

A WORLD IN CRISIS, A WORLD IN PROGRESS

GROWING BETTER
TOGETHER

LESSONS FROM A DECADE
OF THINK20

Edited by Tetsushi Sonobe,
Nicolas J. A. Buchoud, Riznaldi Akbar,
Riatu Mariatul Qibthiyah, and
Bayarbileg Altansukh

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Asian Development Bank Institute
Kasumigaseki Building 8F
3-2-5, Kasumigaseki, Chiyoda-ku
Tokyo 100-6008, Japan
www.adbi.org

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CONTRIBUTORS

Riznaldi Akbar is a senior capacity building and training economist at the Asian Development Bank Institute (ADBI), Japan.

Bayarbileg Altansukh is a capacity building and training associate at ADBI, Japan.

Venkatachalam Anbumozhi is director of research strategy and innovation at the Economic Research Institute for ASEAN and East Asia, Indonesia.

Eisa Khan Ayoob Ayoobi is chief of the capacity building division, Central Asia Regional Economic Cooperation Institute, People's Republic of China.

Axel Berger is deputy director of the German Institute of Development and Sustainability, Germany.

Nicolas J. A. Buchoud is advisor to the dean and CEO of ADBI and for the T7, and a fellow at the Global Solutions Initiative (GSI), Germany.

Sachin Chaturvedi is director general at the Research and Information System for Developing Countries, India.

Richmond Commodore is a senior economist at the African Center for Economic Transformation, Ghana.

Priyadarshi Dash is an associate professor at the Research and Information System for Developing Countries, India.

Markus Engels is secretary general at the GSI, Germany.

Arunabha Ghosh is founder-CEO of the Council on Energy, Environment and Water, India.

Dennis Görlich is a research and program director at the GSI, and a program manager at The New Institute, Germany.

Joohee Han is a master's student at the Graduate School of Public Administration, Seoul National University, Republic of Korea.

Nandini Harihar is a research analyst at the Council on Energy, Environment and Water, India.

Alicia Garcia Herrero is a senior research fellow at Bruegel, Belgium, and an adjunct professor at the Hong Kong University of Science and Technology, Hong Kong, China.

Anna-Katharina Hornidge is director of the German Institute of Development and Sustainability, Germany.

Gary Huang is an e-learning specialist at the Central Asia Regional Economic Cooperation Institute, People's Republic of China.

Rehan Kunal Jagota is a research intern at the Indian Council for Research on International Economic Relations, India.

Prayank Jain is a special assistant to the CEO at the Council on Energy, Environment and Water, India.

Prateek Kukreja is a fellow at the Indian Council for Research on International Economic Relations (ICRIER).

Paolo Magri is executive vice-president of the Institute for International Political Studies, Italy.

Kazuo Matsushita is a professor emeritus at Kyoto University, president of the International Academic Society for Asian Communities, and a senior fellow at Global Environmental Strategies, Japan.

Luiz de Mello is director of the Economics Department, Organisation for Economic Co-operation and Development, France.

Mavis Owusu-Gyamfi is executive vice president at the African Center for Economic Transformation, Ghana.

Edi Prio Pambudi is deputy minister at the Coordinating Ministry for Economic Affairs, Indonesia.

Riatu Mariatul Qibthiyah is a senior researcher at the Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI).

Teuku Riefky is a macro and financial economist at the Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI).

Lydia Ruddy is director of communications and special advisor to the president on US-ASEAN affairs, Economic Research Institute for ASEAN and East Asia, Indonesia.

Güven Sak is program director of the Economic Policy Research Foundation of Turkey (TEPAV), Türkiye.

Elizabeth Sidiropoulos is chief executive of the South African Institute of International Affairs, South Africa.

Tetsushi Sonobe is dean and chief executive officer of ADBI, Japan.

Fauziah Zen is a senior economist at the Economic Research Institute for ASEAN and East Asia, Indonesia.

Yuyan Zhang is director of Institute of World Economics and Politics, chief expert at the National Institute for Global Strategy, and a member of the Chinese Academy of Social Sciences.

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PREFACE

Nicolas J. A. Buchoud¹

The challenge for the G20, given the multitude of issues and diverse interests, is to demonstrate collective leadership on key global economic challenges and restore growth and employment. On February 27-29, the Think-20, a network of research institutions from around the world, met in Mexico City to discuss the Los Cabos G20 Summit agenda.

Think20 Meeting Report to G20 Sherpas, March 2012²

We started working on a book project about the think tank engagement group of the Group of Twenty (G20) for two reasons. One was to commemorate the 10th anniversary of the foundation this engagement group in Mexico in 2012 in sync with other anniversaries of multilateral environmental diplomacy. The other was to discuss the role of think tanks in the G20 following the outbreak of the coronavirus disease (COVID-19) pandemic.

This enthusiastic editorial project gained immediate support within the Asian Development Bank Institute (ADBI), as Indonesia was busy preparing for its first presidency of the G20 and as the institute was reflecting on its own 25th anniversary.³ While ADBI was created during the Asian financial crisis of the late 1990s, reflecting on the Think20 is inseparable from addressing the education and capacity building losses triggered by the COVID-19 pandemic, of which the long-term impacts are yet to be fully assessed. Think tanks are working at the junction of short-term, immediate policy issues and longer-term transformations. Like many other public and private institutions, they were largely caught off-guard by the COVID-19 pandemic, whereas one could argue that such reservoirs of fine expertise should have been aware of the magnitude of pandemic risks and should have warned governments and citizens about the likely impacts. The nature and levels of global pandemic risks were clearly assessed during the G20 presidency of Germany in 2017. It stressed that diseases could spread out massively in a world that is unequally interconnected by trade routes, supply chains, cities, and related infrastructure systems. And yet, other priorities in world affairs drove think tanks to become negligent of this risk until the outbreak of the pandemic around the end of 2019.

In times of the rapid and growingly automated transmission of headlines, news, and pledges, the lack of short-term memory and knowledge consolidation in many institutions and international gatherings is a problem for governments and civil society alike, and think tanks cannot ignore this. The difficulty in building and implementing public policies is redoubled by a cognitive challenge, that is to understand the complexity and scale of contemporary socioeconomic, environmental, and political intersections.

Documenting the development of the Think20 for over a decade appeared all the more relevant for several other reasons. Indonesia was the first of four presidencies of the G20 by major emerging

¹ Nicolas J. A. Buchoud (co-editor) has co-chaired the Think20 Infrastructure Investment and Financing Taskforce since 2019 and is advisor to the dean and CEO of the Asian Development Bank Institute (ADBI) for Think7 Japan. He is also a fellow of the Global Solutions Initiative (GSI) in Berlin, co-founder and president of the Grand Paris Alliance for Metropolitan Development, and co-editor of the Intersecting global editorial project with ADBI and GSI.

² For the full report, see: http://www.g20.utoronto.ca/t20/2012-FINAL_Think-20_Report_to_Sherpas.pdf

³ Special thanks to Nella Sri Hendriyetti, director, Center for Bilateral and Regional Policy, Ministry of Finance of Indonesia; Riatu Mariatul Qibthiyah, director of the Institute for Economic and Social Research at the University of Indonesia in Jakarta (LPEM-FEB-UI); and executive co-chair of Think20 Indonesia; and their teams, for initiating the project with the editors; and to Riznaldi Akbar, senior capacity building and training economist at ADBI, for completing the project.

economies.⁴ The outbreak of the war in Ukraine definitely marked the end of the post-Cold War era. There are high stakes to build on the work of think tanks across the presidency of India of the G20 and the presidency of Japan of the G7, as both presidencies prioritize the restoration of peace and new ways to cooperate with the Global South. The creation of a group of think tanks during the G7 presidency of Germany in 2022 was a new opportunity to work across the G7 and G20, beyond rising geopolitical barriers.

*The present book also echoes the release of *Strategies for Developing Asia's Future*, edited for the 25th anniversary of ADBI.*

The present book also echoes the release of *Strategies for Developing Asia's Future*, edited for the 25th anniversary of ADBI. Both publications are driven by a sense of “*obligation of any institution, especially a public one, to keep a good, objective, and comprehensive record of its history, preferably in a book which is interesting to read.*”⁵

The group of think tanks in the G20 is not an established institution. Its organization has evolved and changed over the years. What makes it remarkable is the pattern of gradual consolidation, out of an incremental process of voluntary commitment and affiliation, generating copious trust among a wide variety of partners. Since the creation of the G20, different initiatives have been taken to consolidate and help measure the impact of the work of think tanks, such as the G20 Research Group at the Trinity College of the University of Toronto, also home of the G7 Research Group.⁶ The Think Tanks and Civil Societies Program (TTCSP), initiated by the late James McGann at the University of Pennsylvania, is another attempt to consolidate a mapping of the work of think tanks even beyond the G20.⁷ We thought that marking the 10th anniversary of the Think20 would be an opportunity to portray the group and question together in the macroeconomic and geopolitical context of the coming years.

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The Think20 has grown up and developed considerably out of the initial informal club of a handful of organizations aiming at showcasing strong ties with global leaders. As an illustration, over 1,400 policy brief proposals were submitted to the T20 India Secretariat in 2023. The Think20 has gained recognition and become a consistent community following the rhythm of the troikas of G20 presidencies.⁸ Even though the Think20 had not anticipated the COVID-19 pandemic as it should have, it has proven very resilient in the face of the crisis and throughout the years.

During the presidency of the King Abdullah Petroleum Studies and Research Center (KAPSARC) and the King Faisal Center for Research and Islamic Studies (KFCRIS) during Saudi Arabia's G20 presidency in 2020, the Think20 managed to turn digital in a very short time. A special taskforce on COVID-19 was also created. During the presidency of the Italian Institute for International Political Studies (ISPI) and the Italian International Affairs Institute (IAI) in 2021, joint initiatives with other

⁴ Indonesia chaired the G20 in 2022, followed by India in 2023 and Brazil in 2024. After this troika, South Africa is expected to chair the G20 in 2025.

⁵ Sonobe, T. 2022. Foreword. In *Strategies for Developing Asia's Future: 25 Years of the Asian Development Bank Institute*, edited by ADBI. Tokyo: ADBI. <https://www.adb.org/publications/strategies-for-developing-asia-s-future-25-years-of-the-asian-development-bank-institute>

⁶ About the G20 Research Group: <http://www.g20.utoronto.ca/about.html>

⁷ About the TTCSP: https://repository.upenn.edu/ttccsp_summitreports/

⁸ T20/G20 Indonesia was also the first in the row of the “G20 troika” presidencies, including India in 2023 and Brazil in 2024.

engagement groups, such as the Business 20 and the G20 Long-Term Investors Club (D20-LTIC), were developed, along a joint, quality investors dialogue. Ties were forged between the G20 and the climate Conference of the Parties (COP). During the presidency of the Institute for Economic and Social Research of the University of Indonesia (LPEM-FEB-UI) with the Indonesian Center for Strategic and International Studies (CSIS) in 2022, multiple high-level seminars were organized in partnership with the G20 sherpa track and finance track, and often together with other engagement groups. Several special reports on recovery strategies were published. In 2023, the Think20 India displays an even higher ambition to work across multiple sectors, collaborate with other engagement groups, reach out to the people, and contribute to the G20 deliberations through direct cooperation with the ministerial working groups. This was well illustrated by the double launch of the Think20 India with an inception summit in Delhi, coordinated by the Observer Research Foundation (ORF), followed by a special event in Bhopal in the state of Madhya Pradesh at the initiative of the Research and Information Systems for Developing Countries (RIS).⁹ Book projects are also under way, such as for the taskforce on LiFE, ethics, and values.

The model of the Think20 is based upon two simple and complementary factors. The leadership of organizations from the G20 host country on the one hand is complemented by the voluntary engagement of others from within and even beyond the G20. As years have passed by, experience has been accumulated, if not always consolidated. Amid recurrent and new crises, the growing number of participating organizations in the Think20 try to find quick responses to emerging problems and delineate pathways toward the peaceful resolution of inequities, disputes, and conflicts.

The present book is not a chronology of the Think20, which remains to be fully documented together with all the stakeholders from the Mexican (2012), Russian (2013), Australian (2014), Turkish (2015), Chinese (2016), German (2017), Argentinian (2018), Japanese (2019), Saudi (2020), Italian (2021), Indonesian, (2022) and Indian (2023) Think20s, before the Brazilian (2024) and South African (2025) ones. The present book is a collective expression of some key aspects of the Think20's work. It questions and highlights some of its achievements within the G20 context and beyond. It is a testimony of the high value of collaborative research and cross-pollinating, forward-looking ideas to be shared with governments and civil society stakeholders.

The outbreak of the war in Ukraine brought multiple immediate priorities to the forefront but it did not stop the prevailing policy challenges.

The year 2022, initially intended for the release of the present book, marked not only the 10th anniversary of the Think20. It was intended as a year of celebrations of other milestones in global, multilateral governance, such as the 1972 Stockholm United Nations Conference on the Environment and the same year as the release of the famous Club of Rome report on the Limits to Growth. The year 2022 also marked the 30th anniversary of the 1992 Rio Earth Summit in which the COP system originated. The outbreak of the war in Ukraine brought multiple immediate priorities to the forefront but it did not stop the prevailing policy challenges. Since the Paris Agreement of 2015, there have been growing calls from emerging countries, and furthermore from lower-income countries, for the Global North to honor its pledges, raise levels of development aid, support climate mitigation and adaptation, and facilitate energy transition in the Global South. In light of the brutal economic downturn that has followed the COVID-19 pandemic outbreak, macroeconomic concerns, such as high levels of debt and the global impact of high interest rates in developed economies, especially in the United States, have become another priority. Meanwhile, in the G7, governments have spent considerable amounts

⁹ See <https://t20ind.org/event/think20-inception-conference/> and <https://newsonair.com/2023/01/18/g20-india-2-day-meeting-of-think20-concludes-with-bhopal-declaration/>

of public resources to support entire sectors of the economy, which has probably helped avoid a global economic crash but at other social and economic costs. Projects such as the Bridgetown Initiative are underway to invent a “new global financial architecture” and rebalance development trajectories between developed economies and the others.

Compared with a decade ago, the linkages and interdependencies between fiscal and monetary policies in the G7 and the G20 have been reinforced. Intersections between man-made macro-economic choices and the (dys)functioning of ecosystems have multiplied to the edges of our control.

Compared with a decade ago, the linkages and interdependencies between fiscal and monetary policies in the G7 and the G20 have been reinforced. Intersections between man-made macro-economic choices and the (dys)functioning of ecosystems have multiplied to the edges of our control. Since the Think20 was first created, in the aftermath of the subprime crisis in the United States, think tanks from emerging countries, such as from Southeast Asia and South Asia, have become more active and well-structured nationally, regionally, and globally, and they are now leading the Think20. We argue that this evolution is in part a legacy from an uninterrupted decade of the Think20, enriched by regular policy innovations. We also argue that the gradual consolidation and evolution of the Think20 is an asset for think tanks and governments in times of high uncertainty. The formation of the Global Solutions Initiative in Berlin during Germany’s G20 presidency in 2017 included the creation of an annual summit open to subsequent think20 presidencies. This regular rendezvous amid changing presidencies has contributed to accelerating knowledge transfers and sharpening know-how and capacity building from one G20 to another, despite multiple disruptions in the world global order. Recent initiatives, such as the Global Policy Forum created by ISPI in Italy to explore “the prospects for peace and cooperation,” or the Global Dialogue by CSIS in Indonesia “to discuss emerging global issues and their solutions,” illustrate a strong demand for cross-sectoral, cross-regional, and above all regular cross-cutting dialogues.

Touted as the “ideas bank” of the G20, the Think20 is entering into a new decade with a strong sense of serving the general interest. Differing from global consultancy firms, the Think20 is a space of quality and transparent public deliberation and an original form of multilateral governance. Therefore, it cannot shy away from the multiple challenges that lie ahead. It needs to continue improving the quality and accuracy of its policy recommendations. It needs to further consolidate its structure but also stay open to newcomers and avoid becoming an elite club while affirming its status at the crossroads of all geopolitical spheres. In 2023, new initiatives, such as the G20 Research Forum or the G20 Townhall, to be convened in Delhi in the spring of 2023, shall contribute to expanding the reach of the Think20 and showcasing its creativity and ability to cooperate with community-led organizations as well as global foundations and philanthropies.

The present book is a brick to help build more effective and inclusive public policies across the G20 and the G7 as we believe the space to grow better together does exist, provided we create a safe and peaceful space to explore it.

Ultimately, the present book will serve as a building block for more effective and inclusive public-policy-making across the G20 and the G7 as we believe the space to grow better together does exist, provided we create a safe and peaceful space to explore it. The lessons learned from the past decade of the Think20 and its multiple transformations have greatly served to nurture the development of the Think7 Japan, just 1 year after this new format was created. Different and intimately complementary, the Think7 and the Think20 are forming a bridge between the G20 and G7 to address core contemporary issues, starting with climate finance and a just energy transition. This is also a way to build peace in a world of interconnected fears and hopes.

INTRODUCTION 1

Edi Prio Pambudi

As the Co-Sherpa of the 2022 Group of 20 (G20) forum, allow me to provide you a glimpse into the perspectives of our presidency. We face complexity at a monumental scale, the likes of which the G20 has not known before. In 2020, when the novel coronavirus disease 2019 (COVID-19) first spread, no one could have predicted that the virus would wreak havoc upon global order, causing the loss of countless lives. In the span of 2 short years, the world had gone from accelerated growth to struggling to survive amid the seemingly never-ending interlinked crises.

The fragility of the current global system has been exposed as the international community struggles to make up for shortages in various sectors. The pandemic left the global economy in shock, as the global gross domestic product (GDP) decreased by 3.4% in 2020. Putting the number into perspective, the 3.4% decrease is equal to a loss of nearly \$2 trillion in economic output (Statista Research Department 2022). The pandemic had also put 60% of the world's vulnerable countries into debt distress or at high risk of it, as developing countries are forced to allocate \$1.2 trillion annually for social protection (Global Crisis Response Group 2022).

At a time when the world is still recovering, geopolitical conflicts involving one of the world's major powers have exacerbated the already steadily rising food and energy prices worldwide. The severity of the devastation is demonstrated by the World Bank's (2022) prediction of a global economic downturn from 5.5% in 2021 to 4.1% in 2022 and the International Monetary Fund's (2022) downward revision of its forecast by 0.8%.

According to the Sustainable Development Report 2022, progress toward the Sustainable Development Goals (SDGs) has unquestionably been reversed as a result of the concurrent crises (United Nations 2022). Moving forward, an annual \$4.3 trillion is required to achieve the SDGs by 2030 – that is more money needed than ever before (Global Crisis Response Group Briefing 2022). In 2021, the SDG Index scores marginally dropped, partly due to the weak or nonexistent recovery in developing and vulnerable nations.

Persistent challenges are still yet to be tackled, such as climate change, which costs the global economy an estimated \$520 billion annually. All the while, emerging conflicts result in the increase in overall energy prices by 50% in 2022, with the Food and Agriculture Organization (FAO) food index reaching a near-record high – notably 20.8% higher than last year – and an approximate 95 million people living in extreme poverty. At this rate, an additional 47 million people are at risk of becoming vulnerable, rounding up the number to 323 million people (Global Crisis Response Group 2022).

Global challenges no longer consist of the three Cs (COVID-19, climate change, and conflict), but now also include commodity prices and cost of living, making it the 5Cs. New challenges arise, yet global capacities to mitigate these challenges have yet to reach the required levels to generate sustainable development. It is in our best interests to ensure that there are no additional Cs, whether it be a chip crisis (semiconductors) or the collapse of our water supplies. And even though the virus may still be around for an inordinate amount of time, we can adapt and grow stronger. We should not jeopardize and weaken one another; instead, we must become more robust. The only way that countries can do that is by working together.

In response to the food, energy, and financial crises, on 14 March 2022, United Nations (UN) Secretary-General António Guterres announced the formation of the Global Crisis Response Group on Food, Energy, and Finance. Indonesian President Joko Widodo, along with the German Chancellor,

President of Senegal, Prime Minister of Barbados, Prime Minister of Denmark, and Prime Minister of Bangladesh, are Champions of the Group.

During these critical times, Indonesia has also been entrusted by the G20 member states to lead the forum. Indonesia adopted the theme “Recover Together, Recover Stronger”. Since its inception in 1999, the G20 has been a platform to coordinate national policies among the member states to resolve economic crises. To recover together, we are asking G20 members to strengthen multilateralism and build more effective global partnerships. As G20 is a consensus-based forum, we have encouraged G20 members to work together to balance interests across the diverse membership and to ensure that no one is left behind. To recover stronger, we intend to lead the forum to agree to better and more resilient actions for a unified global exit strategy from the pandemic.

Understanding that countries may have different priorities and affiliations, we attempted to find overarching topics that would be relevant for all member states. The most important priority is to minimize the impact of the crises on the people. The three main items we chose for our agenda are Global Health Architecture, Digital Transformation, and Energy Transition. In 2022, we wanted a meaningful G20 presidency, moving from narratives to breakthroughs and formidable action. Notably, Indonesia will chair the Association of Southeast Asian Nations (ASEAN) in 2023. This builds on our current strategic position and enables us to inject our vision of restructuring, through the above three fundamental channels, to achieve global economic transformation. Multilateral cooperation will remain key in navigating the next chapter of history.

Every crisis has opportunities for reformation and innovation in the process of overcoming it. One of the ways of doing so is through digitalization. We understand that the pandemic has resulted in massive job losses. As a result, people not only need to re-skill but also receive support and aid. The ability to work remotely (teleworking) and to operate or develop digital technology in production and service lines (automation) are also becoming key to employability. Digitalization, which governments have previously feared may disrupt employment, can help expedite nations’ recovery. The digital economy promotes efficiency, innovation, and inclusion. The e-Conomy SEA Report (Google, Temasek, & Bain 2022) projected that by 2030 ASEAN’s digital economy will reach \$1 trillion.

Moreover, the pandemic has demonstrated the added value of ed-tech and health-tech. For example, in the Indonesian government’s attempt to maintain the balance between public health concerns and economic recovery during the pandemic, the government built a real-time information system covering 542 regional governments, 3,112 hospitals, and 10,260 clinics across Indonesia. The monitoring system provided the number of COVID-19 cases per day as well as outlining the situation facing hospitals and health services, the distribution of aid to people, and the vaccination rates. This, therefore, increased the accuracy of decision making.

Having said that, Swiss Re (2021) noted that if the Paris Agreement and net zero emissions goals are not achieved, the world is at risk of losing as much as 18% of its GDP, and Asia, including Southeast Asia, faces the most significant risk of losses. The transition to clean and affordable energy is also incredibly urgent for sustainable development. Participation of states in financing activities, investment projects, and transfer of knowledge and technology are necessary. Indonesia has planned comprehensive mitigation actions by 2050, including plans to enhance the capacity of the workforce and provision of quality green jobs. And, as one of the world’s largest nickel producers, Indonesia seeks to energize the electric vehicle market and become the regional hub for electric vehicle manufacturing.

Each of these pillars of structural transformation rely upon a skilled workforce. To capture future opportunities, efforts to improve the quality of education and training are needed. Indonesia has also continued to improve the quality of human resources through upskilling and reskilling programs in

collaboration with the industrial world and through private–public partnerships. The acceleration of infrastructure development that contributes to increased investments and improved business climate continues to be encouraged. A number of other development priorities have also been set, and their implementation is ongoing. This includes increasing food production through the development of food estates, implementing the concept of low-carbon development as well as transforming into a digital economy through expansion, equity, and improvements to the quality of digital infrastructure and services.

All of these policies are in line with the G20 agenda, within which Indonesia can play a role in negotiating on behalf of the global community’s interests. But it can be a challenge for governments to explain their policy rationales or clarify global dynamics that occur to their people. Think tanks can influence not only the government’s policymaking process but also assist in educating the public about the nuances in the government’s decisions. After all, we owe the inception of the G20 to the recommendation by think tanks about the importance of including developing economies in decision-making to overcome crises.

According to the 2020 Global Go To Think Tank Index, there are 11,175 think tanks worldwide, each with specific focuses and affiliations, of which 3,389 are based in Asia (McGann 2021). This is an incredible number, if one considers that just a decade ago there were only half as many think tanks globally. Under Indonesia’s presidency, the Think20 (T20) had nine task forces covering the areas of (i) trade; (ii) digital transformation; (iii) climate and environment; (iv) food security and agriculture; (v) human capital; (vi) global health; (vii) finance; (viii) financing; and (ix) SDGs. Think tanks can act as painters that enrich our views with more color or devil’s advocates that challenge us to question our views. By reviewing the policy briefs and the recommendations of the T20 on these topics, the G20 was able to formulate recommendations and actions that are more effective and useful for the people. The combined intelligence of so many brilliant minds should not be underestimated.

Most of all, what we need is the courage to take risks, to do what we believe is suitable for the greater good, even if it may not be perfect. And in an increasingly polarized world, the role of think tanks, which can provide insights and perspectives that bridge the gap between these divides, is unparalleled in value. Thus, I commend the T20 members and stakeholders for continuing to carry the torch through the publication of this book and hope that the readers will also be inspired to take up the mantle of initiating meaningful change within their communities and for the benefit of humanity.

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Riznaldi Akbar, Bayarbileg Altansukh, and Joohee Han

Part I Think Tanks: Solution Brokers of a Changing World

Part I includes two articles regarding the role and significance of think tanks under recent global challenges. In Chapter 1, Paolo Magri gives advice on the role of think tanks in the backdrop of major shocks and international tensions based on his own experience during 2021 Think20 (T20) Italy. The international community and global economy faced several detrimental impacts in the last few years, from the coronavirus disease 2019 (COVID-19) to the war in Ukraine. How can think tanks help navigate such a fragmented world? The author suggests that they should take a realistic approach, linking their work to multilateral agendas as much as possible. He argues that well-targeted recommendations will have a concrete impact on “daily life” policymaking, although long-term goals and proposals should also be considered. Magri also insists that think tanks must scale up communication and dissemination skills to influence the public and add value to political debates,

Meanwhile, Chapter 2, written by Dennis Görlich and Markus Engels, argues that think tanks can effectively complement the Group of Twenty’s (G20) process in dealing with longer-term issues. While G20 is an important forum to coordinate collective action on global challenges, it sometimes fails to handle such far-reaching issues due to rising populism and nationalism in many countries. The authors argue that think tanks can contribute to global problem solving by developing narratives and providing concrete policy recommendations without any possible interference by national interests. They further present a more structured process that think tanks should follow, and how the G20 can support it.

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Part II A Decade of T20 and Its Impacts on the G20

In Chapter 3, Zhang Yuyan elaborates on his experience at the Chinese Academy of Social Sciences, which was the chief leading think tank of the 2016 T20. First, he shares the experience in organizing T20 conferences, from designing conference themes to inviting different international think tanks. Then, the author investigates the policy recommendations presented by the T20 to the G20. The recommendations touch upon various aspects, including the global economic situation, enhancing infrastructure investment, establishing a “digital trade taskforce” and more. The article is followed by the actual T20 Policy Recommendations to the G20, and a list of conferences that the institute partnered with during the T20 2016.

In Chapter 4, Güven Sak investigates the T20’s impact on the G20 and puts forth suggestions for further T20 meetings to improve its policy relevance. The G20 has worked wonders in resolving many worldwide issues, such as the 1998–1999 Asian financial crisis and the 2008 global financial crisis. However, because the G20 was developed around the finance track from the beginning, its development track is still relatively weak. In this rapidly and perilously changing world, a more inclusive and dynamic crisis management forum is called for, and the T20 is an engagement group that has the capacity to do so. T20 allows the G20 to become more inclusive by adding diversity, and this can be done by adding new issues to the G20 communiqué. For the T20 to address new issues and priorities of this uncertain world, the author suggests that along with adding more face-to-face communication among nations, the T20 should prioritize topics in a more inclusive manner, focus on public–private sector dialogue, and closely cooperate with the official G20 track.

Chapter 5, written by Axel Berger and Anna-Katharina Hornidge, investigates the role of the T20 in view of a “Southernization” of the G20. The Indonesia’s presidency of the 2022 G20 will be followed by India, South Africa, and Brazil, which implies that the “Southern” global leadership may be unfolding. The T20, as one of the official engagement groups of the G20, provides policy recommendations that provide continuity to policy discussion as well as touch upon topics that are along the lines of previous G20 commitments or may require the attention of G20 leaders in the future. The T20 also offers space for continual transregional cooperation, and has the potential of serving the role of bridging the gap between the G20 and the Group of Seven. For the T20 to successfully pursue these key functions, they must assure an even balance between the following principles. First, the T20 must be closely connected to the G20 process; second, it should maintain independence from government and non-government actors by relying on scientific evidence; and third, it should ensure inclusivity and diversity. The authors also mention that the T20 should be mindful of the challenges the T20 is facing in terms of impact, continuity, and its ability to foster dialogue and exchange to develop further. They go on to give advice on how to overcome such difficulties and to aim for a sustainable future.

Part III The Century of Asian Think Tanks?

Part III explores Asian think tanks in various aspects. Despite enormous economic potential, Asia bears many vulnerabilities, such as climate change, income inequality and regional disparities. Such conditions put Asia at the forefront of policy discourse. In this light, in Chapter 6, Prateek Kukreja and Rehan Kunal Jagota emphasize the role of think tanks in the region by mentioning the rapidly growing Asian economy and its role in the world economy as well as the prospect of a “rising middle class” in the region, which will outpace global growth. The globally recognized idea of the “Asian Century” will be unachievable without the efforts of Asian think tanks. The authors formulated the evolution of think tanks through three political stands: nationalism, pluralism, and concentration of power. The notion of nationalism had arisen from the need for security and defense. After World War II, several nations in the region, including the People’s Republic of China (PRC), Singapore, and India, founded research institutes that focused on international studies, politics, and policy formulation. They worked closely with the government and provided policy guidance in international relations and foreign affairs. The increasing significance of think tanks was the driver for new think tanks. Centralization of power in certain think tanks led to intimate ties with the government, and they operated as nearly an extension of the bureaucracy.

The authors define the Asian and the global financial crises in the 1990s and 2008, respectively, as the turning point for think tanks, where the role of providing expert opinions was highlighted and encouraged the formulation and strengthening of the think tank network in Asia. Think tanks should be faster, wiser, and more mobile to connect policymakers with the public in the changing and growing era.

Chapter 7, by Lydia Ruddy, Fauziah Zen, and Venkatachalam Anbumozhi, focuses on the think tanks of southeast Asia. The Association of Southeast Asian Nations (ASEAN) is going through a big upheaval, facing a sudden leap in the development of technology, growing education attainment levels, and a rapidly growing population. ASEAN think tanks have a crucial role in guiding governments toward sound policymaking under such environments. Yet, they are struggling, not only because they are relatively new compared to other regions, but also because they are encountering diverse difficulties. From challenges in measuring impact, securing funding, attracting and retaining talented researchers to the lack of understanding between policymakers and the general public, and constraints in the communication process with policymakers, ASEAN think tanks face several hindrances in fulfilling their role. To address such challenges, a strong network between think tanks should be established.

More specifically, institutions from less developed regions and think tanks beyond ASEAN should also be included in the network. Also, ASEAN think tanks should use their close relationships with the government, the private sectors, and the community to come to the fore and influence public discourse.

In Chapter 8, Tetsushi Sonobe delves into the growing importance of policy think tanks in the field of evidence-based policymaking (EBPM) and highlights the key factors necessary to realize its potential, particularly in emerging Asia, where intellectual and financial assistance for policymaking from developed countries and international organizations is less prevalent compared to low-income countries. While the COVID-19 pandemic has led to greater appreciation of EBPM, there remains a challenge of timely access to such evidence-based information.

Scientists often lack a clear understanding of which policy issues they should be involved in, underscoring the crucial role that policy think tanks play in providing guidance. Among the various roles of policy think tanks is the task of helping the public make informed decisions on public policies. To achieve this, think tanks must maintain transparency in their financial and political activities, scrutinize the validity of information, and enhance communication with the public. The author further notes that with the ongoing rapid changes in areas such as digital transformation, as well as the existing political tensions – such as the war on Ukraine – and increasing income inequality, the demand for EBPM and policy think tanks is on the rise. In order to meet these expectations, think tanks, both in general and those in emerging Asia in particular, must enhance their capabilities by expanding their networks and providing opportunities for capacity building for researchers.

In Chapter 9, Sachin Chaturvedi and Priyadarshi Dash argue about the underrepresentation of Asian think tanks and institutions in the T20. Policy briefs prepared by scholars from developing and least developed countries are insignificantly small, about 10%, while 80% are from OECD countries. Asian countries have a big role to play and a lacuna to fill in the T20. Thus, the T20 should be more open, response-oriented, and proactive. To stay relevant and anchor the G20, the T20 could consider systems transformations and measurement of well-being beyond the GDP, water crises and ocean pollution, the disappearance of monsoon, melting of glaciers, disruptive technologies, and excessive digital control. The authors conclude that the T20 should be more inclusive and innovative to be the intellectual base of the G20.

Part IV Think Tanks in the Face of the COVID-19 Crisis

The world faced new challenges due to the onset of COVID-19, and everyone had to make some adjustments to function regularly. Due to the pandemic, the existing inequalities have accelerated. During the pandemic, inclusive and unbiased policy formulation was needed more than ever and think tanks' anchoring role has faced certain challenges. In that light, three authors discuss how think tanks in the region address the worsening situation, and how they can continue to carry out their core functions. In Chapter 10, Eisa Khan Ayoob Ayoobi and Gary Huang describes how the CAREC Institute has kept pace with the fast-changing environment. While their main role is to provide capacity building and training programs to member countries' government officials, it became impossible to do so due to strict lockdowns in the region starting in 2020. Thus, the CAREC Institute developed an e-learning platform, which transformed face-to-face knowledge delivery into hybrid learning programs. It was a great chance to turn the limitations of the pandemic into opportunities as the courses were delivered to more than six times the usual number of participants.

Understanding the COVID-19 crisis is essential for governments, policymakers, and think tanks to formulate effective policies and alleviate the worsened socioeconomic situations. Riatu Mariatul

Qibthiyah and Teuku Riefky of the Institute for Economic and Social Research, University of Indonesia (LPEM FEB UI) highlight this notion in Chapter 11. As an academic institution that advises policymakers, LPEM FEB UI produced a report on possible future COVID-19 pandemic shocks and the ways to tackle them in April 2020. The authors describe the role of think tanks and the measures they have taken in the face of a global COVID-19 pandemic.

As Indonesia led the G20 in 2022 and as T20 is one of its 10 engagement groups, the authors emphasize the significance of Indonesian think tanks' contributions. However, as the COVID-19 pandemic was coupled with a series of ongoing crises, T20 recommendations lacked short-term solutions due to its medium and long-term perspectives.

As a nonpartisan, yet influential think tank in Europe, Bruegel has ambitions to have a voice in global economic issues, especially during the pandemic. In Chapter 12, Alicia Garcia Herrero describes Bruegel's think tank role in Europe and Asia as an extension. Although the pandemic hit the whole world, middle-income countries suffered the most due to their less developed health system and medical capacity. The author discusses how countries reacted to the sudden onset of COVID-19, and the different actions each government had taken.

The author compares different responses of countries by first describing the financial measures that were implemented to overcome the pandemic and alleviate the harmful effects in Europe and then comparing the outcomes with other countries. Bruegel's role was to proceed apace despite the completely online work environment. The publications were mostly focused on the pandemic, such as vaccine development and rollout, how to boost the uptake of vaccines in the region, global trade patterns of vaccines, and lockdowns and their consequences. Bruegel also hosted a wide range of online events during the pandemic. As a leading think tank in Europe, Bruegel plays a major role to provide policy advice to policymakers, not only in the European Union but also globally.

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Part V Building a Safer and More Sustainable Future

Part V consists of five articles, two of which describe the underrepresented African perspective in the G20. Kazuo Matsushita, Arunabha Gosh, and Luiz de Mello argue that green transformation, decarbonization, and effective policies should be taken up under G20 activities.

Green and sustainable development is a major global challenge, yet it has been undervalued and underdiscussed within G20 fora. This Part delivers the voice of various and diverse think tanks on the topic. In Chapter 13, Kazuo Matsushita highlights the deviating path to peace and sustainable development that one would expect in the 21st century. While industrialization and the development of technology bring economic growth, it also accelerates the environmental problems on earth and pushes its boundary to the limits. Greenhouse gas emissions should be zero by 2050 to reach the Sustainable Development Goals. Matsushita defines a triple global crisis as climate change, biodiversity loss, and pollution, which are driven by human activities and are inextricably linked to each other.

The Russian Federation and Ukraine war shed light on the conflict over fossil fuels, and a powerful reminder of the importance and the urgency to end the dependency on fossil fuels in many economies. A resilient and crisis-proof energy source is crucial. To promote decarbonization and enhance energy security, renewable energy must be expanded. The author emphasizes that decarbonization has a double benefit, securing energy and climate change actions. The author also describes the global and local policies toward sustainable and decarbonized society. Lastly, the author highlights the importance

of strengthening respect for human rights, which includes the needs of affected workers, businesses, and communities.

In Chapter 14, Arunabha Gosh and colleagues explain a way to reach a safer and sustainable future from the G20 perspective and narrate how the COVID-19 pandemic derailed the pathway to SDGs. To get back on track, the G20 should address the following three questions and work toward these directions: Has multilateralism via the G20 sufficiently supported the implementation of the SDGs? Can climate action be embedded within the G20's development agenda? And what is the role of think tanks in the G20 to anticipate risks and offer governance solutions?

The authors assess how the G20 summits from 2016 to 2021 addressed SDG implementation through multilateralism in six areas, including the effectiveness of multilateralism, reducing inequality, improving human security, and creation of a shared knowledge platform, among others.

Authors describe the role of T20 in the G20 as to serve general insightful policy proposals, rather than advocate specific ideas. In addition, the authors point out the lack of continuity in its agenda, exemplifying Australia's failure to carry on with the past agenda of green growth and sustainable development in 2014. The G20 should aim for *de minimis* multilateralism, a people-centered multilateral approach to sustainable development, to remove critical constraints toward sustained and sustainable human development, global energy security architecture, and building on the successes of multilateralism for SDGs. In conclusion, despite the economic weight and political power, the G20 contradicts and multilateralism is not doing enough. The G20 focus on reducing vulnerabilities, bridging the gaps in technology, and bringing research institutions and think tanks together to work on creating better global governance that can respond to future crisis.

