**Dr John Kumah, Deputy Finance Minister**

Deputy Minister of Finance, Dr John Kumah, has said the current hardship in the country might be because the government over-relied on borrowing

*Cont. on page 2*

### Business Mogul Asuma Banda's Health Deteriorates Amid Custody Row



*...As Family, Relations Jump To His Rescue*

## G20 Is Dead -- Long Live G20

*page 9*

*page 3*

# The INSIGHT

## — EDITORIAL

### DEAL WITH THEM!

**R**ecent rainfalls in the country have exposed the shoddiness of several of the roads that were constructed and paid for with the taxpayers' money.

Several of the roads within the country's capitals not to mention the hinterlands, have over the past few weeks developed gaping holes following the recent heavy downpours slowing vehicular movement and causing traffic and inconveniences as well.

Surprising, some of these deep potholes have developed on roads only recently repaved and in some cases constructed.

Clearly, this is worrying considering the huge amount of money that was injected into such projects.

Our contractors need to get their acts together and do a good job for the state, if their cries for non-payment or delay in payment of awarded and finished projects is to be acted upon.

The country is bleeding due to the fact that some road projects have become an avenue for money-making by some few contractors who do shoddy works only to be called back to fix the problem at an extra cost to the state. This should not be allowed to happen again.

Even though we support early payment of road contracted projects and also for them to be handed to local contractors to build their capacities and also retain the huge monies spent on such projects in the country, shoddiness of work would not be entertained.

Certainly, this country is bleeding and our contractors and authorities must act.

# Deputy Finance Minister Says Govt's Over Borrowing Cause Of Hardship

*from front page*

to run the economy.

According to him, the government could have considered other alternatives to financing its projects and programmes aside from borrowing.

"Maybe the levels of borrowing have been too much and that could be one of the areas. Maybe we should have looked at more alternatives for financing our various programmes but of course, every nation is built on debt, it is what you do with it and what happens [that matters]," myjoyonline.com reports quoted him to have said.

John Kumah, who is also the Member of Parliament for Ejisu, however, indicated that but for the COVID-19 pandemic, Ghanaians could have seen the full benefits of all the monies the government borrowed.

"I know we are where we are because, if you borrowed in 2017, 2018 and 2019, \$3 billion of investment each year and you were expecting the returns after 2020 and Covid-19 struck, and brought your economy to almost zero, it means that you are already in a very difficult situation.

"So, this is the reality of what happened, it's not like we borrowed and did things that didn't benefit the country," he is quoted to have said on Joy FM's Super Morning Show. Meanwhile, the Minister of Finance, Ken Ofori-Atta, has announced a number of measures under the government's Domestic Debt Exchange (DDE) programme.

He stated in a 4-minute address on Sunday, December 4, that the announcement was in line with the government's Debt Sustainability Analysis as contained in the 2023 budget he presented to Parliament on November 24.

The minister laid out, among other things, the exchange of existing domestic bonds with four new ones, as well as their maturity dates and terms of coupon payments. He also addressed the overarching goal of the government relative to its engagements with the International Monetary Fund as well as measures to minimize the impact of domestic bond exchange on different



**Dr John Kumah, Deputy Finance Minister**

stakeholders.

"The Government of Ghana has been working hard to minimize the impact of the domestic debt exchange on investors holding government bonds, particularly small investors, individuals, and other vulnerable groups," he said, before outlining three main measures:

Treasury Bills are completely exempted and all holders will be paid the full value of their investments on maturity.

There will be NO haircut on the principal of bonds.

Individual holders of bonds will not be affected.

## THE INSIGHT

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# Restoring Macroeconomic Stability Under Prevailing... ECONOMIC CRISIS

## ISSER Calls On Akufo-Addo To Reduce Size Of Govt

from front page

government to achieve the desired outcome.

