

Global Economic Power Shift: The Role Of Developing Countries On The World Stage

Pergeseran Kekuatan Ekonomi Global: Peran Negara Berkembang di Panggung Dunia

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ABSTRAK

Pergeseran kekuatan ekonomi global telah mengubah dinamika hubungan ekonomi antarnegara. Negara berkembang semakin menonjol dalam kontribusi terhadap pertumbuhan ekonomi dunia. Artikel ini menganalisis faktor-faktor pendorong kemajuan negara berkembang seperti Tiongkok, Brazil, India, serta negara-negara ASEAN. Analisa dilakukan terhadap pertumbuhan populasi, kemajuan teknologi, industrialisasi, serta integrasi dalam perdagangan internasional. Artikel ini menggunakan pendekatan literatur review kualitatif dan analisis deskriptif. Penelitian ini mengkaji dua perspektif teoritis yaitu teori modernisasi yang menekankan transformasi ekonomi berbasis teknologi dan investasi, serta teori ketergantungan yang mengkritik ketimpangan struktural antara negara maju dan berkembang. Hasil penelitian menunjukkan bahwa meskipun negara berkembang berhasil meningkatkan kontribusi PDB dan peran dalam forum ekonomi global seperti G20, mereka masih menghadapi tantangan seperti ketergantungan pada ekspor komoditas, ketimpangan pembangunan, dan tekanan geopolitik. Penulis berargumen penerapan pembangunan berkelanjutan merupakan solusi untuk menyeimbangkan pertumbuhan ekonomi, keadilan sosial, dan keberlanjutan lingkungan sehingga negara berkembang dapat menjadi aktor strategis dalam tren ekonomi global.

Kata Kunci: Ekonomi global, Negara berkembang, G20, PDB, Aktor strategis

ABSTRACT

The shift in global economic power has transformed the dynamics of economic relations between nations. Developing countries are increasingly prominent in their contributions to global economic growth. This article analyzes the driving factors behind the progress of developing nations such as China, Brazil, India, and ASEAN countries. The analysis focuses on population growth, technological advancement, industrialization, and integration into international trade. This article employs a qualitative literature review approach and descriptive analysis. The study examines two theoretical perspectives: modernization theory, which emphasizes technology-and investment-driven economic transformation, and dependency theory, which critiques the structural inequalities between developed and developing nations. The findings reveal that while developing countries have succeeded in increasing their GDP contributions and roles in global economic forums like the G20, they still face challenges such as reliance on commodity exports, developmental disparities, and geopolitical pressures. The article proposes the implementation of sustainable development as a solution to balance economic growth, social equity, and environmental sustainability, enabling developing nations to become strategic actors in global economic trends.

Keywords: Global economy, Developing countries, G20, GDP, Strategic actors

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1. BACKGROUND

The global economy has undergone a complex and dynamic transformation in recent decades, marked by significant shifts in the structure and patterns of international economic relations. A key driver of this evolution is the rapid economic growth of developing nations, which are increasingly shaping global trade and asserting their importance in international markets. No longer confined to domestic markets, goods from these countries now circulate globally, enhancing national income and fostering economic interdependence. This transition reflects broader systemic changes in the global economic order, influenced by factors such as technological innovation, evolving economic policies, geopolitical dynamics, and socio-cultural transformations (Zaroni, 2015). The rising prominence of developing economies is closely tied to their integration into global trade networks. By expanding beyond domestic consumption to international exports, these nations stimulate economic growth through increased industrial production, business profitability, and cross-border investment opportunities. International trade not only diversifies revenue streams but also accelerates development by attracting foreign capital and fostering competitive industries. However, this growth is contingent on addressing structural challenges such as resource dependency, developmental disparities, and the need for sustainable policies to ensure long-term stability (Fauzan & Anindynta, 2024).

