

CONFERENCE REPORT

New Horizons for Emerging Powers: Co-operation or Competition?



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This is a report on a public session titled “New Horizons for Emerging Powers: Co-operation or Competition?”, held as part of the TRT World Forum 2019. The views, themes and discussion points expressed in this conference report are those of participants and speakers present at the TRT World Forum 2019, and do not reflect the official view of TRT World Research Centre.

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Speakers



Berat Albayrak

Minister of Treasury and Finance of the Republic of Turkey

Minister Albayrak was elected as a Member of Parliament for the 25th, 26th and 27th legislative sessions. He served as the Minister of Energy and Natural Resources of the 64th, 65th and 66th Governments of the Republic of Turkey and was appointed as the Finance Minister of the 67th Government. He graduated from Istanbul University's Business Department. Following his Master's degree from New York Pace University's Lubin School of Business, he received his PhD degree in the field of Banking and Finance with dissertation about "Financing Renewable Energy Resources". He joined professional business life in 1996. Following his career in the private sector, he began writing a column for the Turkish newspaper Sabah and taught Banking and Finance at Marmara University. Minister Albayrak is married with three children.



Eduardo Duhalde

Former President of Argentina

Eduardo Duhalde is the former President of Argentina, an office he assumed on January 1st, 2002, after being elected by the majority of the Legislative Assembly during one of the most important crises in Argentinian history. Previously, he served as Mayor of Lomas De Zamora County, Vice-president of Argentina during Carlos Saul Menem's first Presidency and Governor of Buenos Aires Province. In December 2003, Eduardo Duhalde was elected President of the Mercosur Commission of Permanent Representatives, a position he held until 2005. During this period, he founded the South American Community of Nations formed by twelve countries.



Rafidah Aziz

Former Minister of International Trade and Industry of Malaysia

Rafidah Aziz is Malaysia's longest serving Minister of International Trade and Industry, having served for 21 years from 1987-2008. She is an authority on global trade. During her tenure as the Minister of International Trade and Industry, Rafidah Aziz contributed significantly to the development of Malaysia's economy. She worked tirelessly to position and promote Malaysia as the most favoured destination for foreign direct investment. Under her leadership, many multi-national corporations established manufacturing, research and development facilities in Malaysia. She was recently appointed as the Chairman of the rapidly growing airline, AirAsia X.



Leung Chun-ying

Former Chief Executive of Hong Kong

Mr. Leung has advised the Chinese Government on land and housing reforms in China. Between 1984 and 1997, he held senior positions related to the return of Hong Kong to China. Between 2012 and 2017, Mr Leung served as the fourth-term Chief Executive of the Hong Kong Special Administrative Region. In March 2017, he was elected Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference. In 2017, he founded the Belt and Road Hong Kong Centre and the Greater Bay Area Centre.



Andrey Bystritskiy

Chairman of the Board of the Foundation for Development and Support of the Valdai Discussion Club

Andrey Bystritskiy is the Chairman of the Board of the Foundation for Development and Support of the Valdai Discussion Club and the Chairman of the Public Supervisory Council of the Russian Ministry of Communications. He is also a Professor at the National Research University-Higher School of Economics, and the Dean of the Faculty of Communications, Media and Design. He has been involved in the media industry since 1991, having held a variety of positions.

Summary

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he panel “New Horizons for Emerging Powers: Co-operation or Competition?” discussed the future of the world that rests on the relationship between developed and emerging states.

Minister of Treasury and Finance of Turkey, Berat Albayrak, in his keynote speech, stated that the world needs a new vision to address modern-day challenges and reduce tensions. Protectionist and economically conservative policies can be damaging for emerging markets while the promotion of free trade can be beneficial for all parties. He further stated that despite all the negativity, such as terror threats, financial manipulations and an ongoing refugee crisis, the Turkish economy is giving positive signals thanks to the economic reforms against instability and inflation, and hard work to achieve the goal of being a global economic powerhouse.

The global economy continues to steadily shift towards the East while emerging powers such as China and India await their time to shape a new world order. However, this shift is not painless as many suggest. Rafidah Aziz argued that trade wars, active and frozen conflicts and unstable socioeconomic dynamics lead to an insecure environment, which puts the development of

emerging states at risk. While trying to avoid the consequences of damaging clashes between the developed countries, emerging powers are also trying to solve the dilemma they often face between cooperation and competition.

A debate took place among panellists on the importance of striking a balance between cooperation and competition. All of them agreed that cooperation is a necessity of the modern world while endorsing positive competition that benefits all. Andrey Bystritskiy expressed his hope for the future while comparing today with the struggle and instability after the dissolution of the USSR. In this regard, Leung Chun-Ying mentioned the importance of free travel and free trade in the globalised world and argued that the connectivity of the people is the key to the future of cooperation. Eduardo Duhalde stated the importance of cooperation among regional states. Hence, he admired the European Union and stated that Latin American countries still focused on competition and rivalries rather than forming an EU like platform. On the other hand, Rafidah Aziz added her support for a close working relationship between the public and private sectors for the elimination of the gap between developed and emerging countries.



Report

A New Economic Vision for Turkey

In his keynote address, Turkey's Minister of Treasury and Finance Berat Albayrak focused on the economic potential of Turkey as an emerging country, which faces significant security, stability and prosperity challenges. Furthermore, he argued that the world needs solutions with a higher rate of success to address challenges such as reducing regional and global conflicts, promoting peace and security, and establishing a new order based on regional and international cooperation as well as mutual benefit and respect.