Mavis Owusu-Gyamfi unfolds the economic transformation of Africa to a safer and more sustainable future in Chapter 15. Although trying to replicate successful Asian economic history, African nations are still facing rising commodity prices, unemployment, inner conflicts, as well as impacts of the COVID-19 pandemic and the Russian Federation-Ukraine war. Due to this unfavorable environment, Africa is likely to fail to eradicate poverty by 2030. As only South Africa is a member of the G20 – the African Union an invitee with observer status – African development had been sidelined within the G20 until 2014. Between 2009 and 2016, there were only 34 commitments made that focused on Africa. In 2016, during the presidency of the PRC, a commitment was made to support African industrialization. Since then, several programs were launched. Moreover, the Africa Advisory Group was constituted, which is co-chaired by South Africa and multiple international organizations. Compact with Africa was initiated to enhance the partnership between G20 and Africa. However, according to some sources, it fails to address the following four major issues: (i) the prioritization of large physical infrastructure over human capital through investment in education; (ii) silence on the social and environmental risks associated with private investment; (iii) the G20's role in addressing the uncertain and unfair trade and investment policy regimes that harm investment in Africa; and (iv) the lack of links to comprehensive country sustainable development agenda, as implied by the 2030 Agenda.

The author describes Africa's way forward as (i) prioritizing African related issues and giving the African Union a seat in the G20; (ii) supporting transformation to facilitate job creation and resilience; and (iii) supporting the emergence of a fairer global finance architecture that can contribute to sustainable development financing for developing countries.

Luiz de Mello emphasizes effective climate change mitigation for a green transition during the recovery from the pandemic in Chapter 16. The Organisation for Economic Co-operation and Development projects a decline in economic growth, particularly in Europe, caused by the war between the Russian

Federation and Ukraine. The results of the war has not only disrupted oil supply, but also seen a rise in commodity prices, including wheat, corn, and natural gas.

Although the transition to green is for a better future, there are costs. For instance, there is increasing unemployment in the “brown” sector, while the expanding “green” sector lacks a skilled labor force. The author recommends investing in education and fostering well-formulated policies for labor mobility and market competition. To achieve low carbon transition, market and non-market instruments should be implemented. The author also points out the importance of international coordination and effective policy tools for a global low-carbon transition.

Although T20 is more inclusive than the G20, the voices of the Global South and Africa are underrepresented. In Chapter 17, Elizabeth Sidiropoulos briefs that developing countries always have been distant from G20 affairs since the decisions of the G20 are politically oriented and membership based. The author highlights two initiatives that think tanks in the Global South should adopt to convey the developing world’s perspectives to the G20 level: focusing on Africa and focusing on the Global South. The T20 Africa Standing Group (T20 ASG) brought African think tanks together and co-organized a major conference in May 2017 in Johannesburg. Germany also showed the importance of including African representatives in the global debate. Since then, efforts made by the T20 have ASG brought African think tanks closer to T20 activities. The G20 Research Forum, which creates an opportunity for African think tanks, was initiated by the South African Institute of International Affairs and some Asian think tanks. Through the T20 ASG and the G20 Research Forum, the voice of the Global South is activated further to shed light on various aspects concerning the developing nations at the G20 level.



PART I
Think Tanks:
Solutions Brokers of a Changing World

*The first Global Solutions Summit during the G20 Germany in Berlin, 2017
Welcome Reception at the Berlin Natural History Museum, 28 May 2017.
Photo credit: Global Solutions Initiative/Tobias Koch.*

Think Tanks: Playing a Role in a Fragmented World

Paolo Magri

1.1 Introduction

After the coronavirus disease 2019 (COVID-19), another “black swan” – the second in less than 3 years – is shaking up international relations and the global economy. The extent of the impact due to the war in Ukraine, albeit geographically limited in scope, seriously undermines prospects for economic recovery or hopes for a new phase in multilateral cooperation, despite some promising signals in 2021. In the face of increased fragmentation and renewed hostilities, think tanks need to ask themselves whether they are still fit for purpose.

Do think tanks still have a mediating role in finding shared strategies and solutions to global challenges? Do they have a concrete impact in policymaking, and a role in advising world leaders to avoid inward-looking and short-sighted strategies? To some extent, the answer is yes: there is still room for think tanks to play an active role, even in today’s increasingly unstable and fragmented world. What is needed is a realistic and pragmatic approach that accounts for current constraints, without losing sight of long-term ambitions and goals. But before focusing on what it takes for think tanks to contribute meaningfully, it is worth providing an overview of today’s increasingly complex international scenario and weakened multilateral cooperation.

1.2 The War in Ukraine: A Real Game Changer

Before the Russian Federation’s invasion of Ukraine, it looked like 2022 was set to be a promising year overall. Despite repeated warnings of rising inflation (IMF 2022), world gross domestic product (GDP) growth was estimated at 4.4% and international trade was on a positive trajectory with an all-time high of \$28.5 trillion in 2021 (UNCTAD 2022). Moreover, in 2021, there were expectations for a new “spring” for multilateralism – at least partially – with several concrete steps made at the G20 summit in Rome (e.g., the political agreement on a global minimum tax or the promised boost to COVID-19 vaccination campaigns in lower-income countries) and at the 2021 United Nations Climate Change Conference (COP26) in Glasgow, to agree on 1.5°C as the ceiling target to contain global warming by the turn of the century.

The 24 February 2022 was a wake-up call, with the Russian Federation’s invasion of Ukraine creating far-reaching consequences in many domains of international relations. The “perfect storm” – or a “conflict avalanche” as some call it (Ferguson 2022) – was quickly materializing. Energy prices, that had already been on the rise in the second half of 2021, skyrocketed, with Title Transfer Facility gas contracts seeing a seven-fold increase to reach an annual average of €130/MWh in 2022. Agriculture commodities (mostly cereals and fertilizers) and critical minerals – with both Moscow and Kyiv as major exporters – followed a similar path, triggering a supply shock. The Black Sea maritime trade route was all but completely shut down because of the blockade imposed by the Russian Federation’s fleet and the widespread perception of insecurity.

The consequences are manifold. Developed economies are likely to enter a phase of lower GDP growth coupled with stubbornly high inflation, while in developing and poor countries this situation may trigger an unprecedented global food crisis. The Russian Federation and Ukraine supply 12% of the world’s traded calories, and as long as food staples remain stored in silos, or take many more months

than usual to be delivered, this blockade will harm countries that heavily depend on food imports. This puts millions of people all over the world, particularly in Africa, at risk (The Economist 2022). Moreover, this peculiar juncture may accelerate the return of protectionist measures and boost repatriation of investment assets. The latter has been commonly labeled as *re-shoring*, *near-shoring*, and *friend-shoring*.

Does this mean that economic globalization is doomed? I do not think this will be the case. Economic interdependence among key global powers is too strong and deep. About 70% of current international trade involves global value chains (GVCs) (OECD 2020). It is also worth noting that GVCs proved overall resilient during the pandemic. Merchandise trade flows experienced a 5% contraction in 2020, marking a relatively better performance compared to international trade in the aftermath of the global financial crisis in 2009, which dropped by more than 10%. However, while this will likely take many years, the supply side crisis generated by the war in Ukraine will probably accelerate reshoring practices, and it will likely lead to a new “geography” of trade partnerships. Future investment decisions might have an impact on critical supply chains, thus accelerating economic decoupling between West and East, in particular the People’s Republic of China. Economic fragmentation could be the apt summary to describe the reality before us. Hence, when it comes to globalization, it will likely be different from the one we were used to, but it is not necessarily destined to die.

A division of the world into blocs seems increasingly likely from a geopolitical perspective. If one looks at the distribution of votes on the United Nations Resolution on the Russian Federation’s invasion of Ukraine, 64% of the world’s population live in countries that do not condemn the Russian Federation. This represents 41% of the global GDP and equals to 61% of global economic growth in the last decade. This includes the People’s Republic of China (and India), a clear counterweight – in political, economic, and demographic terms – to the group of 153 countries that officially took a stand against Moscow’s aggression. Although this should not be seen as a cold war style division, it could well be interpreted as a signal of a widening gap between the “West” and the “rest,” with potential consequences on the functioning of the multilateral system.

1.3 International Cooperation: Up to the Task?

The last 2 years have been extremely difficult for the global community: COVID-19 hit health systems hard, the world economy needs a quick reignition, global poverty and inequalities are widening, and greenhouse gas emissions are decelerating too slowly. At the onset of the pandemic, the response to these extraordinary challenges was too slow and largely uncoordinated. This was mainly due to the pre-existing and ongoing threats to multilateralism, mostly because of geopolitical tensions among key global actors.

Notwithstanding a difficult framework for international cooperation, in 2021 it was possible to find common ground for some important initiatives. These achievements were made possible mainly thanks to the G20: the extraordinary \$650 billion allocation of Special Drawing Rights by the International Monetary Fund; the commitment made by the G20 to vaccinate at least 70% of the world’s population by mid-2022 against COVID-19 the agreement to introduce a global minimum tax to establish a level playing field to reduce unfair competition and “races to the bottom” in taxation; and the commitment at COP26 in Glasgow to contain global warming to 1.5°C to avoid a climate “Armageddon”.

Was the glass half full in 2021? Probably, yes. Was this enough to relaunch multilateralism? Unfortunately, no. In a changing world order, the G20 may work as an appropriate platform to help us navigate today’s challenging international complexities and achieve an effective multilateralism that delivers for all.

The G20 can act as a cornerstone to build trust in the multilateral system. It is relatively flexible and inclusive to represent an updated and accurate picture of the world's power distribution. It is also potentially able to aggregate consensus – or at least strike acceptable balances – on addressing the most pressing global challenges. However, given the current geopolitical tensions, the G20 in 2022 faced many more challenges and inevitably experienced a number of setbacks.

Besides, the G20 alone cannot replace other multilateral institutions. Indeed, the fracture between the West and the Russian Federation adds to previous fragmentation and has further exacerbated the inefficiencies of already weakened multilateral bodies, such as the United Nations. Reform has long been advocated, but it seems almost impossible to achieve it in the near future. Furthermore, current international tensions might derail collective attention from existing long-term challenges such as climate change. Postponing the implementation of commitments towards decarbonization would be extremely risky since we are already behind schedule. The increasing frequency of extreme weather events speaks for itself.

It is also worth mentioning the World Trade Organization's quagmire. Multilateral trade negotiations have come to a standstill for several years, with very little progress on sensitive areas, such as subsidies and intellectual property rights, and slowness in addressing new trade policy issues, such as e-commerce or aspects related to climate change. Despite the faulty multilateral governance, the global network of trade flows worked remarkably well due to GVCs hyperconnectivity. But this is clearly not enough as the world needs an upgraded World Trade Organization to respond to new, fast-rising economic challenges.

Against this complex backdrop, is there still room for think tanks to contribute to renewed international cooperation and to keep the route straight at least on some cross-cutting global challenges?

1.4 Think Tanks: In Search of a Role

In 2021, the Institute for International Political Studies had the honor to act as the National Coordinator and Chair of Think20 Italy. It was a year-long journey which allowed us to play the role – together with hundreds of experts worldwide – of the G20's "ideas bank". I think that our value-add was two-fold. On the one hand, we engaged a global community of think tanks which goes well beyond the narrow geographical boundaries of the G20 countries, thus resulting in a Final Communiqué that condensed policy proposals which strived to be inclusive, diverse and – as much as possible – closer to people (T20 Italy 2021a). On the other hand, as an official engagement group, we were allowed to access the G20 process, thus increasing our potential impact on G20 leaders and decisions makers.

At the same time, we tried to remain realistic. It is difficult for think tanks' recommendations about rekindling the multilateral system to be heard in full by policymakers, especially in a context of growing international tensions. While the 10 thematic T20 Task Forces worked tirelessly to produce a set of clear and actionable recommendations, we also took the decision to establish a Task Force on "Reforming the T20" in order to come up with some proposals to make this exercise even more inclusive and policy oriented. Our key messages were the following (T20 Italy 2021b):

- strengthening T20 governance by establishing a permanent Advisory Group;
- avoiding intellectual dependence on the United States or the European Union by mobilizing resources to involve think tanks from the Global South;
- focusing T20 production both on global challenges and on regional issues;
- improving synchronization with G20 timings and schedules;

- differentiating policy proposals through short-term, medium-term and long-term goals; and
- extending the dissemination process beyond G20/T20 network targeting, for example, civil society and the youth.

Of course, it will take time to put all these into practice, but we attempted, at the very least, to start the reform process while focusing on the 2021 G20 and synchronized our work with the G20 agenda as much as possible. In fact, out of the 220 recommendations included in our T20 Final Communiqué, 76 (35%) were either partially or fully matched in the 225 commitments officially made by the G20 leaders at the Rome Summit in October 2021 (Warren 2022). To be clear, this does not mean that G20 commitments were always a direct consequence of T20 recommendations: the G20 has been working on these issues for several years. However, we do hope that our work helped reinforce the idea that such decisions were good and well received, even beyond the G20 countries.

All in all, the key lesson learnt from this experience is that the work of think tanks on international issues should be linked as much as possible to the multilateral agenda. Obviously, visionary, far-reaching, and thought-provoking proposals should always be welcomed and incentivized. At the same time, we should remember that “Rome wasn’t built in a day” and it is well-targeted recommendations that are more likely to be heard and to have a concrete impact on everyday policymaking.

From a broader perspective, the role of think tanks in today’s complex and interconnected world requires a strong link to communication and dissemination activities. There are different ways to do that. First, think tanks cannot rely exclusively on researchers. Media and communication departments are becoming increasingly important. Second, think tanks need to be flexible in the way they convey their messages and adapt them according to the target audience. To that end, it is key to invest in upskilling the research team’s communication skills so that they can translate complex ideas and concepts into clear-cut and streamlined messages. This is very challenging as researchers need to carefully navigate between simplifying and trivializing. Third, in a context in which experts are no longer perceived as legitimate gatekeepers of valuable advice, they need to reclaim this role by becoming “fact checkers.”

This is not an easy task, but it is worth trying as the continued existence of think tanks strongly depends on their ability to understand the world in real-time and help policymakers navigate stormy waters.

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Tapping the Power of International Think Tank Cooperation to Solve Global Challenges

Dennis Görlich and Markus Engels

2.1 Introduction: Global Challenges and the G20

There are numerous global challenges for which we urgently require global solutions. Global challenges are those that have a cross-border nature, among them climate change, digital governance, migration, and financial stability. They also include challenges such as inequalities and food crises that are caused by the mechanisms underlying the current globalized economy. Policy actions of one country alone are insufficient to address these global challenges because spillovers will impair a single country's efforts or because the scale of action is simply insufficient. Thus, solving our global challenges requires collective action through multilateral cooperation.

An important forum to coordinate collective action on global challenges is the Group of Twenty (G20), working closely with the Group of Seven (G7) and regional unions, such as the Association of Southeast Asian Nations (ASEAN), the African Union (AU), and the European Union (EU). At the global level, the G20 is unique as the flexibility in its agenda allows the group to quickly respond to emerging challenges, such as the financial crisis of 2008 – around which the group was formed – or the coronavirus disease 2019 (COVID-19) pandemic. The presidency can host emergency meetings and add current items to its agenda, while relying on the existing G20 framework and platform of cooperation through which actors meet regularly.

On the downside, there may be too much focus on acute challenges, with the likely result that longer term challenges are edged out of the agenda or are treated as secondary. Some commentators even diagnose that governments are confronted with “profound loss of direction about *why* to cooperate in the first place” (Kharas, Snower, and Strauss 2020), owing to rising populism and nationalism in many countries. To overcome this, areas of strategic cooperation that all countries agree to need to be identified. Of course, recent geopolitical dynamics make multilateral cooperation even harder. While the recent Russian Federation's invasion into Ukraine has brought some countries closer together, it makes the much-needed *global* collaboration much harder.

Think tanks play an important supporting role and can address the abovementioned problems in multilateralism and the G20. In this article, we first discuss how think tanks can effectively contribute to global problem-solving, focusing on the G20 process. We will talk about the role of think tanks around the world, the possible ways of cooperation and outputs that are useful for the G20. Second, we discuss what an adequate supporting environment for successful international think tank collaboration should look like and how the G20 can support it.

2.2 The Role of Think Tanks around the World

Think tanks, in various shapes and sizes, exist in most countries in the world. Think tank scholars provide expertise on issues relevant for public policy, for example by analyzing data sources, conducting surveys, catalyzing academic research or evaluating public policy measures. McGann (2016) summarized what types of think tanks exist around the world, how they differ and what they have in common. In his book, he defines think tanks in the following way:

Think tanks are public policy research, analysis, and engagement institutions that generate policy-oriented research, analysis, and advice on domestic and international issues that enable policymakers and the public to make informed decisions about public policy issues. Think tanks may be affiliated with a political party, a university, or a government; they are independent institutions that are structured as permanent bodies, not ad hoc commissions.

Apart from scholarly research and policy recommendations, think tanks often also foster exchange between the world of academia and the practical worlds of policymaking and business. They are, thus, often places of multistakeholder dialogue. In contrast to universities and other academically oriented research institutions, think tanks are focused on policy-oriented research (i.e., as defined above) and, hence, need regular exchange with practitioners. Often, former practitioners (from politics or business) are also among the ranks of their staff. Further, for effective policy advice, close communication channels with practitioners are important. These channels are also complemented with regular dialogue formats.

If think tanks can operate independently of government and business, these dialogues are particularly valuable as they offer a safe space for developing mutual understanding of positions and finding areas of overlapping interests. That way, and with profound knowledge of scholarly work and access to data, think tanks can successfully inform political decision-making.

2.3 How Think Tanks Contribute to Global Problem Solving

Global governance issues, such as those on the G20 or G7 agenda, are a particularly challenging field for think tanks to cover because their work is often considered to represent national interests. Yet, for successfully supporting problem solving in global governance processes, the national interests of all negotiating parties (e.g., in the G20) need to be understood and overlapping interests need to be found. Based on this, international consensus can be developed to deliver mutual gains.

The G20 often relies on international organizations, such as the World Bank, the International Monetary Fund (IMF) or the Organisation for Economic Co-operation and Development (OECD), to provide expertise, on which they base their negotiations. As these institutions are governed by their member states, the G20 leaders can easily task international organizations to provide expertise. However, while international organizations have built up excellent research departments with excellent scientists, they always operate within the limits of their member states' mandates. The mandates typically entail that their own national interests are not compromised even if scientific evidence may suggest otherwise. In other words, it is likely that the research of international organizations cannot always freely address all issues of relevance. It cannot do blue-sky thinking, either.

On the contrary, think tanks can work without being tasked by governments and, hence, freely point out sensitive issues of current or future concern, as long as they are independent. They can point out where (proclaimed) national interests stand in the way of solving problems, and where current public policy is ill-directed. And they can highlight issues which are not currently on the agenda of governments, but should nevertheless be addressed, in order to minimize future risks.

Think tanks can add significant value to the G20 process and other global governance forums, especially where they collaborate internationally. The Think20 (T20), the official G20 engagement group of think tanks, has been set up to facilitate such collaboration and to provide research-based policy recommendations for the G20. The network (formerly known as Think Tank-20) started with a set of scholarly essays in preparation for the G20 Seoul Summit in 2010 (Derviş 2010). The think tank group later became officially part of the G20 dialogue with civil society – the engagement groups – under the auspices of Mexico's G20 presidency in 2012. During Germany's G20 presidency in 2017, the T20

process became more formalized, with scholars producing research-based policy recommendations, organized into task forces addressed the various priorities of the G20 presidency. With more than 100 contributing think tanks from the G20 and beyond, the T20 has become a major network of expertise for issues on the G20 agenda. The T20 fosters dialogue, exchange and collaboration among think tanks and thereby contributes to the mission sketched above. It also allows for policy engagement with the G20 sherpas (Kharas 2020).

2.4 Useful Think Tank Products for the G20

The G20 can, broadly speaking, deliver three things: (i) supply top-level political impetus to efforts of collective action and international agreements, sometimes including financial commitments; (ii) set norms and principles for international policymaking and national policies of its member states; and (iii) start concrete policy initiatives. This list follows from studying and characterizing past achievement of the G20, as we have done, e.g., in Görlich and Stein-Zalai (2020).¹ Along the same lines, Kharas (2020) argues that the G20 is an important forum where areas of strategic competition and areas of strategic cooperation can – and should – be defined.

Against this backdrop, there are two sorts of policy advice that are considered particularly helpful for the G20: narratives and concrete policy recommendations. *Narratives* can open pathways for international collaboration. International negotiations are strongly influenced by narratives, which provide the underlying rationale for policy action and paragraphs in final communiqués (Hampson and Narlikar 2022). In that sense, a narrative provides the “umbrella” under which coalitions can gather, and it provides a story of how the outcomes can be presented to voters at home. Think tanks, in an international collaborative process, can help to develop such narratives. If narratives are backed by scientific research and are supported by an international group of independent research institutions, they gain credibility which is helpful for negotiators. The T20 is an ideal forum to identify, develop and discuss such narratives for the G20.

Concrete policy recommendations that provide solutions to current issues on the G20 agenda are similarly helpful. As we mentioned above, the G20 countries know well *how* to cooperate within their processes, but they often lack the rationale for *why* to collaborate. With concrete policy recommendations, it may be possible to skip the *why*-question and directly provide the *how-to*. Making concrete policy recommendations requires profound knowledge and analyses of the empirical facts, knowledge of theoretical models of economic activity and behaviors, as well as institutional knowledge about national and international institutions and initiatives. Think tanks are important suppliers of such expertise and by collaborating internationally, valuable ideas can be tested and spread, or adapted to different contexts. Again, the T20 is an ideal forum to do that.

2.5 A Process for International Think Tank Collaboration

As we have outlined above, there is much to gain from international cooperation of think tanks for the G20 and other forums of global governance. Yet, it is not an easy task to align an international group of researchers behind a common set of issues and foster their cooperation, especially if the institutional

¹ Examples for (i) are the G20’s decisions to support the Basel III agreement for improved financial stability and the support for the Paris agreement. Examples for (ii) include the promotion of paradigms such as macroprudential financial regulation, or a standstill agreement for protectionist measures amid the financial crisis. Examples for (iii) are the “25 by 25” goal to improve gender equality by reducing the female employment gap, or the initiation of the base erosion and profit shifting (BEPS) initiative to combat tax avoidance.

setup of think tanks is diverse and when political priorities change quickly. Furthermore, the set of issues discussed in the G20 is very broad.

It is important that recommendations are based on current scientific evidence and that, ideally, various country positions are adequately reflected. Such balanced evidence or opinion would then help politicians to find positions of overlapping interests, and such think tank advice is likely to have an impact. It may help if this advice is backed by a diverse group of think tanks or experts, as suggested by Berger et al. (2021). More importantly, the advice needs to reflect state-of-the-art research and data, and provide actionable recommendations, ideally alongside narratives that highlight overlapping interests and provide research-based pathways that give direction to support the G20.

If think tanks manage to collaborate globally to understand different national problems and positions and identify overlapping interests of countries, they can make an essential contribution to international governance forums, such as the G20. By doing this work, think tanks can help shape a rules-based international system that eventually makes every country better off.

Structured processes for collaboration are key for think tank engagement and a successful advisory process. In addition, a structured process is helpful to improve continuity and coherence of the work. The following elements are important to define the process:

1. Set overarching topics (e.g., task forces), which are aligned with the presidency's agenda but also allows for more forward-looking input.
2. Define the final products with the needs of policymakers in mind, and as well as take the capabilities and resources of the think tanks into account (e.g., policy briefs).
3. Be inclusive of think tanks with various disciplinary backgrounds and origins.
4. Ensure exchange formats, in which
 - (a) scholars can discuss their work among peers, and
 - (b) multistakeholder discussions can take place to bridge the gap between idea and implementation.
5. Actively engage with the presidency's government, especially with the Sherpa, in order to develop an effective timeline for research and advisory work. Encourage international partners to do the same in their countries to spread ideas.

This structure makes the process easy to carry over and adapt across presidencies. It also reliably leads to outputs, which policymakers expect from the T20. Finally, it sustainably strengthens the ties between researchers and institutions.

2.6 Conditions for Successful Collaboration

The G20 countries should have an inherent interest in actively supporting the work of think tanks in the T20 as well as the work of the other engagement groups for at least two reasons. First, the engagement groups' processes improve the quality of decision-making as new sources of experience and evidence are tapped into and evaluated. Coherence and continuity can be provided if engagement groups in subsequent presidencies work together and build on each other. We have outlined in the previous sections how the process to achieve this can be organized. Second, they help to address the legitimacy problem of the G20 (as well as the G7).

The G20 is not an international institution that is constituted under international law, even though its members are represented by their current governments – sometimes, but not always, democratically elected. For that reason, the G20 cannot make binding decisions and leaders cannot be held accountable

to comply with the communiqué. Furthermore, the composition of the group does not follow a transparent logic.

The dialogue with civil society, of which the T20 is part of, is a response to the problem of legitimacy. The dialogue opens an opportunity for the presidency to interact with important stakeholder groups in society, for example, businesses, labor unions, women and youth organizations, or NGOs, and it gives these stakeholder groups an active channel to provide the presidency with recommendations, which ideally are synchronized with international partners participating in the engagement group.

Governments need to fulfil three conditions so that the T20, as well as other engagement groups, can realize their mission of improving quality of decision-making, coherence and continuity, and increasing legitimacy by representation.

1. *Continuous involvement*

The G20 presidencies must ensure continuous involvement of all engagement groups. They should provide the mandates to lead organizations in time so that adequate preparations and handovers can take place. While this is vital for continuity, it also strengthens participation and, thereby, representation as reliable relationships can be built. Commitment to the process, which builds on top of their regular work, will be rewarded in the long run.

2. *Formal paths of information and influence*

The G20 presidencies need to establish formal ways for the engagement groups to interact with government decision-makers. This should be a two-way process. On the one hand, it is important for engagement groups to learn from policymakers which issues are important to them and where inputs from an international civil society group is especially useful. On the other hand, recommendations need to reach the right decision-makers. Regular interaction between the Sherpa and the mandated leaders of the engagement groups must be ensured.

3. *Independence*

The participation of engagement groups only adds value when their work has been conducted independently of the government. If the engagement groups only duplicate the thinking of governments, decision-making quality will not improve. Neither can dependence increase legitimacy. Furthermore, if the mandated lead institutions are not independent, there will be no or only limited participation by international partners.

Clearly, these conditions have been met in some G20 presidencies, but not in all. All G20 presidencies can clearly benefit if they set the right conditions and tap into a global pool of knowledge, expertise and ideas for a successful presidency.

2.7 Conclusion

Forums such as the G20 are vital to find solutions to global challenges. Civil society is an important actor in driving the needed changes and transformations, both as a provider of ideas and demands from the group it represents, and as an implementer of the decisions made at the political level. In this article, we looked at the engagement group of think tanks – the T20. We have sketched where and how think tanks can contribute to global problem solving, defined necessary elements for an international collaborative process, and derived conditions that governments need to fulfil to make collaboration succeed.

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PART II

A Decade of T20 and Its Impacts on the G20

A view of the medial hall during the G20 Summit 2013 in Saint Petersburg
G20 Summit in Saint Petersburg, 5 September 2013. In the large screen, Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development (OECD).
Photo credit: OECD.

When T20 Met G20 in Hangzhou in 2016

Yuyan Zhang

The Institute of World Economics and Politics, Chinese Academy of Social Sciences (IWEP CASS), the chief think tank of the 2016 Think20 (T20), organized discussions on policies and research for T20 and formulated the T20 policy recommendations for the Group of Twenty (G20). From 2015 to 2016, as the leading People's Republic of China's (PRC) think tank of T20, IWEP CASS partnered with Shanghai Institute for International Studies (SIIS) and the Chongyang Institute for Financial Studies of Renmin University of China (RDCY) to hold 10 international conferences in Beijing, Shenzhen, Shanghai, Washington DC, Lima, Berlin, Geneva, Mumbai, and Anji (Zhejiang province), and submitted policy reports ahead of the 2016 G20 Summit.

3.1 Experience in Organizing T20 Conferences

First, conference themes, meticulously designed and suggested by different parties, were collected. We attached great importance to the theme of the G20 when deciding the theme for the T20 conferences. The T20 conferences aligned with the theme of G20 the Hangzhou Summit – *Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy*. For example, the T20 organized an international conference entitled “International Development Financing System for Inclusive Growth: Partnership and Prosperity Issues in Developing Countries”. In addition, T20 conferences focused on strengthening the coordination of macroeconomic policies as well as promoting the global trading system and economic governance, which accounts for globalization. Hence, the T20 conferences were highly consistent with the theme of the G20 Hangzhou Summit in terms of innovation, global strategy, and visionary economic governance.

Second, international organizations and prominent international think tanks were invited to hold the conferences. For example, on 8 June 2016, IWEP CASS, SIIS, and RDCY held the “Trade and Investment Conference—Global Trade and Investment Cooperation: Openness, Inclusiveness, and Growth” T20 conference at the headquarters of the World Trade Organization (WTO) in Geneva. Two other overseas organizations, the International Center for Trade and Sustainable Development (ICTSD) and International Trade, Development and Economic Governance Advisory Services Center (IDEAS Center), co-organized this session. From 27–28 January 2016, IWEP CASS worked with Chatham House to hold the “T20 Qianhai International Financial Forum: Global Financial Governance and Innovation”. By inviting overseas organizations, T20 could promote the diversification of ideas to facilitate G20 negotiations.

Third, think tanks from non-G20 member states, especially those from developing countries, were invited to attend the conferences. For example, from 25–26 April 2016, IWEP CASS cooperated with the University of the Pacific in Peru to hold a conference on “International Development Financing System for Inclusive Growth: Partnership and Prosperity Issues in Developing Countries”. By inviting experts from developing countries to join the discussion, it was possible to give voice to the Global South. This enhanced the inclusiveness of the G20 agenda as well.

Fourth, the work of delivering policy advice was highly commended. The T20 Summit was held in Beijing from 29–30 July 2016. Li Baodong, the PRC coordinator for G20 affairs and Vice Foreign Minister, attended the opening ceremony and delivered a speech. He spoke highly of the work of T20 and that the “T20 serves as an important supporting event and think tank of G20. Since its launch,

T20 has been actively committed to sourcing the perspective of think tanks, discussing issues like global economic growth and development problems, and offering suggestions to the Leaders' Summit. The T20 has played a significant role in promoting inclusive global economic growth, international economic cooperation, and safeguarding world peace and stability (Li 2016). As a representative of T20, IWEP CASS was invited to take part in the G20 summit in 2016.

Fifth, experts from various countries were surveyed. We sent questionnaires to experts from both G20 and non-G20 countries as well as international organizations to pool their insights on relevant issues. Due to the slow pace of global economic recovery and rising imbalances in global development, the prospect for mid-term growth was weakened. In this context, there were high expectations for the role of the G20. To further promote cooperation among the G20 member states, as well as to advocate for the G20, the T20 included five sections: (i) Innovating the Growth Model; (ii) Global Economy and Financial Governance; (iii) Trade and Investment; (iv) Development; and (v) G20 and Governance.

Sixth, through organizing conferences, IWEP CASS was a trailblazer in emphasizing the network development of T20 think tanks to facilitate academic exchanges between PRC and foreign scholars. IWEP CASS maintained coherent and institutionalized communication with the other leading T20 think tanks during the G20 Hangzhou Summit. For example, on 17 November 2020, we invited King Abdullah Petroleum Studies and Research Centre, lead think tank of T20 in 2020, to hold a bilateral online seminar on the "Cooperation between T20 Think Tanks: Beijing and Riyadh". On 28 February 2022, we communicated online with the Asian Development Bank Institute, with whom we reached a preliminary agreement to draft a report related to T20 organizational affairs as well as on carrying out future cooperation and conducting academic exchanges on the topic of global financial governance, climate change governance, and regional integration. Additionally, as a leading think tank in the T20, we attach great significance to the exchanges and cooperation with the other engagement groups, such as Business20, Women20, Science20, Labour20, etc.

3.2 Policy Recommendations Presented by T20 to the G20 Hangzhou Summit

The T20 recommendations contained policy advice for the G20 Hangzhou Summit, based on the evaluation of the global economic situation and major risks in 2016. It was also designed with the hope that the G20 could make significant progress in improving the global economic growth potential, financial governance, trade and investment cooperation, as well as inclusiveness and sustainable development. The recommendations were presented at the 3rd G20 Sherpa Meeting on 23 June 2016 and published during the T20 closing ceremony. Meanwhile, the T20 recommendations set the expectations for G20 governance (Think20 2016a). All of these provided intelligence for the G20 Summit, which manifested in the following aspects.

First, the T20 recommendations evaluated the global economic situation and concluded that global economic growth faced the risk of further slowdown. The declining potential economic growth rate and the emerging structural problems were the crucial factors hindering the strong, balanced and sustainable development of the global economy. There were other risks, including international financial market risks, continuous slow growth of international trade, and insufficient international investments, among others. In addition, the surging geopolitical risks, refugee crises, political cycles of great powers, and terrorism cast shadows on the global economic recovery (Think20 2016a). According to the 2016 G20 Communiqué, "the current economic growth is lower than expectation, mixed with potential turbulence in the financial market, price fluctuations of bulk commodities, sluggish trade and investment, slow productivity and employment growth of some countries. In this regard, challenges

including geopolitical trends, an increasing number of refugees and terrorist conflicts have complicated the prospect of global economy”. Indeed, the T20 policy recommendations and the G20 Communiqué share the same insights into the global economic situation (G20 2016).

Second, the T20 policy recommendations proposed to regard structural reform as the core of promoting long-term growth for all countries and creating a related *2030 Action Plan for Long-term Growth*. The G20 Communiqué also reiterated the key role of structural reform in improving productivity, potential output and innovation growth for the G20 member states (Think20 2016a). Notably, it was “making a growth strategy covering short-, mid- and long-term measures”. It has since become increasingly urgent to strengthen development governance. Since the outbreak of the pandemic, the world economy faces the risk of recession (G20 2016). The less developed countries and regions are facing great risks of poverty. The international community should cooperate closely to overcome the development deficit and contribute to the fulfilment of the Sustainable Development Goals. The G20 should play a more important role in raising the global economic growth potential through both emergency measures and structural reform, to resolve both the immediate as well as long-term structural problems. Therefore, the creation of a *2030 Action Plan for Long-term Growth* for structural reform will contribute to the Sustainable Development Goals.

Third, the 2016 T20 recommendations proposed to promote knowledge dissemination and technology transfer while protecting intellectual property rights, supporting open science and public access to research output, financing data and facilities with public funds along with incentivizing the opening and sharing of key research infrastructure. Currently, due to certain reasons, the “decoupling” of science and technology restricts the exchange of academic knowledge worldwide. It also wastes a lot of time and resources, and damages human well-being (Think20 2016a). In this atmosphere, advocating for the importance of knowledge dissemination and technology communication bears great significance.

Fourth, the T20 recommendations proposed to enhance infrastructure investment. The G20 should reinforce infrastructure coordination and interconnectivity initiatives. The 2016 G20 Communiqué also proposed to approve the Global Infrastructure Connectivity Alliances Initiative that launched the same year. During the PRC’s presidency of the G20, infrastructure became one of the main agenda points (G20 2016). In July 2016, the meeting of the G20 Finance Ministers and Central Bank Governors in Chengdu encouraged 11 major multilateral development banks around the world including the World Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, and the BRICS New Development Bank, to issue a joint vision statement on supporting infrastructure investment. This was a highlight of the PRC’s G20 presidency.

Fifth, the T20 policy recommendations proposed to help underdeveloped countries and regions develop on a sustainable basis. Among the T20 recommendations, some experts suggested that the G20 should strengthen cooperation with African countries on capacity building and promote African industrialization through increasing investment in infrastructure, improving the business environment and stabilizing the financial market. Some experts suggested that the G20 members should enhance international industrial cooperation with underdeveloped countries to engage the latter in the global production network. Today, in order to respond to and promote the Sustainable Development Goals as well as to achieve the “double carbon goal” as soon as possible, many more countries, enterprises and individuals are exercising their social responsibility towards environmental protection. They are constantly improving their resource utilization, reducing carbon emissions, and promoting sustainable social development (Think20 2016a).

Sixth, the T20’s recommendations proposed to establish a G20 digital trade taskforce. Some experts called for the establishment of a G20 digital trade taskforce so that it might become a single and

convenient international standard and regulatory system for cross-border e-commerce and could create a healthy and orderly development environment for companies engaged in digital trade. Some experts proposed that G20 should guide international institutions in improving trade statistics and monitoring the features of new trade patterns (Think20 2016a). In the follow-up meetings of the G20 and T20, the taskforce of digital trade attracted the attention of policy circles and think tanks, while digital trade has become a hot topic today.

Seventh, the T20 recommendations proposed to engage the Business20, Youth20, Civil20, Labour20, and Women20 more in the future. All the engagement groups should be further represented and engaged in the G20 official process, in terms of giving advice, enhancing transparency, and expanding diversity of perspectives. Some experts suggested that the cooperation among these engagement groups themselves should also be facilitated (Think20 2016a). Thanks to these recommendations, enhanced engagement with these groups in the G20 was possible.

Eighth, the T20 recommendations proposed to set up a G20 Institute. The T20 should strengthen its own capacity building through initiating a more institutionalized think tank alliance, to provide more systematic and issue-oriented intellectual support for the G20. Experts suggested that the G20 should even establish a G20 Institute funded by the G20 members and composed of relevant experts from the G20 member states (Think20 2016a). Even though we do not have a G20 Institute yet, we do have a T20 network that is playing an important role in advising the G20. In the future, we do recommend further that the institutionalization of the T20 could be achieved through setting up a G20 Institute.

Finally, the G20 could refer to a model of “orchestral multilateralism”, in which a specific G20 country would advocate for a policy as a unilateral initiative, and then other member countries would join the advocacy voluntarily. In this case, the G20 Institute would not only give recommendations to the G20, but it could also evaluate the enforcement and application of G20-advocated rules and standards among its member countries. According to the results, the G20 could decide whether to upgrade the initial rules, regulations, and standards. The engagement of the G20 Institute would create a feedback loop in the process of creating regulations, rules, and standards – the process is referred to as “orchestral multilateralism”.

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Appendix 3.1

During G20 2016, as the chief PRC leading think tank of T20, IWEP CASS partnered SIIS and RDCY to hold 10 international conferences in Beijing, Shenzhen, Shanghai, Washington DC in the United States, Lima in Peru, Berlin in Germany, Geneva in Switzerland, Mumbai in India, and Anji in Zhejiang, and submitted policy reports to the 2016 G20 Summit (Think20 2016b).