On the debt programme, Prof. Quartey said that a national consensus among key stakeholders, such as Parliament, investors, civil society organisations (CSOs), and the citizenry, would help accelerate the country's recovery efforts and avoid the mistakes that led the economy into its current challenges. The Institute of Statistical, Social and Economic Research (ISSER) of the University of Ghana has called for a reduction in the size of government amid Ghana's economic turmoil. Addressing a 2023 budget review forum at the institute on Tuesday, the Director of ISSER, Professor Peter Quartey, said to restore macroeconomic stability and build a resilient

economy, there was the need for fiscal consolidation — raising revenue and reducing expenditure, including reducing the size of government.

According to him, the increase in the VAT and cost-cutting measures in the public sector should be complemented by a reduction in the size of the government to achieve the desired outcome. On the debt programme, Prof. Quartey said that a national consensus among key stakeholders, such as Parliament, investors, civil society organisations (CSOs), and the citizenry, would help accelerate the country's recovery efforts and avoid the mistakes that led the economy into its current challenges.

"The government should deepen consultations, while the opposition engage meaningfully to avoid the mistakes of the past," Prof. Quartey said. Government has launched the Debt Exchange Program announced in the 2023 budget. This comes on the heels of the conclusion of the broad contours of the debt sustainability analysis as part of the debt restructuring deal with the International Monetary Fund (IMF). The debt operation is part of a comprehensive set of measures for reducing the present value of public debt to Gross Domestic Product (GDP) ratio to, at least, 55 percent in the medium term by offering an effective cap on interest payments on public debt.



President Nana Addo Dankwa Akufo-Addo

Finance Minister Ken Ofori-Atta on Monday announced domestic bondholders, with the exception of Treasury bill holders, will be affected by the debt exchange program. Per the arrangement, bondholders will get 0%

interest in 2023, 5% in 2024 and 10% onwards. The bonds will also be redeemed in 3 installments within 10 years.

## Business Mogul Asuma Banda's Health Deteriorates Amid Custody Row ...As Family, Relations Jump To His Rescue

**A**suma Banda's Health Badly Deteriorates Under the Care of Second Wife...As Family Demands His Release to them

The health of Alhaji Asuma Banda continues to deteriorate under the care of his second wife, Baaba Edwina Coussey who allegedly "imprisoned" him and prevented his first wife, children and family members from accessing him; a situation that worsened his health condition.

A visit to the 37 Military Hospital on Tuesday where the CEO of Antrak Air and Logistics has been hospitalized revealed a very frail looking man on life support who can hardly talk. His bed was surrounded by his

family Head, first wife and Children as well as sympathizers who offered prayer for him and wished him speedy recovery.

Meanwhile, the head of the Banda Family Mr. Mohammed Abu Bandah has expressed disgust at the way his brother is being treated by the Second wife, a situation he said has worsened the health condition once a multi-millionaire. At a news Conference in Accra on Wednesday, the head of the Family appealed to government to intervene for the release of their ailing royal to them to be taken to their home town for proper care and treatment. According to the family Head, the second wife of Alhaji Banda came to 37 hospital with a court order for Alhaji to be

released to her inspite of his condition adding that the family sees that action by the second wife as an attempt to keep him away from the family.

Mr. Abu Bandah who doubles as the Banda Chief in the Ashanti region is fiercely opposing to that move and has called on the power that be to ensure that Alhaji Asuma Banda is handed over to the family. "All the wives have done well. We are not here to support any of them. All we need is for him to be handed over to us", the Family head stressed. "If we take him to our hometown and take good care of him and he is



Asuma Banda'

getting better, we can share the days for the two wives to come take care of him", he added.