The contemporary global economy confronts multifaceted risks, including geopolitical volatility, climate-driven disruptions to food and energy security, and sluggish growth in advanced economies. Amid these challenges, developing nations are emerging as pivotal actors in reshaping global economic dynamics. The rise of multipolarity has redefined traditional economic interactions, transcending the historical "North-South" divide (i.e., developed versus developing nations) and introducing new hierarchies based on economic scale and strategic influence. Advanced economies, such as Japan and the United Kingdom, now grapple with stagnating growth due to inflationary pressures and subdued domestic demand—a trend foreseen by international financial institutions, as noted by Indonesian Finance Minister Sri Mulyani. In contrast, developing countries are demonstrating robust growth potential, signaling a transformative shift in global economic power structures. For instance, emerging economies are increasingly driving trade flows, innovation, and investment patterns, while some historically dominant nations struggle to sustain their economic momentum. This rebalancing underscores the growing agency of developing countries in addressing systemic risks and fostering resilient, inclusive growth. However, their ascendancy also raises questions about equitable resource distribution, climate justice, and the stability of multilateral frameworks in an increasingly fragmented world order. (Rully R. Ramli & Yoga Sukma, 2024).

In addition, research by PricewaterhouseCoopers (PwC) indicates that developing countries are poised to sustain their growing contribution to global economic growth over the long term. However, recent economic performance among these nations has shown notable variations, reflecting diverse challenges and opportunities. In contrast, some advanced economies, such as Japan and the United Kingdom, are experiencing recessionary pressures driven by high inflation and weakening domestic demand (Sakina Rakhma Diah Setiawan, 2017).

A key indicator of a country's socioeconomic development is economic growth, typically measured by the annual percentage increase in Gross Domestic Product (GDP) at constant prices. This metric reflects year-on-year changes in real output and signifies the expansion of value-added production across economic sectors (Manik, 2022). It can be observed that economic growth in several developing countries continues to increase. Nations such as China, Brazil, India, and the ASEAN region have demonstrated high Gross Domestic Product (GDP) growth rates over the past two decades. China, the world's second-largest economy, consistently records significant growth. Brazil, ranked as the tenth-largest economy globally and the largest in Latin America, heavily relies on its services sector, which accounts for 63% of its total GDP. Despite facing global challenges, India has maintained robust growth. In the third quarter of 2024, the global economy exhibited a mixed growth pattern, with

ASEAN countries showing stronger economic resilience compared to most developed G20 members (Badan Kebijakan Fiskal Kementerian Keuangan RI, 2024). The G20, also known as the Group of Twenty, is an international forum comprising 19 countries, including Indonesia, and the European Union. Together, its members represent more than 60% of the world's population, approximately 85% of global GDP, and 75% of international trade. As a platform for major economies, the G20 offers developing countries an avenue to participate in global economic decision-making, enabling them to assume strategic roles in the international market.

However, despite these achievements, developing countries continue to face significant challenges, including developmental inequalities, dependence on commodity exports, and geopolitical dynamics. An article in the *Masharif al-Syariah Journal* highlights that globalization and capitalism can exacerbate the dependence of developing countries on developed nations. Developed countries leverage their advantages in technology, capital, and markets to dominate the global economy, thereby reinforcing economic inequalities between developed and developing nations (Mahfuzah et al., 2024). Additionally, research published in the *Communitarian Journal* explores the hierarchy of countries within the global economic system, categorizing them into three tiers: the centre, the semi-periphery, and the periphery. "Centre countries" hold the most powerful positions, as they can manipulate the global system to their advantage, while periphery countries continue to be exploited (Siregar, 2019).

Efforts to improve a society can be achieved through sustainable development. Development is a process of planned change aimed at enhancing various aspects of life by applying new ideas, methods, and techniques within a community. It seeks to transform existing living conditions into improved and more favourable ones, fostering social, economic, and environmental advancements (Agung, 2010). However, the opportunity to create a more inclusive and sustainable global economic system is growing, with emerging economies potentially taking the lead in transforming the world economy.

This article examines the shifting dynamics of global economic power, focusing on the drivers of progress in developing nations and the challenges hindering their ability to capitalize on global opportunities. By applying a dual analytical framework, the study explores the transformative role of developing countries in the global market. Modernization theory is used to analyse catalysts such as population growth, technological innovation, and industrialization, while dependency theory critiques structural barriers like developmental disparities and reliance on commodity exports. Through this lens, the research advances academic discourse on global economic transitions and proposes actionable strategies rooted in sustainable development. These recommendations aim to empower developing nations to leverage their growing influence, positioning them not merely as participants but as **architects of emerging trends** in the global economic order.