S/No.	Date	Name of Conference	Location	Organizers	Overseas Cooperating Organizations
1.	13–14 December 2015	T20 Kickoff Meeting — G20 and Global Economic Governance	Beijing	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	
2.	27–28 January 2016	T20 Qianhai International Financial Forum: Global Financial Governance and Innovation	Shenzhen	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China Shenzhen Municipal People's Government Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone	Chatham House
3.	25–26 February 2016	Multilateral Development Banks and G20 Development Agenda	Shanghai	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	
4.	13–14 April 2016	Growth and SDGs	Washington, DC	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	The Brookings Institution

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Appendix 3.1 *continued*

S/No.	Date	Name of Conference	Location	Organizers	Overseas Cooperating Organizations
5.	25–26 April 2016	International Development Financing System for Inclusive Growth: Partnership and Prosperity Issues in Developing Countries	Peru	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	Center for Peru-China Studies, Universidad del Pacífico, Lima-Peru (UP)
6.	12–13 May 2016	Development Agenda—G20 and Implementation of the 2030 Agenda for Sustainable Development	Berlin	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	German Development Institute (DIE), the Friedrich Ebert Foundation (FES)
7.	8 June 2016	Trade and Investment Conference—Global Trade and Investment Cooperation: Openness, Inclusiveness, and Growth	Geneva	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	International Center for Trade and Sustainable Development (ICTSD) International Trade, Development and Economic Governance Advisory Services Center (IDEAS Center)
8.	17–19 June 2016	T20 Conference: Conference on Innovation, New Economy and Structural Reform	Anji, Zhejiang	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China Zhejiang University	

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Appendix 3.1 *continued*

S/No.	Date	Name of Conference	Location	Organizers	Overseas Cooperating Organizations
9.	13 June 2016	T20 Conference: Global Economic Governance	Mumbai	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	The Gateway House
10.	29–30 July 2016	T20 Summit: Building New Global Relationships - New Dynamics, New Vitality, New Prospects	Beijing	The Institute of World Economics and Politics Chinese Academy of Social Sciences Shanghai Institute for International Studies The Chongyang Institute for Financial Studies of Renmin University of China	

Why the T20 Matters More Than Ever

Güven Sak

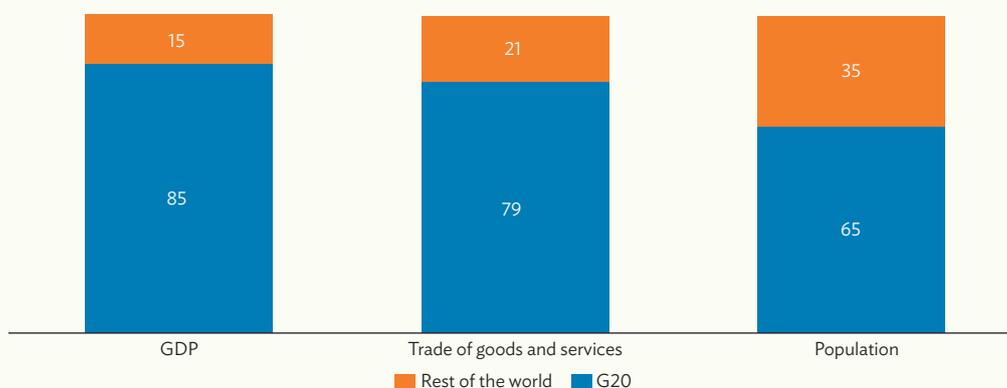
How you start something shapes your thinking about it. Hence, it is useful to recall the inception of the Group of Twenty (G20) to clearly define the problems of today and understand the relevance of the Think20 (T20).

The G20 was invented as a result of successive global financial crises, and that has shaped its *modus operandi* (Sherpa G20 Indonesia n.d.). Note that the rising importance of emerging countries has led developed countries to go beyond the Group of Seven (G7) for global governance; systematically important emerging countries took their place in the G20.

The G20 represents around 65% of the world's population, 79% of global trade, and at least 85% of the world economy (Sherpa G20 Indonesia n.d.) (Figure 4.1 and Figure 4.2). Member countries are diverse, yet all have increased their international competitiveness since the establishment of the G20 in 1999. Hence, there is a reason for the countries chosen.

The G20 worked wonders in its response to the 1997–1998 Asian financial crisis and the 2008 global financial crisis. Yet, the world is now changing more quickly and perilously. Transnational crises like climate change, the coronavirus disease 2019 (COVID-19) pandemic, and digital transformation are uprooting the world as we know it. We need a more inclusive and dynamic crisis management forum. The T20 as an engagement group has the capacity to turn the G20 into a more inclusive and more dynamic problem-solving mechanism. The objective of this note is to explain why it is so. But first, let me focus on how the T20 has evolved in the last decade and how this has made the G20 better as a global governance tool.

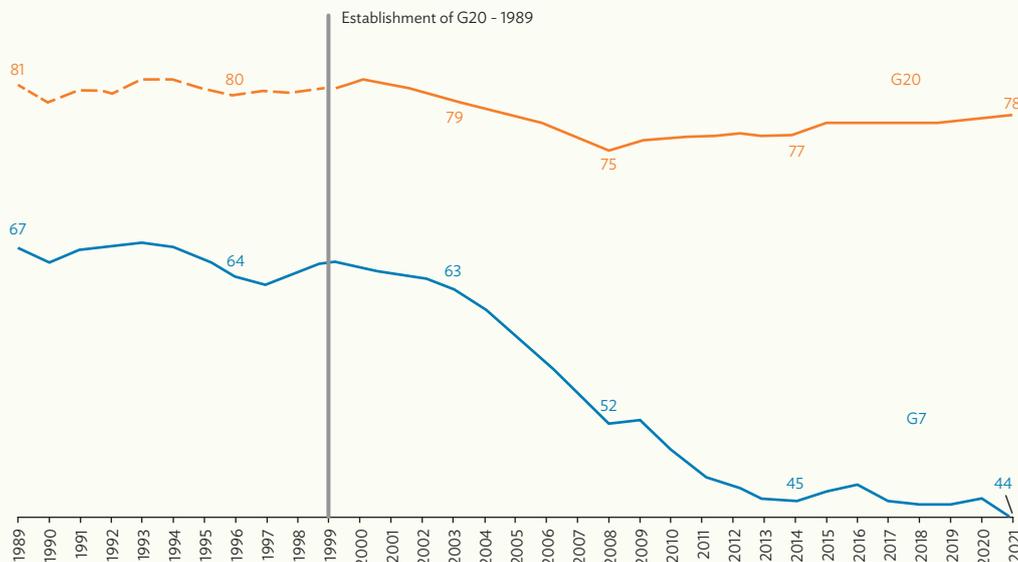
Figure 4.1: G20 and the Rest of the World



GDP = gross domestic product.

Source: G20 Indonesia, Economic Research Policy Foundation of Turkey (TEPAV) calculations.

Figure 4.2: Share in Global Gross Domestic Product, 1989–2021 (%)



Note: EU-27 countries are not included in the calculations.

Source: World Bank, TEPAV calculations.

4.1 The Problem with the G20: Weak Development Track, Strong Finance Track

The G20 started in 1999 as a meeting of Finance Ministers and Central Bank Governors of “systematically important” countries. It was a response by the global community to the Asian financial crisis that started in July 1997 (G20 n.d.). Note that at that time, the blame was put on the governments of a handful of developing countries: bad management and accumulation of debts, among others, were cited.

The 1997–1998 Asian financial crisis started in Thailand and quickly spread across East Asia, wreaking havoc in the region and leading to spillover effects in Latin America, Eastern Europe, and my native country Turkey (Carson and Clark 2013). The fact that a financial crisis in a single developing country could spread through the balance sheets of global financial and non financial companies has led to the establishment of a new global governance mechanism: the G20. The G7 was unable to adequately respond to the crisis while protecting globalization.

The G20 turned into a summit – a meeting of G20 heads of government or state – in 2008, as a response to another financial crisis (White House 2008). This time, the financial crisis started in the United States, the epicenter of the global order. The 2008 global financial crisis led to an abrupt meeting of G20 leaders in Washington, DC, then in Pittsburgh and London in 2009. The group, for the first time in its history, held two summits in a year because of the severity of the financial crisis. This time it was not a crisis in the financial systems of developing countries, but of developed countries. In this case, the blame was put on the excesses of financial markets.

From the start of the G20 in 1999 until 2009, the G20 had developed around the finance track. At first, it was a meeting of Finance Ministers and Central Bank Governors, and then leaders of the G20 countries. The focus was to fix problems in global financial markets.

Since then, the G20 has saved rich countries twice. In both cases, the objective was to involve the developing countries in the crisis management process to convince them not to follow protectionist policies, and to abide by the principles of free markets and deeper globalization.

Yet there are other issues. The youth bulge, unemployment, economic growth, and job creation agendas of developing countries needed to be considered. Thus, the development track was added to the finance track of the G20 at the Seoul Summit in 2010.

The development track is weak compared to the finance track. While the International Monetary Fund (IMF) is rightly focused on setting the stage and acting as a secretariat of the finance track, no one focuses on the agenda of the development track. Neither the World Bank nor the United Nations Development Programme (UNDP) has adapted itself to a role akin to the IMF's in the finance track.

That was the state of play at the beginning of the Turkish G20 presidency in 2015. Back then, I held the view that the G20 had yet to work for the poor.

The G20 is an informal dialogue mechanism – a highly structured way for world leaders to talk to each other. There is no organizational structure; yet there is a myriad of annual meetings to set the agenda of the summit held at the end of the year. While the official track focuses on the agenda of the summit and the related communiqué, engagement groups vie for the attention of the official track to add items to the final communiqué.

4.2 The T20 for a More Inclusive G20

The T20 is the engagement group of policy research institutes and think tanks. Unlike other outreach groups like Business20 (B20), Youth20 (Y20), or Women20 (W20), the T20 is more than a single-issue interest group lobbying G20 heads of government and state (Global Solutions Initiative n.d.). The T20 presents policy options through policy research papers based on concrete evidence.

Research institutes or think tanks could easily be termed as “policy entrepreneurs” but there is a fine line between their activities and lobbying. Think tanks are not necessarily civil society institutions representing different interest groups. They can better be considered as non government organizations in the business of designing policy proposals. They might be working closely with their respective governments due to their national and international convening power and this, in fact, enhances their impact.

While the official agenda requires extensive bargaining and is resistant to change, the T20 can serve as an “ideas bank” and start a discussion on the future agenda of the G20. Starting a discussion and creating awareness is what think tanks are for.

The first T20 meeting was held during the Mexican presidency in 2012. Thirteen years after its inception, the think tanks represented at T20 meetings were mostly from both sides of the Atlantic. In 2015, the Turkish presidency focused on what was called the three I's: inclusiveness, investment, and implementation.

The T20 has become more inclusive as regional meetings were held with think tanks from all the continents. Also, representatives were invited from a diverse set of countries and invitations were sent to think tanks from non-G20 countries as well.

Germany and the People's Republic of China followed suit, hence, the T20 has become more representative and inclusive. Everybody who has something to say regarding global issues participated and their views were considered. Although the G20 is composed of 19 countries and the European Union – a composition that is something hard to change – inclusiveness could be built in through the T20. Issues concerning third countries could be brought to the table during T20 meetings and, if chosen, a relevant issue could be placed on the T20 Communiqué that is then presented to the G20.

However, policy impact is not achieved in a single act. It involves a process, thus, in 2015, the T20 started to form task forces for the first time. Task forces are important, and just like focus groups, they bring together think tanks from different parts of the world to work together on policy recommendations.

The number and focus of task forces are in principle determined by each year's presidency after a consultative process with other T20 members. Invitations are then sent out to call for contributions. The German presidency in 2017 and the Japanese in 2018 turned task force contributions into genuine policy research papers. They looked for full-fledged analytical pieces to study the problem and propose concrete policy options.

The T20 is now more structured and diverse than ever. The diversity brings more inclusiveness to the T20, and eventually, to the G20 as well. Although the number of countries included within the G20 framework is limited, through the T20, the ideas of people from far more countries can make their way into G20 documents.

4.3 Improving the Policy Relevance of the T20

High quality policy research papers by themselves do not automatically translate into policy influence. This highlights the issue of policy relevance. Hence, the T20 framework needs to be strengthened to address it.

Policy relevance is not only about bringing the relevant topics to the discussion and presenting policy options, but also about raising awareness and getting the attention of policymakers. Participating in T20 discussions and getting the attention of the G20 requires something more: it means adding something new to the Final Communiqué. The University of Toronto has been continually conducting analyses of G20 communiqués along these lines (G20 Research Group n.d.). For example, the addition of the word “digital” to the G20 Communiqué happened for the first time in 2015 and this was considered a success as the discussion about the digital world was not explicitly mentioned in previous communiqués. The same is true for “migration”.

4.4 Climate Policy Extends the Relevance of the G20

The relevance of the G20 would extend if it was more open to the issues affecting non-G20 developing countries. Hence, strengthening the development track of the G20 vis-à-vis the finance track is very important.

The Sustainable Development Goals (SDGs) were accepted by United Nations' agencies in 2015, making development a priority for developed as well as developing countries. The resilience of cities, regions and the economy need to be considered (United Nations 2022).

Second, in 2015, the historic Paris Agreement made climate policy an essential issue for all. Green and digital transformations had to contribute to the G20 development track's agenda (United Nations Framework Convention on Climate Change 2015).

Third, the European Green Deal, first announced in December 2019, started an implementation process that needs to be considered by all countries. Now, that is quickly turning into a modern version of the moonshot project (European Commission 2019).

The policy framework to deal with transnational issues like climate policy, digital transformation, and the pandemic requires capital-intensive transformation all around the world. All the above have shaped the development track so that the G20 can effectively work for all.

Capital-intensive transformation requires more funding for developing countries that are already struggling with rising energy and food prices and have high debt levels. Capital-intensive transformation is initially not good for developing countries with young populations as the transformation requires a more skilled labor force. These countries have difficulties in providing investments to upgrade their populations' skills.

It is not only developing countries that are required to pay closer attention to both green and digital transformations; several developed countries face issues too. Regional disparities within developed countries are now resulting in political polarization and causing nativist resentment (Rodríguez-Pose 2017).

However, the major danger lies with the nature of these green and digital transformations. The G20 was devised for a world where we used to “bounce back” from the crisis after the necessary measures were taken. But this time, with transnational problems like climate change and the pandemic, it is no longer about “bouncing back” but “bouncing forward” into an uncertain future, as the Green New Deal outlines. To that end, the 2022 United Nations Development Programme report, *Uncertain Times, Shattered Lives*, is timely and appropriate. The world is now at an inflection point, and this is related to the nature of the issues we are facing (UNDP 2022).

A series of transnational problems like climate change and the pandemic require cooperation among nations and thus makes the G20 an ever-important forum to find solutions. Turning the G20 into a more inclusive mechanism through T20 activity has now become more imminent too.

Here are a few suggestions for future T20 meetings. First, uncertain times require more face-to-face communication among nations. T20 task forces can do that if the task force formation and selection process could be made an inherent part of the T20 debates.

Second, prioritizing topics together in a more inclusive manner is useful during this uncertain period. For this purpose, T20 inception meetings could start with an open “state of the world” or “state of play” type discussion. A few speakers from different walks of life could moderate the discussion and the panel could discuss the relevant priorities.

Third, the T20 – or think tanks – need to focus on public–private sector dialogue within their countries and pave the way for closer cooperation with the official G20 process to make T20 policy recommendations stronger and more relevant. With more engagement and more convening power, it would be possible to bring new ideas to the G20 more swiftly. However, the consultation process with the G20 should happen only after the T20 inception meeting so that the G20 can become more inclusive and make better policy decisions (McGann, Wadsworth, and Harris 2020).

The T20 needs to reinvent itself for this rapidly changing, uncertain new world. Despite undergoing changes every year and preparing for yet another long list of policy issues, setting new priorities make the T20 more relevant, dynamic, and inclusive, as seen through the history of the engagement group.

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A Decade of T20 and Its Contribution to the G20

Axel Berger and Anna-Katharina Hornidge

5.1 The Changing Role of Think Tanks Vis-à-Vis the G20

The Group of Twenty (G20) met in November 2008 in Washington, DC for the first time as the heads of state and government discussed emergency solutions to the global financial crisis. The crisis erupted the year before in the United States housing market and brought the transatlantic financial system to the brink of a meltdown, leading to the most severe economic crisis since the Great Depression in the 1930s (Tooze 2018). The G20, which was installed as a technical forum of Finance Ministers and Central Bank Governors in response to the Asian financial crisis in 1999, was necessary since global problems could not be solved in the established format of the Group of Seven (G7) anymore. The G7 realized that it needed to equally cooperate with emerging countries to effectively respond to global crises, such as the one at hand. At the two subsequent summits in London (April 2009) and Pittsburgh (September 2009), the G20 was able to, *inter alia*, coordinate their domestic fiscal stimulus packages and strengthen the international financial institutions' crisis response mechanisms. This timely and effective crisis response helped to calm financial markets and avoid a breakdown in the global financial system (Cooper and Thakur 2013; Drezner 2014; Luckhurst 2016). In this moment of success, the G20 described itself as the “premier forum for international economic cooperation” (G20 2009).

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The description of the G20 as a crisis manager still shapes our conceptions and hopes regarding the club's governance format and practices. But the challenges addressed by the G20 – internally and externally – are substantially different than from before. Andrew Cooper argues that the G20 had morphed from a crisis committee into a steering group, which broadened its agenda beyond financial issues, but proved much less effective in tackling slow onset events such as the climate crisis and biodiversity loss or more structural concerns including transregional migration or social inequalities. Following from there, he argues that the G20 today resembles a hybrid focal point that provides a forum for a variety of public – and increasingly private – actors of global governance to address global challenges through deliberation, coordination, and myriads of bilateral meetings on the fringes of the official summit agenda (Cooper 2019). Due to this thematic broadening of the G20, it became more inclusive and receptive to inputs from and engagement of non government actors such as business and labor organizations, civil society, think tanks, and academia (Luckhurst 2019).

The Think 20 (T20) is one of the official engagement groups of the G20. The group met for the first time in February 2012 in Mexico City to discuss the Los Cabos G20 Summit agenda (Think20 2012). The meeting brought together a small group of 25 think tank experts from a variety of countries. The T20 continued to convene workshops and conferences in the following years, often mandated by the respective G20 presidencies. In 2017, during Germany's G20 presidency, the T20 process restructured itself by establishing issue-specific task forces that brought together experts from a broad range of countries to work on policy recommendations for the G20 and its various working groups. The T20 process usually starts with an inception conference to define priorities and bring together experts. It ends with a summit conference before the baton is handed over to the next presidency. During these two landmark events, several side events are convened, topics of relevance are identified, and co-authoring teams for joint policy briefs are formed. Since 2017, the T20 process has enlarged, and the scientific debate has deepened.

In this chapter, we reflect on the purpose and potential of the T20 in a rapidly changing international environment that is characterized by multiple, overlapping crises, especially climate change, biodiversity loss, ocean pollution, food security, social inequalities, and fiscal spaces. The dynamics unfolding at the interface of these multiple crises have been further aggravated by the coronavirus disease 2019 (COVID-19) pandemic and the Russian Federation's war in Ukraine. Policy coordination to tackle the multiple crises takes place in an increasingly contested geopolitical environment with divergent alliances cutting directly through the G20. While the G20 seems to be divided, we observe an increased utilization of the G7 as a platform to respond to pressing crises, such as food insecurity, or to coordinate sanctions against the Russian Federation.

We argue that think tanks, organized in the T20, play an increasingly important role in offering science-based policy recommendations, derived from expert and deliberative processes across the think tank communities of G20 countries and beyond. Beyond this basic function, the T20 acts as a platform for transnational and transdisciplinary exchange and can provide a space for track-two diplomacy and more fundamentally international trust building. There is also an increasing need to help bridge the gap between the G20 and the G7, for example through close cooperation with the Think7 (T7), the think tank process of the G7. The role of the T20, however, is conditional on an efficient and inclusive process as well as a focus on impact that requires close and continuous interactions with policymakers. Our discussion of the purpose and potential of the T20 also reflects the situation in the recent, and upcoming presidencies: they are all middle-income economies of Asia, Africa, and Latin America, namely Indonesia, India, Brazil, and South Africa. This is a constellation referred to as having the potential of “Southernizing the G20”, by representatives of these countries at the T20 Summit in Bali in 2022 (Lynders and Reiners 2022).

5.2 Purpose and Potential of the T20

The framework conditions for the work of think tanks are rapidly changing. In light of the multiple and overlapping crises, think tanks are required to come up with effective policy proposals that not only account for the complexities of today's social, political and economic systems but also the planetary and non-negotiable boundaries of ecosystems and climate. Rising geopolitical rivalries and deadlocks in international negotiations are more likely and therefore require think tanks to analyze and propose new models of international cooperation or even engage in track-two diplomacy to bridge disagreements and misconceptions among governments. Increasingly, there is a need to better coordinate the G20 and G7; here, think tanks organized in the T20 and the T7 can contribute effectively. At the same time, think tanks face increasing skepticism among policymakers and the broader public regarding science-based policy advice. Moreover, in many countries we observe shrinking spaces for open and critical policy discourses. Science systems, just like critical and independent media, are underfunded, particularly in low- and middle-income countries, resulting in uneven representation during T20 deliberations. These trends have also repercussions for the work and structure of the T20. Before we discuss how the T20 should respond to these challenges and consider framework conditions, we would like to reflect on the main purpose and potential of the T20 as a transnational and transdisciplinary think tank network.

Since the early days of the network, the main mission of the T20 was to provide policy recommendations for the leaders of the G20 as well as to the increasing number of G20 work streams. These policy recommendations address topics that are aligned with the priorities of the respective G20 presidencies. The role of think tanks and the transregional knowledge community that they represent, however, goes beyond this demand-led approach. The work of the T20 also covers “legacy” topics – that is, points that have been on the agenda in previous years. The work of the T20 thus provides both continuity in terms of policy discussion and accountability regarding the progress made in achieving previous G20 commitments. Furthermore, another responsibility of think tanks is to flag issues that may not be on

the current agenda but may require the attention of G20 leaders in the future. The work described often takes place in thematic task forces that bring together experts from different academic and regional backgrounds. The main analytical output of the task forces are policy briefs with specific policy recommendations by the T20. Key policy recommendations are often synthesized in a Chair's Communiqué that is handed over to the G20 presidency at some time close to the Leaders' Summit.

Another key, but often neglected, purpose of the T20 is the provision of a space for transregional science cooperation. The T20 brings together think tanks from a variety of countries. These are often based in the G20 countries but very often the T20 also includes think tanks from non-G20 countries, particularly those from the region the presidency is based in. The engagement of think tanks in the T20 often goes beyond the yearly G20 cycle. This continuity offers the opportunity to build trustful relationships across national and disciplinary borders.

In order to successfully pursue these key functions, the work of the T20 should be guided by three key principles (Berger et al. 2021):

1. *Connect with the G20 process to increase impact.* The policy recommendations of the T20 are more impactful if the task forces maintain close and continuous connections to the official G20 process, especially its various working groups. Building a trust-based relationship with G20 policymakers is important so that the T20 recommendations can be fed in at different stages of the G20's policy cycle, starting at the agenda-setting phase, continuing during working group negotiations and right to the meetings of Sherpas and Finance Deputies. Through close connections with the G20 process, T20 task forces are better informed about the issues that are discussed as well as windows of opportunity for providing specific policy recommendations. Being a transnational network that brings together experts from all G20 countries, the T20 should not only engage the respective presidency but also other relevant governments.
2. *Maintain independence.* The credibility and effectiveness of the T20 depends on its independence from governmental and non government actors. The main tool to ensure independence is to base policy recommendations solidly on scientific evidence that is ideally sourced from different bodies of literature, long-term research projects, and geographical contexts.
3. *Ensure inclusivity and representativeness.* As a transnational network, the T20 needs to emphasize inclusivity and diversity. It is important that it is open to all think tanks and experts who can give input to the T20 discussions and to its task forces. The T20 should be open for participation of think tanks from non-G20 countries since they may offer additional expertise and, most importantly, can reflect on the policy recommendations from different geographical perspectives. Diversity in terms of gender, expertise, and background is important not only for its own sake, but also to develop policy recommendations that are based on a broad range of actor networks, addressing different audiences.

These principles stand in a productive tension toward each other. For example, it may not be possible to reach full independence if the impact of the T20's policy recommendations depend on regular engagement with the official process. It thus is important for the T20-mandated organizations each year to assure an even balance between these principles.

5.3 Developing the T20 Further

The T20 has become a vibrant network, bringing together increasing numbers of think tanks and experts from G20 and non-G20 countries. It often also involves institutions and experts from the region of the host. The T20 is producing increasing numbers of policy briefs that provide science-based policy recommendations for topics that are on the G20 agenda and beyond. Further, an increasing number of

experts and think tanks are involved in the deliberations of the T20 task forces and in meetings such as the inception conference or the summit. While this can be seen as a clear success of building this platform for track-two diplomacy, we observe three key challenges faced by the T20 regarding impact, continuity and its ability to foster dialogue and exchange.¹

First, the *impact* of the many individual policy briefs remains limited. This is, first and foremost, a result of the sheer number of new policy briefs published every year and a relatively smaller focus on direct exchange with policymakers. The more policy briefs are published, the harder it gets for policymakers of the G20 governments to digest the policy recommendations and reflect on how they may be included in G20 discussions. Furthermore, this challenge is amplified if policy briefs are published late in the process, especially if they are made public all at once. Thus, better alignment between the production of policy briefs and the meeting schedules of the targeted G20 working group is a necessary requirement. Furthermore, the T20 should leverage its strength as a transregional think tank network and incentivize diversity amongst co-authoring teams. As legitimacy is crucial in policy advisory processes, a broad representation of the different G20 countries should be assured.

In addition to publishing policy briefs in a more timely and focused manner, the uptake of the T20's policy recommendations could be supported by a more strategic dissemination process that involves regular formats of exchange between T20 experts and G20 policymakers. This should not only happen in the country that presides over the G20 each year but also in other capital cities. In this respect, task force members should be encouraged to hold regular national level meetings with relevant policymakers, involving relevant think tanks and experts from the respective country.

Furthermore, we would like to encourage the T20 to make better use of the knowledge that has been produced in previous years. Rather than writing new policy briefs on a given subject, T20 task forces should find a way to work with policy recommendations that were put forward in previous years but remain valid.² This “recycling” of policy recommendations could be especially effective in the early stages of a G20 policy cycle when it is still possible to influence the agendas of working groups. Finally, considering the increased criticism against experts and fact-based policymaking, the T20 is well advised to use other communication tools, for example social media, to explain their policy recommendations in a more accessible way.

Second, the T20 does not yet exploit its full potential to establish a continuous and effective engagement process. This is mainly the result of a lack of a perennial governance structure. The T20 is governed on a yearly basis, with think tanks from the respective G20 presidency leading the process. We do not want to question this basic structure but wish to suggest that the T20 needs better coordinating and learning structures across presidencies to deepen the engagement among think tank experts and with policy makers.

Together with several colleagues, we have suggested that the T20 could benefit from the establishment of a *steering committee* (Berger et al. 2021). This steering committee, composed of think tanks from the G20 troika³ and a similar number of representatives from other think tanks, would support the respective T20 Chairs with the organization of the overall process while facilitating and promoting institutional learning across presidencies. The members of the steering committee should be selected

¹ The following suggestions are based on the Think20 processes since 2017, in which the German Institute of Development and Sustainability (IDOS, formerly known as German Development Institute) was centrally involved. Further, the text draws on a paper on the reform of the T20 (Berger et al. 2021).

² All Think20 policy briefs are published on a dedicated website set up during the German Think20 process in 2017, see <https://www.g20-insights.org/> (accessed 4 November 2022).

³ The troika system refers to the current G20 chairs, the G20 chair of the previous and the subsequent presidency.

for a limited term and according to the principles of diversity and expertise. Furthermore, in order to effectively support the T20 Chair, steering committee members should have established contacts to G20 policymakers in order to both advise the T20 task forces about their dissemination efforts and to advise high-level policymakers, such as Sherpas and Finance Deputies, based on the key recommendations of the T20.

Third, being focused on the production of policy briefs and constrained by the dense schedules of the official process, means that dialogue and deep discussions within the task forces of the T20 are often missing. It would make sense to use the off-peak time within the T20 schedule to allow space for *continuous exchange among experts* on issue-specific topics, the role of the G20 in global governance or best practices in policy advisory. In order to facilitate continuous exchanges, the T20 could also rely more heavily on G20-specific think tank networks such as the T20 Africa Standing Group, the Council for Global Problem Solving, and the G20 Trade and Investment Research Network, among others.⁴ Another promising initiative in this respect is the establishment of the G20 Research Forum at the T20 Summit in Bali. It allows for focused interaction, especially among think tank communities from G20 countries in Asia, Africa, and Latin America, and thus invests into the building of a transregional think tank space.

5.4 Outlook

2022 was an immensely challenging year for the G20 and Indonesia's presidency. The Russian Federation's war in Ukraine has aggravated already existing polarization and overshadows global governance in nearly all global challenges that are to be addressed by the G20: climate change, biodiversity loss, nutrition security, the global debt crisis, social inequalities, and shrinking civic spaces, just to name a few. At the end of 2022, Indonesia passed the baton to India, to be followed by Brazil and South Africa. Global governance in this club thus is not only challenged by geopolitical tensions and multiple crises, but experiences further Southern global leadership. At the same time, the G7 is increasingly used (again) by high-income countries to coordinate their policies.

What is the role of the T20 given these changed circumstances?

We argue that the T20 supports the G20 not only through science-based policy advice and track-two diplomacy, but also by assuring continuity in policy dialogue and the follow up of commitments made by one presidency to the next. We argue that the introduction of a steering committee would support coordination across presidencies and strengthen science-to-policy networks for enhanced interaction with G20 policymakers. Here, a particular focus should also be placed on regular interaction with G7 leaders and as part of the G20 process, to avoid a hollowing out of one or the other.

2023 will be shaped by a divide in the G20 that threatens to further polarize and fragment. Indonesia's diplomatic heavy lifting in 2022 will thus be continued by India, which will again find its own foci and style of leadership. The T20 offers its support and guidance in these processes with the clear aim of supporting scientifically informed, well reflected global leadership that respects diversity and aims for a sustainable and peaceful future for all.

⁴ See <https://www.idos-research.de/en/t20africastandinggroup/> and <https://www.global-solutions-initiative.org/core-communities/council-for-global-problem-solving/>

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PART III

The Century of Asian Think Tanks?

The immersive exhibition "Nine Earth" in Bandung, West Java, Indonesia
Exhibition set up during the Connect:Citi G20/U20 conference on creative economy, 15 March 2022.
Photo credit: Nicolas J. A. Buchoud.

The Century of Asian Think Tanks

Prateek Kukreja and Rehan Kunal Jagota

6.1 Introduction

Asia has a larger economy than any other region in the world. Increased globalization has propelled Asia's integration into the world's commerce, wealth, talent-pool, technology, and creativity. In 2019, 210 of the 500 largest firms in the world by sales and 119 of the 330 unicorns were Asian (McKinsey & Company 2021). Thanks to the region's enormous growth, the future of Asia is no longer merely a tale about the People's Republic of China (PRC). Rather, each country in the continent narrates a story that promises to make this century the *Asian Century*.

McKinsey predicts that by 2050, Asia will account for 50% of the world's gross domestic product (GDP). By the end of 2020, Asian corporations contributed \$19 trillion in revenue to the global economy annually. Consumption in the region has also been plummeting. McKinsey estimates that by 2020 and 2030, there will be 3.2 billion and 4.9 billion members of the "global middle class" respectively, up from 1.8 billion in 2009. Asia will account for most of this growth: by 2030, it will account for 66% of the world's middle-class population and 59% of its spending, up from 28% and 23% respectively in 2009. (Pezzini 2012). Due to its potential to serve as a development engine, particularly through the most powerful developing nations like the PRC and India, the "rising middle class" in the developing world is a crucial economic, social, and environmental element (Ordóñez-Llanos 2021).

However, there is a downside to this as well. Asia is also one of the worst-hit regions by climate change. Without adaptation and mitigation strategies, the region would undoubtedly experience climate risks, including heat waves, increasingly frequent typhoons, and flooding that are either more severe or intense than in most areas worldwide. Asia is home to many people worldwide who, by 2050, will reside in regions with a nonzero yearly likelihood of experiencing fatal heat waves, according to the Representative Concentration Pathway, or RCP8.5, scenario. By 2050, the loss of outdoor working hours due to rising temperatures and humidity would threaten between \$2.8 trillion and \$4.7 trillion of Asia's annual GDP – this accounts for more than two-thirds of the global yearly GDP effect (Woetze et al. 2020). Purchasing trends in Asian countries have also been impacted disproportionately by widespread income inequality. Estimates suggest that consumers falling in the lowest half of the income distribution have held a smaller percentage of income over the past 3 decades in most of Asia than the rest of the world (Tonby et al. 2019a, 2019b.). There are also regional disparities in economic growth within the continent. South, Southeast, and Central Asia continue to have substantially lower GDPs than East Asia overall, which is close to that of North America and Europe (IMF 2021). Acute hunger and record unemployment levels are issues that further plague the continent. In the Asia-Pacific region, there were an estimated 375.8 million hungry people in 2020, approximately 54 million more than in 2019. In 2020, there were more than 1.1 billion individuals in this region alone who lacked access to enough food, an increase of about 150 million in only 1 year (FAO and UNICEF. 2021). Compared to a no-coronavirus disease baseline scenario, the coronavirus disease 2019 (COVID-19) pandemic saw the loss of 9.3 million jobs and drove 4.7 million people into extreme poverty in Southeast Asia in 2021 (ADB 2022).

By revealing both the growth potential as well as the vulnerabilities of the region, the estimates put Asia at the forefront of policy discourse. With a growing population and political significance, Asia is likely to influence global trends strongly. The region, in turn, relies on its think tanks for substantial policy insights. Asian think tanks are essential actors that generate evidence for policy debates and create spaces for dialogues on difficult policy choices by giving platforms to diverse perspectives. Through these strategies, Asian think tanks have, in many instances, successfully influenced policy processes and outcomes (Ordóñez et al. 2012). The Asian think tank community will continue to play a role in the larger policy research community by keeping track of developments and assessing fresh ideas. They shall serve as intermediaries and occasionally as opinion formers in financial and economic diplomacy as discursive players “in the making” of the region. In a nutshell, the globally recognized idea of the *Asian Century* will remain unachieved and incomplete without the active participation of Asian think tanks in the regional policy discourse. Asian think tanks have closely worked with regional governments, and the trend is likely to persist, albeit with a wholly different outlook. Against this backdrop the chapter aims to map the journey of Asian think tanks and highlight the currently observed paradigm trends. Blending the knowledge of the past and the present, it then envisages prospects and suggests what is needed for it to in fact be the century of Asian think tanks.

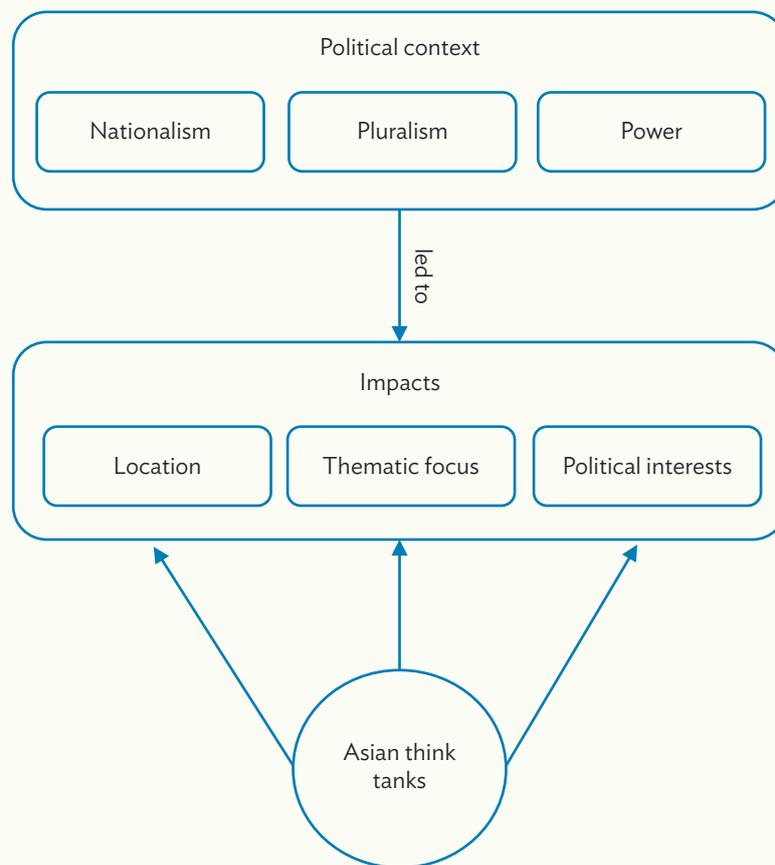
6.2 Evolution of Asian Think Tanks

The history of conception and growth of Asian think tanks is unique and starkly different from that of their Western counterparts. While Western think tanks are mostly identified as civil society actors emanating from private philanthropy, representatives of interest groups’ lobbying needs or activists in pursuit of social causes, Asian think tanks reflect the priorities of the developmental state or vast, politically connected industrial conglomerates (Leftwich 2008). Broadly speaking, the evolution of the think tanks in the region can be contextualized through three political strands as follows:

- (a) **Nationalism:** The role of nationalism in pushing the development agenda has a significant impact. In the 1950s and 1960s, when several nations in the area were wrecked by war, nationalism was especially prominent in the context of state creation and rehabilitation. As states faced domestic and foreign challenges, hostility prevailed and intense nationalistic inclinations evolved. This drove nations to forcefully defend their shores. It led to the formation of think tanks that focused on security and geopolitical intricacies. The PRC founded the Shanghai Institute for International Studies (SIIS) in 1960; Singapore founded the Singaporean Institute of International Affairs (SIIA) in 1961 and the Institute of Southeast Asian Studies (ISEAS) in 1968 to study international events and affairs. It focused on ties between significant countries and those in the PRC’s periphery, with emphasis on the United States (US), Japan, Europe, the Russian Federation, and Asia-Pacific. The formation of the Association for Southeast Asian Nations (ASEAN) and the cold war period further intensified their role in producing quality insights into policy formulation. In India, a group of Indian academics founded the Indian Council on World Affairs (ICWA) as a think tank in 1943. It is solely dedicated to international relations and foreign affairs research. The Indian government established the Institute of Defense Studies and Analysis (now Manohar-Parrikar Institute of Defence Studies and Analyses) in 1965 to objectively evaluate national and worldwide security concerns. They work closely with the government in studying regional dynamics and aiding it with research. Diplomacy, conversation, and trade were deemed essential for resolving disputes between neighbors and presenting a united front to face and repel threats from other areas.

