



The Reform Initiatives

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TRI fokus pada penelitian kebijakan terkait Ekonomi, Fiskal, Kesejahteraan Sosial, Desentralisasi, Lingkungan Hidup & Perubahan Iklim, Tata Kelola Kebijakan yang Baik, Politik & Elektoral, Penegakan Hukum, Ekonomi Digital, serta Usaha Mikro Kecil dan Menengah (UMKM).



Wang Xiaoying/china Daily



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Direktur Eksekutif -
The Reform Initiatives (TRI)

The Global South Can Add More Value to Its Natural Resources

History remains one of the strongest bonds linking countries across the Global South. When World War II ended in 1945, many of these countries were either newly independent or still struggling to secure their freedom. They entered an international system designed largely by and for others.

Colonialism had shaped their economies around resource extraction, racial hierarchy was embedded in global institutions, and the Cold War demanded alignment with one bloc or the other. Trade terms kept commodity exporters at a relative disadvantage to industrial economies.

Shared grievances led to the emergence of common platforms. The 1955 Bandung Asian-African Conference was followed by the Non-Aligned Movement in 1961, the Group of 77 in 1964, and more recently the BRICS in 2006.

Many of the challenges that inspired these initiatives still persist. Global South countries face heavy debt burdens, limited manufacturing capacity, restricted access to technology, dependence on commodities, climate risks, food insecurity and fiscal fragility.

But some things have also changed. The Global South now accounts for over 40 percent of global output. Capital increasingly flows toward developing economies, while their expanding populations are becoming the primary drivers of global labor, consumption and urbanization.

Decisions made in the Global South will shape the future of the world economy.

The Global South also has vast reserves of oil, gas, minerals, tropical forests, freshwater systems, and biodiversity. These countries have many of the essential inputs required for batteries, electric vehicles, and renewable energy infrastructure.

Whether these structural advantages translate into leverage depends on political and institutional choices. Resource-rich nations must move beyond extraction by developing domestic processing capacity, linking natural resources to industrial strategies and investing in research, innovation and technology.

When leaders from 29 Asian and African countries gathered in Bandung, Indonesia, in April 1955, they did not sign a military pact or trade agreement. Instead, they articulated a new vision of international relations based on sovereignty, equality, and the right to remain independent in Cold War rivalries.

Indonesia's founding president Sukarno argued that the prosperity of Asian and African peoples depended on solidarity among themselves. Dependence on outside powers, he warned, would merely reproduce old forms of subordination. The Final Communiqué of the conference placed economic cooperation at the core of this vision.

The Non-Aligned Movement extended this principle by asserting that neither Washington nor Moscow had the right to dictate the economic or diplomatic choices of developing countries.

Its members insisted on pursuing their own development models and foreign policies. The Group of 77 carried that insistence into the United Nations, where developing countries could leverage their numerical strength despite limited economic power. By 1978, the Buenos Aires Plan of Action had given South-South cooperation an institutional footing.

BRICS represents the latest stage of this evolution. Brazil, Russia, India, China, South Africa and Indonesia use the forum to coordinate on trade, development finance, energy, food security, technology and institutional reform. The New Development Bank is a tangible expression of that cooperation.

Underlying these efforts is a shared concern: the international order reflects the balance of power from 1945.

Countries that now generate the bulk of global growth are underrepresented in the IMF, the World Bank, the UN Security Council, and the bodies that write international financial rules. Reform remains a common objective, but progress has been slow.

Building the foundations of economic integration is not easy. Yet, the materials already exist: Indonesian nickel, cobalt from the Democratic Republic of Congo, lithium from Chile, agricultural expertise and biodiversity knowledge from Brazil, sovereign capital from the Gulf states, digital infrastructure from India, and manufacturing depth from China.

Combined strategically, these assets could significantly enhance the Global South's bargaining power.

The Global North continues to dominate key dimensions of international influence, including military strength, reserve currencies, major financial institutions, technological leadership and international standards that govern global trade. This is not merely a historical legacy; it remains the active structure that determines whose voice carries weight in global negotiations.

For Global South countries, critical minerals offer the clearest opportunity to enhance their leverage. Demand for lithium, nickel, cobalt, graphite, copper, and rare earths is expected to shoot up as electric vehicles, batteries, solar capacity, wind installations, and grid infrastructure expand across the world. Many of these resources are concentrated in developing countries.

The question is whether critical minerals will help redistribute power, or simply reinforce old patterns of dependence under greener branding.

Unless mineral-rich countries develop domestic processing capacity, enforce environmental rules, manage revenues transparently, protect local communities and invest in education and skill development, the energy transition risks creating a new cohort of raw material suppliers in a cleaner but equally unequal global economy.

China has built its strengths in batteries, solar panels, electric vehicles, and rare earth processing through decades of industrial policy, infrastructure investment and technological upgrading.

The process was neither quick nor inexpensive, but it secured China a competitive position in global supply chains.

India took a different route, combining digital public infrastructure, pharmaceutical production, space technology and knowledge-intensive services to create a development model less dependent on natural resources.

The approaches differ, but the underlying logic is the same. A more balanced international order requires meaningful changes from developed countries.

Technology transfer must involve genuine knowledge sharing rather than merely licensing proprietary systems.

Green investment should support processing industries in resource-rich countries rather than offshoring the value-added stages to wealthy industrial economies. Research partnerships should strengthen local capabilities rather than extract data from the South to feed knowledge systems in the North.

The Global South's obligations to itself are equally demanding. Governments that fail to invest resource revenues in education, technical training, environmental protection and effective institutions will struggle to build a robust industrial base regardless of external conditions.

Likewise, opening to global markets without developing value-added industries only recreates dependence in more sophisticated forms. A more effective path is a strategy that is calibrated, accountable and coordinated with genuine South-South partners rather than managed in competitive isolation.

Natural resources have become diplomatic currencies because they influence critical issues — energy security, industrial competition, climate outcomes, digital supply chains and defense capabilities — that are central to every major negotiation.

The Global South holds these currencies in real and growing quantities. The question is how wisely they will be spent.