The Minister also stated the necessity of reducing tensions in the world economy by abandoning protectionist policies. Eliminating barriers to free trade should be a priority in order to reach the most beneficial situation for all parties. Therefore, Minister Albayrak drew attention to the shift in world economic

power and predicted that emerging economies will have a significant advantage compared to developed countries in the years to come.

Minister Albayrak discussed Turkey's recovery from the financial crisis, which was exacerbated by currency manipulation on the international market and marked the current positive image since the recording of the first annual current account surplus since 2002. He ensured that despite the terror threat on the southern border and refugee crisis that continues to burden the Turkish economy, the government's new economic plan will carry on Turkey forward in its goal to become an industrial powerhouse. Lastly, Albayrak pointed out that Turkey is not only acting for its interest but is also interested in a win-win principle, which can help bring much-needed stability to the world.

Cooperation or Competition?

Andrey Bystritskiy opened the session by answering questions about Russia's influence and its preferences to establish further connections with the rest of the world. Bystritskiy stated that Russia is looking to balance its foreign policy where both cooperation and competition will be inseparable. He noted that besides increasing opportunities for everyone, there is also an increase in interdependence and remission in the ability to organise global regulation.

Leung Chun-Ying argued that free trade is good for all and the signing of free trade agreements contributed to cooperation between Hong Kong and ASEAN members. Following his previous statement, Chun-Ying also stated that trade is not the only way to cooperate. It is also important to consider the increase in travel and connectivity between people. He also added that the positive competition is a necessity to sharpen our skills and minds by encouraging innovation and new ideas.

Rafidah Aziz has also structured her speech around the importance of cooperation and also defined today's political environment as unstable partly due to unexpected policy announcements via Twitter. She further recalled that in today's world, each country knows its strengths and weaknesses.

Eduardo Duhalde approached the issue from a Latin American perspective and spoke about dreams of an EU-like cooperation in the region. He gave examples of post-war Europe and expressed his admiration of European cooperation, which brought nations together who previously had a history of enmity. Duhalde argued that unfortunately, Latin American countries continue to focus on points of dispute between them rather than on cooperation. For him, this impedes their full potential to overcome challenges and enhance development.

The impact of the trade wars between China and the US could cause huge devastations for those economies with close ties to both or either state.

Who Benefits from Cooperation?

Russia is considering the construction of a new Eurasian macro-region with new rules, Bystritskiy stated, because it is obvious that globalisation is unavoidable and Russia wants to play the game by its own rules. Therefore, Russia has thought to create a new model of globalisation, which Bystritskiy argues will be built on global networking and regional unions among countries such as Eurasian macro-region under Russian guidance.

Leung Chun-Ying also stated his preference for multi-lateral agreements over bilateral ones while not denying the importance of the latter. He claimed that if you

have a multitude of bilateral agreements between countries, compliance costs could be quite hefty and that could outweigh the benefits of having these free trade agreements.

Rafidah Aziz concentrated more on trade wars and their consequences for third countries. She argued that the impact of the trade wars between China and the US could cause huge devastations for those economies with close ties to both or either state. Therefore, close partnerships between the private and public sector are vital for sustainability and stability.

Constructing the Future and the Role of Youth

With regards to the future, Bystritskiy argued that the current international situation is better than it was 30 years ago, which gives him hope for the future despite some ongoing issues. He stated that the world should be ready to face a new reality, namely the increase in mobilisation of youth activities.

Leung Chun-Ying described the wave of protesting youth as an understandable phenomenon where young people are seeking alternatives for a better life and are consequently demanding for social, political and economic change. Aziz contributed the debate by acknowledging the fact that youth have less interest in trade agreements or bilateral deals than socio-economic development. She also argued that the policymakers should consider the demands of youth.

Duhalde criticised current economic policies for not caring about the happiness and satisfaction levels of ordinary people. The former Argentinian President disagreed with the Bystritskiy's argument about the world being better than 30 years ago and expressed his dissatisfaction towards the current social, political and economic situation. Unfair distribution of wealth, increase in suicide and overdose rates and a general decline in the economic situation are just some indications that the well-being of people needs serious attention, particularly as social and economic gaps between people continue to increase. The overall picture demands alternative solutions and therefore, demands from the youth become vital more than ever to build a better future.

Key Takeaways

- Despite multiple points of pressure, the Turkish economy remains promising and stable which gives hope for the future developments introduced under the new economic plan by the Turkish government.
- Free trade is an important step towards global cooperation, which can serve mutual interests between the states.
- Healthy and positive cooperation and competition in the world can only be achieved with mutual respect, both multilateral and bilateral agreements, and avoidance of instability and uncertainty in global policies.
- For emerging countries, it is important to achieve diversification of the economy and foreign trade in order to avoid the consequences of becoming "collateral damage" in a possible trade war between economic giants such as the US and China.
- Corruption and other illegal financial activities can be a devastating barrier to the economic development of a country. If left unaddressed, they can also cause damage to global trade, fiscal transparency and political cooperation.
- The youth and their demands for a fairer, more prosperous and equal world should be listened to by world leaders carefully in order to find alternative solutions to current social, economic and political problems.

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