- (b) **Pluralism:** The degree of pluralism or liberalization, and hence the structure of state institutions, was another political element of the developing state. Most of the region's developing governments embarked on massive industrialization initiatives led by a mighty statist hand. Recognition of the Indian Statistical Institute (ISI) as an institute of national importance by India in 1959 and its subsequent role in planning development policies substantiate the argument. In the 1980s, various think tanks such as the Development Research Center of the State Council (DRC), the Technical Economic Research Centre (TERC), the Rural Development Research Centre (RDRC), the Economic Research Centre (ERC), and the China Development Institute (CDI) came up in the PRC to aid the government in providing data to plan and track policies. In the Republic of Korea, the government created the Korean Development Institute (KDI) in 1971 to offer a thorough scholarly viewpoint on economic policy issues related to industrialization and development. Some economies, such as Japan and Republic of Korea, which led the region in economic growth and development, were the first to embrace neoliberal policies and techniques selectively, liberalizing portions of their economies. At the same time, increased intra-regional economic linkages boosted nascent Asian capitalism, which were essentially static throughout the Cold War. The emergence of complex investment patterns resulted in spillover effects, bolstering existing export sectors (Nachiappan, Mendizabal, and Datta 2010). We see the evidence in the 1980s in Japan. The second generation of Japanese think tanks concentrated on business and financial strategies to aid the private sector, and financial firms were the major players. The SRIC Corporation, Asahi Bank Research Institute, Daiwa Research Institute, Dentsu Institute for Human Studies, and Nippon Life Insurance Research Institute were among the notable ones.
- (c) **Concentration of Power:** Almost every economy in the region had or still has a significant concentration of political power in the hands of the ruling regime or a leader, resulting in the control of political space and thought. The PRC and Viet Nam, for example, have strong Communist Party-led governments. Japan's Liberal Democratic Party reigned for nearly 3 decades. Singapore and Taipei, China are likewise primarily dominated by a single party, while Indonesia and the Philippines have strong authoritarian regimes (Nachiappan, Mendizabal, and Datta 2010). India has faced a solid authoritarian majority, even though it is largely a liberal democracy. While the PRC may not be as intellectually open as other regional democracies, the PRC policymaking arena is more open to experimentation and discussion than is commonly imagined. Furthermore, decentralization of authority has demanded varying local level technocratic and policy guidance. The establishment of NITI Aayog in India can be seen as an attempt by India to centralize and streamline its policy insights by carving a dedicated think tank out of an erstwhile planning commission.

The first think tanks in most of Asia were representations of their respective nations' developmental states and the regional dynamics that among between them. Figure 6.1 summarizes how the three strands of political contexts have shaped the entire paradigm of think tanks in the Asian continent in significant ways: (i) location, (ii) thematic focus, and (iii) political interests.

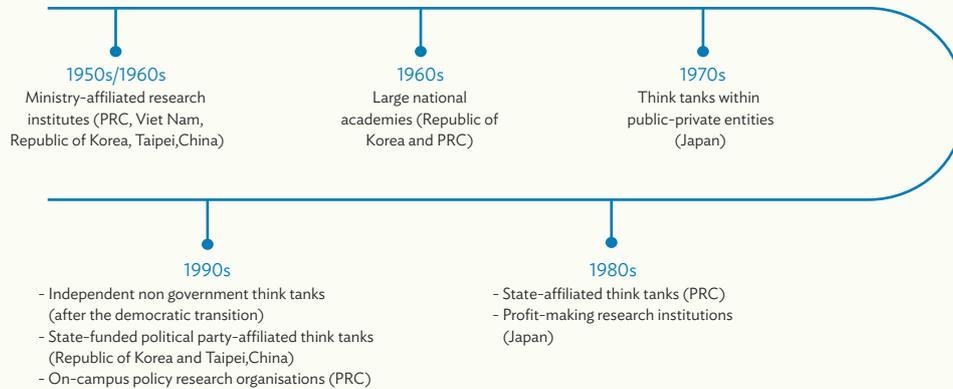
Figure 6.1: Political Strands Shaping the Evolution of Asian Think Tanks

Source: Nachiappan, Mendizabal, and Datta (2010).

- (i) **Location:** The region's earliest contemporary think tanks had intimate ties with the government and operated nearly as an extension of the bureaucracy. In fact, many of them directly and explicitly assisted in key policy formulation. Various public-private or semi-independent think tanks emerged, having one foot in the public realm and the other in the private sector. While they were not entirely independent from the government, they could carry out some activities autonomously. The state traditionally controlled funding and leadership, resulting in a 'revolving door' situation for its leaders and workers. Ministry-affiliated research institutes with set objectives and budgets characterized the PRC; Taipei, China; Viet Nam; and the Republic of Korea in the 1950s. Figure 6.2 looks at the timeline of the emergence of Asian think tanks through the lens of political location.

Figure 6.2: Timeline of the Evolution of Asian Think Tanks**Timeline of Asian Think Tanks**

From a lense of political location



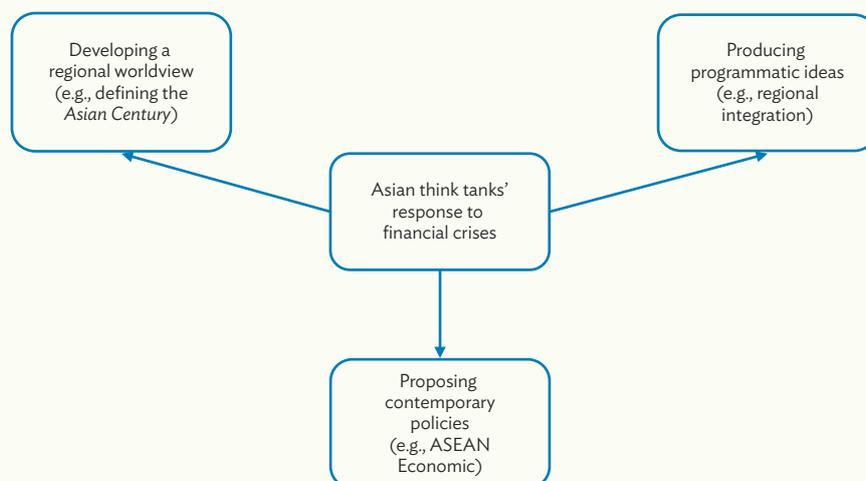
Source: Nachiappan, Mendizabal, and Datta (2010).

- (ii) **Thematic focus:** The political factors also determined the broad verticals that these think tanks focused on:
- Economy:** As leaders sought policy suggestions to enable rapid economic growth and development to get the economies back on track, research and analyses were desperately needed to allow the bureaucracy to make informed decisions. As a result, there was an increased demand for think tanks, and a new generation of technocrats emerged. Furthermore, these think tanks were influenced by the shift in the government's economic ideology: to embrace neoliberal policies. Those committed to supporting markets and the private sector proliferated as a fresh breed of think tanks, frequently based within businesses and financial institutions.
 - Geopolitics and security:** As nations developed, geopolitical tensions and security concerns began to emerge. It became critical to develop intellectual capacity to manage and relieve regional and security challenges and assure the continuity of existing financial enterprises. Subsequently, think tanks having a regional and security focus sprung up across the continent. Their main task was to inform states about the potential risks that could affect them either individually or collectively.
- (iii) **Political interests:** Many East Asian think tanks still reflect the power dynamics and connections of the political environment in which they were founded. They are more likely to emerge in countries where institutions are weak and power is concentrated in the hands of a few prominent individuals or political parties, allowing political elites to cement their influence over the state. Think tanks arose as a vehicle for political factions or parties to communicate their message better, develop their ideas and policy manifestos, and fight in more technically oriented fields in nations with divisive political factions or parties. Organizations centered on a restricted purpose or cater to a particular constituency arose even when ethnic and religious differences existed. The message from this was clear: think tanks were efficient in advancing and legitimizing the reign of an influential leader or government.

6.3 Asian Think Tanks: The Crises Response Bodies

The Asian financial crisis of the 1990s followed by the global financial crisis of 2008 collectively marked a turning point in terms of the role that Asian think tanks played in policy reform. They now began to be seen as “carriers of the new discourse” (Zimmerman and Stone 2018). Remarkably, Asian think tanks responded to the crises in three significant ways, shaping their structure and thematic foci, as explained in Figure 6.3.

Figure 6.3: Asian Think Tanks amid Financial Crises



Source: Zimmerman and Stone (2018).

The Asian financial crisis and the global financial crisis significantly influenced the developments in the regional economic policy between the late 20th and early 21st century. Following the Asian financial crisis, institutions such as the Asian Development Bank Institute (ADBI) and the International Monetary Fund (IMF) emerged to address the gap in policymaking and collaboration. It marked a period of interaction, moving away from long-held isolation. For example, the IMF-Singapore Training Institute collaborated with the Asia-Pacific Economic Cooperation (APEC) forum and the Pacific Economic Cooperation Council to hold seminars about financial sector development issues for officials from the greater East Asian region, at the request of the IMF. During the Asian financial crisis, Asia’s think tank networks dealt more with austerity agendas. In the aftermath, they developed policy capacity and expertise to improve coordination functions for their networks and decision makers.

The global financial crisis in 2008 turned out to be the next inflexion point in the history of Asian think tanks. The policies and recommendations set forth were starkly different from their Western counterparts and deviated from the narratives built during the Asian financial crisis, a decade earlier. While during the Asian financial crisis think tanks mooted for open markets and greater competition to enhance market efficiency, they held an Asia-centric approach during the global financial crisis. This idea stemmed from the “Beijing Consensus” – promoting entrepreneurship, sustained growth, and a developmental economy for social good. While the West was once again focusing on austerity measures, Asia’s focus was more on balanced and inclusive growth, stressing the protection of the

most vulnerable population from the global economic collapse. Notably, Asian think tanks were pivotal in envisioning and implementing the inclusive growth agenda. After the global financial crisis, Asian regional integration programmatic concepts and the Asian Century discourses contended and competed with Western collaboration and capitalist ideals of progress. Asian and ASEAN think tanks played a significant role in formulating policies to address new economic and financial problems.

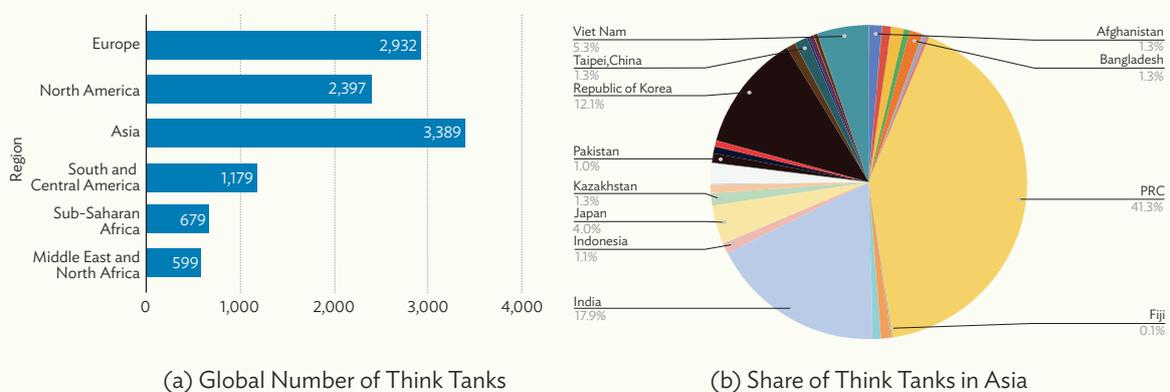
Nevertheless, these crises turned out to be the two critical junctures that highlighted and made way for a strengthened think tank network in Asia. In the current world, think tanks remain extraordinarily relevant. Governments are likely to seek their expert opinions concerning the future of the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), in the wake of a new US administration, PRC's policy in the Pacific, increasing inflationary pressure, upcoming recession post-pandemic, a changed global scenario with the Russian Federation-Ukraine conflict, and a plethora of regional issues that demand governments' attention. Acting as interlocutors in a behind-the-scenes setting, they will shape the financial and economic diplomacy of Asia and would themselves undergo comprehensive changes. The increasing digitalization of work poses an evolutionary pressure against them, which forces them to seek alternatives to ensure their survival at present.

6.4 Collaboration Is the Way Forward

Asian think tanks are gaining more prominence and visibility in their respective nations and on the global canvas. There is a growing awareness that domain-specific analysts working under more empirically and theoretically motivated frameworks must share space with traditional generalist critics. Asia has experienced dramatic growth in think tanks since the mid-2000s (McGann 2021).

As per the estimates of the 2021 Global Go-To Think Tank report, Asia accounts for the highest number of think tanks – at 3,389 – surpassing Europe by a huge margin of 457 (Figure 6.4a). Within Asia, the PRC and India are homes to the highest number of think tanks and they are also the second and third-most prominent countries respectively, in terms of the number of think tanks, just behind the US. As Figure 6.4b shows, the PRC and India together account for over 58% of the total number of think tanks in Asia, making them the regional leaders in research.

Figure 6.4: Number and Share of Think Tanks as of 2021



Source: McGann (2021).

In this era of global information interdependence, these think tanks' mission remains essentially to develop innovative policy ideas and programs. However, the products they produce, the way they communicate, and the audience they cater to is changing. Think tanks are no longer mere workhorses of policymakers; they are in fact striving to connect with the public. We already see these trends in France; Hong Kong, China; the PRC; and the US – Asian economies are not far behind. Think tanks need to be faster, wiser, and mobile. Their policies and products should be leaner, agile and adaptive, focusing on the larger picture and changing demands. A one-stop solution for all these criteria is *collaboration*. When think tanks in the region collaborate they are unlocking a pool of tangible outcomes, otherwise unachievable if they work in isolation.

Through collaboration, think tanks can enhance their bouquet of services. It not only diversifies the services offered but also ensures the enhanced quality of research and analysis they present. They will also be able to better respond to projects in time, which is increasingly becoming challenging each day owing to the rise of the internet and substantial advancements in technology. Further, it helps them move above the competitive structure to a collaborative one. It is time that Asian think tanks realize that their field of work is not a zero-sum game but one that grows through innovation, education, and knowledge clusters.

Collaboration also helps build lighthouses: attractive products such as big landmark conferences and talks attract interested audiences. These open access to other services and products. It also leads to a global outlook in their work, for if they do not engage globally and communicate in a manner that has global implications, they are threatened with stagnancy and alienation. Here, Asian think tanks can adopt a region-first approach, with India and the PRC banking on their extensive influence over the region to lead in the inclusion of everyone in this pursuit. Another major hurdle that the think tanks face is that of funding. Most rely on government sources or big corporates, forcing them to focus mainly on events that gain media traction rather than impactful research. They can explore alternative methods such as crowdfunding, which brings in private sources of funding, providing them independence and autonomy. This offers a plausible and practical solution.

Through collaboration, they can better direct their policies to the future generations and tap on the youth, who are significant changemakers. For instance, Greta Thunberg would attract media attention toward climate change at a scale no think tank could ever. Hence, collaboration helps us in uncovering the vast potential of the youth. The partnership also makes think tanks more flexible in offering attractive salaries, making them first-career choices rather than post-career choices.

Since the inception of the *Asian Century*, Asia has transcended its identity as a mere geographical location and transitioned into a budding global leader with its vast markets and phenomenal technology. With a constantly shifting political scenario, particularly with increasing access to information and better data collection methods, demand for sophisticated policy research to better design policies that offer a maximum bang-for-buck, the role of think tanks becomes imperative. There is a need for enhanced collaboration. It opens many opportunities for Asian think tanks and establishes their relevance. It also helps improve the quality and diversity of services and products offered, giving them a larger audience, and increasing the effectiveness of their work.

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ASEAN Think Tanks: Relevance in Turbulent Times

Lydia Ruddy, Fauziah Zen, and Venkatachalam Anbumozhi

The world is experiencing unprecedented levels of change and upheaval: climate change, mass migrations, security threats, trade tensions, and global pandemics. Traditional institutions are transforming, and multilateral systems are under threat. Policymakers everywhere, including in the ten countries that make up the Association of Southeast Asian Nations (ASEAN), must respond and adapt more quickly than ever before.

Few regions of the world can boast such high levels of economic growth and social transformation as ASEAN, with some countries advancing through stages of development to the point that “leapfrogging” has become a common term to describe everything from the shift from agrarian to digital, new modes of transportation, or energy transition. The region is also host to rapidly growing and very diverse populations who are increasingly connected to the world far beyond their borders – mostly through the tiny screens on their handphones. Political systems range from the world’s largest Muslim democracy to military dictatorships and traditional monarchies. Education attainment levels have been moving steadily upward and are set to skyrocket with the promise of online classes.

With this kind of rapid change and diversity, ASEAN think tanks are more crucial than ever to help guide governments toward sound policymaking. Yet, they struggle to find their role and function to relate to policymakers or to the public more broadly.

These challenges are not unique to ASEAN think tanks. What is unique is the relative newness of ASEAN think tanks compared to other regions, especially North America and the European Union. In the 2008 Global Think Tank Index, only three ASEAN countries had more than 10 think tanks: Indonesia, Malaysia, and the Philippines (McGann 2008). By the time the 2021 ranking took place, seven ASEAN countries had more than 10 think tanks and the overall number of think tanks in ASEAN nearly doubled (McGann 2021) (Table 7.1). While part of this growth can be explained by the fact that some think tanks that already existed may not have been captured in the 2008 Index, the reality is that just like the unprecedented growth of populations and economies in the region, think tanks too proliferated.

Table 7.1: Number of Think Tanks in ASEAN Countries According to the Global Go To Think Tank Index Reports

ASEAN Countries	2008	2021
Brunei Darussalam	0	8
Cambodia	10	14
Indonesia	20	37
Lao PDR	3	4
Malaysia	13	27
Myanmar	0	0
Philippines	17	22
Singapore	6	21
Thailand	8	16
Viet Nam	9	18
Total	86	167

Source: Global Go To Think Tank Index Reports.

Early think tanks in Southeast Asia also held strong links to the state and carried out their tasks as bureaucratic policy advisors. Many of them were established by governments to contribute toward key public policy tasks. In the later years, public-private or semi-independent think tanks emerged in some countries, which retained one foot in the public and another in the private sphere. Think tanks were also often established by private corporations and financial institutions as non government or non-profit organizations to assist their operations or advocate their position. Several non government organizations (NGOs) working on social, environmental, and local development issues have also transformed into field research-oriented think tanks to join the public policy debates. Over the past decade or so, more legitimate research institutes have replaced the old government and family-type organization, but they continue to be perceived as being biased.

In short, the establishment of Southeast Asian think tanks can be driven by the government, international organizations, universities, private entities, political parties or politicians, and NGOs. Some examples are depicted in Table 7.2.

Table 7.2: Examples of ASEAN Think Tanks

Initiators/Founders	Organization - Country
Government	CSPS – Brunei Darussalam, CICP – Cambodia, LIPI – Indonesia, IFA – Lao PDR, MIER – Malaysia, MISIS – Myanmar, PIDS – Philippines, ISEAS – Singapore, FPRI – Thailand, CIEM – Viet Nam
International organizations	ERIA (Indonesia) – East Asia Summit, APEC PSU (Singapore) – APEC
Universities	LPEM UI – Indonesia, IAS Universiti Malaya – Malaysia, IPS NUS – Singapore, IEAS Thammasat University – Thailand
Independent	SIIA – Singapore, ISIS – Malaysia, SMERU – Indonesia, ISDS – Philippines
Private entities (and some with government support)	TDRI – Thailand, CSIS – Indonesia, CARI – Malaysia

Source: Compiled by the authors.

The Institute for South East Asian Studies - Yusof Ishak Institute (ISEAS) in Singapore and the Economic Research Institute for ASEAN and East Asia (ERIA) are considered regional or international in their focus areas.

Based on the study areas, leading think tanks in ASEAN typically focus on the following: socioeconomic and public policy, geopolitics and security, and politics (Table 7.3).

Table 7.3: Examples of Think Tanks by Focus Areas

Focus areas	Think tanks
Socioeconomics and public policy	ISEAS, ERIA, LPEM, PIDS, TDRI
Geopolitics and security	CSIS, SIIA, ISIS Malaysia, ISIS Thailand, ISDS, ISEAS Yusof Ishak
Politics	CIRSS (Philippines), IPPS (Thailand)
Energy, environment, and sustainability	Thailand Environment Institute (TEI), Indonesia Institute for Energy Economics (IIEE), The Mekong Sub-Region Sustainability I Research Centre, (MSSRC)

Source: Compiled by the authors.

7.1 Think Tanks in Regional Dialogues

Regional dialogues in ASEAN were mainly driven by the concern for regional security and stability. ASEAN was established by five Southeast Asian Foreign Ministers to cooperate on economic, social, cultural, technical, education, and other fields. It also promoted regional peace and stability through respect for justice and the rule of law as well as adherence to the principles of the United Nations Charter.¹ The first regional forum was the ASEAN Regional Forum (ARF), established in 1993, specially set up to discuss political and security issues. At the same time, the ASEAN Foreign Ministers mandated the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS)² to explore and develop ideas for promoting and enhancing security cooperation among ASEAN members.

Regional diplomacy is conducted through official engagements by state actors including ASEAN with strong partners like Australia, Canada, the Republic of Korea, and Japan. In parallel, there are non-official activities run by mixed actors including academics, other intellectuals, and government officials, usually from foreign ministries and occasionally from defense ministries, who attend in their private capacities. Pauline Kerr (1994) labelled it as “Track Two” diplomacy, which assists in policy development, socialization of regional cooperation as an idea, and the development of personal relationships through interaction between and within officials and non-officials.

In 1992, ASEAN formed the ASEAN Free Trade Area (AFTA) that was implemented in 1993 with the goal of reducing tariffs to 0–5% in 10 years. ASEAN then moved progressively in its economic cooperation by establishing the ASEAN Economic Community (AEC) in 2003 at the 9th ASEAN Summit. ASEAN economic integration aims to create a stable, prosperous, and highly competitive economic region. Economic-focused think tanks in ASEAN took the opportunity to become more actively involved in AEC implementation. Some geopolitical-focused think tanks widened their coverage to support economic policy while existing economic think tanks became more active in domestic economic policymaking and regional economic agreements. The officials from the ASEAN Secretariat (ASEC) and ASEAN sectoral bodies increasingly began looking to ASEAN think tanks for socio-economic research support to inform regional economic policymaking processes.

Several think tanks now serve as important resources for regional policymakers. The largest and longest serving think tank is ISEAS based in Singapore and housed at the National University of Singapore. Established in 1968 by an act of Parliament, the research center produces a wide range of high-quality research including publishing the annual State of Southeast Asia surveys. These are cited by global media and relied upon by policymakers, diplomats, and researchers alike to understand the region’s sentiments on social, political, and economic issues. With over 150 researchers – including fellows and research assistants – the Institute produces hundreds of commentaries every year and is frequently cited in top regional and international newspapers.

Another important regional think tank is ERIA, which was established by the leaders of the East Asia Summit at the Third East Asia Summit in 2007. Headquartered in Jakarta to be close to ASEC, ERIA’s research was originally based upon three pillars: deepening economic integration, narrowing development gaps, and achieving sustainable development while evolving over time to respond to regional dynamics. Global issues such as the trade war between the United States and the People’s Republic of China (PRC), climate change, and the fourth industrial revolution also contribute to

¹ <https://asean.org/about-asean/the-founding-of-asean/#:~:text=History%20%2D%20ASEAN&text=The%20Association%20of%20Southeast%20Asian,%2C%20Philippines%2C%20Singapore%20and%20Thailand> (accessed 21 June 2022).

² ASEAN-ISIS comprises the Institute of Strategic and International Studies (ISIS), Malaysia; the Institute for Strategic and Development Studies, the Philippines; the Singapore Institute of International Affairs (SIIA), Singapore; the Institute for Security and International Studies (ISIS), Thailand; and the Centre for Strategic and International Studies (CSIS), Indonesia.

economic policy dynamics. Sustainable development must cover cross-sector issues to provide a thorough analysis and policy suggestions. Hence, ERIA's research coverage has expanded to include various socio economic issues, including climate change, digital economy, human development, artificial intelligence, energy transition, and the circular economy. ERIA actively participates in regional and global forums to disseminate its findings, collect input from stakeholders, and promote global cooperation. It also understands the importance of building and maintaining networks, be it with the public sector, private entities, NGOs, or other think tanks.

At the subregional level, the Mekong Institute was established more than 25 years ago by Cambodia, the PRC, the Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam to support the Greater Mekong Subregion Cooperation Program Strategic Framework 2030, the ASEAN Economic Community, and the 2030 Agenda for Sustainable Development through capacity development, dialogue, and advocacy for the acceleration of sustainable socio economic development and poverty alleviation. They work with about 50 development and implementing partners to achieve common goals and strengthen the visibility and impact of their projects.

7.2 The Challenge: Measuring Impact

ASEAN governments and other stakeholders rely on think tanks for both quick, short-term analyses on public policies and for formulating long-term strategies. The private sector has also begun investing in new studies conducted by global think tanks in cooperation with local think tanks. Several think tanks are defining policies and the social impact of their own mission goals. Public or private think tanks are supported by grants from donors who naturally like to see visible impacts of their investments, i.e., acknowledgments in policy statements. Similarly, the research staff of these think tanks are keen to ensure that policymakers and their peers take note of the research conducted by them. However, as there is a large diversity in the nature and operational sphere of ASEAN think tanks, it is difficult to have one single metric to measure their impact. Indeed, actual policymaking involves inputs from many stakeholders – politicians, businesses, community representatives, academics, etc. – and think tanks are just one of them. Ideally a think tank can only set goals with reference to their research, capacity building, and policy advocacy efforts, and also ensure that these goals are relevant to decision-makers over time.

7.3 The Challenge: Funding

Most of the funds for ASEAN think tanks come from public and private sources on a project basis, hence with limited time horizons. Endowments are sometimes made available, but most of the national and regional think tanks experience pressure to mobilize external resources and diversify their support base. This requires building internal capacity to leverage and manage new sources of funding that is available at the global level for development-oriented research, capacity building, and policy outreach. Often, the fundraising pressure falls on researchers and other staff who lack the proper skillset or time to discuss, learn, or implement innovative communication methods. Fundraising and development are skills that can be learnt and are critical to the future of independent think tanks in the region.

7.4 The Challenge: Talent

Attracting and retaining talented researchers is important for think tanks to enhance their institutional capacity in response to the changing dynamics of policy-oriented research, nationally and regionally. But the number of people graduating with doctoral degrees in the region is limited and the search

for talented young professionals with overseas experience has become progressively challenging as a result of changing social, economic, demographic, and psychological trends. In addition, a high turnover rate of researchers is costly both in terms of onboarding new hires and the loss of institutional memory. Think tanks compete in the open job market against the private sector and government, who can often provide more by way of job security, remuneration, professional recognition as well as personal career goals.

7.5 The Challenge: Public Perception and Credibility

Compared to other regions, ASEAN think tanks also confront a lack of understanding about the role of think tanks, both from policymakers and the general public. Western think tanks have had to fight the reputation of being little more than interest groups designed to lobby specific perspectives. This reputation for bias transferred to many ASEAN countries where some of the first think tanks were set up by family companies as vanity projects, or worse, to promote their interests by producing “research” and opinions for their own profit. This presents a serious challenge for think tanks. After all, their effectiveness in providing input to the policymaking process is determined by the credibility of their research. In addition, compared to Western think tanks, ASEAN think tanks tend to operate with less transparency, not so much as a result of obfuscating certain agendas, but more due to a general attitude that places less value on high reporting standards that may be expensive to implement and would require additional funding and capacity building.

7.6 The Challenge: Communications for Policymakers

Conveying complicated research results to policymakers is a challenging proposition for all think tanks. It takes a host of skilled people to translate key academic findings into actionable policy recommendations. ASEAN think tanks are thus bringing in more policy experts as well as growing their outreach and communications departments. Some ASEAN think tanks have hired former officials who serve a crucial role in fostering direct linkages with policymakers, agencies, and other key partners in government. Unfortunately, these teams are rarely covered as part of research budgets – the mainstay of think tank funding – and thus require additional funds which are much more difficult to raise.

These circumstances raise further questions. What will it take to help policymakers understand how to use information that think tanks can provide? What format is best for conveying research findings and policy recommendations to policymakers? How can ASEAN think tanks attract the best talent from all ASEAN members when education levels vary so widely from country to country? What are the best practices for bridging the gaps between research and policymaking?

7.7 Addressing the Challenges: Network of ASEAN Think Tanks

The late Jim McGann, who created the Global Go To Think Tank Index and the Think Tanks and Civil Society Program (TTCSP) at the University of Pennsylvania, was a strong proponent of the power of think tank networks to create a community of think tankers who could share information and best practices. McGann’s project spawned a global community of think tanks who met regularly through a series of global and regional summits and technical forums. However, institutions from less developed countries and regions were often drowned-out in this community. Every year at the Asia Think Tank Summit (ATTS), ASEAN participation was generally low, except for Singapore. The first ATTS to be

hosted in an ASEAN country – besides Singapore – was co-organized by ERIA and TTCSP, held in Indonesia in 2018. This was followed by the ATTS in Thailand in 2019.

At the regional level, bigger and institutionalized networks have been established. ASEAN-ISIS is one of the oldest networks in ASEAN, and as mentioned previously, it received a mandate from ASEAN Foreign Ministers to support the development of security cooperation among the ASEAN Member States. There is also the Network of East Asian Think-tanks (NEAT)³ operating in Track 2 of ASEAN+3 countries (i.e., 10 ASEAN Member States plus the PRC, Japan, and the Republic of Korea). It was established at the ASEAN+3 Summit and approved at the ASEAN+3 Ministerial Meeting in May 2003. The NEAT founders are 13 think tanks from countries of ASEAN+3. NEAT is a networking forum comprising 13 research institutes; thus, it does not constitute a new organization.

ERIA's Research Institutes Network (RIN) consists of 16 research institutes from ASEAN+6 countries (i.e., countries from the East Asian Summit).⁴ The RIN Secretariat, chaired by Hank Lim, is in the Bangkok Research Center (BRC) of JETRO Bangkok (IDE-JETRO). They also act as key in-country partners to provide country level research collaboration, disseminate research outcomes to policymakers and political leaders, and support capacity building programs. The members benefit by gaining experience as well as having their research shared with much broader audiences. ERIA also hosts the Energy Research Institutes Network (ERIN) comprising energy research institutes from 16 East Asia Summit countries.

In 2019, ASEC launched the ASEAN Think Tank Forum to encourage think tanks and academic institutions to support the implementation of ASEAN Vision 2025 by increasing the level of engagement between the Secretariat and think tanks across the region. One of the objectives of this Forum was to establish the ASEAN Think Tanks Network.

7.8 Going Forward

In the aftermath of the coronavirus disease 2019 (COVID-19), discourses surrounding the “Asian Century” and programmatic ideas about AEC and the Regional Comprehensive Economic Partnership (RCEP) compete with non regional conceptions of cooperation in the form of Indo-Pacific, Quad, the Belt and Road Initiative, etc. Regional think tanks need to respond quickly with frameworks that keep ASEAN centrality at the heart of these emerging new regional architecture. ASEAN think tanks should also consider stronger voices in the articulation of policies to deal with emerging health, environmental, economic, and financial issues. Also, they need cooperate with other regional think tanks in the global south (i.e., beyond ASEAN) to create more impact. Benefiting from their close government, private and community relationships, think tanks should hold a “special advisory position in the national and regional as well as global policy process” that allows them, particularly in times of instability, uncertainty and urgency, to come to the fore and influence public discourse with transparency, neutrality and independence. This means that ASEAN think tank narratives, policy ideas, and subsequent solutions based upon evidence are more likely to gain access to decision-making audiences and lead to policy impact.

³ <https://www.isis.org.my/2009/06/23/neat/>

⁴ <https://d-arch.ide.go.jp/RIN/about-rin/>

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Meeting Growing Expectations

Tetsushi Sonobe

During the coronavirus disease (COVID-19) pandemic, it became evident to many people in the world that preventive and lockdown measures were based on a rule of thumb, not to mention authority. People became more appreciative of policymaking based on evidence (that is, experiment and observation). But they also came to know that evidence is not necessarily available in a timely manner, and evidence is sometimes difficult to turn into scalable policy that can save people's lives and livelihoods throughout the world. Still, people are raising their expectations for evidence-based policymaking (EBPM). This chapter discusses what would help EBPM come true, especially in emerging Asia, where demand for EBPM seems to be growing as fast as in any other region.

It is often too late for policymakers to ask prominent professors in their own countries to produce evidence that is useful for solving a serious problem in society, the economy, or in international relations. It is better to ask much more widely, not only within national borders but globally, because some research projects relevant to a particular policy need may already be ongoing due to other interests. During the pandemic, the global community of medical scientists did a fantastic job. As soon as the pandemic broke out, they began investigating COVID-19 and how it multiplied in the human body, putting aside other research that they had been working on. They coordinated and cooperated globally among themselves and swiftly informed the public and policymakers of their findings. This was because they knew clearly that the situation was urgent.

In normal times, however, scientists may not know which policy issues they should be involved in, especially regarding issues in other countries, because their primary interests are in the scientific problems they are working on and not in what policymakers are worried about or talking about. This is why policy think tanks will be needed in those societies that seek EBPM. They investigate the types of knowledge needed by policymakers to make effective policy, ask relevant questions globally, and consolidate answers from scientists around the world to deliver to policymakers. These types of think tanks also consider how public policy might differently affect people with diverse preferences and wealth in various occupations, sectors, and geographical areas. In this way, policy think tanks can help policymakers succeed in EBPM.

Another mission of policy think tanks is to enable the public at large to make informed decisions on policies or policymakers. To carry out this mission, think tanks need to keep themselves from serving narrow private interests, establish financial transparency, and prohibit themselves from propaganda and lobbying activities. In the infodemic age, individuals are quickly surrounded by a large amount of often unreliable and sometimes distorted information about a problem and possible solutions to it. However, infodemics can help the public make informed decisions. While it may seem increasingly difficult to manage such torrents of information, policy think tanks will be expected to make serious efforts to eradicate or mitigate any issues, for example by strengthening their outreach activities for the public while collaborating globally with professionals with relevant expertise.

As expectations for EBPM grow, the expectations for policy think tanks have also grown in most regions of the world. There are at least two reasons for this. First, the ways of producing and consuming goods and services are changing rapidly or must change rapidly because of the ongoing Industrial Revolution 4.0, digital transformation (DX), green transformation (GX), the continuation or resumption of globalization despite the pandemic, the Russian invasion of Ukraine, and the geoeconomic tensions

between the United States and the People's Republic of China. Public policies and regulations need to be changed accordingly, creating new demand for the application of evidence to policymaking. Second, such rapid changes in the economy will make winners and losers, aggravating income inequality and increasing the need for social protection. Thus, casting big nets widely to gather wisdom, insights, and evidence and intersect with diverse perspectives, will be increasingly important.

In my view, the growth of expectations for policy think tanks could be as high in emerging Asia as in any other region. This is partly because the region is experiencing fast changes in technology, economy, and society. But there is another reason. Emerging-market middle-income countries rely less on intellectual assistance for policymaking, as well as financial and technical assistance for policy implementation from developed countries and international organizations, than low-income developing countries. Instead, they are trying to make original policies and build international assertiveness. While a few Asian countries seem to consider themselves eligible to be superpowers, others may become middle powers in the international community. In these countries, demand for think tank knowledge services will inevitably increase.

To live up to the growing expectations, think tanks in general, and those in emerging Asia in particular, will need to strengthen their capabilities. The first thing for them to do would be to share their networks of scientists with other think tanks' networks. The larger the merged network, the higher the probability of spotting relevant research results. The second thing to do would be to strengthen the abilities and experiences of their own researchers. Since policy issues that policy think tanks deal with are ever-changing, think tank researchers' knowledge and human networks can quickly become obsolete. Their reskilling, upskilling, and networking could be more successful if they go through a "revolving door" in their careers and work for some time at other think tanks, universities, government bodies, or international organizations rather than staying at the same think tanks.

For think tanks to share their networks and act as these "revolving doors," there must be a relationship of mutual trust among think tanks and among individual researchers belonging to different think tanks within and outside national borders. Such relations begin with communication and grow through collaboration and cooperation. T20, as a process in which policy briefs and a communiqué are produced, and as a series of events, has provided think tanks in the world with rich opportunities to communicate, collaborate, and cooperate globally. Of course, a cooperative relationship is not the only source of progress. It is known that progress can be enhanced by a combination of competition and cooperation. However, T20 has elements of competition as well, because, for example, not all policy brief proposals are accepted, and not all participants play leadership roles.

T20 Indonesia 2022 and T20 India 2023 have witnessed strong participation from researchers from local think tanks and universities, and this has boosted their networking and learning from more experienced participants. Through interactions among think tanks, these two consecutive T20 processes held in emerging Asia can bring about positive spillover effects for think tank capabilities in Southeast Asia, South Asia, and beyond. In 2022, T7 started in Germany as the think tank engagement group of the G7 and began to provide similar opportunities for think tanks. Participation in it was not limited to those in the G7 member countries but was open to all think tanks in the world. T7 Japan 2023 follows the same policy. Promoting T20 and T7 will help policy think tanks live up to the growing expectation to make EBPM come true.

A Blueprint for a T20 Network in Asia

Sachin Chaturvedi and Priyadarshi Dash

9.1 Introduction

Think 20 (T20) has evolved as an important “Engagement Group” of the G20 over the past decade. A decade of existence of T20 spanning a journey from the Mexican Presidency (2012) to the Indonesian Presidency (2022) has made it an institutionalized process of debate, contestations, and reflections on critical issues concerning the G20 countries and the world as a whole. Over the years, the T20 fraternity has become quite diverse and inclusive. Academia, scholars, and practitioners from member states of the G20 as well as from non-member countries have enriched the quality of deliberations on the T20 platform. Interestingly, the participation of institutions and experts from developing countries and Least Developed Countries (LDCs) has increased over time even though their overall participation is still low compared to advanced economies. In the last 5–6 years, the number of new think tanks participating in T20 has increased, and there has been broadening and greater inclusivity in terms of participation. While the organizational structure of the T20—in terms of the number of task forces, formats of deliberations, types of outputs, and the communiqué—seems to have settled in some sense, there is still room for novelty and innovation.

As far as the evolution of T20, in terms of the coverage of issues and end-use of the recommendations, is concerned, there has been a significant degree of expansion and diversification of issues into various task forces. The repository of knowledge generated by T20 in the form of communiqués, policy briefs, and statements has been well documented since the Argentinean G20 presidency in 2018. Overall, 80% of the policy briefs have been prepared by institutions and experts from Organisation for Economic Co-operation and Development (OECD) countries. Only 10% of those have appeared as joint contributions from developed countries and Southern scholars together besides only 3% of contributions by multilateral institutions. This suggests that a lot of scope exists for expanding the T20 network, perhaps with a regional approach. For instance, the Saudi Arabian Presidency considered the Middle East and North Africa (MENA) region as the reference for its priority action. Likewise, the Indonesian Presidency benchmarked its priorities to the Association of Southeast Asian Nations (ASEAN), and the Indian Presidency considers its neighborhood and ASEAN as well. In fact, the theme of the Indian G20 presidency, “One Earth, One Family, One Future,” extends it beyond the region and envisions a broader agenda of collective action and shared prosperity for all.