The Family head who revealed that Alhaji Asuma Banda told the family on his hospital bed that he doesn't want to go back to the

second wife again, also revealed that Alhaji Banda, 96, is very weak, with low mental capacity and is fed through tube . Source:www.senaradioonline.com



# INTERNATIONAL NEWS REPORT

## Compiled By Peoples Dispatch

### Cuba Goes On A Diplomatic Tour In An Increasingly Multipolar World

By Manolo De Los Santos

On November 27 morning, Cuban President Miguel Díaz-Canel, [walked](#) into a voting station in the Playa neighborhood to vote in Cuba's municipal elections. He had [landed](#) in Havana an hour earlier from an intense tour of Algeria, Russia, Turkey, and China. The tour, which [started](#) on November 16, was both a journey into the [past](#) of the nonaligned world that Cuba played an integral role in building and an essential step into the future toward the establishment of a multipolar world. Each stop also served as a reminder of the strong relationships based on cooperation and mutual respect that Cuba has been cultivating since [1959](#). Undoubtedly, the Cuban Revolution and its internationalism placed Cuba on the map and gave it an outsized role in world politics. Yet this tour took place against a complex backdrop. The country's recent economic and financial

situation has been [characterized](#) by crisis since the intensification of the United States blockade under former President Donald Trump and President Joe Biden, with the imposition of [243](#) unilateral sanctions and the inclusion of Cuba on the state sponsors of terrorism list. Add to this the impact of COVID-19 over the past three years, [several](#) natural disasters, and a [series](#) of unfortunate accidents that have negatively impacted Cuba. Díaz-Canel also traveled abroad to explore with Cuba's strategic partners the state of multilateralism and development in a rapidly changing world in the wake of the war in Ukraine, NATO aggression, and the growing [fragility](#) of US hegemony. Cuba's [achievements](#) and potential, despite being besieged, served as the basis for discussions during the tour relating to areas of [mutual interest](#) such as renewable energy, biotechnology, health care, communications, and

industry. During the tour of these countries, several new agreements were signed that pointed to a desire to help Cuba. From [offers](#) of setting up renewable energy power plants to more regular oil shipments and plans to modernize Cuban industries, it's clear that Algeria, Russia, Turkey, and China do not want Cuba to fall under the weight of Washington's sanctions regime. "It is obvious that sanctions have an effect on the fact that our relations remain below their true potential," Turkish President Recep Tayyip Erdoğan [pointed](#) out during a press conference with his Cuban counterpart in Ankara on November 23. This 11-day tour [ended](#) in China, where perhaps the most challenging yet essential [conversations](#) were held. Under the weight of an intensified US blockade and severe limitations to its foreign currency reserves, Cuba has been unable to service its debt with China. "There is



enormous sensitivity in the Chinese leadership, particularly in President Xi Jinping," [commented](#) Díaz-Canel afterward. "There is an express will in him, even with indications in official talks, that a solution must be found to all of Cuba's problems, regardless of the problems with the debt." Against the United States' efforts to restrain Cuba, Díaz-Canel asserted how China is "betting on the development of the country based on the cooperation that they can give us."

**Manolo De Los Santos** is the co-executive director of the [Peoples](#)

[Forum](#) and is a researcher at [Tricontinental: Institute for Social Research](#). He co-edited, most recently, *Viviremos: Venezuela vs. Hybrid War* ([LeftWord Books/1804 Books](#), 2020) and *Comrade of the Revolution: Selected Speeches of Fidel Castro* ([LeftWord Books/1804 Books](#), 2021). He is a co-coordinator of the [Peoples Summit for Democracy](#). This article was produced by [Globetrotter](#).

### 19 Dead After Blast At Religious School In Afghanistan



**Photo: Tolo News. Earlier in September, at least 54 people, mostly girls, were killed when two improvised explosives were detonated in western Kabul's education center**

An explosive attack at a religious school in Aybak city in Afghanistan's Samangan province has killed at least 19 people. Among the dead are mostly madrassa students.

25 others are reported to have received injuries in the blast.

The attack has triggered sharp condemnation from officials. "Our detective and security

forces are working quickly to identify the perpetrators of this unforgivable crime and punish them for their actions," Interior Ministry spokesman Abdul Nafay Takor said. The United Nations Assistance Mission in Afghanistan (UNAMA) has stated that at least 20 of the victims are children. "We express our deep sympathies to all the victims and families impacted. Investigation and accountability needed," the international rights body noted.

