

New Growth Strategies for BRICS+ and TURKEY

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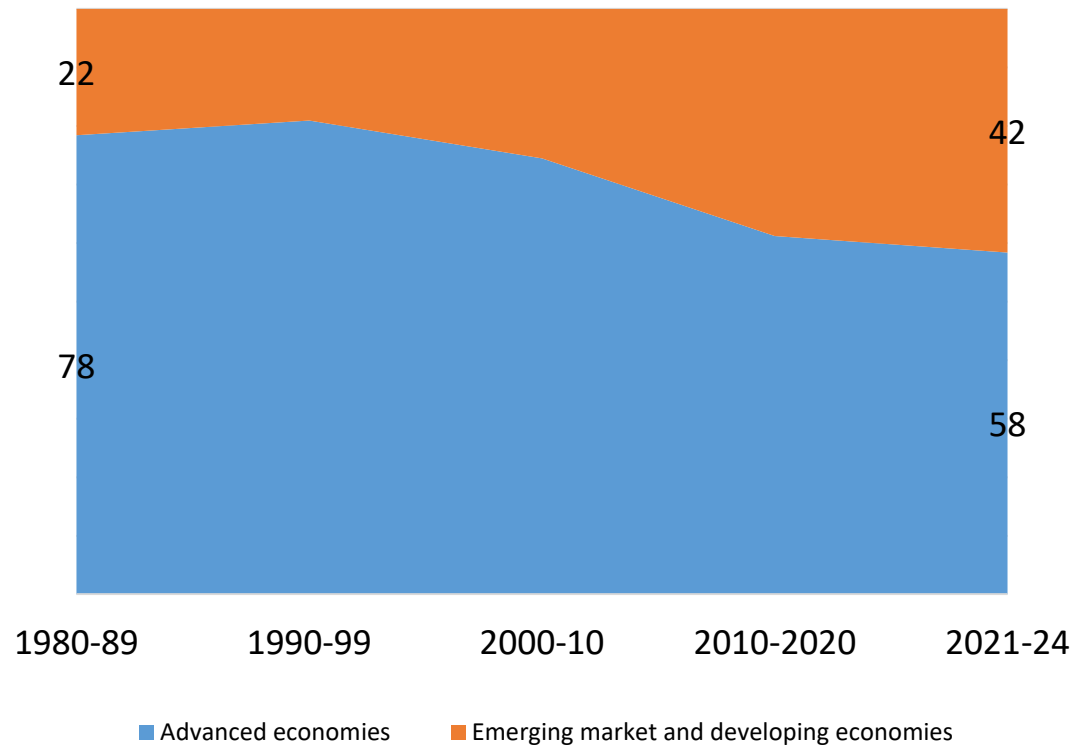
Content of the presentation

- Growth strategies of the past
- Shift in the global economic balance in the last decades
- Engagement of BRICS+ in the world economy
- Possible future growth strategies for developing countries
 - Green transition
 - Labor-absorbing services