Over the years, T20 has created a standardized format for interactions and meetings, serving as a platform for executing routine tasks efficiently. Despite this, there is scope for growth in terms of fostering novelty, substance in publications, evaluation processes, and consultation methods. While T20’s event-focused approach and coordination by key institutions have contributed to its reach, there is potential to expand and include a wider range of perspectives. Moving forward, T20 has the potential to become a more inclusive and accessible platform that promotes innovative thinking and proactively meets the needs of its participants. By doing so, T20 can increase engagement from a diverse range of universities, think tanks, and individual practitioners and enhance the quality of submissions and policy brief ideas.

Against this backdrop, this chapter explores the opportunities for Asian think tanks in expanding the T20 network and making it a robust platform for the articulation of ideas and perspectives on development, especially the role that the G20 could play in steering the development process.

9.2 T20-G20 Connect

If one analyzes and compares the recommendations of the past few T20 processes, the findings are not varied. In some cases, even the contours of such recommendations are not very different. This is emerging as a major challenge before the global platforms, where interactions are becoming richer and prospects for dialogue are dwindling away in the shine and glory of process and organization. This is even more worrying when exchanges among the leaders are getting increasingly constrained due to their own divergent worldviews, domestic compulsions, and, of course, other political obligations. This is the opportunity when think tanks should sharpen their research output and come out against pre-conceived perceptions, which have no empirical basis (Chaturvedi, 2018).

Plurality and vibrance of new thoughts and ideas with new and different sets of people and experts would provide longevity to the T20 process. Ideas and their relevance would remain ambiguous until we couch them in the framework of realism and pragmatism (Chaturvedi, 2018). Pushing up frameworks that have been rejected at the other multilateral platforms to the G20 process would not add more meat to the G20 process; on the contrary, it would constrain the decision-making process further. It is true that with the World Trade Organization (WTO) and United Nations (UN) systems being under great stress, G20 with fewer actors gives greater scope for meaningful dialogue. Therefore, collective efforts in this direction are extremely important. The Host Presidency would have a much greater role to play in evolving not only the macro agenda but also the sectoral specificities, couched again in realism and fitting the test of empirics. Here, effort is required to have intense discussions across different countries and different viewpoints. The trend of dominance by few experts and a few perspectives should be avoided. It is very true of sectors like agriculture, where plurality of measures is important, as countries are at different stages of development.

As the world prepares for better management of financial and macro-economic variables through greater coordination of policies, it is only dialogue among key actors that is going to save the world in

Table 9.1: Publication of Policy Briefs by T20

Task Force	Italy			Saudi Arabia			Japan			Argentina		
	Developed	Developing	Multilateral Organization	Developed	Developing	Multilateral Organization	Developed	Developing	Multilateral Organization	Developed	Developing	Multilateral Organization
International Finance	18	7	3	11	6	1	10	8	1	6	4	0
Infrastructure Investment and Financing	46	18	6	34	15	5	23	5	1	9	9	0
Multilateralism	8	4	1	13	6	1	172	0	0	34	13	0
Agriculture and Food sustainability	6	4	2	13	14	1	0	0	0	9	10	3
Digital Transformation	31	12	0	9	10	0	9	12	0	3	7	0
Global Health	35	13	3	19	14	1	5	4	0	6	4	2
Trade, Investment and Growth	30	16	1	42	21	0	44	17	0	44	14	0
2030 Agenda and Development Cooperation	33	18	4	25	17	0	27	14	0	9	2	2
Social Cohesion and Gender	16	15	3	13	9	1	17	1	0	18	16	1
Total	223	107	23	179	112	10	307	61	2	138	79	8

Notes: The figures in table indicate the number of institutions. One policy brief may include all three categories e.g., developed, developing, and multilateral institutions. Total does not mean the total number of policy briefs published by T20.

Source: Compiled by authors.

the days to come. The G20 process is extremely crucial in this regard. Jobs, growth, and peace are the three overarching priority areas for almost all the economies. As financial and global media project rising global debts, now reaching \$250 trillion, possibilities of the next crisis in the offing are not far away. Dialogue among T20 is particularly important when battles among nationalism and trade wars are challenging the very premises of the global financial system. It is in this context that a sharply focused, deliberative T20 with more time for discussions and dialogue rather than just statements is required more than ever. The T20 must reinvent itself to remain relevant. Table 9.1 presents statistics relating to the publication of policy briefs by T20 during the G20 presidencies of Argentina (2018), Japan (2019), Saudi Arabia (2020) and Italy (2021).

9.3 Peer Review, Publication, and Policy Relevance

T20 activities typically involve deliberations in the task forces by the co-chairs, authors of policy briefs, and invited experts; organization of the T20 Summit and side events; publication of policy briefs; and preparation of the T20 Communiqué. The T20 task forces are generally organized as per the themes and priorities of the G20 Host Presidency and the policy briefs prepared for each of these task forces form a substantive basis for drawing recommendations for the G20 Leaders' Summit. Hence, the onus rests on the quality of inputs generated in the form of ideas and recommendations on various priority themes.

Peer review constitutes an important pillar of that process. The standard practice in recent years is for the T20 Secretariat to undertake the peer review process on three levels: (a) identification of suitable policy brief proposals, (b) completion of full papers of selected policy brief proposals; and (c) preparation of the T20 Communiqué. Since peer review helps filter the right kinds of ideas for the incumbent presidency, the importance of the peer review process remains high. While the minute details of the peer review process followed by T20 under different presidencies are not available in the public domain, our participation in T20 for past several years indicates that the large number of policy brief submissions are generally reviewed by the co-chairs of task forces. In essence, it is the exclusive business of the task forces. With the expansion of the G20 agenda and growing expectations from T20, the composition of the team and the nature of the review process need to be examined. Perhaps there is scope for forming a separate panel of experts as independent reviewers of the policy brief proposals and their subsequent development as full policy briefs. The T20 Secretariat could draw these experts from universities and think tanks, including some of the past policy brief authors.

The publication of policy briefs and the Communiqué is a crucial part of T20 activities. Ideally, T20 should provide useful insights in the form of various publications well in advance of the G20 Leaders' Summit so that the important recommendations can be considered by the Host Presidency. Many times, policy briefs are published just a few days before the T20 Summit. As a result, the wider readership of the policy briefs before the T20 Summit to actively participate in the debate is doubtful, except for the authors themselves. Hence, timely publication of the policy briefs is essential. Moreover, the policy brief authors should carry their work into successive T20s so as to complete their research and meaningfully conclude with dissemination in the form of publications (e.g., journal papers, working papers, etc.). New and emerging fields of policy interest to the global community should be appreciated by T20.

9.4 Futuristic Blue-Sky Research Areas

T20 has been working on a pre-defined set of areas covered in 9–10 task forces. The Indian Presidency has consolidated those to seven task forces. Still, the ideas largely hover around the same issues. So far, T20 has functioned much like “the jack of all trades, master of none.” T20 should identify the new and emerging fields of policy intervention and international cooperation. Some of the blue-sky research areas that could be considered by T20 in the coming years are briefly discussed below.

9.4.1 Going beyond GDP: Systems Transformations and the Measurement of Well-Being

There is greater realization that the new wave of industrialization and transformations of production systems have to be about green industrialization and associated processes across sectors to bring down the carbon and material footprint. In terms of systemic approaches, the three-sector systems—viz. public, private, and third sectors (i.e. government, for profit businesses and non-profit organizations)—are generally prevalent in most economies. With growing concerns over environment and climate change, many “for-profit” firms have broadened their purpose to pursue social and environmental objectives, giving rise to the emergence of a “fourth sector” of the economy. The fourth sector is considered essential to tackling global challenges and building more inclusive and sustainable economies. The World Bank has estimated that to achieve the Sustainable Development Goals (SDGs) by 2030, trillions of dollars of private capital must flow into enterprises across the world that deliver strong social, environmental, and economic impacts. However, the fourth sector ecosystem is still nascent and highly fragmented. On the other hand, the world is confronting the need to reflect on the complex dimensions of development to better measure development outcomes and guide policy action in an increasingly challenging world. An increasing number of countries have developed multidimensional metrics, including G20 countries. We need to assess the options and feasibility for expounding G20 well-being metrics that can be used in policy making at the global and national levels to support better international partnerships and allocation of resources (Bhopal Declaration, 2023).

9.4.2 Water Crisis

The human cost of water scarcity in the form of crop failures, death of livestock, and the forced displacement of people from their homelands has been catastrophic. For instance, 3 consecutive years of drought in the Horn of Africa has affected 8.5 million people, including 4.2 million children. As projected, 20 million in Djibouti, Eritrea, Ethiopia, Kenya, and Somalia, including 10 million children, badly needed water and food assistance, a situation aggravated due to water scarcity, economic insecurity and conflicts (UNICEF, 2022). As captured in SDG 6.3.2, the quality of water is another serious issue. The adverse impacts of pollutants and contaminants like salinity, nitrogen, microplastics, chemicals, sewage, etc. on water quality have serious consequences for human beings and the ecosystem. Policy measures to contain the further erosion of water quality would include information disclosure, creating safe thresholds for various pollutants, well-designed regulations and incentives, utilization of new technologies, and making suitable investments. Investors should be incentivized to finance water treatment and other types of investments, including issuance of social impact bonds (Damania et al., 2019).

Innovative instruments such as water bonds and pooling investments from institutional investors like insurance companies, commercial banks, and philanthropic funds could help mobilize resources for funding water security projects (OECD, 2016). In general, water use has doubled the rate of population growth in the last century, and this puts pressure on the sustainable delivery of water services. Integrated water resources management with proper alignment of water use patterns by user type could provide a framework for resolving the water scarcity problem (UN Water, 2018). While supply side aspects would rest on restoring water resources and recharging ground water along with several other environmental measures, dealing with water use pattern and preventing misuse of water by individuals, households and firms could contribute significantly to address the water scarcity issue in many parts of the world. Besides the Task Force 3 of T20 India that builds on India’s vision of a Lifestyle for Environment (LiFE), T20 in upcoming presidencies of Brazil and South Africa can consider having special priority areas on water crisis.

9.4.3 Disappearance of Monsoon

Irregular and inadequate monsoon has become a new climatic threat for countries in recent times. Studies show that a fundamental shift in the pattern of monsoon has caused a 50% decrease in the occurrence of monsoon depression in South Asia. Countries in other regions also face fluctuating rainfall, affecting livelihoods dependent on agriculture. *Nature* carried a story in 2005 alerting readers to the impending risks of human activity on the environment in the form of uncertain or delayed rainfall. India has faced the adverse consequences of low rainfall on agriculture harvests which could be largely attributed to a change in monsoon cycles. In fact, in 2022, a 32% deficit in rainfall was noted in the first 2 weeks of the monsoon season. In other words, as of 12 July 2022, the country-wide deficit of monsoon was observed to be around 7% below normal. Moreover, rainfed agriculture, on which a considerable segment of the rural population depends for sustenance, would face drastic consequences, exacerbating food insecurity and forcing farmers to shift their crops and farming techniques. Although the G20 climate change debate has not yet focused on this micro but important area, it is the T20 that can advance knowledge in this field by encouraging collaborative research among willing scholars.

9.4.4 Disruptive Technologies—Fintech

The rapid adoption of financial technology (fintech) tools worldwide has opened channels for trade in fintech and fintech-enabled services, thereby necessitating cooperation among countries in all different domains, including promotion, regulation, and oversight. The growing use of fintech applications among the general population, particularly for retail payments and lending on the grounds of speed, ease and convenience, marks a new era of financial transactions. There are implications for the way cross-border transactions will happen in the coming years. Establishing a fintech corridor between two or more countries could be a positive step in that direction (Dash, Sharma and Kaur, 2022).

ASEAN is a growing market for financial services trade. At the regional level, the ASEAN Financial Innovation Network (AFIN) has been established as a non-profit organization by the ASEAN Bankers Association (ABA), the IFC, and the Monetary Authority of Singapore. AFIN was set up with the mission to facilitate innovation, cross-border policy harmonization for better interoperability, and cooperation between financial institutions and fintechs. They intend to digitally transform the banking and financial sectors across the ASEAN region and beyond, to ultimately drive financial inclusion. It brings together financial industry participants to Discover, Design and Deploy innovative digital solutions within a collaborative ecosystem. As a step to achieve its mission, AFIN launched API Exchange (APIX), an online global fintech marketplace and sandbox platform for financial institutions in 2018. APIX is the world's first cross-border/jurisdictional, open architecture API marketplace and sandbox platform for collaboration among fintechs and financial institutions in which participants can integrate and test solutions with each other via a cloud-based architecture. APIX is purpose-built to transform and radically simplify the fintechs and financial institutions collaboration process, end-to-end. The first production version, APIX 1.0, was showcased in 2019 at the Singapore Fintech Festival. Since then, the product has evolved rapidly with new, built-for-purpose capabilities to remove friction between innovation by fintechs and its adoption by financial institutions. The T20 Task Force on international finance has stressed the importance of fintech and calls for more focused attention by the T20 in this direction.

9.4.5 Ocean Pollution

Marine pollution is an emerging challenge for the world. It not only affects people living in coastal areas but equally impacts the marine habitat and ecology. The International Union for Conservation of Nature (2021) estimates that around 14 million tons of plastic ends up in oceans, constituting 80% of

marine debris found in the surface waters. In fact, the United Nations Environment Programme (2021) projects that emissions of plastic waste into aquatic ecosystems will triple by 2040 unless effective actions are in place. Plastic deposits on the seashores have adverse environmental implications for the local population. Local governments in the coastal cities often face the challenge of dealing with marine debris in terms of financing and capacity constraints. Proper legislative framework, regional cooperation, and increasing support by ocean-related international organizations (for the Indian Ocean, ASEAN, and others) in enforcing prudential rules and guidelines for ocean resource management and preventing the contamination of ocean waters and seabeds are needed to efficiently treat sources of marine pollution, like wastewater. Local governments need to invest in solid waste management and governance to avoid plastic accumulation in the coasts and enable an adaptive system to evolve. Along with consumer awareness, other measures like bans on plastic bags, incentives to recycle, disposal bans, tax abatements, by-backs and financial solutions need to be explored (Krushelnytska, 2018). The G20 has appreciated this as a concern, with the Indonesian Presidency of G20 emphasizing that this is a serious policy issue. In the past, T20 has produced several policy briefs relating to marine pollution. Knowledge dissemination and exchange of best practices could be a way to deal with this growing menace.

9.4.6 Melting Glaciers

The impacts of climate change manifest in many ways. Glaciers, which are natural treasures of water resources for humankind, are melting fast. Trends suggest that the Himalayan glaciers are retreating fast. Melting glaciers contribute to sea level rise and could escalate the social cost of carbon (Dietz and Koninx, 2022). In the long run, there is a real threat to humanity, so future research on melting glaciers should include simulations of glacio-hydrological change (Wortmann et al., 2022). Among the causes of glacier melting, black carbon is a major factor. South Asian countries dependent on the Himalayan glaciers need to work toward reducing the use of black carbon with an aim to reduce the melting of glaciers. Projections for the South Asian region reveal that melting continues with rising temperature and black carbon deposits (Mani, 2021). T20 should consider this important area for further deliberations to inspire policy briefs and papers in the future.

9.4.7 Excessive Digital Control

With the growing spread of the digital economy and associated rise in digital infrastructure comes the issue of data privacy and localization of data. Cross-border data exchange is being viewed as the future, hence the onus of standardization and the harmonization of legislations, rules, and regulations, and codes of conducts falls on countries embracing digital economy. The Japanese G20 presidency in 2019 facilitated an agreement of data sharing and cross-border flows of data. The localization of data can often be understood as the taming of data exchanges among countries. Personal data, the most sensitive component of data, often gets manipulated and misused. Absence of frameworks further complicates access to data and the spread of digital economy. T20 is already active in the digital space. Brazil and South Africa can advance work in this spectrum e.g., data privacy and localization.

9.5 G20 Research Forum

G20 summits have become an important platform for policy debate and provide major policy directions on major global issues, such as multilateralism, globalization, sustainable development goals (SDGs), climate change, global value chains, digital economy, Industry 4.0, connectivity, quality infrastructure, financial inclusion, women and youth entrepreneurship, among others. The four G20 presidencies—Indonesia, India, South Africa, and Brazil—are leading emerging markets from diverse regions of

the world and providing opportunities for strengthening the G20 development agenda. With some progress during the Indonesian Presidency in 2022, G20 will hopefully promote inclusion and help mobilize common voices on economic growth; trade and investment; supply chains; digital economy and digital divide; human skill development through health, education, and social protection agenda; sustainable and inclusive finance; sustainable development and climate action; and other important fields of international cooperation.

The exit strategies amid governments' budget tapering and budgetary discipline require governments to ensure a smooth transition process. Fiscal issues such as taxation, the scarring effect of the pandemic on real and financial economy, and prospects of asymmetric recovery pathways from health and economic crises have both domestic and international aspects and will require a longer-term and sustainable perspective on recovery and growth. Sustainable economic solutions including sustainable finance and framing policy response for participation in the new digital economy; ensuring positive outcomes for the MSMEs will also be an important feature of recovery pathways.

The Economic Research Institute for ASEAN and East Asia (ERIA), together with the Institute for Economic and Social Research – Faculty of Economics and Business, University of Indonesia (LPEM FEB UI), and the Research and Information System for Developing Countries (RIS) have set up the G20 Research Forum (GRF) for facilitating the priorities of the Indonesian and Indian presidencies in 2022 and 2023 respectively on important developmental issues through academic and policy research contribution to the sectoral meetings of G20 in Indonesia and India, and build on the work in successive presidencies thereafter. The GRF was officially launched at a side event during the T20 Summit held on 5–6 September 2022 in Bali, Indonesia, with the participation and presence of key T20 actors from different parts of the world.

Indonesia's focus on "Recover Together, Stronger" and India's theme of "One Earth, One Family, One Future" as strategies for post-pandemic recovery and growth is likely to continue for several years at least. The GRF will build on Indonesia's work during the Indian presidency, and further through South Africa and Brazil. Since all four countries are emerging markets, working around the Chair's priorities will resonate with all four countries and ensure continuity. The GRF will collate the actions taken and implementation reports arising from the G20 statements, undertake research studies, and prepare policy papers on emerging themes for G20 from the perspectives of Asia-Africa and Asia-Europe cooperation. The Forum will also induct important members like the OECD, SAIIA, JICA, and ADBI with their long-standing contributions to G20 meetings and activities. The GRF will commission papers and organize side events during G20 presidencies of India, Brazil and South Africa.

9.6 Conclusion

Engagement groups over the years have become important stakeholders in the G20 process. T20, being one of the first-generation engagement groups, has grown in substance and outreach. Perhaps the time has come to consolidate T20 and make it a more vibrant platform for scholarly exchange among think tanks, research institutions and the larger academic fraternity in the G20 as well as non-G20 countries. T20 India has made some efforts toward the consolidation of task forces, especially by reducing the number of task forces from 10 to 7. Besides that, there is a need for soul-searching within T20. It is a clarion call for the global community to come up with innovative solutions to global challenges. The relevance of T20 to the G20 will depend on the contribution of the T20 to the intellectual base of the G20. T20 should respect continuity, allow flexibility, and reward innovation in thinking and practice.

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PART IV
Think Tanks in the Face
of the COVID-19 Crisis

Inside the pressurized cabin of an intercontinental flight over Central Asia
Photo credit: Nicolas J. A. Buchoud.

CAREC Institute's Innovative Knowledge Services during COVID-19

Eisa Khan Ayoob Ayoobi and Gary Huang

The outbreak of the coronavirus disease 2019 (COVID-19) in early 2020, posed various socio economic and public health challenges, ranging from lockdowns to loss of lives and livelihoods around the world (Live Care Foundation n.d). Hence, most of the discourse surrounding the ongoing pandemic has centered around the negative consequences. Nonetheless, despite the tragic costs, there have been some positive lessons and takeaways in the struggle against the virus. The strict lockdown measures taken worldwide at the start of the outbreak brought about positive environmental outcomes (Rume and Didar-Ul Islam 2020). Air pollution levels came down even in some of the most polluted industrial cities since polluting vehicles were off the roads and carbon-intensive factories were shut, albeit temporarily. While that promising environmental restoration maybe short lived due to the reopening and easing of lockdowns, the pandemic has left a long-lasting positive global impact: digitalization and the expansion of the virtual world. This has made the world more resilient (McKinsey & Company 2020).

10.1 Expansion of the Virtual World

The pandemic may have severely impacted freedom of movement in the physical world, given the hustle of COVID-induced travel protocols, including pre-departure testing, quarantine, and other procedures (American Lung Association 2020). The ongoing pandemic makes it difficult to travel as freely as we want to and to conduct our daily businesses face-to-face, just as we used to do in the pre-pandemic times. Such limitations in the physical world have led to the virtual world expansion. Since the outbreak of the ongoing pandemic, the discussion and efforts surrounding digitalization have increased unprecedentedly. Almost every entity, whether affiliated to the state, society, or economy, has been working tirelessly to establish a virtual presence (Cheng, Wang, and Zhao 2022). The intergovernmental institutions have not been an exception and in some cases, they have been leading the way.

10.2 CAREC Institute's Virtual Evolution

The Central Asia Regional Economic Cooperation (CAREC) Institute, as an intergovernmental knowledge institution governed by all member countries along the Ancient Silk Road, has been working and evolving in the virtual world for some time now. The CAREC Institute had ambitious plans for itself in 2020 when the pandemic reached its headquarters based in the People's Republic of China (PRC). The CAREC Institute found itself in a situation where it could not deliver any of its capacity building activities since they entailed travel and face-to-face interactions with various stakeholders and participants, such as senior CAREC government officials in different CAREC cities. Suddenly it was neither possible for CAREC Institute staff to travel nor for the participants to gather at a physical venue.

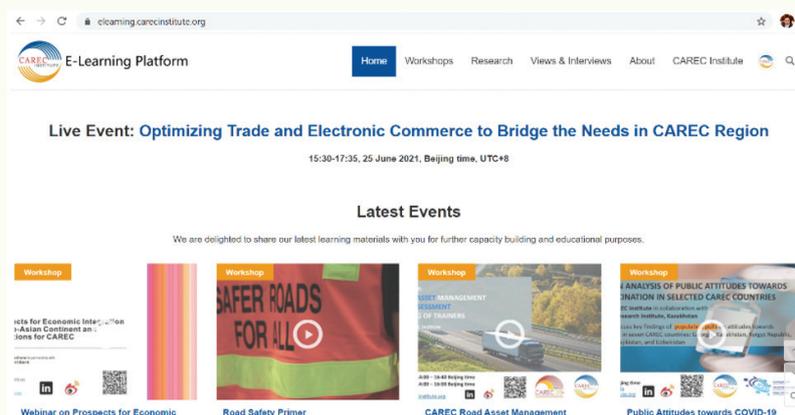
Hence, the CAREC Institute immediately addressed the situation by transforming itself from a completely physical entity to establishing itself virtually (CAREC Institute 2021). With the financial support of the Asian Development Bank (ADB), the CAREC Institute undertook the development of an e-learning platform. Creating an e-learning platform for an intergovernmental knowledge institution

differs from universities and other conventional knowledge institutes. The CAREC Institute had to establish a platform that served its mandate of offering thematic or programmatic knowledge support to senior CAREC government officials whose work had direct impact on regional economic cooperation and integration in the CAREC region.

10.3 CAREC Institute's E-Learning Platform

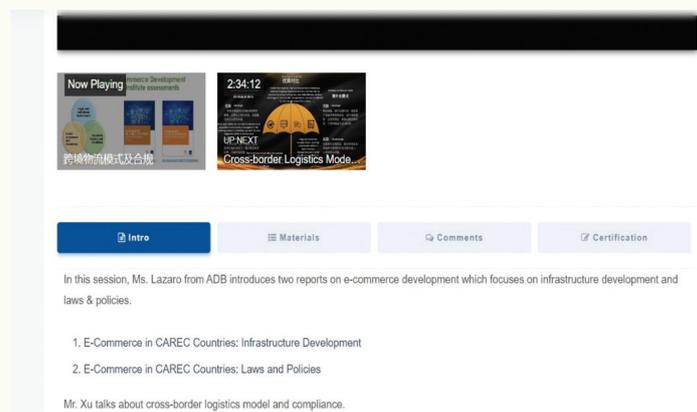
The Institute developed a platform that is simple, user friendly, and perhaps one-of-its-kind (Figure 10.1 and Figure 10.2). It is customized to serve the purpose of an intergovernmental knowledge institution that has different target audience compared to universities and national vocational training centers. Offering e-learning knowledge services to high-level government officials differs from that for university students or entry-level civil servants who are obliged to go through a fixed long-term degree or certification programs. The CAREC Institute's target audience are medium- to high-level government officials who are already established professionals or experts (CAREC Institute 2022). They have different time schedules, career goals, and aptitude to acquire new knowledge and skills.

Figure 10.1: Screenshot of the CAREC Institute's E-Learning Platform



Source: CAREC Institute.

Figure 10.2: Screenshot of a Posted Capacity Building Workshop on the CAREC Institute's E-Learning Platform



Source: CAREC Institute.

Therefore, the CAREC Institute e-learning platform is customized with features and functionalities to serve multi-purposes. It is a straightforward platform for target audience or users to go through the same process as they would when attending a capacity building workshop in the physical mode. The platform has huge cloud capacity to host hours of video recordings, large-sized powerpoint presentations, other digital learning modules, and educational materials. It has designated tabs for capacity building workshops, research forums and conferences, and interviews. Similarly, each activity has its own space and tabs for users to organize all learning materials categorically and systematically. In addition, after thoroughly studying all the posted materials in a particular workshop, virtual participants can also apply for e-certification.

10.3.1 What it Covers

The e-Learning platform was established based on activities run by the CAREC Institute. The platform easily guides visitors to the target module. It is convenient to locate a module via the category or the topic it belongs to. In addition to the recorded modules, the CAREC Institute also provides several home-made videos, to prime users to get started on new professional areas. The CAREC Institute is also developing new interactive modules to provide audiences with better learning experiences, as it upgrades its platform annually.

10.4 A Hybrid Capacity Building Delivery Approach

Overall, the platform has enabled the CAREC Institute to transform its knowledge service delivery approach from a traditional face-to-face one to hybrid learning programs – leveraging both worlds to offer blended activities, comprised of virtual and face-to-face engagements. This has an impact that goes beyond the ongoing pandemic and presents the Institute with a new opportunity to utilize both virtual and physical spaces. Although almost all knowledge services of the Institute are organized and delivered through its e-learning platform virtually, face-to-face experiential learning workshops will be organized once the pandemic is contained and travel restrictions are removed. Traveling is challenging, especially going to and from countries with zero-infection policies like the PRC. Photo 10.1 demonstrates the circumstances of PRC travelers preparing themselves for international travel during the pandemic.



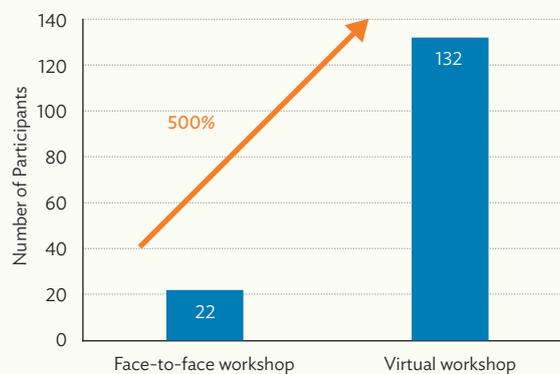
Photo 10.1: A group of travelers (not medical professionals) preparing to depart the PRC for a foreign country. They are putting on full medical gear: a scene of the new normal and hustle of traveling.

Source: CAREC Institute.

10.5 Leveraging Virtual and Real Worlds

In conclusion, despite all the challenges, the pandemic has presented opportunities for knowledge institutions to leverage both real and virtual worlds to increase reach, capacity, and impacts. By creating a simple e-learning platform, the CAREC Institute has turned the limitations of the pandemic into opportunities for expansion. The Institute was targeting 22 participants (two from each member country) in pre-pandemic times for its face-to-face events (Figure 10.3). It used to offer on average 12 activities each year. In total, there were just over 260 participants annually.

Figure 10.3: Expanded Capacity for Participation

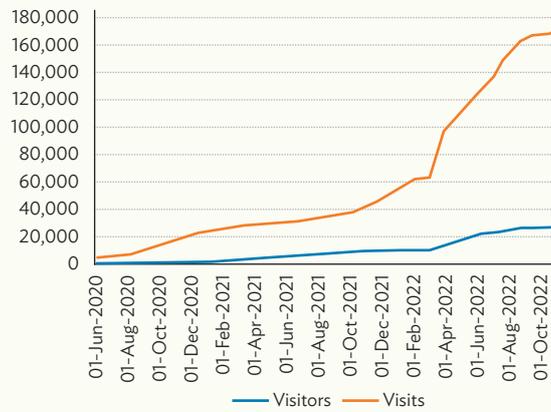


Source: CAREC Institute.

Now, the CAREC Institute has almost unlimited virtual capacity to cover thousands of participants through its livestreaming events and featured workshops on its e-learning platform. This virtual site is accessible to all users from anywhere, at any time. The chart indicates the exponential increase in terms of participation in each workshop when it is livestreamed, compared to when it was conducted in-person.

Moreover, each livestream, workshop or activity is recorded, uploaded, and sustainably run on the e-learning platform around the clock, facilitating new kinds of participation in the form of wide-range of distance learning beneficiaries or e-learning users. For instance, since the creation and launch of the platform, there has been increasing traffic to the CAREC Institute's virtual base. The number of visits and visitors to the platform is increasing by thousands (Figure 10.4). For the last 4 months, between March 2022 and June 2022, the number of visitors and visits have been increasing significantly, as the statistics reflect in the chart.

Figure 10 .4: Increasing Number of Visits and Visitors



Source: CAREC Institute.

Overall, there has been significant increase in outreach, capacity, and impact of the knowledge services provided by the CAREC Institute since the outbreak of the pandemic. It would be fair to conclude that the CAREC Institute has turned limitations due to COVID-19 into opportunities, thereby presenting a successful case study to peers could aspire towards.

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Think Tanks in the Face of the COVID-19 Crisis

Riatu Mariatul Qibthiyah And Teuku Riefky

11.1 Understanding the COVID-19 Crisis

Think tanks across the globe serve as an integral part of shaping the society through identifying main issues faced by the community, advocating policymaking processes, and pushing for the long-term development agenda through research-based analyses and rigorous studies. Often, think tanks within their disciplinary expertise provide early insights on the ongoing crisis, when many are still uncertain about the realities. It was no different during the coronavirus disease 2019 (COVID-19) crisis.

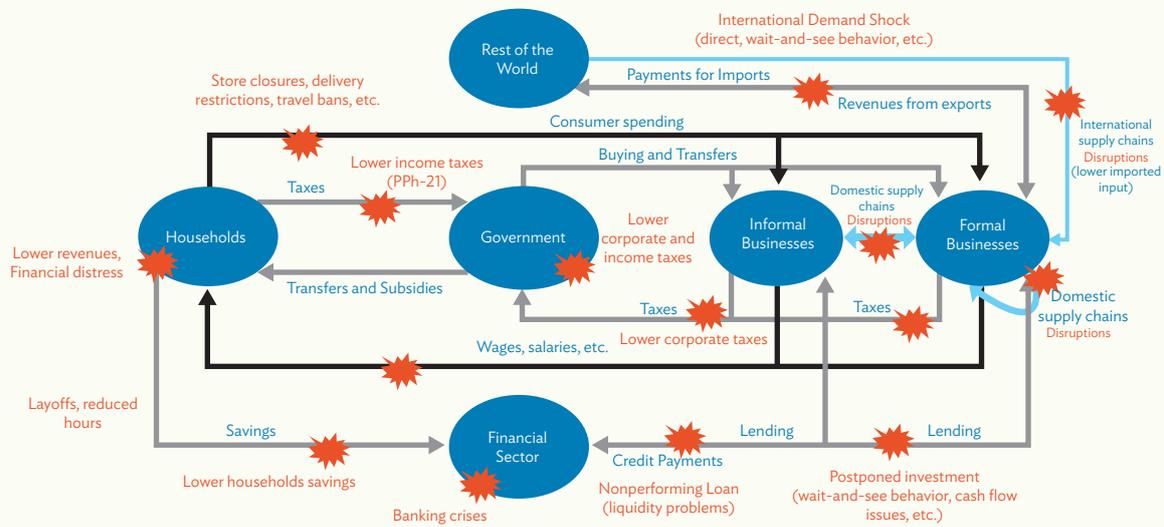
Due to the far-reaching consequences of the COVID-19 outbreak, the crisis called for the immediate attention and interdisciplinary focus of think tanks. What started as a health issue soon translated into a socioeconomic catastrophe. COVID-19 was rightly deemed as a crisis like never before. The pandemic wreaked havoc in almost all aspects of life across the globe. The rapid escalation of its spread affected not only the health of the population but also had overarching consequences. Several factors came into play during the few first weeks of the COVID-19 spread, which caused massive casualties: the government's inadvertency of the virus' domestic manifestation, low awareness by the population, and inadequate capability and capacity of current public health and medical infrastructure to contain the virus.

While the COVID-19 pandemic left governments reeling and scrambling to find appropriate policy responses to minimize the impact and shore up severely affected businesses and vulnerable communities, it also pushed think tanks to find new ways or realign their business models to transform academic research into timely policy-oriented, easy-to-use, accessible, and reliable information for better policymaking. The importance of helpful information and immediate policy advice to support government actions and facilitate threat mitigation could not be overemphasized during this pandemic. One of the prominent examples of insights produced by think tanks in analyzing the impact of COVID-19 crisis is in the diagram by Richard Baldwin of the Centre for Economic Policy Research (CEPR), as shown in Figure 11.1.

Published in March 2020, the article "Keeping the Lights on: Economic Medicine for a Medical Shock" provides a neat framework for the general population to acquire a better understanding of how COVID-19 would impact the economy from a broad view (Baldwin 2020). Baldwin and CEPR, through this publication, also present crucial supplementary material for a vast population of researchers and policymakers to respond in a timely way, in the early days of COVID-19, on such pertinent manners. This study was published at a time when some countries had not even confirmed their first cases. Despite the rapid evolving nature of the COVID-19 crisis and the fact that the materialization could differ substantially, the framework provides the necessary intuition for policymakers to address the crisis holistically.

Similarly, the Institute for Economic and Social Research, University of Indonesia (LPEM FEB UI) produced early insights on the effect of the COVID-19 crisis on the economic condition of Indonesia through the Indonesia Economic Outlook in early April 2020 (LPEM FEB UI 2020a). In this report, the LPEM FEB UI analyzes the multiple channels of impact the COVID-19 pandemic had on the Indonesian economy, provides recommendations on short-term and long-term focus of fiscal stimulus, financing, and practices of fiscal stimulus in various other countries, risks on banking and the financial

Figure 11.1: COVID-19's Multiple Strikes in the Circular Flow of the Macroeconomic Diagram



Source: Institute for Economic and Social Research, University of Indonesia (LPEM FEB UI), adapted from Baldwin (2020).

sector in Indonesia, and agenda in tackling shocks for the monetary and financial sector. LPEM FEB UI also published a book – *Thinking Ahead: Indonesia's Agenda on Sustainable Recovery from COVID-19 Pandemic* – to reflect on what policies, in the mid and long term, might need to be prioritized to respond to the current and future impact of the multi-dimensional crisis (LPEM FEB UI 2020b). Similar initiatives and research were produced across the globe during the early days of the pandemic, and throughout the crisis, by various think tanks and experts, providing rigorous discussion and information on the current global turmoil.

11.2 Multispectral Contributions of Think Tanks during the COVID-19 Era

The COVID-19 pandemic is a sudden storm like no other and has forced us to rethink how we conduct and approach things in life. While many governments around the world struggled to formulate appropriate policies in handling the rapid spread of the virus, some governments prevailed. The People's Republic of China (PRC), Singapore, and the Republic of Korea left the world perplexed due to their ability to manage the early period pandemic. They set a standard regarding crisis management, despite differences in their governance and type of responses.

The PRC adopted a strict response to the pandemic while Singapore's response was relatively less tough. Meanwhile, the Republic of Korea equally succeeded in keeping the cases low by taking a different route – it was more relaxed in its response when compared to the other two governments. If anything, their success is even more impressive given their high population density. If it is not for these reasons, then their success could arguably be attributed to two other causes: a working and disciplined bureaucracy, and the level of trust their government puts in science (KSI 2020).

Take the Republic of Korea for example. Bloomberg's Covid Resilience Ranking, a series of indicators monitoring each country's handling of the pandemic, has regularly put the Republic of Korea in the upper bracket and referred to the nation as "a consistently strong performer" throughout the past 2 years (Bloomberg 2020). Many experts ascribe the Republic of Korea's success to its ability to learn from past mistakes, a combination of high technology with necessary human intervention, and the relationship between citizens and the state.

Following the "unsatisfactory response" to the Middle East Respiratory Syndrome coronavirus outbreak in 2015, the government subsequently went through a series of public health reforms. This resulted in the development of the detect, contain, and treat framework, established mechanisms to speed up "track and trace" as well as the introduction of regulation to enable pharmaceutical companies to produce test kits in a quick manner (Cooper 2020; Schwak 2020).

Consequently, when the pandemic came knocking, the government had been more ready to handle the storm by having, in Schwak's (2020) words, the institutional memory of the past endemic. The lessons learned were in full effect, as shown in the early stage of the virus spread. The government established screening facilities, imposed mandatory quarantine for overseas arrival, intensified tracing by utilizing credit card transactions and CCTV, and provided an emergency healthcare system to treat infected patients, while mobilizing civil workers to monitor and communicate with affected households without revealing the identity of said households (Schwak 2020). The human touch provided by these workers, such as the delivery of the custom stay-at-home kit with options for extra support, helped citizens alleviate their worry and pain throughout their suffering, which eventually boosted societal compliance. It did not stop there. The government also provided immediate financial support, up to a certain amount, for patients to make up for lost earnings (Schwak 2020).

Such policies undoubtedly must be worked on. The utilization of tracing credit card transactions and CCTV indicated the Republic of Korea's government's willingness to engage in data-driven policymaking. This is where think tanks may come in handy. As Babu (2020) suggests, think tanks are useful in helping governments at different stages of policymaking, such as helping the government arrange a set of agendas it should pursue, consult the government throughout the design and monitoring of interventions, as well as evaluating the impact of the programs laid out. Even throughout the process, think tanks may be well-positioned to suggest innovative policies and put them into the mainstream public discourse while maintaining a robust, evidence-based research methodology.

In the face of COVID-19, think tanks have the best window of opportunity to gain ground. The multiplicity of the pandemic, being a public health, economic, and social crisis, makes it an extremely difficult task for the government. At the same time, the nature of government as one giant institution comprising many ministries and departments with convoluted bureaucracy leaves it prone to working in silos. Should this be left unresolved, achieving a common goal will be onerous. Think tanks come into play by analyzing parts where different government departments may work side by side, even where those departments may not have realized the potential for collaboration yet.

