

CONCEPT NOTE

Think20@G20: Towards a Resilient South Asia

The Group of Twenty (G20), the central forum for international cooperation on financial and economic questions, has been formulating and implementing policy decisions on the most pressing issues impacting countries across the globe since 1999. Since 2012, the Think20 (T20) engagement group, comprising prestigious think tanks and academia from the international community, has been providing an analytical depth to G20 discussions and assisting the G20 leaders in developing concrete and sustainable policy measures centred around G20 priorities. Each year, under a new G20 Presidency, the T20 creates Task Forces to structure their proposals around the most critical issues and drive policy innovation.

India has recently assumed the Presidency of G20 for the year 2022-23. The T20 is the 'ideas bank', formed to provide insightful policy proposals during India's Presidency. It has created eight task forces to take up issues related to ***macroeconomics, trade and livelihoods; to discuss open, accessible, and inclusive digital public architecture; to create a mass movement for sustainable consumption; clean and green energy; to reassess the global financial order; to accelerate the sustainable development goals; and to create a roadmap for multilateralism.*** India is committed to play a significant role as President in the policy formulation in all these areas of tasks undertaken by the G20.

The Chair of the T20 engagement group this year is Ambassador Sujan R. Chinoy. He is the Director General of Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA) which is hosting its 14th Annual South Asian Conference in January 2023. This conference is structured, under his leadership, as a platform to discuss issues of common interest and concern and to explore areas of convergence. The recommendations that emerge from the collective brainstorming in this conference can be channelised through the T20 to the G20 leadership track.

Since India is the only South Asian Country in G20, India's presidency is an opportune moment not only for India but also for the entire South Asian region. India's motto in the G20 this year is "One Earth, One Family, One Future", which is supported by India's ancient ethos '*Vasudhaiva Kutumbakam*' (World is One Family) which is the guiding principle for India's Neighbourhood First policy, Security and Growth for All in the

Region (SAGAR), Vaccine Maitri and collaborative approaches in the extended neighbourhood.

One of the aims of the T20 this year is to connect scholars and thinkers from the non-G20 members to the G20, to funnel ideas from the larger global community into the G20 agenda, and also take the views of those members into consideration who are going to be impacted by the policy decisions of the G20. In this context, MP-IDSA intends to harvest the views of the South Asian Countries on their expectations from G20 to address the most pressing issues in each of the countries as well as in the region through its flagship event -i.e., the South Asia Conference, proposed to be held in January 2023.

The global economic downturn due to the Covid-19 pandemic, the impact of the Russia-Ukraine war, and economic challenges in most of the countries in the region have exacerbated economic challenges faced by countries like Sri Lanka and Pakistan. Although the situation in Bangladesh and Nepal is not as grim, inadequate foreign reserves remain an issue. The Maldivian economy is recovering better in the post-pandemic period, but there is a concern about high public debt in the country. Bhutan too faces a moderate risk as far as debt sustainability is concerned. Political transition in Afghanistan amidst the global pandemic has led to a significant economic downturn in the country.

Despite the gradual resumption of economic activities in the post-pandemic period, the region is likely to face severe food, energy and inflationary crises due to disruptions and supply side constraints. The economic situation is likely to hamper the achievement of sustainable development and millennium development goals as well as other country-specific economic targets. The susceptibility of most South Asian countries to external shocks and the uncertainties in the global economy underscore the need for resilience in the South Asian region.

India, the region's largest and the world's fastest-growing economy, has recovered more strongly than the world average, according to a World Bank overview. The forecast for India's economic growth is very optimistic. As a responsible regional power, India has played a crucial role in providing relief and assistance to its neighbours during the pandemic and also stands to be a partner in their economic recovery. Its record as "first responder" in the face of natural disaster is exemplary.

In spite of India's willingness to share its growth and prosperity with its neighbours, and popular will at the regional level to work together for common wellbeing, intra-regional economic integration has been minimal compared to other regions around the world. Intra-regional trade accounts for less than five percent of the total trade taking place in the region and efforts at the regional level to boost trade have fallen prey to narrow nationalist perspectives on security and foreign policy. This is primarily due to avoidable historical/legacy issues as well as mistrust among states. Given the problems the region

is facing today, it is imperative that countries work together in regard to effective and **sustainable policy formulation, digitalisation and use of technology** to address the macro-economic challenges in the region. Such effective coordination requires a high level of understanding among countries and collaboration between academia and think tanks.

The 14th South Asia Conference titled, *"Think20@G20: Towards a Resilient South Asia"* will be held on 17-18 January 2023. A cross-section of experts, analysts, and policymakers are being invited to discuss the following issues, particularly the way forward:

- 1) What are the most pressing economic issues faced by South Asian countries and why?
- 2) How are the countries dealing with their economic issues and how can India's presidency of the G20 be leveraged to boost regional integration?
- 3) How do the regional countries view the role of G20 in their efforts to deal with and address economic problems?
- 4) How have the G20 policy decisions so far impacted the South Asian economies?
- 5) How G20 can emerge as a more productive and relevant multilateral platform for South Asian countries and why it should?
- 6) What are the recommendations South Asian countries wish to offer for T20's consideration for its policy recommendations to the G20 leadership track?
- 7) How can the emerging regional consensus for growth and prosperity be utilised to tap the potential for greater regional economic integration that may contribute to regional peace and development?