UNAMA has [several times](#)

asked Taliban authorities to ensure greater security to students in the region and ensure that such attacks do not target education centers. Condemning the attack, Dr. Abdullah Abdullah, Chairman of High Council for National Conciliation, [tweeted](#) that "targeting schools, universities, madrasa and education institutions is a heinous crime and should stop immediately." While no one has yet taken responsibility for the attack, graphic images of its effects have been widely shared

across social media, showing shattered glass, prayer mats, and debris-littered streets. This is not the first time students have become a target in Afghanistan. Earlier in September, at least 54 people, mostly girls, were killed when two improvised explosives were detonated in western Kabul's education center. Prior to that, [two other explosions](#) at a boys' school in April killed six and injured 20.

# Moody's Downgrades GCB Bank To Caa3 From Caa2

International ratings agency, Moody's has downgraded GCB Bank PLC's (GCB Bank) global long-term local currency deposit ratings to Caa3 from Caa2.

Moody's investors also downgraded the bank's long-term foreign currency deposit ratings to Ca from Caa2, its long-term Counterparty Risk Ratings (CRRs) to Caa3 from Caa2, its long-term Counterparty Risk Assessment (CR Assessment) to Caa3(cr) from Caa2(cr), as well as its Baseline Credit Assessment (BCA) and Adjusted BCA to ca from caa2.

The downgrade on December 2, 2022, came after Ghana's long-term issuer ratings were downgraded to Ca from Caa2, with a stable outlook on November 29, 2022.

This was due to the country's move to restructure its debts after they have reached unsustainable levels.

"The outlook on the Caa3 long-term local currency deposit rating has been changed to negative from ratings under review. The outlook on the Ca long-term foreign currency deposit rating has been changed to stable from ratings under review. This action concludes the review for downgrade initiated on 4 October 2022," a release on Moody's website on December 2, read.

Moody's also noted that the downgrade came about as Ghana's debt restructuring

move is likely to affect the bank's financial position negatively.

It said the "rating action captures the deteriorating macroeconomic environment and the increasingly uncertain operating environment for banks in Ghana, as reflected by the downgrade of the sovereign ratings and the lowering of the Macro Profile score to 'Very Weak- from Very Weak'."

"The downgrade of GCB Bank's BCA to ca, on par with the Government of Ghana's own ratings (Ca Stable), reflects Moody's expectation that the sovereign debt restructuring planned by the government will negatively affect GCB



**Ghana Commercial Bank**

Bank's solvency profile. GCB Bank has sizable holdings of sovereign debt securities, at around 3.6 times its shareholders' equity and 53% of total assets as of year-end 2021," it added. However, Moody's is of the belief that a restructuring of sovereign debt securities

would also weaken the banking system's liquidity, especially if maturities are extended, because it would mean that banks will need to hold on to their government exposure for an extended period, limiting their ability to lend to the real economy.

## Debt Exchange Programme Injurious To Pension Contributions – Trustees Chamber



The Chamber of Trustees has voiced its rejection of the debt exchange programme announced by the finance minister on December 5, 2022. According to the Chamber, the programme will be detrimental to the contributions of pensioners. The finance minister extended an invitation to "holders of domestic debt to voluntarily exchange approximately GH¢137 billion of the domestic notes and bonds of the Republic, including E.S.L.A. and Daakye bonds, for a package of New Bonds to be issued by the Republic." But the Chamber in a press release on December 5,

said, "We have carefully analyzed the announcement by the Minister of Finance on the Debt Exchange Programme and are of the opinion that it is injurious to the interest of contributors to pension schemes." "The proposal as put forth by the Minister of Finance is inferior to market expectation and will destroy the savings of Ghanaians and further undermine market confidence. This is why we reject it outright," it explained. The Chamber further urged its members to note that it has not accepted the programme by the government. "As Trustees, we hold a fiduciary responsibility and are enjoined to seek the

best interest of contributors at all times," it stressed. Ghana's debt levels have reached unsustainable levels therefore the need to restructure in order to restore macroeconomic stability. "We share in Government's call for burden sharing, but that should be done in the spirit of fairness to ensure a win-win outcome for all stakeholders," the chamber stressed. The release further noted that its members should stay calm "as we seek the best outcome in our negotiations with the Ministry of Finance" and "will duly inform members of the outcome of our deliberations."