2. LITERATURE REVIEW

This study aims to explore the factors driving the progress of developing countries and the challenges they face in capitalizing on opportunities on the international stage. By utilizing modernization and dependency theories, this article enriches academic discourse and provides strategic recommendations for developing countries to optimize the momentum of the global economic power shift.

A. *Modernization Theory*

Modernization theory posits a framework for understanding societal transformation from traditional to modern systems. Wilbert Moore conceptualizes modernization as a transition from pre-modern societies—characterized by agrarian economies and kinship-based institutions—to social, political, and technological systems aligned with Western models of development. Central to this theory is the

assumption that modernization fosters stable governance, industrial economies, and technological advancement, mirroring the trajectories of historically prosperous Western nations. In social science, modernization is broadly defined as the progression from underdeveloped or pre-industrial conditions to increasingly advanced socioeconomic structures. This process is measured by improvements in living standards, economic productivity, and institutional complexity, all of which aim to achieve a more prosperous and equitable society. However, critics argue that the theory's Eurocentric lens often overlooks diverse cultural and historical pathways to development (Rosana, 2015).

Modernization theory emerged in the context of three pivotal global developments following World War II: (1) The rise of the United States as a dominant global power, (2) The global spread of communism, spearheaded by the Soviet Union's expansion of political influence into Eastern Europe and Asia, and (3) The decolonization of Asia, Africa, and Latin America, which led to the birth of newly independent states formerly colonized by European nations (Alamsyah, 2022). The term "modernization" broadly refers to the transition from traditional societal structures to the adoption of stable economic and political systems modeled after those in Western nations. This theory originated in the works of 20th-century sociologists and economists, notably Walt Rostow, who argued that economic progress unfolds through linear developmental stages. Rostow's framework particularly emphasizes the role of strategic investment and technological advancement in driving growth. According to his model, developing nations must prioritize investments in infrastructure and technology to achieve the critical "take-off" stage—the point at which self-sustaining economic growth becomes attainable (Nurhadi, 2007).

According to modernization scholars, developing nations require external assistance from wealthier countries—on both macro (national/institutional) and micro (individual/community) scales—to accelerate their development. This assistance typically takes the form of capital investment, technology transfer, and educational programs, which also function as a vehicle for transmitting Western values and cultural norms to non-Western societies. Proponents argue that such interventions can catalyze economic development and foster sustainable economic growth, ultimately reshaping the recipient nations' cultural, social, political, and economic institutions to mirror those of industrialized Western states. Within the global economic framework, modernization theory emphasizes the transition from agrarian, tradition-bound economies to industrialized, technology-driven systems. Key drivers of this transformation include: Industrialization (shifting focus from agriculture to manufacturing), Urbanization (migration to cities for industrial labor), Technological Innovation (adoption of advanced tools and infrastructure) (R. Thaha & Galib, 2022).

B. Dependency Theory

A prominent critique of development paradigms from the perspective of the Global South is dependency theory (or *dependencia* theory). This framework emerged as a direct challenge to modernization theory, arguing that underdevelopment in poorer nations is structurally tied to the economic dominance of industrialized countries. Paul Baran, a foundational thinker in dependency theory, articulated this perspective in his seminal work *The Political Economy of Growth* (1957). Baran emphasized how capitalist exploitation and the extraction of economic surplus by wealthy nations perpetuate poverty and dependency in the Global South. He posited that developing countries are trapped in a global system where their resources and labor serve the interests of advanced economies, hindering autonomous growth (Baran, 1968).

Dependency theory, rooted in Marxist analysis, critiques the global capitalist system for perpetuating structural inequalities that trap developing nations in a subordinate position to industrialized countries. First articulated by Paul Baran in his seminal work *The Political Economy of Growth* (1957), the theory argues that wealth extraction by dominant economies stifles autonomous development in the Global South. Baran's framework was later expanded by *Latin American*

scholars such as Andre Gunder Frank, Samir Amin, Theotonio dos Santos, and Fernando Henrique Cardoso, who emphasized how historical exploitation—from colonialism to modern-day neoliberal policies—creates and sustains core-periphery dynamics. (Putri et al., 2023).

