

Think 20 Summit: Building New Global Relationships-New Dynamics, New Vitality, New Prospects

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Good morning Ladies and Gentlemen,

Let me start by thanking to the Chinese Presidency and all three distinguished institutions, namely RDCY at Renmin University, Shanghai Institute for International Studies, and IWEP at the Chinese Academy of Social Sciences for their kind invitation to this important meeting.

It is a pleasure for me to be here and as TEPAV (Economic Policy Research Foundation of Turkey) we are honoured to cooperate with our Chinese colleagues.

Ladies and Gentlemen,

The T20 has been an integral part of the G20 process since 2012. It was conceived as an official engagement group of the G20 to provide analytical depth to the G20 agenda and act as a **'bank of ideas'** in the discussions of global economic governance. T20's main role has been to provide G20 working groups, ministerial meetings and the leaders' summit concrete deliverables in the form of policy-options.

In this way, its functioning is different than other outreach groups that advocate around various issues. We, as TEPAV, are proud to take part in this mission.

At this juncture, we are in a position to assess the real performance of the T20. We at TEPAV believe that the T20 has significantly increased its concrete contribution to the G20 process in the last four years. Let me be more specific.

Deliberations brought forward by T20 reached a certain level of sophistication and provided a real input to the G20 policy community. An important example is the introduction of **innovation** into the sustainable development debate.

This discussion was started by T20 Turkey and was further developed during the Chinese presidency. We hope it will be adopted by the G20 leaders in Hangzhou. This is just one example of how a T20 idea was conceived, then matured and adopted by the G20.

The **second point** I wish to emphasize is what the G20 signifies as a **public good**. Let me elaborate on this shortly.

Initially the G20 was a policy dialogue platform for finance ministers of the systemically important economies. Following the 2008 financial crisis, the G20 was elevated to the leader's

level and the platform declared itself the premiere forum for global economic governance to respond to the crisis to restore financial stability. In 2008 the leaders agreed to follow up on a broader policy response to the crisis by exercising closer cooperation on non-financial issues including development, employment, trade, social issues and corruption among others. As a result, it became clear that effective global governance needs to be holistic and needs to be an *international public good* for everyone.

Thirdly, with the contribution of the UN SDG and Paris processes in 2015, **sustainable development** and **growth** decisively entered the G20. Now, there is a unified and inclusive development agenda which will continue to be a critical focus during and after the Hangzhou Summit in September 2016. This is an encouraging fact as it demonstrates the willingness of nations to work together and deter themselves from uncoordinated actions.

Let me recall that the Brisbane Action Plan in 2014 set the additional global growth target of 2 % by 2018. Further countries made a substantial number of macroeconomic and structural reform commitments to meet this target and to strengthen policy coordination. At the Brisbane Summit, raising global *growth* was named as the highest priority.

The G20 agenda was developed further under the Turkish G20 presidency, which put developmental issues at the forefront and facilitated the alignment of the UN and G20 development agendas. Such a transformation of the G20 agenda can be seen as mutually beneficial for both the developing countries in and outside the G20 as well as for the G20 itself. And the inclusion of non-G20 developing countries into the process enhanced the relevance of this agenda globally and added to the legitimacy of G20 as a more inclusive platform.

The Antalya communiqué reiterated this message.

The Brisbane growth strategy was further developed under the Turkish presidency as it raised the *inclusive* growth agenda from the perspective of developing countries. In this connection, the Antalya Action Plan underlined the importance of comprehensive growth and effective implementation of *country-specific investment strategies*. The need for structural change was also observed in the Antalya Summit Communiqué.

Ladies and Gentlemen,

Yet this gradual transformation is still in the making. Indeed, the Chinese policymakers' contribution has always been important for the G20.

Priority areas of 3i's: Inclusiveness/Implementation/Investment of the Turkish presidency were continued and further developed by the Chinese. Most significantly, the Chinese introduced *innovation* into the sustainable development debate. In China there were 4i's: *«Innovative,*

invigorated, interconnected and inclusive» world economy. This signifies continuity and coherence in the G20 agenda.

Let me elaborate on this subject a bit more.

The Chinese G20 Presidency identified “**innovation**” as an engine for global sustainable growth and development. The contribution of technology and innovation to sustainable development was the main focus of Think-20 Turkey, led by TEPAV in 2015. In this connection, last year we organized a meeting in Berlin and the *Innovation 20 Summit*, in partnership with UNDP, alongside the G20 leaders' summit in Antalya.

The **global diffusion of new technologies** is important from the point of view of developing countries and relates to issues such as climate change that are global concerns. This year, by making innovation a top priority China has taken an important step forward towards making the G20 agenda more transformational as well as more relevant to all G20 countries and actually to all countries in the world.

This initiative makes the G20 more inclusive.

Ladies and Gentlemen,

We must, however, underline that the G20 will prove its real strength through the **performance** of its member states. Over 1000 commitments have been made to meet the global growth target. The performance of member countries needs to be **monitored**. The recent report by Toronto University reveals that only 63% of commitments have been met so far. The performance of members varied depending on the issue areas and from year-to-year. Thus, another function of the T20 can be to monitor implementation of commitments of member countries. Obviously, the G20 process could immensely benefit from the input of T20 in this regard.

We all agree on the special role of **investments** for growth, i.e. to achieve the target set by leaders in Brisbane. Infrastructure investments have been a focal point. However, I should emphasize that **investment** projects focused on the diffusion of new technologies are as important for boosting investment.

Yet, the financing of such investments is difficult.

Encouraging innovation is a G20 structural reform priority that supports the objective of stronger growth. **Financing of innovation** can be regarded as a global public good that can be supported by creating global funds as well as by ensuring the participation of multilateral development financing bodies. Global diffusion of innovation is a global gain; a point that has been raised thanks to debates within the T20.

We have a special innovation forum tomorrow organized with the support of China Science and Technology Exchange Centre, where this and similar issues will be discussed.

Ladies and gentlemen,

Lastly, as we are all witnessing, the world economy faces challenging geopolitical risks. An important repercussion of political turmoil is the **refugee crisis**. Last year in the Antalya Communiqué, the leaders raised this issue as a global concern with major humanitarian, political, social and economic consequences. A comprehensive and effective response to the refugee crisis is a must. In this context, sharing the burdens for creating safer conditions for people and enhancing the capacity of international organisations accordingly is another compelling task for the G20. This is also an important area for discussion for the T20.

The **German Presidency** could be the most opportune time to consider and focus on the linkages between growth, investment, and sustainability. I believe, T20 should continue to support the G20 process with its ‘innovative ideas’ during the German Presidency.

Once again, let me thank the Chinese Presidency for all their hard work and reiterate TEPAV’s full commitment to the T20 process during the German presidency.

I believe the successful results of the T20 Summit will contribute to Leaders’ Summit to be held in September in Hangzhou.