## Supreme Court Won't Change Its Decision On Opuni – Principal State Attorney Predicts

**A** principal state attorney has predicted the outcome of a certiorari and prohibition application before the Supreme Court and has therefore, asked the High Court to dismiss an application for a stay of proceedings by counsel for former COCOBOD boss Dr. Stephen Opuni.

Stella Ohene Appiah asserted that the applicant had been unsuccessful in previous applications at the Supreme Court against the High Court under similar circumstances.

Objecting to the oral application at the High Court on Tuesday, December 6, she suggested that the superior court's mind was made up on the certiorari application.

"There is no new ground that this applicant can canvass to change the decision of the Supreme Court, even if the applicant seizes to bring the issues of my Lord's extension," Stella Ohene Appiah maintained.

The former COCOBOD Chief Executive, Dr Stephen Opuni and businessman Seidu Agongo as well as Agricult Ghana Limited, are facing 27 charges, including willfully causing financial loss to the state and contravention of the Public Procurement Act in the purchase of Lithovit liquid fertiliser between 2014 and 2016.

The case is currently being heard by Justice Clemence Honyenuga, as an additional High Court judge, who officially retired as a Supreme Court judge on September 4, 2022, when he attained the age of 70.

The court on Monday, December 5, dismissed an application by lawyer Samuel Codjoe, counsel for Dr. Opuni, to stay the case and refer articles 139(1) (c), 145(4) of the 1992 Constitution for interpretation and a determination of whether or not it is the President and not the Chief Justice who has the power to extend the tenure of office of superior court justices who have attained the mandatory retirement ages under Article 130 (2) of the 1992 Constitution and under the inherent jurisdiction of the court.

Following the dismissal, an application was filed at the Supreme Court on Tuesday by Mr. Codjoe to quash the High Court's ruling on December 5 and prohibit the retired trial judge from hearing the case.

Citing a ruling by the Supreme Court in an unreported civil motion number J5/62/22 ex-parte Kennedy Ohene

Agyapong, Mr. Codjoe noted that the court in a unanimous decision held that the High Court judge was wrong when he refused to adjourn the matter after his attention had been brought to the fact that there was a pending application for certiorari and prohibition against him in the Supreme Court which was to be heard.

He pointed out to retired Justice Honyenuga that the ruling, presented by Justice Yonny Kulendi was binding on him.

He acknowledged that the ruling was a departure from earlier decisions of the Supreme Court, including ex-parte that the mere filing of an application for prohibition and certiorari does not stay proceedings.

"A Supreme Court decision which depart from an earlier decision, the inference is that the previous position is no longer good law. Based on article 129(3) of the constitution, the Supreme Court is not bound by its previous decision and would depart from it if it considers it fit and proper, and as soon as it changes its position, all other courts, including this High Court is bound by it," lawyer Codjoe argued. "When a case of this nature is filed, it is wrongful and erroneous for a judge to proceed with the



**Justice Clemence Jackson Honyenuga**

case," counsel added.

But Stella Ohene Appiah contended that the application for judicial review does not by itself stay in the hands of the court, and urged the court to dismiss the application and proceed to hear the substantive case.

He asked the court to exercise its discretion in the matter brought by "an obviously desperate applicant who has resorted to filing all manner of frivolous applications before this very court and the Supreme Court in a desperate attempt to stultify the trial, albeit without success on each occasion... There is no new ground that this applicant can

canvass to change the decision of the Supreme Court even if the applicant seizes to bring the issues of my Lord's extension."