Central to dependency theory is the assertion that underdevelopment in the Global South is not a "stage" to overcome (as modernization theorists claim) but a direct outcome of asymmetrical power relations in global capitalism. These scholars highlight mechanisms like resource extraction, unequal trade, and foreign capital dominance as tools that reinforce dependency, ensuring developing economies remain suppliers of raw materials and cheap labor to wealthy nations.

Dependency, in the context of development studies, refers to a structural relationship where developing nations remain subordinate to developed countries in economic, political, and cultural spheres. This condition is characterized by an asymmetrical power dynamic: developing economies are often reduced to passive recipients of policies, investments, and cultural norms dictated by wealthier nations. As Marxist scholar Theotonio dos Santos theorized, dependency manifests as a systemic imbalance in development, wherein industrialized countries extract resources and labor from the Global South to sustain their own growth, perpetuating underdevelopment in poorer regions. Dos Santos further argued that when developed nations exploit the natural resources, markets, and labor of developing countries, they reinforce economic dependency. Over time, this dependency extends beyond economics, shaping social hierarchies, cultural practices, and political institutions in ways that align with the interests of dominant powers. For instance, foreign corporations' control over mining or agricultural sectors in the Global South often leads to deindustrialization, environmental degradation, and cultural homogenization, further entrenching systemic inequality. (Chandra et al., 2023).

Dependency theory posits that no country or region operates in isolation; all are integrated into the global capitalist system, albeit in unequal roles shaped by historical and structural power imbalances. Contrary to the claim that it critiques Marxism, dependency theory is rooted in Marxist analysis, particularly critiques of imperialism and capitalist exploitation. It emerged as a direct challenge to modernization theory and mainstream economic models that framed development as a neutral, linear process (Dugis, 2016).

C. Sustainable Development Theory

The main concept of sustainable development stems from the Triple Bottom Line principle, which emphasises the balance between three main aspects, namely economic profit, social responsibility, and environmental preservation. Sustainable development can only be achieved if all three pillars are in balance. Indirectly, this concept highlights two important aspects, namely the limits of natural resources and the environment in the development process and consumption patterns, as well as the need to maintain the welfare of future generations. Therefore, sustainable development is based on three main principles, namely: (Solechah & Sugito, 2023)

- 1) Treat the present and the future in a balanced manner, considering the long-term value.
- 2) Recognise that the environment acts as an asset that contributes to economic prosperity.
- 3) Understand the limitations that arise from the impact of development on environmental resources.

According to Hart and Milstein, sustainability can be defined as an effort to improve social and environmental performance for the current generation without neglecting the ability of future generations to meet their social and environmental needs. Another definition of sustainable economic development is a development activity that aims to meet the needs of the present without compromising the ability of future generations, with a focus on environmental carrying capacity, achieving social justice, and economic and environmental sustainability (Hart & Milstein, 2003).

Therefore, sustainable economic development can be defined as a principled process of economic sector development to meet the needs of the present without compromising the needs of future generations. It includes efforts to increase the level of per capita income in the long term, accelerate economic growth, and end absolute poverty (Solechah & Sugito, 2023).

3. METHOD

This research method uses literature review, which is one of the approaches in qualitative research that involves analysing various library sources, such as books, documents, archives, and other references such as various documents related to government agencies/institutions. The research method applied in this study is qualitative research, with data sources in the form of secondary data obtained from various journals, scientific articles, and previous research that has been analysed by the author/s related to the issues studied (Boote & Beile, 2005). The approach used is descriptive analytical method, in which researchers collect, identify, compile, and analyse various data found to gain a deeper understanding of the issues being discussed.

As a reference, this qualitative and descriptive analytical research approach is in line with the concept put forward by Creswell (2018) in his book 'Research Design: Qualitative, Quantitative, and Mixed Methods Approaches', where qualitative research aims to understand social phenomena through exploration of secondary data and in-depth analysis (Creswell & Creswell, 2018).



Figure 1. The research flowchart includes six main stages in the research process.