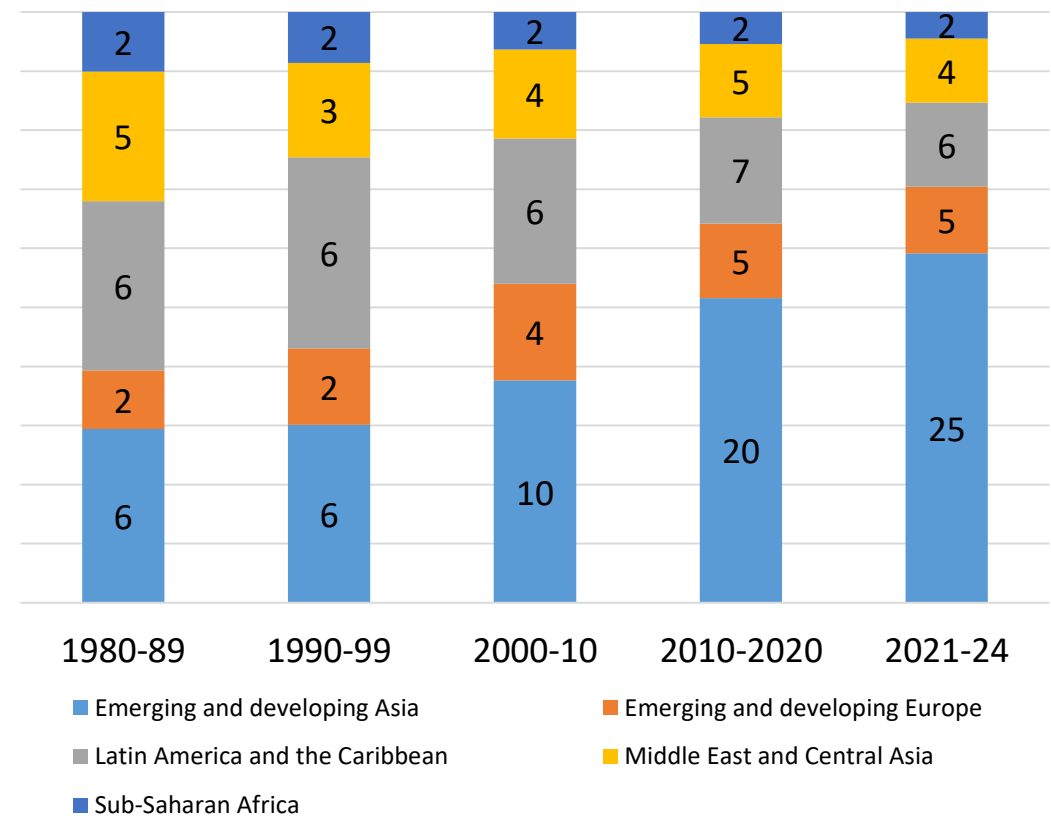
Shift in the global economic balance in the last decades

Manufacturing and export-based growth model was the consensus strategy of the past