Counsel for Seidu Agongo, Nutifafa Nutsukpui, holding brief for Benson Nutsukpui, drew the attention of the court to similar applications brought before it in the ongoing case, which it stayed proceedings until a determination by the superior court.

Justice Clemence Honyenuga, retired, adjourned the case until Wednesday, December 7, to give his ruling on the application.

Source: [www.newstbitbits.com](http://www.newstbitbits.com)

## Restructuring Ghana's Economy Requires Political Will

**P**rofessor Stefan Dercon, Professor of Development Economics, Centre for the Study of African Economies (CSAE), says the government needs to exercise political will to restructure Ghana's economy.

He said that would require short term measures involving fiscal restraints such as cutting down on government expenditure.

"In the long term, the future

looks bright but it's the path to it that is complicated and politically costly for those in power. We just have to find a way to go through it. Ignoring it will definitely be the biggest mistake to make because that would stifle the ability to go to longer term growth," he added.

The Professor gave the advice on Monday during a lecture on the topic: "Gambling on Development".

It was organised by the Institute of Statistical, Social and Economic Research (ISSER) of the University of Ghana, Legon and CSAE.

Prof Dercon said the implementation of fiscal restraints would cause political issues because certain key sectors of the economy, such as infrastructure, among others, would be affected.

"Such stabilisation efforts will be tough but it's now that these seeds have to be

sown for a future better growth. It would involve cautious political behaviour with government budgets to make sure Ghana goes back to the period of remarkable growth since the 1990's."

"The success of a country is measured by its ability to correct errors in its economic policy. This won't be easy. It would involve careful policy making, great communication by the leadership to the population. I'm optimistic that Ghana can make it happen," he said.

However, he said, in doing so, they should be mindful not to fundamentally undermine the impact of such restraints on the "poorest" in society or "indeed what could be the engines of growth".

He commended Ghana's "early" move to the International Monetary Fund, adding that, the Fund acted as a useful external form of "correction" in cases when internal accountability could not deliver.

# G20 Is Dead -- Long Live G20

By M. K. Bhadrakumar

The seventeenth G20 Heads of State and Government Summit held in Bali, Indonesia, on November 15-16 stands out as a consequential event from many angles. International politics is at an inflection point and the transition will not leave unaffected any of the institutions inherited from the past that is drifting away forever.

However, the G20 can be an exception in bridging time past with time present and time future. The tidings from Bali leave a sense of mixed feelings of hope and despair. The G20 was conceived against the backdrop of the financial crisis in 2007 — quintessentially, a Western attempt to burnish the jaded G7 by bringing on board the emerging powers that stood outside it looking in, especially China, and thereby inject contemporaneity into global discourses.

The leitmotif was harmony. How far the Bali summit lived up to that expectation is the moot point today. Regrettably, the G7 selectively dragged extraneous issues into the deliberations and its alter ego, North Atlantic Treaty Organization (NATO), made its maiden appearance in the Asia-Pacific. Arguably, the latter must be counted as a fateful happening during the Bali summit.

What happened is a negation of the spirit of the G20. If the G7 refuses to discard its bloc mentality, the cohesion of the G20 gets affected. The [G7-NATO joint statement](#) could have been issued from Brussels or Washington or London. Why Bali?

The Chinese President Xi Jinping was spot on saying in a [written speech](#) at the APEC CEO Summit in Bangkok on November 17 that “The Asia-

Pacific is no one's backyard and should not become an arena for big power contest. No attempt to wage a new Cold War will ever be allowed by the people or by the times.”

Xi warned that “Both geopolitical tensions and the evolving economic dynamics have exerted a negative impact on the development environment and cooperation structure of the Asia-Pacific.” Xi said the Asia-Pacific region was once a ground for big power rivalry, had suffered conflicts and war. “History tells us that bloc confrontation cannot solve any problem and that bias will only lead to disaster.”