The research flowchart in the figure above illustrates the stages of the research process starting with the selection of the research topic, followed by the search for relevant reference journals. After that, the selection of reference journals was carried out to ensure that the sources used were of high quality and in accordance with the research needs. The next step is to describe or make abstractions from the selected reference journals, then process the data obtained from the various sources. The final stage in this process is interpreting the results of the research and drawing conclusions based on the analyses conducted.

4. RESULT AND DISCUSSION

A. *The Role of Developing Countries in the Global Market*

The phenomenon of developing countries' transformation in the international market refers to a notable change in the dynamics of the global economy where developing countries are increasingly playing a strategic role in global trade, investment, and innovation. Increasing volumes of international trade and exports have become the main drivers of economic growth in developing countries. Factors that can drive transformation in developing countries include population growth, technological innovation, and industrialization. Rapid population growth in developing countries creates a large domestic market and increases demand for goods and services. Furthermore, advances in information and communication technology can connect developing countries with global markets, reducing transaction costs and accelerating the exchange of information and knowledge. In terms of industrialization, the process underway in many developing countries has increased their production capacity and competitiveness in international markets.

Emerging economies such as China, Brazil, India, and ASEAN countries have shown significant economic growth in recent decades. According to data from the Economic, Financial and Fiscal Review by the Fiscal Policy Agency at the Ministry of Finance of the Republic of Indonesia (RI), in the third quarter of 2024 stated that the global economy recorded contrasting growth dynamics, where the economies of ASEAN countries tend to be more resilient compared to a number of advanced G20 countries (Badan Kebijakan Fiskal Kementerian Keuangan RI, 2024).

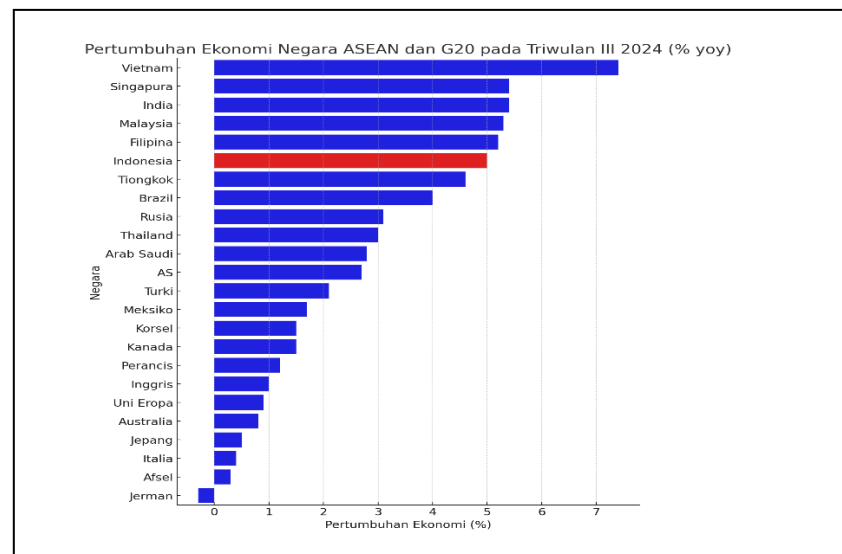


Figure 2. Economic Growth Chart of ASEAN and G20 Countries in the Third Quarter of 2024 (% yoy)
(source: <https://fiskal.kemenkeu.go.id/>)

The chart above shows that, in the third quarter of 2024, the global economy showed mixed growth dynamics, with ASEAN countries proved to be more resilient than some developed G20 members. Vietnam recorded the highest economic growth among ASEAN and G20 countries at 7.4% (yoy), followed by Singapore and India at 5.4% each, and Malaysia at 5.3%. Indonesia took fifth place with 5.0% growth, reflecting economic resilience amid global challenges. Meanwhile, the United States continued to show robust growth, although it slowed slightly compared to the previous month. In contrast, several G20 countries such as Japan, Italy, and European countries experienced weak growth,

below 1%, with Germany even contracting by -0.3% (Badan Kebijakan Fiskal Kementerian Keuangan RI, 2024). This indicates the significant role of developing countries in global economic dynamics.