Furthermore, by providing recommendations, think tanks may help the government to mobilize national resources from non government actors (Bloomberg 2020). Think tanks, on the proviso that they are allowed to obtain official data which would have been otherwise unavailable to the public, may serve to verify the government's official figures and to prevent data biases to avoid mistargeted policies (KSI 2020).

Moreover, they may also fill the gap in data collection and management. Take an initiative from Saudi Arabia for example. It is widely known that small and medium-sized enterprises (SMEs) are the

backbone of many economies. We also concur that data is increasingly important in policymaking, not least regarding SMEs. However, data on SMEs is hard to obtain and disparate, making it difficult to help governments and international organizations make decisions. Prince Sultan University in Riyadh, Saudi Arabia took the initiative by establishing a global think tank intended to gather data regarding SMEs worldwide.

Another example provided to illustrate the contributions of think tanks in times of the COVID-19 crisis is in the policymaking process realm. The Montreal Economic Institute in Canada has successfully provided recommendations and pushed the agenda of handling small businesses to the Quebecois government. Similar initiatives have been taken up by the Emirates Policy Center in the United Arab Emirates. They recommended the expansion of the laboratory screening system for containment measures by setting up additional temporary hospitals to isolate patients. The Information and Decision Support Centre, an Egyptian think tank, also took measures to assist the government by providing reliable information about COVID-19 and set up a website, Ahalina, to address labor issues. Ahalina successfully collected E£323 million (\$20.59 million) in donations from multiple organizations and individuals, exceeding its original target of E£100 million (\$6.38 million).

11.3 The G20–T20 Process and the COVID-19 Crisis

The Group of Twenty (G20), initiated in 1998 to promote collaboration among developed, developing, and emerging countries, coordinates policy responses to mitigate financial challenges that could lead to an economic crisis. Later, the G20 forum evolved to establish engagement groups and expanded the discussion beyond economic and finance issues to include multidimensional structural issues. Under the G20 Indonesia presidency, there were 10 engagement groups, with the latest being the Supreme Audit Institutions of the G20 countries, or the SAI20. The engagement group emphasized the need for accountability and democratic processes to reassure and complement perspectives in the G20 initiatives and discussions.

Think20 (T20) and other engagement groups have the opportunity not only to be included in the discussion of G20 working groups and the G20 process but also to share ideas and hold discussions among its peers like think tanks and science communities. During this period of the COVID-19 crisis, there are a variety of approaches employed by different countries to handle and respond to the pandemic. Policy assessments and monitoring are extensive at the national level, and to some extent also occurs at the subnational and local levels.

During this period of a multidimensional crisis, think tanks - with the support of a working civil society - can provide assessment, and to an extent, critical feedback on the responses and policies the government has issued. However, the government may not consider the input and feedback from non-government actors, depending on the nature of its policymaking process. To some extent, the subnational or local level may be more supportive in the involvement of think tanks. Nonetheless, experimenting only at the subnational or local government level may not be adequate given the limited scale of impact as well as the constraint on the regulatory framework.

The policy responses related to the COVID-19 crisis are examples of how global coordination needs to be complemented by a clear framework of domestic policies. The discussion, and to some extent, learning among G20 countries on their domestic policies play a role in shaping a working global coordination. During this pandemic there are diverse experiments of domestic policies, for example in terms of health management approaches, and governments subsidies and tax relief. In this regard, think tanks may present and discuss not only options and recommendations related to the issue of the

COVID-19 pandemic, but also address the effectiveness of similar initiatives in other countries through the T20 and G20 platforms.

Despite the urgency of responding to and addressing a multidimensional crisis, T20 recommendations need to be framed into the medium and long term. The long-term recommendations may not be relevant if the short-term problems are not appropriately addressed. The policy recommendations by the T20 are frequently criticized for lacking focus on top global problems. Meanwhile, there is no structured framework channeling the communiqués and feedback from various engagement groups to the G20 Sherpa and the G20 Finance track. However, the T20 process champions a bottom-up approach, with an inclusive policy briefs selection and an open opportunity to contribute recommendations not only for the G20 context but also for related domestic policies in response to the multidimensional crises.

One major issue regarding the crisis response is that multilateralism is deemed to have failed to address COVID-19 adequately. For instance, the global health architecture was not ready to respond properly to the spread of COVID-19, as well as to facilitate equal access to vaccines. Therefore, many countries turned to domestic or bilateral policy solutions as crisis responses. For instance, the provision of AstraZeneca vaccines in Indonesia came through a bilateral cooperation scheme with Japan (Cabinet Secretary of Republic of Indonesia 2021), and a Health Security Partnership with Australia (DFAT n.d.). The pandemic exposed the weakness in our multilateral architecture, and it transpired into the need and urgency in the global community to produce a credible network with the requisite capacity, resources, and support structure to render the desired response in times of emergency in a fair manner.

During the early days of COVID-19, the G20 launched the Debt Service Suspension Initiative (DSSI). The DSSI allowed low-income countries to temporarily suspend their debt payments. However, G20's DSSI has various shortcomings, and such initiatives have never been tested before (Kring 2021). First, the DSSI only applies to bilateral government lenders and does not compel participation by all creditors. Consequently, it did not add adequate fiscal and monetary space for countries in debt distress to combat the pandemic and support economic recovery. Second, the DSSI should be expanded to include countries on the brink of insolvency, despite not having the status of a “low-income country”. Lastly, the G20 should take a more concrete role in reforming the Common Framework to ensure all actors come together and play a role in permanent debt relief.

In the face of emerging fault lines in multilateralism practices and inadequate G20 initiatives to solve global problems, think tanks could contribute. Objective assessments on the current situations and putting pressure on global leaders to push various meaningful agenda are within the scope of the T20 and thus, its contribution should be enhanced in the future.

11.4 Think Tanks in the Post-COVID-19 Era

From time to time, think tanks have showcased their role in providing substantial contributions during crises. The COVID-19 crisis has once again highlighted its integral part in identifying the issues, providing thorough and timely recommendations, and communicating relevant information to the general public. While the COVID-19 situation is improving, the global economy is facing another crisis.

Global issues are a combination of escalating geopolitical tension, massive stimulus hangover, global supply chain disruption, and even protectionism practices; these have put the global economy in another difficult situation, directly after COVID-19. The confounding nature of the COVID-19 crisis and the current crisis prolongs the efforts needed to bring back the state of the world economy to the “pre-pandemic” normal. Facing this situation, the role of think tanks should be to continue

contributing solutions to common problems. The many lessons learned during the pandemic should provide additional experience for think tanks across the globe to manage the crisis better, in terms of engagement with stakeholders, enhanced collaboration with policymakers and civil society, and stronger advocacy for tools and steps to be taken to avoid worsening situations.

Considering the importance of the T20 as the engagement group of the G20 and its massive network of global think tanks, it serves as a pertinent platform to scale up think tanks' efforts to address the current adverse situation and set the right path toward bridging society, science, and policymakers so as to support the welfare and livelihood of people across the globe.

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A European Think Tank's Experience with the Global Pandemic: The Case of Bruegel

Alicia Garcia Herrero

12.1 Introduction

The global pandemic, which became known to the world in late January 2020, has been a defining feature not only of this decade but probably of this century. In fact, not only has the pandemic taken 6.5 million lives so far globally but it has also brought havoc to many economies. The impact of the pandemic can be explained by many factors, whether cultural or societal but also through policymakers' responses, both in the sanitary and economic spaces, among others. Responses have been undertaken by government officials and may have been influenced by experts in different fields, some of whom are affiliated with global think tanks. In fact, in a situation of emergency like the coronavirus disease 2019 (COVID-19), think tanks were generally best placed to offer policy-oriented recommendations faster than others, including research institutes and universities. Think tanks have acquired much more visibility among policymakers and the general public because of the COVID-19 outbreak.

In this article, I will first review the COVID-19 outbreak in Europe and how a particular nonpartisan economic think tank, Bruegel, with a European mandate and ambition has a say in global economic issues. Bruegel has been instrumental in the design of COVID-19-related policies at not only the European and national levels but also at the global level for initiatives led by the Group of Twenty (G20) and the Group of Seven (G7) as well as other multilateral organizations. The example of Bruegel could shore up support for multi-country, nonpartisan think tanks so that they can better evaluate the environment in which our world – or specific regions or countries – operates; they can also find solutions to problems identified. The second section reviews developments in the global pandemic, with specific focus on Europe. The third section describes Bruegel's role in evaluating and offering coherent policy responses to the pandemic. Finally, the last section draws some conclusions – based on Bruegel's experience – for Asia in particular, as well as for the rest of the world.

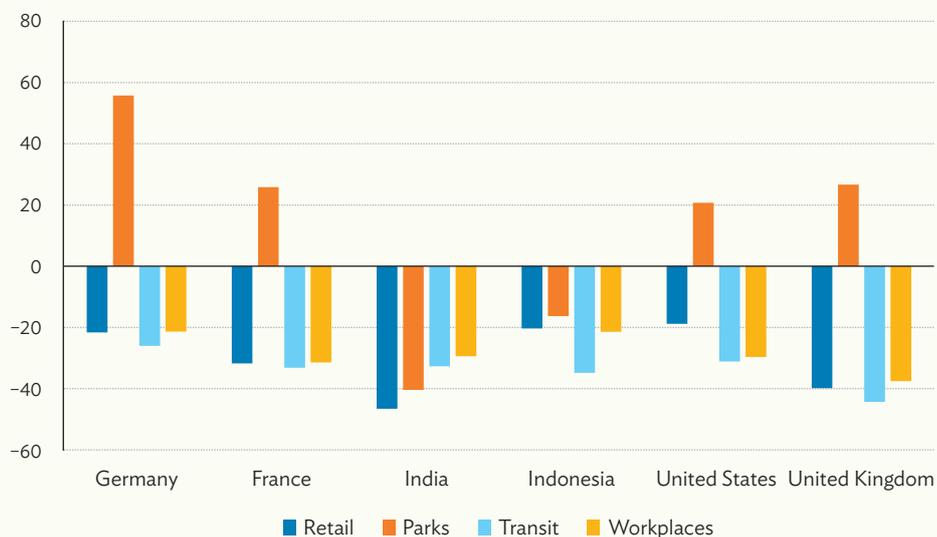
12.2 The COVID-19 Pandemic and Its Impact on Europe

COVID-19, which was made known to the world through a large outbreak in Wuhan, the People's Republic of China (PRC), in January 2020 led to a city-level lockdown, including several others within Hubei province and beyond. In January and February 2020, when the pandemic was still contained within a few cities in the PRC and only slowly expanding into some neighboring areas, predictions about its social and economic impact were rather muted. In fact, very few thought the pandemic would cause a recession within the PRC (García-Herrero 2020). Such views quickly changed in March 2020 as the pandemic reached Europe and the United States, as well as the rest of the world. With lockdowns and shutdowns occurring across Europe and the world, a severe recession ensued (Bruegel 2020). Everywhere, from the European Union to the United States, from the emerging world to the PRC, suffered enormous consequences (García-Herrero 2020). Determining exactly how many lives were lost from COVID-19 is extremely difficult. Worldwide reports indicate that the number of deaths from COVID-19 in 2020 and 2021 stands at around 6.5 million, a tragic and overwhelming figure. However, analysis of excess mortality rates paints a far worse picture, with around 14.9 million people losing their lives in the same time period. Most of this discrepancy can be tracked back to middle income

countries (WHO 2022), indicating problems in tracking mortality and possibly also political issues, in some cases.

One of the major changes that occurred was the enormous shift in mobility trends across the globe. Throughout the developed world, time spent in transit and at work dropped dramatically, while time spent at home or going to parks increased, although less so in countries where draconian lockdowns were imposed, and people could not leave their homes (Figure 12.1). Unfortunately, comparable data are not available for the PRC due to restrictions on the use of Mac and Google mobility technologies.

Figure 12.1: Average Percentage Change in Mobility, 2020 (%)



Source: Google COVID-19 Community Mobility Reports.

The pandemic brought the global economy to its feet with a global economic contraction of 3.5% (IMF 2021b). This was partially produced by government policy, particularly those imposing lockdowns among others. The first actions against the pandemic were taken in the PRC. It is noted that the pandemic emerged at a particularly unfortunate time of the year—the Lunar New Year—as drastic mobility restrictions occurred around the country. In addition, Hubei province was locked down and measures such as social distancing and 14-day quarantine periods for returning workers were imposed. Fiscally, the government also introduced drastic measures. Around CNY4.7 trillion was spent on fiscal stimulus, ranging from tax breaks and additional public investments in equipment to manage the pandemic. Vaccine development was also prioritized, with the PRC developing its own vaccines apart from Western countries. The case in the United States is similar. As soon as the pandemic reached its shores, a series of containment measures were put in place, ranging from mask mandates to lockdowns. Schools were also shut. Infection rates varied depending on which measures were implemented. The United States also pursued expansionary fiscal policy, with expenditures reaching around \$2.3 trillion, after the original bill passed. \$1.84 trillion was then spent when another stimulus bill was approved (IMF 2021a).

Other developing countries also engaged in similar policies. As soon as the first cases were reported in India, a severe lockdown was put in place. The lockdown was extended several times, and then gradually lifted in the spring of 2020. Another lockdown occurred in 2021, but this was done at the state level. The federal government also provided fiscal support for the economy and rolled out vaccines. Similar fiscal measures were introduced in a larger number of emerging economies as the heavy costs of lockdowns had to be addressed to avoid a major increase in poverty. Brazil is a good example where policymakers decided not to impose lockdowns (IMF 2021a). In fact, the huge economic impact of the pandemic and the rather limited fiscal space that Brazil had, with a debt to gross domestic product (GDP) ratio reaching 90%, is behind such a decision.

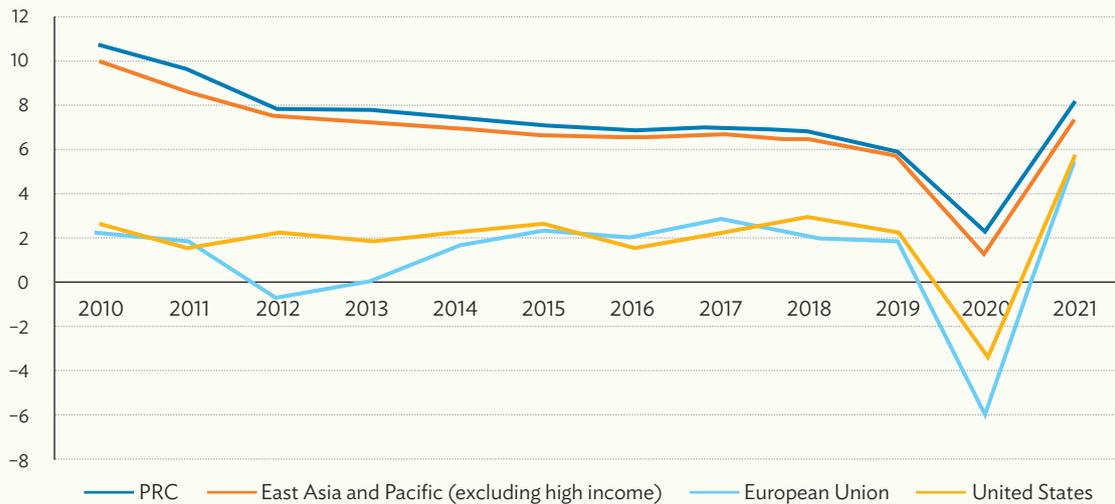
Against the backdrop of very different responses across the world, the European Union (EU) member states' response was coordinated by the European Commission and the European Council. The success of this coordination remains an open question but there is consensus among European policymakers and academics that such coordination avoided several pitfalls that COVID-19 would have had on the single market, especially on free movement and labor mobility.

More specifically, at the beginning of the pandemic, the EU began to discourage export bans of personal protective equipment (Leigh 2020), such as masks, since countries were trying to meet their own needs first. In the same vein, a few months later, the European Council agreed for the Commission to engage in joint acquisition of such equipment. There were additional plans to pursue vaccine development (EU 2020). Vaccines were acquired through the Commission, with the goal of timely, affordable, and equitable access for all EU citizens (EU 2020). Countries continued to implement domestic lockdowns, which differed in their severity and length (EU 2020).

Additionally, the European Union engaged in massive fiscal and monetary responses to the crisis. When it comes to fiscal policy, the European Union engaged in several different policy actions. Fiscal rules were suspended until 2023. These fiscal rules particularly focused on ensuring fiscal discipline, which was believed to cause inflation (but excluding automatic stabilizers) (Demertzis 2021). Countries in the European Union were required to keep their primary deficit below 3%, have debt to GDP ratios of around 60%, along with other restrictions with respect to the growth of expenditures (EU 2020). This relaxation of rules was to allow countries to engage in expansionary fiscal policies to stabilize aggregate demand. The European Council also allowed the European Commission to engage in a fiscal support plan, the *Next Generation EU*. *Next Generation EU* is a program in which the Commission borrows around €750 billion to re-invest in the countries in the European Union and help with their COVID-19 recovery. The distribution of such funds is based on how severely countries have been hit by COVID-19 and how serious countries are about introducing relevant reforms, with special attention to two EU-level grand objectives: fostering the transition to green energy and speeding up digitalization of European economies. More generally, the approval and disbursement of these funds would depend on a series of reforms that would ensure higher growth trajectories. These can range from judicial reforms to public administration restructures, beyond those pertaining to energy and digitalization. The goal of the *Next Generation EU* fund is to not only help economies worst hit by the COVID-19 pandemic to grow out of their poor economic situation but also to catch up with better performing European countries (Bruegel 2021). In fact, the European Union experienced a severe recession in 2020 with a large contraction of 6% (World Bank 2021b) (Figure 12.2). This is double the global average. It is critical to note that this number masks large discrepancies among countries. For example, Italy's economy contracted around 9% while Poland's contracted a mere 2.5%. The bloc's economy strongly rebounded in 2021, with growth rates around 5%. While this was a positive sign, its performance paled in comparison to other developed world economies. For example, the United States experienced a contraction of 3.4% in 2020, with growth rebounding to around 5.7% in 2021. Developing nations tended to fare better as well. For example, the PRC's growth was only reduced to around 2.2%, and in

2021 was back up to 8%. East Asia (excluding high-income countries) had a similar performance, with growth reducing to 1.3%, and then rebounding to 7.3%. Figure 12.2 demonstrates the performance of the EU versus other major economies over time (World Bank 2021a).

Figure 12.2: Growth Rate by Country or Region



Source: World Bank.

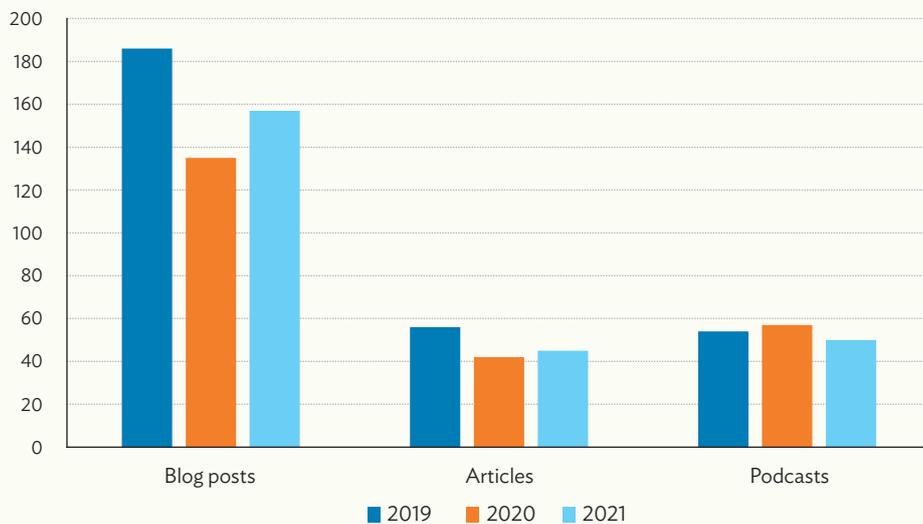
12.3 Bruegel's Role

Bruegel was no exception at being affected by such an upheaval. With lockdowns and shutdowns in place, Bruegel's work moved completely online the week of 9 March 2020. It was also hard work to ensure that no one experienced Zoom fatigue or isolation. In addition, all events were moved online (Bruegel 2021). Bruegel has thus thrived despite the limitations placed upon it as a result of the pandemic.

Publications have continued apace since the beginning of the pandemic. In 2020, 135 blogposts were published, along with 42 publications and 57 podcasts (Figure 12.3). These numbers are somewhat down from 2019, but nonetheless impressive given the disruptions. Publications also continued in 2021, with 157 blogposts, 45 publications, and 50 podcasts. In addition, Bruegel's media outreach has proceeded apace.

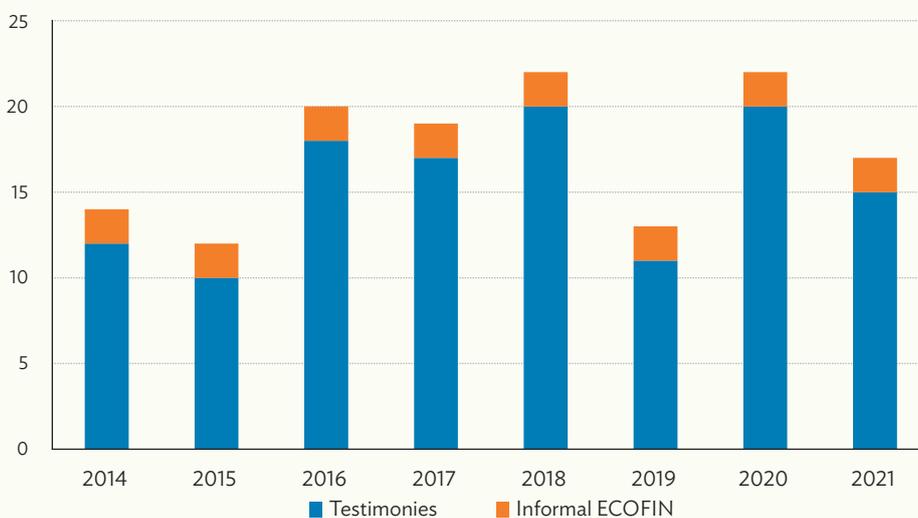
In 2020, there were 9,814 mentions of the think tank in news outlets, an increase of around 70%. Such mentions were not only confined to Europe but across the globe – from the United States to the PRC (Bruegel 2021). In 2021, mentions were still quite high at a respectable 9,281 instances. Such mentions were also similarly spread, ranging from Brazil to the PRC, from India to Europe and the United States (Bruegel 2022). In addition, Bruegel had the opportunity to testify before the European Parliament and Economic and Financial Affairs Council (ECOFIN), with over 20 such opportunities in 2020, and over 15 in 2021 (Figure 12.4).

Figure 12.3: Number of Bruegel Publications by Type



Source: Bruegel Annual Reports.

Figure 12.4: Government Outreach by Bruegel (number)



Source: Bruegel Annual Reports.

Publications radically shifted toward focusing on the pandemic and the various aspects associated with it. Among the many issues covered in such publications, two are particularly relevant for COVID-19-related policymaking in Europe. The first was the actual measurement of the macroeconomic shock stemming from the pandemic, especially as far as the European Union is concerned. The second key topic was the policy response that was needed to manage such a huge phenomenon.

One important paper published by Bruegel scholars (Demertzis et al. 2020) argued for enhanced fiscal stimulus through the provision of generalized safety nets to the population and the economy at large. These measures included ensuring that public health systems continue to function, bold central bank action for the stabilization of the financial system, and ensuring proper coordination between EU member states. Other papers argued for the appropriateness of the European Central Bank's quantitative easing regiment (Claeys 2020), and for the dispersion of funds from the *Next Generation EU* to ensure fair allocation of resources (Darvas 2020). Finally, beyond the thorough analyses of the pandemic and the policy responses, new datasets were developed by Bruegel scholars on several key pandemic-related issues. One of them aimed at measuring each EU member state's fiscal response as well. Bruegel also expanded its research to analyzing the macroeconomic stability of other countries beyond Europe during the pandemic and its aftermath. For example, the impact of COVID-19 on emerging markets' economies and debt sustainability, and the need for external support were of particular concern to Bruegel scholars (García-Herrero and Ribakova 2020).

Beyond macroeconomics, Bruegel also focused on other aspects of the pandemic. Above all, the rollout of vaccines for the population was a priority. In the early months of the pandemic, before any such vaccines were available, Bruegel published articles focusing on how to expand research and accelerate vaccine development within the European Union. The article (Veugelers and Zachmann 2020) called for an increase in awards and grants in order to develop more projects for vaccines until a critical mass was reached to ensure that at least one had a high probability of success. After the extraordinary development of effective and safe vaccines, articles focused on how to apply lessons to future pandemics and on how to ensure that breakthroughs in medicine and healthcare could be accelerated (Veugelers 2021). Other papers focused on how to boost uptake of vaccines in the European Union (Marcus and Poitiers 2021), while others focused on changes in global trade patterns of vaccines (Veugelers, Poitiers, and Guetta-Jeanrenaud 2021).

In addition, Bruegel focused on a miscellanea of other factors associated with the pandemic. One of the highlights is related to lockdowns. The think tank found that lockdowns reduced output to some effect, along with other factors (Sapir 2020). As the European Union emerged from lockdowns, Bruegel published an article on how best to do so, arguing that in the context of enormous uncertainty, firms and workers would need incentives to begin work as usual (Blanchard, Philippon, and Pisani-Ferry 2020). In addition, the importance of winding down extraordinary policies was emphasized, along with ensuring that debt from the pandemic is restructured in order to be sustainable. Another interesting article (Petropoulos 2020) focused on using artificial intelligence to track an individual's health and to screen populations to identify those who may have COVID-19.

Bruegel also hosted a wide range of events during the pandemic. Due to restrictions, these events were all held online. In 2020, 86 events were held that reached around 225,000 people. Despite the limitations due to the pandemic, a variety of speakers came to Bruegel, such as Esther Duflo, Olaf Scholz, Janet Yellen, and Charles Michel (Bruegel 2021). Subjects discussed by all the guests included better economics and social protection, African economic recovery, and assessing the strength of European and international financial institutions (Bruegel 2020). In 2021, events continued apace with 93 events in total, reaching about 158,000 people, with speakers like Indrawati Mulyani, Lawrence Summers, and Jean-Bernard Lévy. Topics included the reform of the World Trade Organization, the role of infrastructure, and the state of decarbonization.

All in all, despite the challenges brought by the pandemic, Bruegel has been able to thrive and adapt. This resilience is crucial going forward, as the world encounters new challenges, especially in energy issues and geopolitics. The war in Ukraine is another major test for the European economy, and Bruegel is covering this in detail with the aim of making relevant policy recommendations as was with

the case of the pandemic. The fact that Bruegel can present its policy ideas among key stakeholders is clearly crucial in being able to influence economic policies and improve them. The best example – at the EU level – is the participation of Bruegel’s director and other selected Bruegel fellows in Eurogroup meetings attended by EU economic leaders. All in all, Bruegel has clearly been instrumental in improving EU-level and national-level policies during the COVID-19 times and has also changed working habits, for the better, given the severe constraints to mobility brought about by the pandemic.

12.4 Conclusions

The COVID-19 pandemic has not only resulted in the largest health crisis for the world in the last few decades, but it has also brought about an array of social and economic changes that will need to be analyzed for decades.

A few actors have been key for this change, including policymakers and citizens, but think tanks rank highly in such a list of actors. Think tanks have adapted to the pandemic, as any other institution, to organize its labor and activities accordingly. Bruegel is a pioneer in bringing content to the world, first fully online and then in a hybrid format. In addition, Bruegel rapidly changed its objectives to accommodate the changes the pandemic and the global economy brought. Finally, during times of such high uncertainty, Bruegel scholars have produced innovative ideas and policy advice for European and global policymakers on the measurement of the pandemic and policy actions that needed to be taken to mitigate the large negative shock on our global economy.

Finally, in the case of the EU, Bruegel has contributed to a more coordinated, EU-level response both on the health and economic fronts, with special attention to the analysis of the EU’s latest fiscal plan, the *Next Generation EU* fund. All in all, Bruegel can be proud to have been instrumental in the design of better economic policies, amid a global pandemic, for the EU and the world.

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PART V

Building a Safer and More Sustainable Future

Bust II, a sculpture by Vishwanath Mallabadi, Bangaluru, India
The sculpture “invites the viewer to forge the connection between, art, technology and sustainability” and is made from display driver cards inside laptop monitors. Exhibition at the Council on Energy, Environment and Water (CEEW) in New Delhi, January 2023.
Photo credit: Nicolas J. A. Buchoud with courtesy of the CEEW.

Overcoming the Climate Crisis and Achieving the SDGs: After COVID-19 and the Russian Invasion of Ukraine

Kazuo Matsushita

13.1 Introduction

The 20th century was not only a period of growth and expansion, but also a time of war and destruction. Upon reflection and looking ahead to the future of global society, it was hoped that the 21st century would be a century of peace and sustainable development. The Sustainable Development Goals (SDGs), adopted by the United Nations General Assembly in September 2015 (UN 2015), following the Earth Summit in 1992 (UN 1992) and the Earth Charter in 2000, are a concrete expression of humanity's ambitions for 2030. However, the world to date is increasingly deviating from the path to peace and sustainable development.

Living in the Anthropocene,¹ we need to recognize that in order to realize the dream of a world with a sustainable environment, society, and economy on a finite planet (Earth), unlimited economic growth is insupportable; the existing system is flawed, and the dream cannot be realized if we follow the same path as before. Today, we live in an era where a systemic shift of society to a sustainable development path is inevitable from an environmental perspective. At the same time, this shift is economically and ethically justified, and socially rational.

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13.2 Globalization Accelerates the Limits of the Earth

Globalization has accelerated the destruction of the global environment by removing the constraints of national borders. The rapid economic globalization that began in the late 1980s refers to the increasing integration of economic activities on a global scale through the accelerated movement of trade, capital investment, and information. The growth of populations in various parts of the world and the expansion of economic activities backed by globalization have led to the aggravation of diverse and complex environmental problems.

This means that at the local, national, transnational regional, and global levels, economic activities have exceeded the capacity of the underlying ecosystem to maintain itself, causing damage to nature as well as people's lives and health, to varying extents. Furthermore, there is an increasing number of cases in which the economic activities of one country or company have an impact on others or the global environment, beyond its borders.

Looking at various indicators of the global environment, we can see that the limits of the Earth on which economic activities are based are becoming increasingly apparent. For example, it was agreed on in the Paris Agreement and substantially endorsed at the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC) in November 2021 to limit greenhouse gas concentrations to levels that are likely to keep the global temperature increase to less than 1.5°C compared to pre-industrial levels (UNFCCC 2021). It has been shown that global greenhouse

¹ A term coined by the Nobel Prize-winning German atmospheric chemist Paul Crutzen to describe the recent geological era in which humans have come to have a significant impact on the Earth's ecosystem and climate.

gas emissions must be reduced by 45% from 2010 levels by 2030 and to almost zero by 2050. Reducing greenhouse gas emissions is not going to be easy, even if we make significant improvements in energy efficiency, dramatically increase renewable energy, and stop deforestation, if exponential economic growth continues.

13.3 Tackling the Triple Global Crisis

We are facing multiple crises that are causing severe impacts on the planet, lives, and livelihoods as well as the next generation's needs around the world. Specifically, we are facing triple global crises: climate change, biodiversity loss, and pollution. It should be recognized that these challenges are inextricably interlinked and mutually reinforcing; they are driven largely by human activity and by unsustainable patterns of consumption and production.

Therefore, we urgently need to transition to the use of clean energy and protect the environment by committing to immediate, short-, and medium-term action in this critical decade and leveraging the synergies between climate and biodiversity action. We must take advantage of the opportunities offered by the transition to a more resource-efficient and circular economy. Furthermore, we need to recognize the necessity of achieving the 2030 Agenda for Sustainable Development as an action plan for people, planet and prosperity, in its entirety

13.4 The Russian Federation's Invasion of Ukraine Shows the Need and Urgency to Break Away from Dependence on Fossil Fuels

War yields the worst destruction of the environment and of human rights. The Gulf War (1991), the War in Afghanistan (2001), and the Iraq War (2003) were fought over oil in the Middle East. And Russia's invasion of Ukraine is a powerful reminder of the importance and urgency of ending dependence on fossil fuels, as the weaponization of Russian oil and gas resources against Ukraine's supporters brought to light the violent conflict over fossil fuel resources.² On 4 April 2022, while the conflict in Ukraine continued, the Intergovernmental Panel on Climate Change (IPCC) released its latest report, sounding the alarm on humanity's limited opportunities to avert catastrophic and irreversible climate disruption (IPCC 2022).

Policymakers must consider how to make consumers resilient and crisis-proof when it comes to energy. A straightforward strategy for transitioning to a decarbonized society and strengthening energy security is to reduce fossil fuel consumption as much and as soon as possible. The most promising means to achieve this is to promote energy efficiency and conservation on the demand side and to expand renewable energy on the supply side.

13.5 Promoting Energy Efficiency and Conservation

Promoting energy efficiency and conservation is key to transitioning to a decarbonized society. Globally, there is an overwhelming lack of capital investment in energy efficiency in the residential, business, and transport sectors. But we need to consider how the best and most up-to-date technologies can be

² For more information on the environmental impact of Russia's invasion of Ukraine, see Kazuo Matsushita, "Grave Concern for Environmental and Climate Damage Caused by Russian Invasion of Ukraine", Toda Peace Institute, 22 April 2022.

deployed while reducing the financial burden on consumers. Curbing energy demand is the surest way to protect consumers from fuel price spikes in the short term.

The impact of the Russian Federation's invasion of Ukraine differs in the short and long term. Fuel supplies must be managed to limit further damage to the energy-poor and the economy in the immediate future. The long-term response should draw on the lessons of economic measures taken in response to the coronavirus disease (COVID-19). Countries have overinvested, mainly in the direction of increased dependence on fossil fuels. They cannot continue to rely on unstable fuel supplies. Instead, they should take the opportunity to build efficient, well-insulated, and well-ventilated infrastructure and strengthen their power systems with distributed renewable energy. Furthermore, it is important to strengthen power systems by investing in power grids to counter energy price volatility, including storage batteries and power grids.

13.6 Expanding Renewables

To promote decarbonization and enhance energy security, renewable energy must be expanded. Once an initial investment is made, renewable energy has zero fuel costs (i.e., zero marginal cost), will never run out, and is unlikely to cause price hikes or supply instability. Since renewable energy is based on small-scale, decentralized use in a variety of regions, it is highly responsive in times of disaster and contributes to regional economic cycles. Also, unlike fossil fuels, renewable energy sources such as sunlight, wind, and water are ubiquitous throughout the world – after all, “there are no wars over the sun”.

Although this seems obvious, relying on renewable energy has been difficult in the past from an economic efficiency standpoint. This is because, except for hydroelectric power, the cost of generating renewable energy has been too high. But since the 1990s, European countries have been promoting renewable energy as a policy matter and since the 2010s, the cost of wind turbines and solar panels has been rapidly decreasing, leading to the mass introduction of renewable energy worldwide. This trend will only increase in the future. According to the International Energy Agency's future projection of the global power mix, renewable energy will account for 87.6% of the mix in 2050, up from 26.6% in 2019 (IEA 2021). Nuclear, by contrast, will decline from 10.4% in 2019 to 7.7% in 2050. Hydrogen-fired power and thermal power with carbon capture and storage, candidates for future decarbonized power sources, will make up 2.4% and 1.9%, respectively.

This recent “decarbonization” by renewable energy has become a realistic means of combating climate change. In December 2019, the European Union (EU) announced its aim to reach carbon neutrality by 2050 in its Green New Deal (European Commission 2019), and in the fall of 2020, the then United States presidential candidate, Joe Biden, and the People's Republic of China's President Xi Jinping each declared carbon neutrality in their agendas, making decarbonization an international priority. To achieve this, zero-emissions renewable energy is a high priority in each country's energy policy, with power mix targets of 80% in Germany, 74% in Spain, 65% in the European Union, and 60% in the state of California by 2030. In contrast, the target in Japan is 36%–38%, 20% in the Republic of Korea, 50% in Australia, and 40% in India. Decarbonization, mainly through renewable energy, is a way to holistically address the issue – it contributes to both energy security and climate change action.

Soaring fossil fuel prices and supply instability are risks that inevitably arise from the use of fossil fuels, and the only way to escape these risks is through decarbonization centered on renewable energy.

13.7 Promoting the Green New Deal Globally

The Green New Deal is a policy that aims to create new jobs, promote environmentally sustainable development, and revitalize the economy through intensive and large-scale investments in fields such as climate change countermeasures and biodiversity conservation. The Green New Deal is derived from the New Deal policies proposed by the then United States President Franklin D. Roosevelt during the Great Depression in 1929. The Green New Deal is a policy that uses the New Deal's policy approach of active government provision of public investment and social security in the environmental field. It is also known as a "green stimulus" because it is a policy to solve the economic and environmental crises at the same time.

The "Green Recovery" (Green Recovery Policy) has been proposed as a means of economic recovery from the COVID-19 recession, which has spread globally since the end of 2019. The report on "Sustainable Recovery" published by the International Energy Agency (IEA) in June 2020 (IEA 2020) proposes detailed measures to achieve sustainable economic recovery in response to the COVID-19 pandemic for each of the following sectors: power, transport, building, industry, and fuels. For example, if we invest \$3 trillion over the next 3 years in promoting renewable energies such as solar power and electricity, introducing energy conservation measures, and subsidizing the purchase of electric vehicles, we can increase global gross domestic product (GDP) by 1.1% per year on average.

The EU published its European Green Deal in December 2019. This is a growth strategy that will reduce greenhouse gas emissions – 55% reduction by 2030 and virtually zero emissions by 2050 – promote job creation and innovation while conducting economic activities in harmony with nature and improving people's well-being. It is hoped that such a Green New Deal could be developed on a global scale too.

13.8 Potential for a "Local Green Deal"

Under these circumstances, the emphasis in the future should be on the transition to a decarbonized society centered on the expansion of renewable energy in local areas, or the promotion of a "Local Green Deal".

In June 2021, the Government of Japan decided on a "Local Decarbonization Roadmap" (Nippon 2021). This roadmap outlines a path and concrete measures for regional decarbonization that will serve as a regional growth strategy. It focuses on national initiatives and measures that contribute to local developments to solve regional problems and improve the attractiveness and quality of local communities. The goal is to create at least 100 regions that lead efforts in decarbonization by 2030, and to implement priority measures such as on-site solar power generation and energy-efficient housing throughout the country, thereby spreading the regional decarbonization model nationally

For these to materialize, the national government and local communities have to work together to implement a diverse range of policies and tailor them to local conditions. It is hoped that more ambitious greenhouse gas reduction targets will be set, supported by specific policies to promote energy conservation and renewable energy. That progress will be made by building a decarbonized, nature-harmonious, recycling-oriented, self-reliant, and humane society from the local level. To promote local decarbonization (i.e. the Local Green Deal), cooperation among local governments in various countries, including sharing of best practices and technological cooperation, is desirable.