The golden rule that security issues do not fall within the purview of G20 has been broken. At the G20 summit, the Western countries held the rest of the participants at the Bali summit to ransom: ‘Our way or no way’. Unless the intransigent West was appeased on Ukraine issue, there could be no Bali declaration, so, Russia relented. The sordid drama showed that the DNA of the Western world hasn't changed. Bullying remains its distinguishing trait.

But, ironically, at the end of the day, what stood out was that the Bali Declaration failed to denounce Russia on the Ukraine issue. Countries such as Saudi Arabia and Turkey give reason for hope that G20 can regenerate itself. These countries were never Western colonies.

They are dedicated to multipolarity, which will ultimately compel the West to concede that unilateralism and hegemony is unsustainable.

This inflection point gave much verve to the meeting

between US President Joe Biden and Chinese President Xi Jinping at Bali. Washington requested for such a meeting on the sidelines of the G20 summit, and Beijing consented. One striking thing about the meeting has been that Xi was appearing on the world stage after a hugely successful Party Congress. The resonance of his voice was unmistakable. Xi underscored that the US has lost the plot, when he told Biden: “A statesman should think about and know where to lead his country. He should also think about and know how to get along with other countries and the wider world.”

The White House readouts hinted that Biden was inclined to be conciliatory. The US faces an uphill challenge to isolate China. As things stand, circumstances overall work to China's advantage. (The majority of countries have refused to take sides on Ukraine. China's stance amply reflects it. Xi told Biden that China is ‘highly concerned’ about the current situation in Ukraine and support and look forward to a resumption of peace talks. That said, Xi also expressed the hope that the US, NATO and the EU ‘will conduct comprehensive dialogues’ with Russia. The fault lines that appeared at Bali may take new forms by the time the G20 holds its 18th summit in India next year. There is reason to be cautiously optimistic. First and foremost, it is improbable that Europe will go along with the US strategy of weaponizing sanctions against China. They cannot afford a decoupling from China, which is the world's largest trading nation and the principal driver of growth for the world economy.



US President Joe Biden and Chinese President Xi Jinping met in Bali ahead of the G20 summit recently. Photo: Xinhua/Li Xueren. The tidings from the G20 summit in Bali left a sense of mixed feelings of hope and despair. While the US clings to its entitlement, positions by other countries indicate change is likely

Second, much as the battle cries in Ukraine rallied Europe behind the US, a [profound rethink](#) is under way. Much agonizing is going on about Europe's commitment to strategic autonomy. The recent visit of German Chancellor Olaf Scholz to China pointed in that direction. It is inevitable that Europe will distance itself from the US' cold war aspirations. This is inevitable in a world where the US is not inclined to spend time, money or effort on its European allies.

The point is, in many ways, the US capacity to provide effective global economic leadership has irreversibly diminished, having lost its pre-eminent status as the world's largest economy by a wide margin. Besides, the US is no longer willing or capable of investing heavily in shouldering the burden of leadership. Simply put, it still has nothing on offer to match China's Belt and Road Initiative. This should have had a chastening influence and prompted a change of mindset toward cooperative policy actions, but the US elite are stuck in the old groove.

Fundamentally, therefore, multilateralism has become much harder in the present-day world situation.

Nonetheless, the G20 is the only game in town to bring together the G7 and the aspiring developing countries who stands to gain out of a democratized world order. The Western alliance system is rooted in the past. The bloc mentality holds little appeal to the developing countries. The gravitation of Turkey, Saudi Arabia and Indonesia toward the BRICS conveys a powerful message that the Western strategy in conceiving the G20 — to create a ring of subaltern states around the G7 — has outlived its utility. The dissonance that was on display in Bali exposed that the US still clings to its entitlement and is willing to play the spoiler. India has a great opportunity to navigate the G20 in a new direction. But it requires profound shifts on India's part too — away from its US-centric foreign policies, coupled with far-sightedness and a bold vision to forge a cooperative relationship with China, jettisoning past phobias and discarding self-serving narratives, and, indeed, at the very least, avoiding any further descent into beggar-thy-neighbour policies.