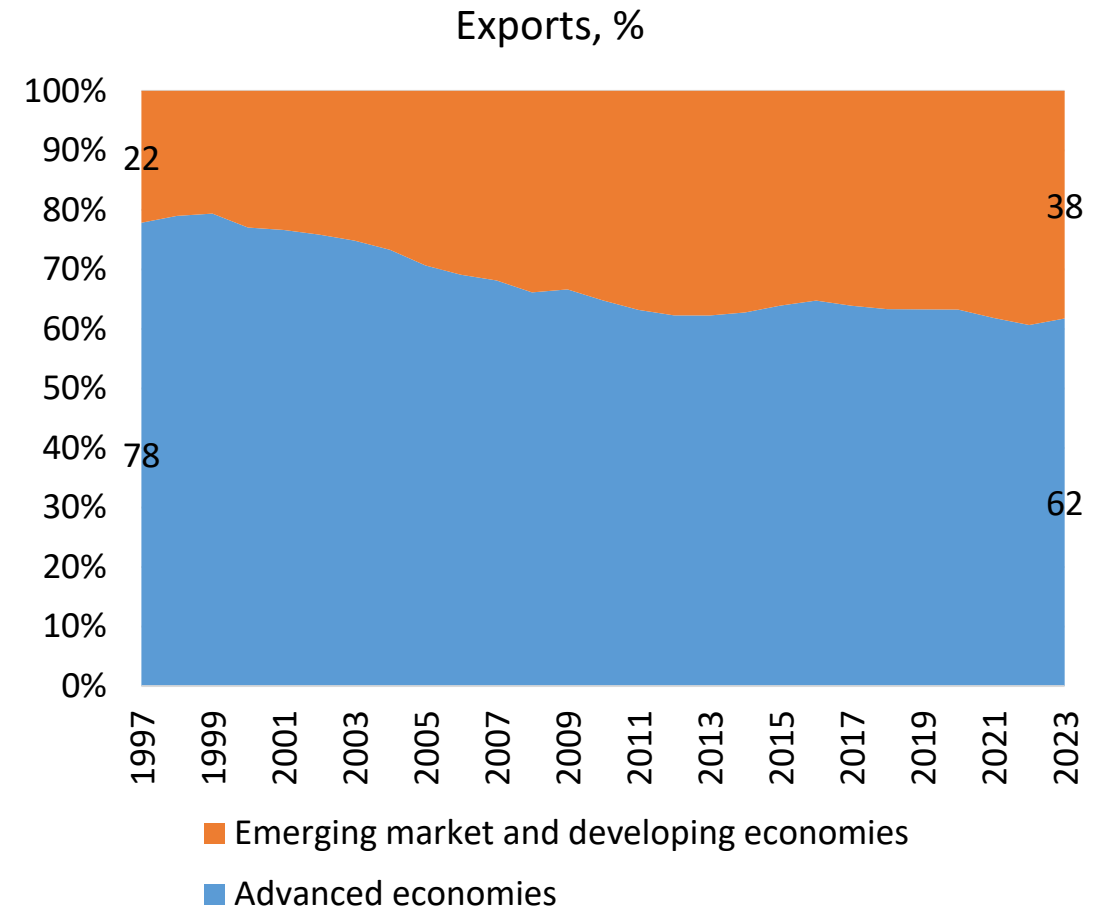
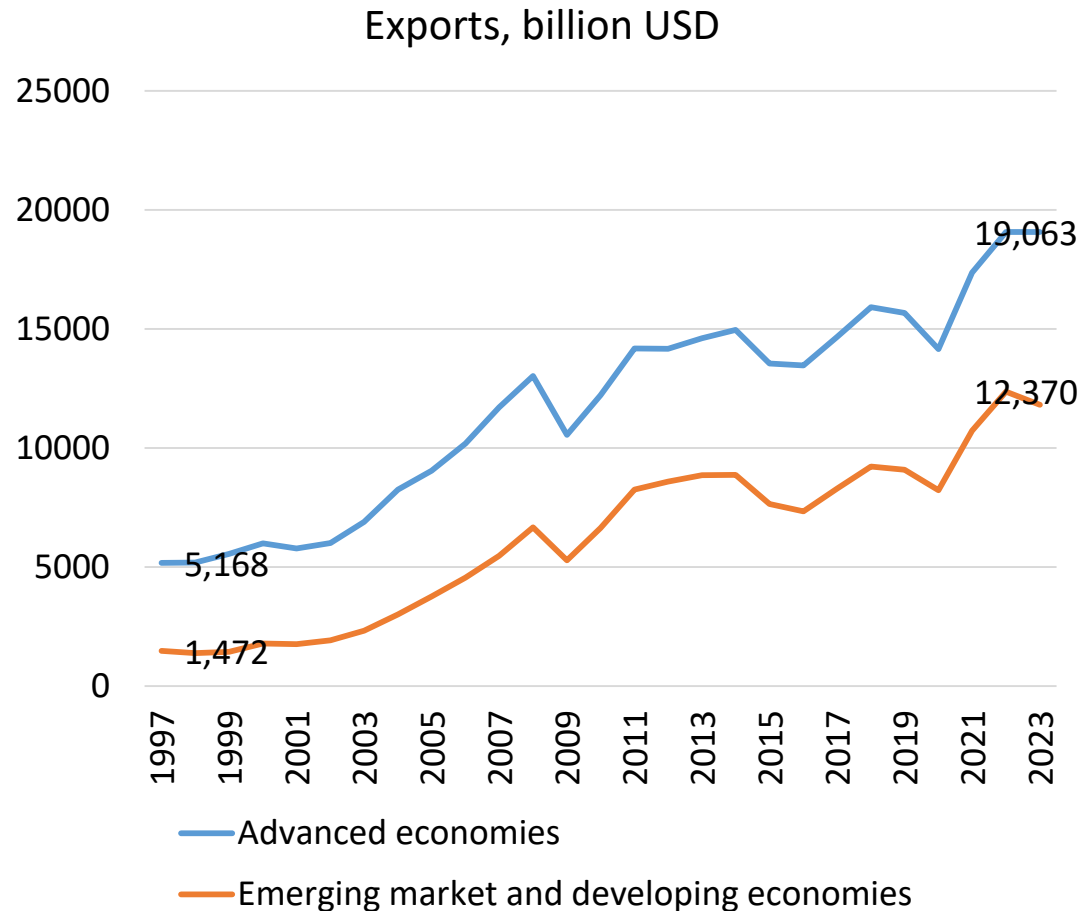
Shares in World GDP