According to modernization theory, a country's economic development depends on the adoption of innovations and technologies that have proven successful in developed countries. Developing countries such as India, Vietnam and Indonesia have accelerated their growth through increased digitalization and industrial technology. For example, India became a global center for Information & Technology services and software development. Indonesia and Vietnam are starting to adopt manufacturing technology in the industrial sector especially in the automotive and textile sectors. In terms of investment in infrastructure and connectivity, developing countries are increasingly enhancing the capacity of transport and digital infrastructure to accelerate economic modernization. By implementing innovation-led industrialization strategies, developing countries can accelerate the transition to a knowledge-based economy that is more competitive on the world stage.

Improvements in the quality of education and labor skills in developing countries have driven the transition from agriculture-based economies to industrial and service sectors. This transformation is characterized by significant growth in the e-commerce and digital finance sectors, supported by young populations and high technology adoption. For example, in Indonesia, the value of e-commerce transactions increased from USD 21 billion in 2019 to USD 77 billion in 2022, contributing 8.9% to GDP in 2023. Factors such as increased internet access and digital technology, as well as a large population with a growing middle class, are key drivers of e-commerce growth in emerging economies (Lubis et al., 2024).

Large populations in developing countries function as key drivers of global economic growth, both as productive labor, consumption markets, and sources of innovation. With good human capital management, thorough education, skills training, and favorable economic policies, developing countries can contribute more to the world economy (Widiansyah, 2017). Economic growth can be measured by the percentage increase in Gross Domestic Product (GDP) (Putri et al., 2024). Brazil's GDP increased by 0.9% in the third quarter of 2024 compared to the previous quarter, after an estimated 1.4% growth in the second quarter. This growth was mainly driven by the services sector which increased by 0.9%, followed by the industrial sector which rose by 0.6%. When compared to the same period in the previous year, Brazil's GDP recorded a growth of 4% in the third quarter of 2024 (Instituto Brasileiro de Geografia e Estatística (IBGE), 2024). Brazil has reached the highest level of economic maturity in South America and successfully completed most of its modernization process. The country has moved from dependence on the agricultural sector to a more developed and modernized economy. In addition, Brazil also serves as a strategic partner for the United States and China.

Amid the global economic slowdown, emerging economies were able to show better resilience than some developed countries that experienced stagnation or even contraction, such as Germany. This shows that emerging economies are no longer just recipients of the impact of global dynamics but are also able to become stabilizers of the world economy. The better economic performance of emerging economies reflects a shift in the center of economic growth from Western countries to Asia. This further strengthens the argument that the global economy is no longer dominated by developed countries alone, but also by developing countries that are increasingly playing a strategic role in international trade and global economic policy.

B. Obstacles and Opportunities

In an era of shifting global economic forces, developing countries face major challenges in strengthening their position on the world stage. Dependence on commodity exports, technological limitations, lack of infrastructure investment, as well as gaps in the quality of human resources are major obstacles in improving economic competitiveness. In addition, competition with developed

countries that have greater access to capital and innovation further complicates developing countries' efforts to achieve sustainable growth. However, with the right strategies, such as economic diversification, increased investment in education and technology, and strengthened international cooperation, developing countries can capitalize on the changing global economy to strengthen their role in world trade and investment (Monica & Dompak, 2024).

Since the 1980s, economic policies in developing countries have undergone significant changes by moving towards economic liberalization. All developing countries began to implement policies that were more orientated towards market mechanisms through a series of economic reforms. This step was taken to increase economic growth, attract foreign investment, and accelerate integration into the global economy (Zaroni, 2015).

Developing countries face various challenges in strengthening their role on the global economic stage. Unequal economic growth between urban and rural areas is one of the main challenges. Limited infrastructure, unequal access to education, and differences in productivity levels lead to disparities in wealth distribution. Developing countries often focus on major economic centers, while remote areas are left behind in development, creating widening social and economic disparities. This is experienced by Indonesia and India (Monica & Dompak, 2024).