# ICJ Rules That Bolivia And Chile Both Have Right To Use Disputed River

The International Court of Justice (ICJ), on Thursday, December 2, delivered its verdict on the dispute between Bolivia and Chile over the use of the waters of the Silala river, which originates in Bolivia and crosses Chile. The Hague-based United Nations court ruled that “Silala is an international watercourse,” and that both countries have “the right to an equitable and reasonable use” of its waters. The ICJ also established that Bolivia has the sovereign right over the Silala spring as well as the right to dismantle or make modifications to the artificial channels that carry water from its territory to the neighboring country. The ICJ also recognized Chile's usufruct right (a legal right accorded to a person or party that confers the temporary right to use and derive income or benefit from someone else's property) to the waters of Silala. The ICJ said that most of the claims had been resolved during the judicial process and the parties had managed to reach agreements. It recalled that Bolivia “no longer questions the international course” of the Silala waters, and that Chile “has recognized that it does not have an acquired right” over the artificially channeled water flow. In this regard, the ICJ urged the neighboring countries to work together on issues surrounding the frontier



*The ICJ delivers a verdict on the dispute between Bolivia and Chile over the Silala river. Photo: ICJ .The ICJ recognized Bolivia's sovereign right to the canalization of the Silala river as well as Chile's usufruct right to its waters*

river, and protect the shared water resource through cooperation. The Silala river originates from a spring in Bolivia's Potosí department and descends towards the Pacific Ocean basin. Over the last six years, the use of its water has been the subject of a dispute between the South American countries. In 2016, Chile asked the ICJ to declare the Silala river an international watercourse in order to guarantee Chileans' right over the use of water resources in their territory. Two years later, in 2018, Bolivia asked the ICJ to recognize its rights over the river's artificial flow given the fact that the country built a system of canals to collect water from high-altitude wetlands. Bolivia

also demanded that Chile pay compensation for the use of the resources downstream. Bolivian President Luis Arce and Chilean President Gabriel Boric both expressed their satisfaction with the ruling. President Arce, in a [tweet](#), celebrated that the ICJ “ratified our rights over the waters of Silala and our sovereignty over the dismantling of artificial canals.” “Bolivia resolved the controversy with a sister nation thanks to the work based on scientific studies and our international relations strategy. We will continue this work for the benefit of the people,” [added](#) Arce. Meanwhile, President Boric, at a [press conference](#) from the Moneda presidential palace, described the ruling as “solid”, “well-founded” and “favorable to what the State of Chile has sustained.”

“Here we are honoring a tradition of excellence in our foreign policy, which is crowned with the obtaining of a solid and well-founded ruling that today manifests itself in a decision that is favorable to what the State of Chile has sustained. The ruling that the International Court of the Hague has delivered today has been categorical. Chile went to the Court for legal certainty and obtained it,” said Boric. Boric also expressed his government's intention to continue working towards deepening and improving relations with Bolivia. “Today, after this ruling, we can focus on what unites us and not on what separates us, promoting cooperation to contribute to the development of our countries and peoples,” he said. The Chilean president added that his government has every “will to work with Bolivia on issues such

as security, migration, the fight against organized crime, and the fight against climate change.” The dispute over the Silala river was one of several water-related issues that have spurred tensions between Bolivia and Chile. For over a hundred years, the neighboring countries have been in conflict over the maritime territory lost at the Battle of Calama in the late 1800s, which left Bolivia landlocked. Bolivia broke diplomatic relations with Chile in 1978 after the failure of negotiations seeking a solution to the sovereignty over the 400 km of coastline on the Pacific Ocean in the Antofagasta and Calama coastal regions. In March, following the inauguration of President Boric, President Arce [expressed his optimism about the resolution of the long-standing struggle](#) of the Bolivian people and state for maritime access.