13.9 The Climate Crisis and Transition to a Decarbonized Society

The climate crisis is a crisis of human rights in that it threatens the basis of people's survival, and it is a "crisis of children's rights" that deprives future generations of the possibility of development. Therefore, achieving carbon neutrality by 2050 is a way of fulfilling our responsibility to future generations.

In order to achieve the 1.5°C target of the Paris Agreement, we need to reduce greenhouse gas emissions by 45% globally by 2030 and achieve net-zero – a decarbonized society – by 2050. The transition to a decarbonized society has already begun. But we have little time left.

In order to attain a net-zero society by 2050, we need a back casting approach. That is, to develop an overall strategy based on sound scientific evidence, and plan for a decarbonized society in 2050. Until 2030, we need to maximize the use of the best available technologies and implement institutional and financial reforms, among others. After that, we must accelerate the transition to a new society based on innovation until 2050.

In the post-COP26 world, zero-emission has become the standard as a new national development strategy, and decarbonization has become a precondition for economic survival. The "era of great decarbonization competition" has truly begun.

The world's efforts to transition to a decarbonized society are moving very quickly. It is imperative for us to bring about a society that is decarbonized, nature symbiotic, circular, and regionally self-reliant, where people can live humanely and with dignity.

13.10 Toward a Sustainable and Equitable Future

The objective of economic activity is not to achieve material growth and quantitative expansion of production and consumption but to bring prosperity and enable a better life for present and future generations. This can be achieved within the natural workings of this finite planet Earth. However, short-sighted economic policies aimed at short-term corporate profits and demand growth undermine long-term environmental sustainability as well as the long-term healthy development of the economy.

For example, the manifestation of climate change impacts and the loss of biodiversity are major obstacles to sustainable development. Economic development is not incompatible with climate change and biodiversity protection measures. From an ethical standpoint that considers future generations, the cost of mitigating climate change is less than the cost of inaction, and the cost increases significantly the longer we delay action.

The final report of the United Nations Conference on Sustainable Development (Rio+20) Conference includes that "countries recognize the green economy as a powerful tool for achieving sustainable development" (Rio+20 2012). The green economy is "an economy that improves people's well-being and social justice while significantly reducing risks to the environment and ecosystems". The efficient use of resources (e.g. energy, water), which is a key element in achieving a green economy, leads to cost savings for businesses and households. In addition, the valuation of ecosystem services and the creation of markets will create new economic opportunities. The green economy will be a source of new jobs

and technological innovation in the future. Governments, the business sector, and civil society, as a whole, must each play a key role in the transition to a low-carbon economy, adapt to climate change, and practice more sustainable use of ecosystems.

Today, we need to rethink the original concept of sustainable development, which is to maintain and develop people's welfare in a sustainable manner within the constraints of global social and environmental sustainability and to design and implement realistic policies for the transition to a sustainable society. Given that it will take centuries to recover from the adverse effects of climate change and the loss of biodiversity, which in many cases will never be reversed, we must immediately do everything in our power to work towards a sustainable future.

Finally, the importance of strengthening respect for human rights and leaving no one behind in the context of our efforts to transition to a net-zero, nature-positive, resilient, and sustainable future should be emphasized. This includes the needs of affected workers, businesses, and communities. Our economies can contribute to sustainable and inclusive growth and recognize the importance of a just transition. Accordingly, we should seek to strengthen social protection systems and promote employability, continuing education, reskilling, and training as well as acknowledge changes in occupational safety and health.

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Balancing the Urgent and the Important: Whither Multilateralism and Collaboration in the G20?

Arunabha Ghosh, Nandini Harihar, and Prayank Jain

14.1 Introduction

The persistent coronavirus disease (COVID-19) pandemic and environmental stresses, including extreme weather events, have led to drastic reductions in allocations of financial resources by countries and investors. In 2020, the Association of Southeast Asian Nations (ASEAN) countries diverted nearly \$315 billion in government budget to COVID-19 relief efforts (ADB and ACGF 2020). Similarly, investors moved out over \$90 billion—the largest outflow ever recorded—from emerging markets within the first 3 months of the pandemic (UNESCAP 2020). Such events have reduced the pace of development activities and reversed hard-won gains in countries.

According to the Sustainable Development Report 2022, “[p]eace, diplomacy, and international cooperation are fundamental conditions” to progress on the Agenda 2030 and beyond (Sachs et al. 2022). However, achieving the Sustainable Development Goals (SDGs) requires investment for building physical infrastructure, while warranting bedrock principles such as social inclusion and development, universal access to public services, and global development (SDSN 2022). COVID-19 has exacerbated inequalities between countries, pushing some countries back by 10 years on SDG progress. For the second year in a row, the world has not progressed on SDGs (Alaoui 2021).

To be effective, the Group of Twenty (G20) must overcome a conundrum. Despite tremendous resources and political capital for collective action, its members are at vastly different stages of development, which can result in different priorities. Currently, no country is on track to achieve its SDG targets; the average score of the G20 across all goals was 76.91 in 2021 (Table 14.1). There is also significant mismanagement of financial resources for SDGs (Goyal and Kukreja 2020). Implementing the 2030 Agenda for Sustainable Development (G20 Action Plan) requires mainstreaming SDGs into the wider work of the G20, establishing global partnerships and collaborations to build domestic capacity, and sharing knowledge and technology to level the playing field across countries (Dongxiao et al. 2020). Given its origins, the G20’s relevance becomes more evident when global crises manifest. But to be resilient against future crises, the G20 countries must assess risks better, anticipate shocks, and set an agenda that can balance the urgent (situational crises) as well as the important (vision and governance for the future). This is how the current imbalances within the G20 membership can be bridged.

Keeping this ambition in mind for the G20, we ask three questions: Has multilateralism via the G20 sufficiently supported the implementation of the SDGs? Can climate action be embedded within the G20’s development agenda? And what is the role of think tanks in the G20 to anticipate risks and offer governance solutions?

14.2 Has Multilateralism via the G20 Sufficiently Supported the Implementation of the SDGs?

At a time when multilateralism is buffeted by crises and challenged on multiple fronts, institutions must return to the core principles of cooperation – ‘joint monitoring and data sharing, building trust, investing in institutional and human capacity, enforceable legal instruments, raising more financing,

Table 14.1: Highest and Lowest Performing Countries and Goals in the G20 in 2021

Highest Performing SDGs	Lowest Performing SDGs	Highest Scoring Countries	Lowest Scoring Countries
SDG 1 (No Poverty): 95.84	SDG 13 (Climate Action): 66.90	Finland: 86.5	Saudi Arabia: 66.4
SDG 4 (Quality Education): 93.91	SDG 14 (Life Below Water): 63.39	Denmark: 85.5	South Africa: 63.7
SDG 3 (Good Health and Well-being): 87.16	SDG 17 (Partnerships): 63.38	Sweden: 85.1	India: 60

Source: Sustainable Development Report 2022; CEEW analysis.

and equitably sharing the gains’ – to reclaim lost ground (Ghosh and Raha 2022). Given its economic and political heft, the G20 could contribute to SDG implementation and bolster the case for reformed and effective multilateralism. We assess how the G20 summits from 2016 to 2021 have addressed SDG implementation through multilateralism in six areas (Table 14.2).¹

14.2.1 Where Has Multilateralism Been Effective in Addressing the SDGs?

Multilateralism has been effective in tackling immediate liquidity needs, debt vulnerability and capital mobilization in developing countries. The G20 has taken steps to strengthen international cooperation to enhance domestic revenue administration, improve “fairness, transparency, efficiency and effectiveness” of tax systems to build capacity and participation in global markets, enhanced debt transparency and sustainable financing practices by debtors and creditors, and endorsed the *Hamburg Principles and Ambitions* – a common framework for multilateral development banks (MDBs) – to mobilize private capital for sustainable development, among others.

Between 2016 and 2021, the G20 has established multiple platforms and knowledge hubs to share best practices on existing and new research initiatives and product development, digitalization of policies and strategies, and increased financing efforts to fill capacity gaps to support the localization of the SDGs. Note, however, that knowledge platforms alone may not be sufficient for more equitable access to new technologies nor build a research and innovation ecosystem that drives more collaborative efforts across countries.

14.2.2 Where Has It Lacked?

Although Table 14.2 indicates several efforts to strengthen cooperation, results are mixed. In 2020, the Riyadh Summit endorsed the *G20 Action Plan on Supporting the Global Economy through the COVID-19 Pandemic* as a guide to support G20 recovery and achieve “strong, sustainable, balanced and inclusive growth”. However, the G20 has struggled to leverage their collective economic recovery stimulus of \$14 trillion for combined effort towards the economy and climate (Nahm, Miller, and Urpelainen 2022). Only 6% of fiscal stimulus spending has been allocated to policy measures for electric vehicles, energy efficient buildings and renewable energy, while 3% target bailouts and subsidies for the fossil fuel industry (ibid).

Four out of the six G20 presidencies analyzed laid focus on some aspects of resource efficiency and sustainable production and consumption. The Rome Summit was the first to identify finance

¹ At the time of writing this chapter, the outcomes from the G20 Bali Summit 2022 in Indonesia had not been finalized or released. Given this, the authors analyzed outcomes from the previous six G20 Summits (2016–2021) to draw their conclusions.

and technology and sustainable consumption and production as “critical enablers” in the context of sustainable development and to achieve the climate goals (G20 Rome Summit 2021). Given the scope and role of technologies of the future, the G20 needs to focus on managing demand and ensuring resilient supply chains for critical energy sources, such as green hydrogen and critical minerals.

14.2.3 Where Does the G20 Need to Do More?

The 2015 Antalya Summit adopted the *G20 Toolkit of Voluntary Option on Risk Mitigation*, and the Hamburg Summit proposed that G20 countries overcome institutional and market barriers to green finance and private green investment. However, since then no de-risking mechanism has been proposed by the G20, which could help reduce the cost of finance for sustainable energy, mobility, or agriculture.

The G20 has also failed to address inequality between countries. The Buenos Aires Summit was the only one (so far) to explicitly focus on a people-centric agenda to reduce poverty and inequality and promote shared prosperity, while bridging the technological divide through policy initiatives on skills building and the creation of productive and quality jobs.

Improving human security and reducing environmental degradation is another area which needs more attention. Vulnerability assessments so far are mainly restricted to the financial sector. The Riyadh Summit launched the *G20 Global Initiative on Reducing Land Degradation and Enhancing Conservation of Terrestrial Habitats*, with the “ambition to achieve a 50% reduction of degraded land by 2040.” This initiative could “reduce land degradation, support biodiversity conservation, build resilience to mitigate climate change impacts, and provide income and jobs to local populations” (UNCCD 2021). However, it failed to generate a risk-resilience framework mechanism to understand vulnerabilities and their impacts on lives and livelihoods, and how to address them.

Table 14.2: Assessing Multilateralism for Achieving the SDGs in G20s Summits (2016–2021)

Objectives	Hangzhou Summit 2016	Hamburg Summit 2017	Buenos Aires Summit 2018	Osaka Summit 2019	Riyadh Summit 2020	Rome Summit 2021
Rebuilding trust for multilateral cooperation, engagements, and partnerships	✓	✓				
Improving the international financial architecture			✓		✓	
Reducing inequality within and amongst countries, and in trade, market and financing mechanisms, and technology co-development and adoption for developmental activities						
Improving human security and reducing environmental degradation				✓	✓	
Sustainable production and consumption, and resource efficiency and mobilization		✓			✓	✓
Creation of shared knowledge platform, hubs and labs		✓				✓

Note: At the time of writing this chapter, the outcomes from the G20 Bali Summit 2022 in Indonesia had not been finalized or released. Given this, the authors analyzed outcomes from the previous six G20 Summits (2016–2021) to draw their conclusions.

Source: CEEW analysis.

14.3 What Is the Scope of Climate Action with a Development Agenda at the G20?

A “perfect storm” of shocks, involving rising food and fuel prices and tightening financial conditions is affecting about 1.2 billion people, or one in six persons globally (United Nations 2022). Each set of shocks sets back years of hard-won human development. The immediacy of the current set of crises is aggravated by climate risks, thus degrading expensive infrastructure that developing countries can ill-afford to lose. The responsibility rests with the historical polluters, given that almost 60% of cumulative global emissions have come from North America and Europe, with only a quarter of the global population (Malyan and Chaturvedi 2021). Yet, major industrialized countries, excluding the former Soviet Republics, reduced emissions by only 3.7% by 2019 compared to 1990 levels (Prasad, Pandey, and Bhasin 2021).

Equity and climate justice cannot be ignored. SDG 13 (Climate Action) is one of the lowest performing goals in the G20 (Table 14.1) (in fact, developing countries like Brazil, India, and Indonesia hold scores of more than 90). The failing efforts to mitigate emissions are compounded by deficient multilateral responses to the losses and damages caused by the climate crisis or in building resilience of vulnerable communities to chronic risks. At a country level as well as globally, climate action and development imperatives must converge to achieve the seemingly impossible trinity of jobs, growth and sustainability. Here, we assess the linkages between climate action and development across seven areas in six G20 presidencies (2016–2020) (Table 14.3).

14.3.1 Where Has Climate Action and Development been Effectively Addressed by the G20?

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Improving energy access, efficiency, and collaboration and to some extent the energy transition, has been addressed within the G20. The G20 has taken successive measures to promote universal access to energy in developing countries; strengthen international energy cooperation; advance the global architecture for changing energy systems, including the endorsement of *2021 Naples Principles on Energy Cooperation*; acknowledge the need to advance on technologies at a commercial scale, including zero and low emissions hydrogen and ammonia; and mobilize finance to support green, inclusive, and sustainable energy. Using these existing initiatives, the G20 must now focus on a shift toward investments in renewable energy technologies to help developing countries transition their power systems.

14.3.2 Where Has It Lacked?

Climate action is not limited to installing renewable energy capacity. It is the productive sectors of the economy into which the G20 has struggled to integrate climate action. For instance, the agriculture sector has been extensively addressed within the G20. However, despite these efforts, there is a paucity of mainstreaming of research and innovation of climate-resilient agricultural production, provision of nutritious food, and food availability, i.e., the supply side (including food production, stock, and net trade) of food security. To achieve sustainable global food security, the G20 needs to focus on designing global cooperation on agriculture factors in the interventions directed at climate-resilient food systems.

In the industrial sector, small and medium-sized enterprises (SMEs) have been a key focus within the G20. However, these efforts have not paid much attention to the energy transition in

industries, including SMEs, to cleaner energy fuels. The G20 must aim for decarbonization, without deindustrialization. This requires international cooperation for knowledge sharing, technology co-development based on principles of ease of licensing and co-owning of intellectual property rights, pooling of resources through innovative financial and non-financial incentives, managing risk and liability, and developing multi-stakeholder networks for governance and transparency to accelerate the pace and scale of sustainable industrial growth and development (Ghosh, Harihar, and Jain 2022).

14.3.3 Where Does the G20 Need to Do More?

The Rome Summit was the first to place protection of the planet at the core of the G20 Finance Track priorities and developed the G20 Integrated National Financing Framework (INFFs) for SDG financing and COVID-19 recovery in developing countries. However, there is still a critical misalignment and ambiguity on what is the difference between sustainable, developmental, climate and transition finance. The past G20 summits have included a cocktail of these terms, except for the latter, under capital mobilization with a slew of objectives, from poverty reduction, inequality (income and gender) reduction, fostering inclusive growth, promoting education, technology innovation, or increasing energy access, resilience, sustainability, etc.

Secondly, several G20 economies are coal dependent, with local economies built around coal mines and thermal power plants. There is a need for the G20 to include transition finance through bonds for orderly decommissioning of fossil fuel assets. And thirdly, capital mobilization will continue to be expensive unless a de-risking mechanism is established that pools risk across projects and countries, addresses the delta between perceived and real risks in developing countries, and brings down the cost of finance for climate-friendly infrastructure projects (Chawla and Ghosh 2019; Ghosh and Harihar 2021).

Infrastructure development, in line with resilience, maintenance, and capacity building for quality connectivity, and capital mobilization has been a strong focus within the G20. Global investors and the private sector play a critical role in filling the sustainable infrastructure financing gap, particularly in developing countries, which have limited fiscal capacity. But there is limited discussion on financing for climate-proofing of critical infrastructure. Given this, the G20 should consider collaborating with established international coalitions, such as the Coalition for Disaster Resilient Infrastructure (CDRI). Incidentally, 12 out of 31 CDRI members are part of the G20. This could also help to create a shared knowledge hub of disaster-resilient infrastructure not just within the G20, but one that could be shared with other CDRI members.

Between 1820-2018, the average global GDP grew by nearly 15 times, resulting in differing emissions trajectories and inequalities in income and quality of life across and within countries (Agrawal and Kalra 2022). Now, lifestyles are emerging as a focal point to address this inequality and the growing ecological crisis (Agrawal and Kalra 2022). In October 2022, the Prime Minister of India called for a global movement on Lifestyles for Environment (LiFE). During its G20 Presidency in 2023, India can build on the Rome Summit to explore a global median quality for sustainable lifestyles. Given their collective ecological footprint, G20 countries should develop a global, equitable, rules-based framework to halt and reverse the adverse impacts of the current rates of consumption and resource exploitation at all levels of society. Of course, this must be in line with the principles of common but differentiated responsibility. This would give the developed and emerging economies within the G20 a measure of sustainable consumption and production toward which they can all converge.

Table 14.3: Assessing the Linkages between Climate and Development in G20 Summits (2016–2021)

Objectives	Hangzhou Summit 2016	Hamburg Summit 2017	Buenos Aires Summit 2018	Osaka Summit 2019	Riyadh Summit 2020	Rome Summit 2021
Innovations for industrialization and sustainable growth				✓	✓	
Mobilizing climate and green finance for climate action and development		✓	✓		✓	
Sustainable and resilient infrastructure	✓		✓		✓	✓
Reduce environmental degradation		✓		✓	✓	✓
Improve energy access, collaboration, efficiency, and transition	✓	✓	✓	✓	✓	✓
Agriculture, sustainable agriculture, and food security	✓	✓	✓	✓	✓	
Shift towards sustainable lifestyles			✓			✓

Note: At the time of writing this chapter, the outcomes from the G20 Bali Summit 2022 in Indonesia had not been finalized or released. Given this, the authors analyzed outcomes from the previous six G20 Summits (2016–2021) to draw their conclusions.

Source: CEEW Analysis.

14.4 Can Think Tanks in the G20 Become Better at Anticipating Risks and Offering Governance Options?

The role of think tanks – and platforms such as the Think20 (T20) – lie at the intersection of the urgent and the important. By their very nature, think tanks should aim to either analyze macro trends to foresee strategic risks or have granular data to advise on the local impacts of global developments. Only a few manage to do both. Overall, think tanks can map technological developments, report on shifts in trade and investment patterns and identify opportunities for commercial joint ventures. They can also recommend governance innovations under different geopolitical scenarios and can anticipate risks, to support more effective responses at the national and international levels (Wang 2021).

14.4.1 Think20: What It Is and What It Is Not

The T20 is the official engagement group of the G20, which serves as the “ideas bank” of the G20. The T20 brings together leading think tanks and academic research centers worldwide to formulate research-based policy options and recommendations for the G20 leaders (GSIF 2022).

Initiated in 2012, the T20 engagement group is headed every year by a new chair or a set of co-chair institutions from the country holding the G20 presidency. The T20 is independent from national governments and has a distinctive character to other engagement groups. The T20 does not advocate or campaign around specific ideas, nor does it seek to negotiate an agreed set of recommendations on the issues to be presented. Rather, it serves to generate insightful policy proposals, via a process of interaction of global think tanks and high-level experts, the outputs of which are presented to G20 working groups, ministerial committees and the leaders’ summit (Turkey T20 2015).

Since their inception, T20 policy proposals have been far ahead of their time. Bringing contemporary relevance to the G20's traditionally finance, trade, and economic policy-oriented agenda, the T20's focus has included growth and livelihoods, international economic reform, technology distribution, health, education, migration, clean energy, global governance, digitization, and accelerating opportunities in emerging markets.

The T20 creates new task forces each year to structure their proposals around critical issues. The outputs were initially released as summary meeting reports and policy papers; more recently they have been published as communiqués as well as joint statements with other engagement groups in the G20 umbrella: business (B20), civil society (C20), workers and their unions (L20), women (W20), and youth (Y20).

Despite this important role, we reason that the T20 has not had the desired impact, and there is a need to improve coordination for meaningful influence over G20 policy decisions.

14.4.2 Observations on Effectiveness

While the policy ideas and recommendations developed by the T20 have been forward-looking and coherently responsive to the crises of the times, has the T20 served as the ideas bank for the G20? Have these policy proposals led to G20 initiatives to address a series of global crises in finance, health, climate, or the lack of progress on sustainable development? Are T20 member intuitions organized in a manner to meaningfully leverage the G20 platform and influence its agenda to affect action on the ground or to roll out solutions at the international level?

The forum's core strength lies in its power to convene the brightest minds on global economic governance. However, it has been criticized for failing its mandate. For example, two different global crises – the trans-Atlantic financial crisis of 2008, and the COVID-19 pandemic of 2020 – highlighted that governments needed new ways to govern the global economy and prepare against shocks. Yet, no major initiative for global governance or crises response can be exclusively traced back to the T20. The discussions often remain limited to the “what” and “why” of policy proposals instead of the “how” – the roadmaps that government officials usually seek to steer out of crises (Mathur 2016).

As a result, the G20 has continued to mostly depend on international organizations such as the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), the World Bank, the Food and Agriculture Organization (FAO), the International Energy Agency (IEA), the International Energy Forum (IEF), the Financial Stability Board (FSB), and the Bank for International Settlements (BIS) to provide the technical research secretariat to the G20. This is not only a lost opportunity for the T20, but also a risk as these organizations happen to represent the traditional architecture of the international system, which itself needs reform (Mathur 2016).

We can identify some recurring themes in the T20 process. First, there is a *lack of continuity in agenda*. Like the G20 presidency, the co-chairs for the T20 process change every year. This means that the focus areas and priorities of global economic reform and finance can also fluctuate, to include or exclude interrelated issues. For example, the T20s in Mexico (2012) and the Russian Federation (2013) included a broad focus on green growth and sustainable development in the T20 policy deliberations. However, the following T20 summit in Australia (2014) exclusively focused on trade and investment issues, without incorporating green growth priorities. Given the increasing inter-connectedness of

global challenges, this anomaly is now addressed in recent T20 documents, but the risk of limited consistency can hinder long-term impact.

Secondly, a *common oversight body is missing*. This would be key to align energies and outputs to ensure the T20 leaves a mark on the G20 process. Such an intervention could help to increase the utility of T20 resources and help create concrete outputs from each cycle. For example, the Kiel Institute used its T20 co-chair position during the German G20 presidency to launch the Global Solutions Initiative (GSI). The GSI provides a long-term framework for international policy advice. It brings together leading research institutions and think tanks, representatives from different fields to develop research-based solutions to global challenges and present them to policymakers. Operating independently, the GSI also supports the G20 and other international fora. Thematically, it is partly based on the T20 program under the annually rotating G20 presidency (KIWE 2019).

Thirdly, the *timelines and structure* of the T20 process must align with that of the G20. T20 outcomes and communiqués are released just 2 months prior to the G20 summit, too short a period to effectively provide the presidency with ideas and content to incorporate into policy recommendations, let alone revise the agenda. This can be changed by restructuring the T20 timeline to produce outputs earlier. Alternatively, a troika-like structure of the T20 could ensure that T20 co-chairs in any single year draw on the efforts of the previous presidency and feed into the ideation of the next one.

14.5 The Way Forward

In 2016, during the People's Republic of China's G20 presidency, Chen Dongxiao, President of the Shanghai Institutes for International Studies (SIIS), released the T20 Chair's Statement at the closing ceremony. Reflecting on the T20 process, he called for T20 members to “build closer relations and conduct joint research on various topics; enhance capacity building of themselves so as to better influence the G20 decision-making process; promote interactions with other engagement groups under the G20; and strengthen connections with non-G20 think tanks for a more inclusive T20” (G20 Information Centre 2016).

These remarks reflect the unmet opportunities in the collaboration process within T20. The T20 must evolve into a commitment for collaboration for research, with the aim to anticipate risks and develop salient, timely, and actionable solutions.

14.5.1 How Can we Organize Effective Collaboration Globally?

The lack of a coherent approach to coordinating efforts results in a reactive mode to crises. In the immediate effects of a crisis, there can be targeted responses. For instance, while vaccines generally take 5–10 years to develop, the COVID-19 vaccine was developed by several countries in record time, with 11 approved by the WHO (as of August 2022) (Zimmer et al. 2022) (Viper Group 2022; Ghosh, Harihar, and Jain 2022). Yet, public health challenges that plagued our medical systems were present long before the pandemic. Similarly, while the Russian Federation-Ukraine conflict exacerbates a food crisis, food insecurity has remained a persistent problem. In 2021, 193 million people in 53 countries or territories experienced acute food insecurity (GNAFC and FSIN 2022), an increase of nearly 40 million people compared to 2020 (GNAFC and FSIN 2022). So how do we solve for the challenges of today, build resilience against the risks of tomorrow, and create opportunities for the future?

14.5.2 De Minimis Multilateralism for Collective Action Against Common Aversions

In crisis situations, as observed during the pandemic, countries tend to turn inward for self-preservation. The G20 has a responsibility to ensure that international cooperation is inclusive, fair, transparent, and effective. In the post-pandemic era, multilateralism cannot be taken for granted, and needs to be re-oriented toward chronic and tail-end risks, that might have low probabilities today but could be catastrophic were they to manifest (Ghosh 2020). We need to aim for *de minimis multilateralism*, i.e., the minimum on which interests converge, the common aversions or crises we all wish to avoid (Gosh 2020). This insurance mechanism is needed to counteract the effects of major global shocks, especially to offer a safety cushion for vulnerable communities and countries severely constrained in fiscal resources.

Second, a *people-centered multilateral approach to sustainable development* is needed to square priorities and negotiating positions of rich and poor countries, and imagine new policy paradigms that address major issues of “human security; impact of environmental degradation on the poor; different perspectives of the present and the future; and sustainable consumption” (Ponzio and Ghosh 2016).

Third, multilateralism must aim to *remove critical constraints* toward sustained and sustainable human development. The G20 needs to focus efforts on the mounting challenges within the global investment regime. Developing countries provide a huge market for clean energy development. Nearly 88% of the growth in electricity demand from 2019–2040 is expected in emerging markets (Bond et al. 2021). But capital mobilization will continue to be expensive unless a de-risking mechanism is established to pool together various risks (policy, currency, etc.) across projects and countries to bring down the cost of finance and lower the risk curve, particularly in developing countries (Chawla and Ghosh 2019) (Ghosh and Harihar 2021). Moreover, timely debt re-structuring is another way to address the triple crises of food, fuel and finance, particularly in low-income countries, where government debt is projected to exceed 50% of GDP in 2022 (UNDP 2022). Reactivating the G20 Debt Service Suspension Initiative (DSSI), launched at the Riyadh Summit, could address this issue (UNDP 2022). In 2020, 46 countries benefited from an estimated \$5.7 billion in debt service deferral from DSSI (Bhatia 2020).

Fourth, the current *global energy security architecture* is not ready for the future, to manage the energy security crises that will emerge over the next 50 years. Given the scope and role of technologies for clean energy of the future, the G20 needs to focus on managing demand for critical resources, including shaping resilient supply chain for critical minerals, green hydrogen (upstream and downstream), and envisioning a new global energy security architecture that does not lock countries into new energy dependencies. Concentration of energy sources in a few geographies distorts energy choices but also creates macroeconomic challenges for both energy importers as well as exporters. The clean energy revolution has not changed that fundamental problem. Energy interdependency, with regards to material, labor and money, can create more robust and resilient clean energy systems across the G20.

Fifth, *building on the successes of multilateralism for SDGs* in establishing knowledge platforms, hubs, and labs, G20 could consider establishing a dashboard or portal to track and assess the progress of different initiatives launched under the G20 for sustainable development and climate action. The *G20 Action Plan* is currently a living document, updated regularly by subsequent presidencies. A knowledge dashboard or portal would aid in estimating the impact of these initiatives based on different goals, the geographical distribution of progress, where and to whom the finances and investments are flowing, as well as collating information across G20 under one easily accessible official portal. Addressing these

information asymmetries would help countries define their needs better and also nudge initiatives to becoming more inclusive and effective.

14.5.3 Joint Research and Collaboration

Climate action, economic growth, geopolitics and energy security are intersecting issues. Solving public health, job creation and infrastructure development goals will need common answers from governments and industries. The interconnected nature of challenges facing the world today means that silos must be broken. Think tanks and policy research institutions must invest in joint research that transcends country and sectoral boundaries, build capacity for innovation and crisis management, and develop new tools and processes to harness the opportunities of tomorrow. Investing in such partnerships will help bridge technology gaps, especially access and use of critical technologies in health, agriculture, energy and the environment (Ghosh, Chaturvedi, and Bhasin 2019). Joint research programs can help build capacity, adapt innovations for local conditions, and create pillars for future supply chains (Ghosh, Harihar, and Jain 2022). Such collaborations can promote regional understanding and global solidarity via exchange of policy perspectives between leading institutions, and align networks, resources and synergies to create new models of intervention and action on the ground.

Here we present two examples of in-country and international collaborations involving the Council on Energy, Environment and Water (CEEW), which have responded to crises and also offered options for anticipating shocks and increasing resilience in a just and inclusive manner.

Jobs, growth, and sustainability - A new social contract for India's recovery (2020)

At the peak of the COVID-19 crises, the CEEW and the National Institute of Public Finance and Policy (NIPFP) collaborated to develop a seminal report – Jobs, Growth, and Sustainability. Pooling their expertise in energy and economic policy, this collaboration focused on designing a first-of-its-kind response for India that provided for a confluence of shocks to public health, economic output, employment and livelihoods, administrative capacity, and social cohesion. The report contained solutions for the micro, small, and medium-sized enterprise (MSME) sector, migrant labor, food, water and energy security, clean air, equitable subsidy allocations, strengthening of the power sector, boost for energy transition, deepening markets for renewables and distributed energy, and to build the hard and soft infrastructure to handle disasters. Recommendations in the report included details on the timeline, focusing on urgent versus systemic interventions and exit strategies, the implementing institutions at different levels of governance, the resources required or saved, and the impact – including trade-offs – on jobs, growth, and sustainability (Ghosh and Raha 2020).

Stockholm+50: Unlocking a better future (2022)

The Stockholm Environment Institute (SEI) and the CEEW collaborated to codevelop the official scientific report for the Stockholm+50 UN international meeting, held in June 2022 to commemorate the legacy of the 1972 Stockholm Declaration. This was a first-of-its-kind collaboration in which two leading institutions from the Global North and Global South respectively were tasked with proposing pathways to solve the triple crises of climate change, biodiversity loss, and pollution. The project included development of background papers on technical and innovative topics and synthesis of latest scientific evidence to present the state of the human and planetary crises, which laid the foundation for bold action. The year-long research collaboration presented three paradigmatic shifts to usher in a transformative change: redefine the relationship between humans and nature; ensure prosperity that lasts for all; and invest in a better future. It provided recommendations for governments on emergent and reformative issues, including the rights of nature, redefining prosperity, co-development of technology, de-risking finance, sustainable lifestyles, reducing risks to unsustainability, among others

(SEI and CEEW 2022). The collaboration also included an associated youth report developed by a global team of young researchers at both organizations.

These collaborations highlight the value for think tanks to go beyond their traditional role of expert commentators and analysts. The G20 faces a monumental challenge of addressing a perfect storm of shocks. It is fitting that civil society assumes ownership for catalyzing change, both within institutions as well as on the ground. This will mean working with experts from new sectors and regions, investing in building capacity and relationships, and supporting on-ground initiatives.

14.6 Conclusion

At a time when the world is facing crises of many varieties, it is reasonable to expect that multilateralism would be called on to deliver more, alongside the cynicism that multilateralism is not doing enough. The G20 is also a contradiction: it is not a universally inclusive platform, yet it has the economic weight and political power to demonstrate that multilateralism can work among the most consequential economies in the world and, thereby, instill confidence in more collective action.

This brief chapter offers a way forward from these conundrums, namely by suggesting that rather than solving all problems at one go, there is value in moving in three directions. The first is to focus on reducing vulnerabilities to shocks and aiding those most affected. The second is to bridge gaps in technology and finance with new paradigms of co-development and de-risking. And third is to bring research institutions and think tanks together to work on creating the global governance architecture that can respond to future crises, whether with regards to energy security or environmental shocks.

This is an expansive agenda, yet not the total of all development priorities. But if the G20 – its official tracks and non-official engagement communities – can solve some of these structural challenges, it would have injected renewed belief that multilateralism can deliver a safer and more sustainable future.

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Transforming Africa for a Safer and More Sustainable Future

Mavis Owusu-Gyamfi and Richmond Commodore

15.1 Introduction

Despite episodes of rapid GDP growth, most African countries have failed to achieve economic transformation since gaining independence. Overall, African economies have not developed strong manufacturing industries, instead becoming dependent on the extractive or low-productivity services and agriculture sectors. According to the African Center for Economic Transformation's (ACET) framework of economic transformation—defined as “Growth with DEPTH”—they have neglected to improve their economies, based on the following indicators: diversification, export competitiveness, productivity increases, technological upgrading, and human well-being. This has left them vulnerable to sudden economic shocks and commodity price downturns.

This lack of resilience is a fundamental weakness that has harmed the historical development trajectory of many African countries; it is threatening the continent's economic future and the well-being of its people. African countries are ill-prepared to face the current multitude of global political, financial, climate, and economic crises. At the same time, poverty reduction and progress towards the Sustainable Development Goals (SDGs) have been slow, and without radical change, it is very likely that the SDG target to eradicate poverty by 2030 will be missed.

Business-as-usual will not only leave the African continent poorer and less resilient, it also poses significant risks to global efforts to build a safer and more sustainable future. With Africa's population set to increase from 16% of the world's population to 26% by 2050 and 40% by 2100, as well as accounting for 42% of the world's youth by 2030, the global community needs to prioritize support for Africa's economic transformation to realize its ambition for a safer and sustainable global economy.

Africa's economic interests have been poorly represented in global economic fora. This is certainly the case with the Group of Twenty (G20), where, apart from a few significant initiatives such as the “Compact with Africa” and some coronavirus disease (COVID-19) support programs, the forum has failed to provide Africa with the kind of support it needs to achieve economic transformation. To secure a safer and more sustainable future for Africa, the G20 needs to take Africa's transformation seriously. Aside from greater African inclusion and representation, this will require support for major reforms to the global financial architecture, a just energy transition for Africa, and the development and implementation of transformation agendas for resilience and sustainability.

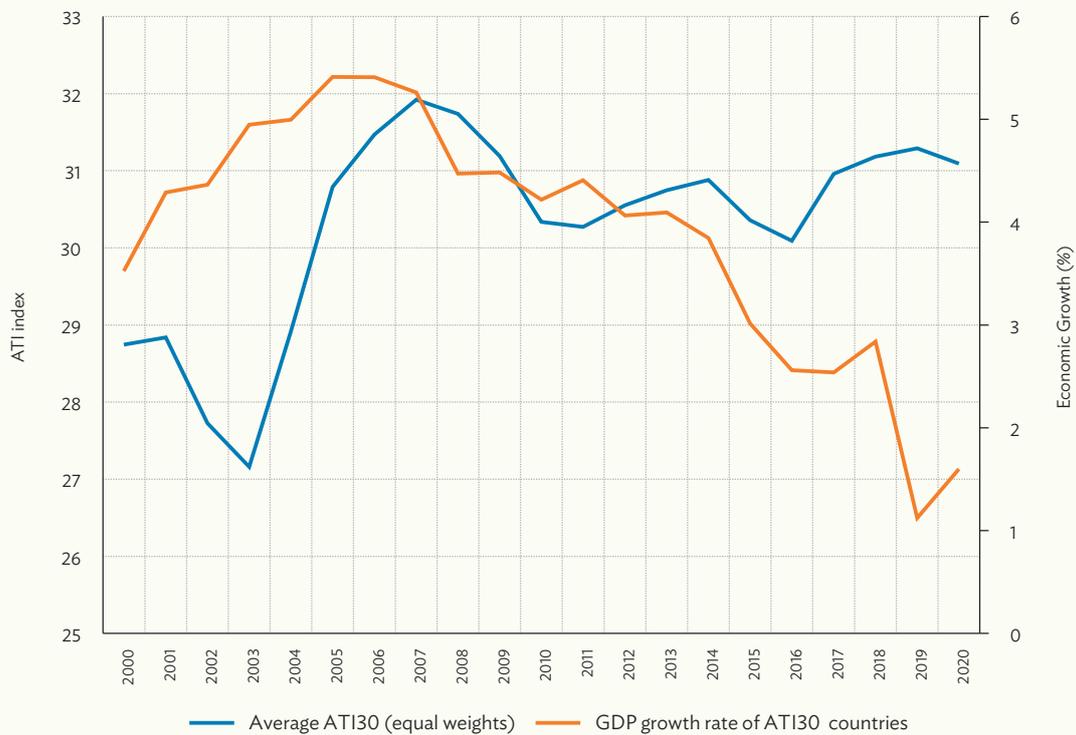
15.2 Africa's Economic Transformation Journey

The African Transformation Index (ATI) quantifies Africa's economic transformation trajectory. The ATI is rooted in ACET's “Growth with DEPTH” framework, which defines economic transformation as economic growth combined with improvements in diversification, export competitiveness, productivity increases, technological upgrading, and human well-being (i.e., DEPTH). Within this framework, diversification of production and exports means countries must diversify their production and export base to hedge against internal and external shocks. Increased export competitiveness means countries should have export products that can compete with the best globally and regionally.

Productivity increases and technological upgrading on the farm, in manufacturing, and in services will allow countries to create wealth. Finally, human well-being can be brought about by expanding formal employment and raising incomes.

The ATI measures progress across all dimensions of DEPTH on a scale of 0–100. The aggregate ATI score for Africa combines all five DEPTH indicators and measures the average for 30 countries on the continent. This aggregate ATI score has never exceeded 40, and after trending upwards during a period of high GDP growth in the early 2000s, it has mostly stagnated over the past decade (Figure 15.1).

Figure 15.1: Economic Transformation and Growth in Africa, 2000–2020



ATI = African Transformation Index, GDP = gross domestic product.

Notes: The all-Africa ATI is an equal-weight aggregate (simple average) of the individual country scores of 30 African economies included in the ATI dataset. These countries produced more than 86.5% of Africa’s GDP in 2020. Before aggregation, data is smoothed over time by taking centered 3-year moving averages, e.g., the ATI score for 2000 is an average of the scores in the 3 years between 2019 and 2020.