The economic dependence of developing countries on developed countries is a global phenomenon with far-reaching impacts, not only in the economic sector, but also socially, culturally, and politically. Developed countries often utilize natural resources and cheap labor from developing countries to support their industrial growth, creating a dependency that is difficult to break (Aditya, 2021). This can be seen in the economic relationship between China, Brazil, and ASEAN countries with the global economy.

China, although now the world's second-largest economy, was also initially dependent on developed countries, especially in terms of investment and technology. However, as it has grown, China is now a major investor for many developing countries, creating new economic dependencies. Through the Belt and Road Initiative (BRI), China has poured billions of dollars into infrastructure development in developing countries, including in Southeast Asia, Latin America, and Africa. This contributes greatly to development but also increases the financial dependence of recipient countries on Chinese debt.

Brazil is an example of a developing country with an economy that relies heavily on commodity exports, especially to developed countries and China, which are its main trading partners. This dependence on raw material exports results in a lack of economic diversification and causes long-term economic instability. In addition, pressure from multinational corporations in the agricultural sector often fuels social conflicts, such as the displacement of indigenous peoples and deforestation in the Amazon (Pramitha & Alfian, 2023).

Many ASEAN countries are also attracting investment from developed countries and China to develop their manufacturing sectors. For example, Vietnam has become a production center for major technology companies such as Samsung and Apple. While this creates jobs, dependence on foreign companies makes the domestic economy vulnerable to global business decisions. ASEAN countries often face trade imbalances, where they export raw materials or low value-added products, while importing high value-added goods from developed countries. This slows down the industrialization process and hinders the achievement of economic independence (Afin et al., 2008).

The economic dependence of developing countries on developed countries creates a complex and multi-faceted dynamic. China, Brazil, and ASEAN countries are examples of how this dependency affects a country's social, cultural and political sectors. To reduce this dependency, developing

countries need to focus on economic diversification, increase value-added in domestic production, and strengthen economic policies that support self-reliance and sustainability (S. Thaha et al., 2024).

Sustainable development is an approach that ensures the needs of the present are met without compromising the ability of future generations to meet their own needs. For developing countries, the application of sustainable development principles in the context of the global economy offers a range of opportunities and challenges. These opportunities include access to foreign investment, technology transfer and economic diversification. However, challenges include economic dependency, environmental impacts, and social disparities. To overcome these challenges, strategies such as economic diversification, increasing the value-added of domestic products, strengthening environmental policies, and improving the quality of education are important. By adopting such strategies, developing countries can capitalize on the opportunities offered by the global economy while addressing the challenges that arise, towards a more sustainable and inclusive future (Rany et al., 2020).

Developing countries often function as major producers of raw materials, including oil, gas, metals and agricultural products such as Indonesia, Vietnam, India and Brazil. However, the utilization of these natural resources often brings negative impacts to the environment and surrounding communities. To overcome these challenges, developing countries have begun to implement sustainable development principles by adopting industries based on environmentally friendly technologies. Some of them are even pioneering the use of renewable energy, such as Brazil with biofuels and Indonesia utilizing geothermal energy. This proves that developing countries can innovate in green technology without having to sacrifice economic growth.

5. CONCLUSION

The shift in global economic power shows that emerging economies, such as China, Brazil, India, and ASEAN countries, are increasingly gaining a greater role in world economic growth. Factors driving their progress including population growth, technological advancement, industrialisation, and integration in international trade. Based on modernisation theory, developing countries have the potential to grow faster through the adoption of technology and adequate investment, as the economy shifts from traditional sectors to more advanced industries and technologies.

Despite the increasing contribution of developing countries to global GDP and their role in economic forums such as the G20, they still face major challenges, such as dependence on commodity exports, development inequalities, and geopolitical pressures. However, with higher trend of economic growth, emerging economies now serve as key drivers of the global economy, centres of manufacturing production, and booming consumption markets. Their economic resilience amidst global uncertainties further demonstrates that the role of emerging economies is crucial in determining the direction of world economic policy.

Finally, this article recommends the adoption of sustainable development as a solution to balance economic growth, social justice and environmental sustainability. In this way, developing countries can play a strategic role in shaping global economic trends. Rapid technological development also plays an important role in improving the competitiveness of developing countries' products, making them more competitive than products from developed countries.

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