Source: Computed by ACET using data from UN Data, UNIDO, WDI, ILO, and COMTRADE.

The ATI score trend for the period 2000–2020 highlights a pattern in African economic development that has persisted for many decades. Since independence, many African economies have experienced countless cycles of development booms and busts. Growth has been largely erratic, rising to 5% or more for a few years and then fizzling out or dropping substantially. In the most recent episode of this cycle, illustrated in Figure 15.1, the continent experienced its longest period of growth acceleration, lasting from the early 2000s until 2007 when the global financial crisis kicked in.

During that period, many African countries were growing faster than they had in the previous four decades, and faster than most other countries around the world. Six of the world’s 10 fastest-growing

countries—Angola, Nigeria, Ethiopia, Chad, Mozambique, and Rwanda—were in Sub-Saharan Africa (ACET 2014). And in stark contrast to the continent’s development in the 1980s and 1990s, there were considerable improvements in governance and incomes. Africa’s impressive growth performance during this period enabled countries to make positive progress in the fight against poverty and allowed for the emergence of a middle class. The continent appeared to be on track to replicate the economic success of the “Asian Tigers”, leading to the emergence of the “Africa Rising” narrative.

However, just as this narrative reached its peak, the 2008 global financial crisis struck, subduing consumer and investment demand and resulting in a global slowdown. The prolonged effects of the global financial crisis and the commodity price bust which ensued between 2013 and 2016 had a severe impact on African development. The continent’s growth, which had been buoyed primarily by high commodity prices, buckled once again. Since the end of the commodity super-cycle in 2014-2015, the continent’s economic transformation journey has mostly regressed or stagnated, and much of the progress made in the previous decade has been wiped out. The pace of economic transformation during this period was not fast enough to create the number of productive jobs needed to address the problem of unemployment and significantly reduce poverty.

Today, African countries face a multitude of economic and social challenges that have threatened sustained growth and exposed structural weaknesses and a lack of resilience in most African economies. Economic challenges are fueled by macroeconomic imbalances, political instability, and the socioeconomic impact of COVID-19 and the Russian Federation-Ukraine war. The anticipated strong rebound of African economies from the pandemic has been foiled by domestic price pressures caused by the ongoing Russian Federation-Ukraine war, which has led to major fuel and food price hikes (World Bank 2022). The war is also upending global efforts to resolve the broken development finance landscape, with resources that could be channeled to help developing countries bounce back from COVID-19 crisis being allocated to the war.

Fiscal deficits remain high in the continent, and public debts are rising. At least 48% of African countries have debt-to-GDP ratios above 70% and a few are at risk of default. Furthermore, low levels of domestic revenue mobilization and high import dependency threaten macroeconomic stability and dampen transformation prospects. Alongside these challenges, increasing joblessness has led to high levels of youth unemployment and underemployment, threatening peace and social stability. Climate change has had a negative impact on natural resources, such as land and water, which are critical to people’s lives and livelihoods. Scarce resources and poverty have led to conflicts that threaten the realization of a safer future for the continent. Conflict also remains one of Africa’s biggest challenges, ravaging the lives of tens of thousands of people and displacing millions annually and severely damaging the prospects of social and economic development.

As African countries seek to address these urgent imminent and long-term economic and social challenges, it is crucial not to lose sight of the underlying structural factors that have left the countries so vulnerable to these shocks. Building resilience will require African countries and international partners to look beyond crises and develop and implement agendas for economic transformation.

15.3 The G20 and Africa

Since its formation in 1999, the G20 has consistently renewed its commitment to sustained growth through its annual summits. G20 deliberations, actions, and plans have been widely consistent with the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). Due to its size, flexibility, and coverage, the group remains one of the most distinguished and influential platforms for deliberating and acting swiftly on solutions to emerging global issues.

Prior to 2016, Africa's development had been peripheral in the deliberations and commitments of the group.¹ There were no established working groups with a focus on African development or Africa in general and very little effort had been made to integrate African viewpoints within the forum (Hallink 2016).

It is therefore not surprising that between 2009 and 2016, the G20 adopted only 34 commitments on Africa – 47% of which focused on official development assistance (ODA) commitments to meet development goals (Hallink 2017). Most of these commitments focused on delivering a fair and sustainable global recovery and helping Africa realize the MDGs by honoring commitments on aid for trade and debt relief. The 2010 summit, for example, focused mostly on replenishment for concessional lending facilities of the multilateral development banks (MDBs), especially the World Bank and the African Development Bank. Some critics have noted that the G20's failure to clearly define a set of desired outcomes for the continent has made the platform ineffective in holding its members to account (Hallink 2016).

The G20's proactiveness toward Africa only evolved in 2016 under the People's Republic of China's presidency when the group committed to supporting industrialization in Africa. Since then, a raft of commitments and initiatives have been rolled out to foster a more inclusive partnership between the G20 and Africa. Under the G20's Finance Track, in 2017 the Compact with Africa (CwA) program was launched to drive sustainable development in selected reform-minded African countries by boosting private investment and increasing the provision of infrastructure through macroeconomic, business, and financing frameworks. Since its launch, 12 African countries² have joined the initiative. An Africa Advisory Group (AAG), co-chaired by South Africa and Germany, was constituted to drive policy actions under the CwA framework.

The CwA represents the most ambitious undertaking by the G20 for a renewed and enhanced partnership between the G20 and Africa. The program promises opportunities for channeling investment into critical sectors of the economies of participating African countries. While the program has had some successes, there are concerns that there has been little progress on private sector investment. Outside Germany and France, there also seems to be less engagement from other G20 countries in driving private investment. Furthermore, critics state that the program is not comprehensive enough to contribute effectively to the continent's development challenges. The German Institute for Global and Area Studies (GIGA) notes that the CwA fails to address three critical development issues: (i) human capital development through education; (ii) social and environmental risks associated with private investment; and (iii) the G20 members' role in the uncertain and unfair trade and investment policy regimes that harm investment in Africa (Lay 2017).

Aside from the CwA, the other major recent G20 activity related to Africa took place at the height of the COVID-19 pandemic, when the G20 introduced the Debt Service Suspension Initiative (DSSI), which instituted a moratorium on debt service for developing countries. About 30 sovereign sub-Saharan Africa countries—that is, 80% of eligible countries in the region—participated in the DSSI, thereby enabling them to channel resources towards fighting the pandemic and safeguarding lives and livelihoods. In October 2021, the G20 pledged to recycle \$100 billion worth of Special Drawing Rights from members to vulnerable low-income and lower-middle-income countries, most of which are in the African continent.

¹ G20 interest in Africa increased in 2014, following the outbreak of the Ebola virus disease in West Africa. The group provided support by building the capacity of countries to prevent, detect, report early and rapidly respond to the threat.

² The 12 countries are Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo, and Tunisia.

Beyond the CwA and the DSSI, a number of the key challenges being navigated by African countries have not been prioritized at G20 forums. Major global forces operating today that will significantly impact the future of the continent like water scarcity, food security, urbanization, population growth and demographic change, conflicts and migration, regional integration, and the shifting trade and production patterns that have limited participation of African small and medium-sized enterprises have been neglected or undervalued at the summits. Also, issues around green manufacturing and digital infrastructure have barely been explored. The G20 has mostly dealt with these issues at the global level, but the nature and impact of these global forces in Africa differ significantly from the rest of the world and deserve special attention.

15.4 The Way Forward

Governments, private firms, workers, the media, civil society, and development partners all have mutually reinforcing roles in building a safer and more sustainable future. The G20, in particular, could do more to safeguard the process of building a safer and sustainable future for the African continent by undertaking the following.

Giving Africa more representation to ensure that the African agenda and African interests are always represented. This could be done by increasing the representation of the continent to include Nigeria (the most populous country on the continent) and giving special privileges to allow the representatives of the continent to participate in in G20 technical meetings and not just the plenaries.

Supporting a comprehensive African transformation agenda for resilience and sustainability. While it is crucial to deal with the immediacy of COVID-19-related financial and health crises, it is also crucial to deal with the long-term structural challenges of transformation and resilience—which has long threatened the sustained growth of many African economies. Growth with DEPTH is the new paradigm for a safer and sustainable future. Comprehensive transformation plans should have a unified national vision developed through broad consultations with the private sector, civil society, and think tanks, and have the capacity to transcend political administrations. Supporting a comprehensive African transformation agenda will also allow the G20 to develop a medium- to long-term strategy for Africa.

Supporting green growth and a just energy transition. Africa has contributed to less than 4% of total global greenhouse gas emissions (GHGs) and is the most vulnerable continent in terms of the impacts of climate change. However, the region receives under 4% of global climate finance, mostly in the form of loans, with more of these funds directed at climate mitigation as opposed to climate adaptation (Savidou et al. 2021). The G20 can support green growth and a just transition on the continent by improving energy access by helping utilities address operational and financial challenges, such as rehabilitating and expanding national transmission networks and undertaking institutional and policy reforms to attract private investment. It can also help by improving regional integrated electricity markets through power pools to facilitate trade across different countries. Finally, it could help accelerate the roll-out of renewable energy technologies across the continent. This includes technology transfers to manufacture solar panels and batteries at selected regional centers (Asafu-Adjaye 2022).

Supporting the emergence of a fairer global finance architecture that can support sustainable development financing. Africa's SDGs financing needs are huge and estimated at about 11% of GDP per annum to 2030, with incremental financing needs estimated at between \$614 billion and \$638 billion annually (UNECA 2019). The current development finance architecture is broken. It neither caters to the needs of lower middle-class economies nor accommodates the nuances in the operations of recent numerous private creditors, high cost of debt, short maturity periods, and unfair credit

ratings that often lead to unsustainable debt (Owusu-Gyamfi and Commodore 2021). To mitigate high debt resolution costs, we support calls by the institutions like Brookings for the G20 to lead efforts to design a new development finance framework that is fit-for-purpose and contains the plurality and diversity of all creditors (Heitzig, Ordu, and Senbet 2021). We also support the call by the Bridgetown Initiative to reform the Common Framework and revamp the DSSI to facilitate systematic debt service suspension from other creditors and borrowers, including MDBs, and middle-income countries who risk defaulting. The G20 will need to heighten efforts to ensure full participation of all creditors, including private ones, in ongoing debt restructuring and resolution efforts to help African economies sustainably meet their debt obligations and development needs. Including private actors in global debt management efforts requires the creation of a public registry for loan and debt data, which adequately covers debt across countries of all income levels and instruments (Munevar 2021). The G20 should also heed calls to explore the feasibility of establishing independent and publicly owned credit reference agencies that will assess Africa's credit ratings more fairly and transparently. These should hopefully bring down the cost of borrowing to levels like those in other countries.

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The Green Transition: Making the Most of the Post-Pandemic Recovery

Luiz de Mello¹

16.1 Introduction

The recovery from the coronavirus disease (COVID-19) pandemic creates the opportunity for policy action in support of a transition to a low-carbon economy. This is needed to achieve the agreed climate change targets. As much needs to be done and international cooperation will be essential, policymakers should tap into a range of instruments at their disposal.

This chapter will discuss the main policy tools for effective climate change mitigation. They include market instruments, such as carbon pricing and emission trading schemes, as well as non-market levers, such as subsidies, standards, and regulations. Understanding the different abatement potential and costs associated with these instruments will be essential to inform policy decisions. Policymakers will also need to consider complementary initiatives to foster innovation in support of the transition and to ensure that the transition is just, given the heterogeneous effects of mitigation policies on workers and firms.

16.2 The Near-Term Outlook for the Global Economy: Seizing the Opportunity for the Low-Carbon Transition

The world has been through several shocks over the last 15 years, and these have caused major economic and social duress. These shocks include the global financial crisis that erupted in 2008, the COVID-19 pandemic that started in 2019 and, more recently, the onset of the war in Ukraine in February 2022. They have generated major humanitarian crises affecting millions of people. Prior to the outbreak of the war, the outlook for recovery from the pandemic appeared broadly favorable over 2022–2023. Economies were re-opening, supply chains were recovering from pandemic-related disruptions, and sentiments were improving among firms and households. Growth and inflation were poised to return to normal levels.

The war in Ukraine has nevertheless changed the outlook.² The economic shock associated with the war and its impact on global commodity, trade, and financial markets will have a material impact on economic outcomes and livelihoods. The war and continued efforts to prevent the spread of COVID-19, including shutdowns in major cities and ports in the People's Republic of China (PRC), have taken their toll on global growth prospects. The Organisation for Economic Co-operation and Development (OECD) now projects global gross domestic product (GDP) growth to slow sharply this year to 3% – around 1.5 percentage points weaker than projected at the end of 2021. Output growth is set to remain subdued in 2023 as well. These downward revisions are particularly sharp for Europe, whose economic

¹ Analyses and opinions reported in this piece are the author's own and do not necessarily reflect those of the Organisation for Economic Co-operation and Development or its Member and Partner countries.

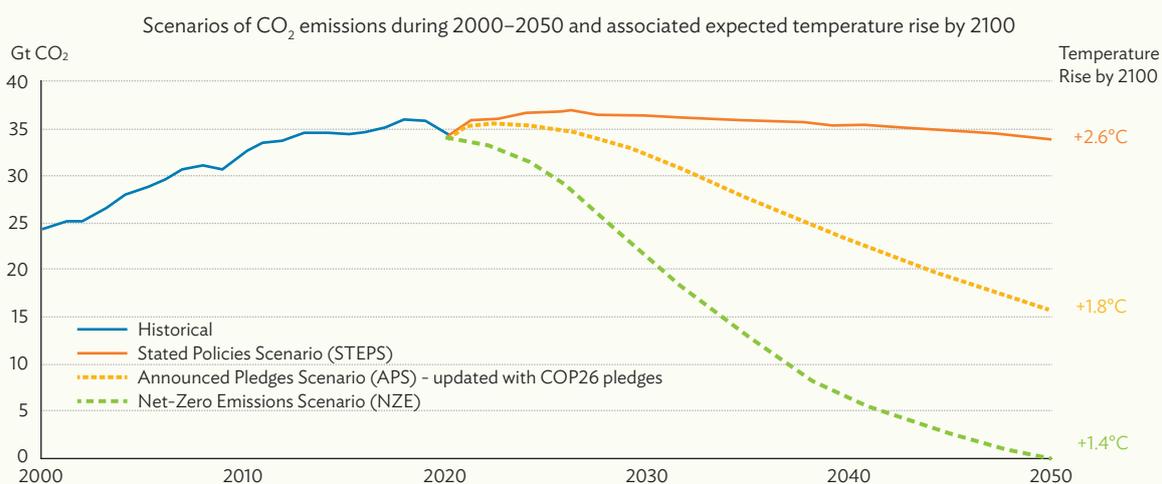
² The Spring edition of the OECD Economic Outlook (OECD Economic Outlook, November 2022, OECD, Paris) provides analyses and a full set of projections for the global economy and the G20 countries for the 2022–2024 period.

prospects are compounded by an embargo on oil and coal imports from the Russian Federation and continue reductions in Russian Federation gas shipments.

Lower growth will be accompanied by higher inflation because commodity prices have risen substantially, reflecting the importance of supply from the Russian Federation and Ukraine in many markets. Together, these two countries account for about 30% of global exports of wheat, 15% of corn, 20% of mineral fertilizers and natural gas, and 11% of oil. In addition, global supply chains are dependent on the Russian Federation and Ukrainian exports of metals and inert gases, many of which are essential inputs to the production of batteries and related technologies that are consequential for the green transition. High commodity prices not only add to inflationary pressures, but they also depress real incomes and spending. This is particularly so for the most vulnerable social groups, who spend a higher share of their income on food and energy. According to the OECD's latest projections, consumer price inflation is set to average around 9.5% in the OECD area in 2022. Inflation is expected to recede in 2023 as supply chain and commodity price pressures wane and the impact of tighter monetary conditions begins to be felt.

The near-term outlook is particularly challenging for many emerging-market economies and developing countries. Ongoing disruptions to agriculture exports from the Russian Federation and Ukraine could result in serious shortages in many developing economies, especially in Africa, the Middle East, and Central Asia, thereby exacerbating food price increases that are already weighing on vulnerable social groups. These countries face the risk of economic and humanitarian hardship, with a sharp increase in poverty and hunger. Prior to the war, over 800 million people worldwide were already estimated to be facing hunger, according to the Food and Agriculture Organization. Possible disruptions in the supply of fertilizers could add further pressures to agriculture production.

Figure 16.1: Global Emissions of Greenhouse Gases Are Out of Step with the Net-Zero Target by 2050



Notes: The Announced Pledges Scenario (APS) is updated with COP26 pledges as of 3 November 2021; the Net-Zero Emissions Scenario (NZE) shows the global energy-related emission pathway developed by the IEA, where technology, investments and policies are deployed in line with the objective of reaching net-zero emissions by 2050. Expected temperature rises by 2100 are relative to pre-industrial levels, and are subject to an upward risk due to uncertainties in the estimate and possible future changes in policy.

Sources: IEA (2021a; 2021b; 2021c).

Beyond these near-term developments, the world faces the opportunity to make headway in several areas where structural change has been difficult to achieve. One such area is related to the transition to a low-carbon economy that will be needed to meet agreed climate change targets. Countries have made ambitious pledges to reduce emissions and announced climate change mitigation policies to honor those commitments. Action unfortunately remains short of the stated ambitions, and the 2015 Paris Agreement’s goal of keeping the rise in world temperature “well below 2 degrees compared to pre-industrial levels” is unlikely to be met (Figure 16.1).

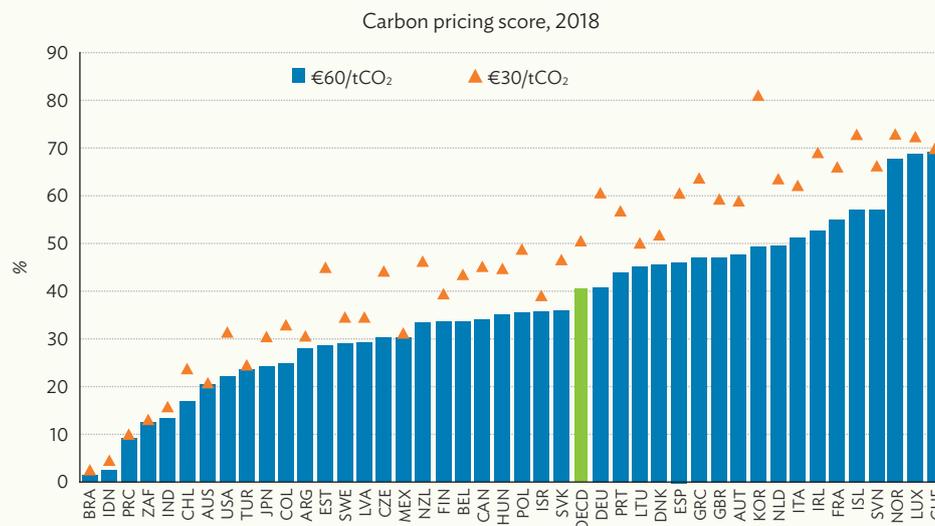
16.3 Policy Options to Achieve the Low-Carbon Transition

The war in Ukraine is putting pressure on energy markets. Energy security and climate change are closely linked because energy represents between half and two-thirds of total greenhouse gas emissions. Policymakers will therefore need to ensure energy security and diversify energy sources in a manner that creates incentives for the transition in the years to come. Some countries may be able to diversify a substantial share of their energy sources in the near term, as evidenced by the plans for oil and gas imports set out by the International Energy Agency. However, additional steps will be needed over time to achieve the low-carbon transition. Success will depend largely on how well and how far policymakers use the policy instruments at their disposal.

There is no shortage of policy tools to deliver a successful low-carbon transition. There is no single policy mix to achieve effective decarbonization either because countries differ in their economic structures, social preferences, and political constraints, which influence policy choices. Effective transition strategies need to account for these economic and social specificities. They also need to be informed by evidence on the expected effects of policy commitments. Gaps in abatement trajectories relative to targets need to be identified. Risks need to be managed along the transition and corrective measures need to be considered, where needed. All these elements are part of a comprehensive climate mitigation policy package to achieve cost-effectiveness along with social acceptability of decarbonization strategies.

The decarbonization toolkit includes market and non-market instruments. Market-based instruments include, for example, carbon pricing and emissions trading schemes, whereas non-market levers include subsidies, standards, and regulations. These instruments have different abatement potential and associated costs that need to be quantified to the extent possible to inform policy choices. For example, carbon prices remain low around the world, in part due to concerns about their distributional implications, which motivate public resistance (Figure 16.2). Policy instruments also differ in their impact on government budgets.

As for non-market instruments, standards, regulations, and subsidies can effectively complement carbon pricing and other incentive-based policies. These non-market instruments can help to overcome coordination failures, and they can be used instead of market instruments in situations where firms and households do not respond strongly to explicit price signals. The costs associated with these non-market instruments can be seen as implicit prices on emissions and need to be quantified. They also need to be designed appropriately to avoid blurring price signals, blunting economy-wide incentives and complicating performance monitoring.

Figure 16.2: Carbon Pricing Has Yet to Fulfil Its Potential Worldwide

Notes: The carbon pricing score (CPS) measures the extent to which countries have achieved the goal of pricing all energy-related emissions for carbon costs, at certain benchmark values. For example, a CPS of 100% against a benchmark of €60 per ton of CO₂ means that the country prices all energy-related carbon emissions in its territory at €60 or more. In practice, €60 is a midpoint estimate for carbon costs in 2020, and a low-end estimate for 2030. Pricing all emissions at least at €60 in 2020 shows that a country is on a good track to reach the goals of the Paris Agreement to decarbonize by mid-century.

Source: OECD, Effective Carbon Rates 2021 Database.

It is important to acknowledge the adverse effects of mitigation policies, where and when they occur. Even if aggregate effects are small, there may be heterogeneous effects across firms and workers. Deploying policy instruments effectively therefore calls for action in other policy areas to lower the economic and social costs of the transition. For example, new technologies may reduce the costs of abatement and can be supported through research and development, and innovation incentives. These incentives can take the form of grants, tax credits, or innovation prizes. They can also be delivered through demand-side policies, such as public procurement. Appropriate regulation of product markets is essential to create an environment of contestability that is, in turn, crucial for business dynamism and the diffusion of innovation.

The transition will require investments that cannot be funded solely by governments. Financing needs for these investments are large and far outweigh the wherewithal of government budgets. Leveraging the private sector will be needed and requires policy support. Green investments particularly need transparent and consistent disclosure standards, as well as appropriate labels, taxonomies and rating methodologies to come to fruition. There are indeed many investment opportunities that could support a low-carbon transition, including in power system flexibility, public transport infrastructure, energy-efficient retrofitting of buildings, carbon capture facilities, and renewable energy deployment.

The war in Ukraine has brought to the fore the heavy reliance of many countries, especially in Europe, on fossil fuel energy, with a high risk of price shocks and shortages. Redressing this situation requires policy action to improve the security of energy supply, encourage a move away from fossil fuels through appropriate incentives, boost investment in clean energy and energy efficiency, and support innovation to develop the green technologies needed to underpin the low-carbon transition.

16.4 Making Sure the Transition is Just

At the same time, safety nets and labor market policies will have to respond to the specific needs of those adversely affected by the transition. Low-income households are the most exposed to price hikes in “polluting” goods, and policymakers need to devise strategies to support them. In addition, workers in declining “brown” sectors may face persistent joblessness and earnings losses, whereas firms in expanding “green” activities may have to deal with shortages of workers with the necessary skills.

To achieve a just transition, policymakers will need to invest in education and (re-)training programs, as well as making sure that labor mobility and market competition are not thwarted by ill-conceived regulation and other policy-related impediments. The same is true for active labor market policies and appropriate social safety nets for the most vulnerable. By emphasizing protection for workers rather than jobs, these interventions have the additional merit of helping to muster public support for climate change mitigation initiatives.

Effective strategies for the transition to a low-carbon economy will require international dialogue, as well as efforts to build trust in policy and institutions. International dialogue is crucial for policy cooperation, which is particularly important in this area for at least two main reasons. One is because the climate change mitigation goals are global in nature and scale. The other is to minimize the risk of carbon leakage, which is likely to occur as countries pursue different standards with different levels of ambition and conviction. As for trust in policy and institutions, effective decarbonization strategies will need to rely on a solid evidence base to inform policy choices. They will also require effort not only to communicate the benefits and costs of policy alternatives – for example, through well conducted climate education and awareness campaigns – but also to engage the relevant stakeholders, combat disinformation, and deal with interest groups.

Efforts in all these areas can do much to improve public acceptability of the policies needed for the transition. Many poorer households face hard consumer choices when prices surge. The risk of joblessness for those adversely affected by the transition also weighs on public support for policy change. Appropriate education and (re-)training programs along with effective activation policies are important to address these tensions as they provide support to the most affected households.

16.5 Conclusion

An effective transition to a low-carbon global economy will require widespread social and economic transformation. To be successful, policy strategies will require vision and ambition, international coordination, and effective use of all available policy tools. An important step in this long journey is to build a solid evidence base of the decarbonization potential, associated costs, trade-offs, complementarities, and unintended consequences of different policy options. Thus, transition packages can be designed and implemented towards common climate change goals while reflecting the specific conditions of different countries.

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Increasing Southern Knowledge Production in G20 Processes

Elizabeth Sidiropoulos

17.1 Introduction

In the aftermath of the pandemic and amid the Russian Federation's war on Ukraine, the world is facing significant uncertainties and simultaneous crises that affect the planet and its people, especially those who are the most vulnerable.

The *Human Development Report 2021/22* identifies three novel sources of uncertainty that interact globally: intertwined planetary pressures and inequality of the Anthropocene age; the pursuit of just societal transformation to ease those pressures; and intensifying societal polarization that delays necessary action for change (UNDP 2022). Nouriel Roubini refers to megathreats which he defines as “severe problems that could cause vast damage and misery and cannot be solved quickly or easily” (Roubini 2022). These realities are the significant obstacles that the idea of building a safer and more sustainable future is facing. Humanity's previous track record shows that there is good cause for serious concern.

Think tanks operate on the principle that undertaking research highlights the evidence necessary for a particular policy direction and brings it to the attention of policymakers so that it will be an important factor in policy makers' deliberations. After all, humanity embraced reason, empiricism, and scientific inquiry to achieve societal progress over the centuries. Yet, in recent years, the rise of populism, geopolitical rivalries, and polarization, including “othering”, have encouraged disdain for knowledge and analysis. At a time when we need to identify solutions to complex, multi-tiered problems, many leaders and demagogues reduce such complexity to “the simplicity of slogans, catchphrases, and inflexible commands” (Moisi 2009).

As the world is challenged by the need to take drastic action to address the consequences of climate change and of growing divisions and inequality, the work of think tanks and other centers of research and academic inquiry become more important but also more difficult. The world's complexity also requires the projection of and engagement with a greater diversity of knowledge and analysis in *all* the “great halls of power.” This speaks to the continued dominance of research and knowledge that is generated in the Northern ivy leagues of policy advice. A senior government official from a Group of Twenty (G20) emerging economy noted early on, when the G20 was elevated to a leaders' forum, that expanding to include emerging economies would not necessarily make the outcomes different and more reflective of developing country concerns, if the sources of technical input remained the same northern institutions. Thus, while being “at the table” was important, a different infrastructure would be necessary to ensure that the interventions identified to address systemic risks factored in the specific problems and contexts of emerging and developing economies. More than a decade after the establishment of the G20 at heads of state level, much still needs to be done in this area.

The Global North continues to have several blind spots. At a rhetorical level, it articulates the importance of equality and partnership but in practice these play out very differently, whether it is regarding economic prescriptions or developmental interventions that are often ahistorical. The post-Cold War period has been characterized in the economic and developmental domain by the belief that

the current international order's principles are universal, and that harmonization and coordination are important elements of efficiency. While many principles and their related policy prescriptions have some global resonance, these have been largely set by the North, and the articulation of “universality” is regarded by many in the developing world as an instrument of neo-colonial interference (Thérien 2015). Equally, harmonization and coordination, especially in development discourse, implies technical solutions when in essence such solutions are driven by highly political factors.

17.2 The T20's Inclusiveness

Since 2012, the Think20 (T20) has evolved to become one of the most inclusive G20 engagement groups. From informal beginnings among think tanks of the G20 member states, it has expanded to include researchers and institutions from most parts of the world every year, making it a veritable meeting place for exchange on policy options to the most critical global issues.

This has enriched the conversations and dialogues that are held in the various T20-related forums. Yet, perspectives from the Global South, and Africa specifically, are still under-represented in the policy briefs that are selected and published.

This is not unique to the T20 but is more generally a global challenge around valuing knowledge production emanating from universities, think tanks or other research bodies from the Global North more than from the South. While this might be subconscious, it requires active efforts to avoid this situation.

One of the major constraints many developing country think tanks face – not least African ones – relate to the resources at their disposal to follow G20 issues regularly and to immerse themselves in the related policy environment as closely as others. In cases where developing countries are not part of the permanent membership of the G20, this problem is understandably more acute. Thus, developing country participants may not always have the best understanding of the work of the G20, thereby approaching the subject in ways that may not speak directly to G20 concerns. In the process, though, real developing country concerns such as dealing with the issue of trade mispricing in the illicit financial flows debate, or vaccine equity are not projected sufficiently to create pressure on both developing country leaders and those of developed economies to take meaningful action.

17.3 Two Global South Initiatives

Several think tanks in the Global South have engaged with the challenge of making Global South think tank voices on G20 issues more prominent, as well as ensuring that debates on global challenges tackle more nuanced perspectives and consider concerns from the developing world. It is worth highlighting two initiatives in this regard. The first is focused on Africa because, of all the continents, Africa is the most under-represented in the G20 membership, with only South Africa being a member. The second is a new initiative announced during the Indonesian presidency: the G20 Research Forum. It is focused on the Global South although its membership is open.

The **Think 20 Africa Standing Group** (T20 ASG) was formally established in May 2017 in Berlin at the German T20 Summit, which was chaired by the German Development Institute and the Kiel Institute for the World Economy. It had been preceded by a major conference on the G20 and global economic governance, in Johannesburg in January 2017. This was co-organized with the South African Institute of International Affairs and brought together many think tanks from Africa as well as emerging economies. This was driven by the recognition of the importance of having African think tanks partake

in the broader global debates on global governance, whether that is on trade, the financial system, development finance, climate, or the digital economy. Africa should not be relegated only to discussions around development aid.

For the first 3 years of the T20 ASG, it operated as a distinct entity within the T20 process as there was a task force dedicated to cooperation with Africa. The T20 ASG held preparatory meetings and coordinated among the members. From 2020 onwards the thematic focus of the task forces meant that the way in which the T20 ASG coordinated submissions on Africa changed. Since then, a number of African think tanks and researchers have made submissions across thematic task forces; some have been accepted while others not. The selection on African-related issues became dependent on the co-chairs of the various task forces.

When the T20 ASG was first established, it was intended to more formally bring African think tanks into the T20 process, thereby ensuring that African concerns were articulated and heard in the G20. In doing so, an African G20 think tank community emerged, which albeit small is now engaging on global economic governance issues.

The **G20 Research Forum** is an initiative of the Economic Research Institute for ASEAN and East Asia based in Jakarta, the Research and Information System for Developing Countries in New Delhi and *Lembaga Penyelidikan Ekonomi & Masyarakat* of the University of Indonesia. It was launched at the Indonesia T20 Summit in September 2022 and is a result of the concerns articulated above: the need for more effective Global South voices in G20 forums. Its objective is to provide well-researched inputs to the G20 process from Global South think tanks, which have historically been under-represented in policy briefs published by the T20. This approach aims to build meaningful research capacity on G20-related matters, and, crucially, to ensure that undervalued and underdiscussed challenges from a Global South perspective not only get a fair hearing but are also taken up. While a decade ago the call was to be at the table so as not to be on the menu, now the call is to ensure meaningful participation at the table in determining not only the menu but also its execution. As a platform that encourages Southern participation in research, the G20 Research Forum creates an opportunity for networks to be built across the South on global economic governance issues, with the T20 ASG a key component.

Some of the issues that should be given much more importance, which require a rethinking of paradigms, and which developing country think tanks must advocate include:

- How to ensure that the energy transitions that are essential for all are also just in the context of developing countries' limited fiscal space, large energy access deficits, inequality and common but differentiated responsibilities? The discussions about just energy transition partnerships, such as the initiative that advanced economies proposed with South Africa, at the United Nations Climate Change Conference (COP26) in Glasgow, require "a different paradigm..., [with] a different approach to issues such as risk allocation and return expectations, or investment horizons". This is the point made by the head of South Africa's Presidential Climate Finance Task Team in May 2022 (Creamer 2022). The United Nations Conference on Trade and Development (UNCTAD), in a report on the least developed countries (LDC) and African agency in the G20 published in 2021, highlighted that there was a real danger that the "juxtaposition will not be between green transitions and the status quo, but rather between a green uneven transition and a green inclusive transition" (UNCTAD 2021). Global South think tanks are looking at these challenges and trade-offs that developing country governments must consider, but these are often lost in G20 debates with the result that policy decisions may not consider potential unintended consequences for developing economies.

- How to respond to the “Mother of all Debt Crises”, as Roubini calls it (2022), which in an environment of rising interest rates in developed economies and inflation globally, carries major consequences for emerging and developing economies? In Sub-Saharan Africa, for example, debt levels like today’s were last seen in the early 2000s before the Debt Relief Under the Heavily Indebted Poor Countries Initiative (IMF 2022), except that the tools that worked then are no longer functional now, because of the change in the composition of the debt. These issues are directly relevant in the debate around the reform of global financial institutions. How should the assessment of debt sustainability be reconceptualized to unlock market finance for developing countries?

Providing platforms and resources focusing directly on the various G20 processes – both the sherpa and the finance tracks – that enable developing country think tanks to undertake deep research and to engage with the appropriate global policy makers are imperative.

The T20 has two roles: (i) to respond to what is on the policy agenda, and (ii) to present issues that are over-the-horizon, i.e., not on the policy agenda yet. Importantly, however, it also should engage in ways that overcome the current polarization and populism that is often rooted in identity politics. The same applies to these two global South initiatives – the T20 ASG and the G20 Research Forum. Engagement is necessary with both policymakers and with other stakeholders on G20 agenda matters.

As these two Global South initiatives evolve, coordination among them on policy ideas, input and engagement can contribute to elevating the voice and overall impact of developing country knowledge communities. Furthermore, working through the T20 process, Global South initiatives can be convening and coordinating platforms to enable stronger developing country voices in the various task forces. They could, for example, at the outset of each presidency, convene to identify collective issues on the G20 agenda that are Global South priorities and ensure that proposals on the specific elements are submitted to the relevant task forces. From the T20 perspective, there needs to be greater effort in ensuring a better balance of contributions between advanced and developing countries in the selection of policy briefs. As developing countries will be chairing the next three G20s – India in 2023, Brazil in 2024, and South Africa in 2025 – this creates the opportunity for momentum to build in this regard that can be reflected both in the agenda as well as in G20 decisions.

But the objective of the G20 Research Forum is to also work in parallel with the T20. Through in-depth research, it aims to look into themes and policy options crucial to the developing countries’ agendas in the G20. This includes engaging with policymakers on different platforms such as the United Nations Economic Commission for Africa, UNCTAD, the African Union (AU)/African Union Development Agency (AUDA) as well as one-on-one engagements with individual developing country governments from both G20 and non-members. Such outreach is also crucial for African think tanks with their own governments.

The G20 is the steward of many global processes, which are more inclusive, although not fully so, such as the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting, or the Financial Stability Board. However, major deals among the systemically important countries are usually made in the G20 (or G7). Hence, Global South think tank initiatives also have another crucial role to play: utilizing their research to assist their countries, especially ones that do not follow the G20 deliberations in understanding developments and decisions within the G20 and in other global economic governance fora. The AUDA’s newly launched Policy Bridge Tank initiative could provide a useful platform for such engagement, as its objective is to bridge the gap between think tanks in Africa and their work, and African governments.

Inequality and the sense of unfairness that many people in both the developing and developed world feel result in greater polarization both within and across countries. Enabling more Southern voices and perspectives to be brought into the global policymaking processes, beyond simply the agenda, at such a perilous time for the planet and multilateralism is intended to facilitate international cooperation; this is necessary now more than ever. A safer and more sustainable world can only emerge when those who dominate the global public debates accept that the world's complexity requires widening of their frameworks of analysis and world views to factor in the rise of other countries that have very different political, economic, and developmental trajectories. This needs to be substantive, rather than tokenistic. Equally, the Global South initiatives that have been outlined here illustrate that, increasingly, Southern think tanks and networks are building up their agency to move beyond simply being at the table or giving input to the agenda; they are driving the direction of decisions and outcomes.

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A World in Crisis, a World in Progress: Growing Better Together

Lessons from a Decade of Think20

Think20 (T20), the official think tank engagement group of the Group of 20 (G20), was established in 2012 to provide research-based policy recommendations to help G20 countries and partners promote economic resilience and sustainable development. *A World in Crisis, a World in Progress: Growing Better Together* explores T20's work and increasing importance.

The book highlights the critical role of think tanks as drivers of policy innovation to address pressing global challenges, drawing on insights from key multilateral organizations, and discusses the emergence of T20 as an integral support mechanism of the G20 forum and policy discussions among global leaders.

It describes the rising influence of think tanks in Asia and how institutions from the region and beyond have helped guide global responses to the coronavirus disease (COVID-19) pandemic's health, socioeconomic, and institutional impacts. It stresses the value of formulating and deploying research that is inclusive and considers broad social and geographic experiences.

A World in Crisis, a World in Progress concludes by spotlighting global challenges that require greater attention within the G20, offering policy makers, researchers, and other interested readers an insightful look at how T20 can deepen its support for better policy outcomes for all.

Tetsushi Sonobe is dean and chief executive officer of the Asian Development Bank Institute (ADBI).

Nicolas J. A. Buchoud is advisor to the dean and CEO of ADBI and for the Think7, and a fellow at the Global Solutions Initiative.

Riznaldi Akbar is a senior capacity building and training economist at ADBI.

Riatu Mariatul Qibthiyah is a senior researcher at the Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI).

Bayarbileg Altansukh is a capacity building and training associate at ADBI.

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The Asian Development Bank Institute (ADBI) is the Tokyo-based think tank of the Asian Development Bank. ADBI provides demand-driven policy research, capacity building and training, and outreach to help developing countries in Asia and the Pacific practically address sustainability challenges, accelerate socioeconomic change, and realize more robust, inclusive, and sustainable growth.

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ASIAN DEVELOPMENT BANK INSTITUTE
3-2-5 Kasumigaseki, Chiyoda-ku
Tokyo, 100-6008 Japan
Tel +81 3 3593 5500
www.adbi.org