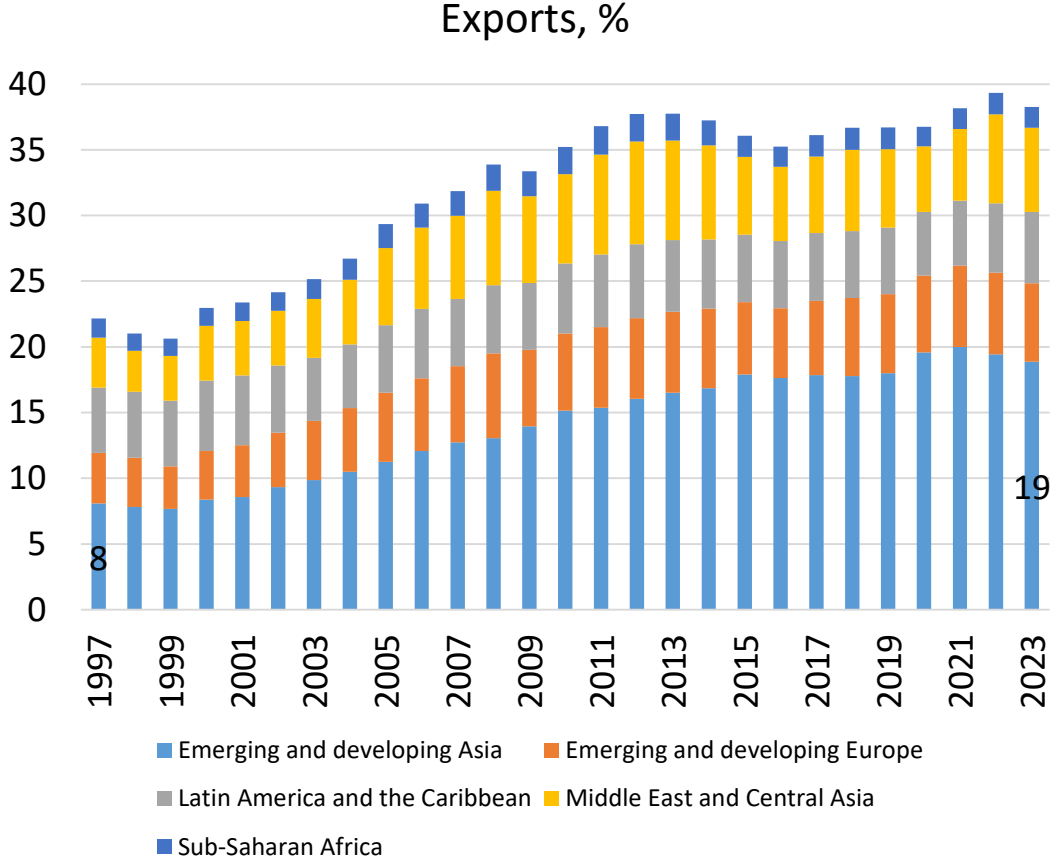
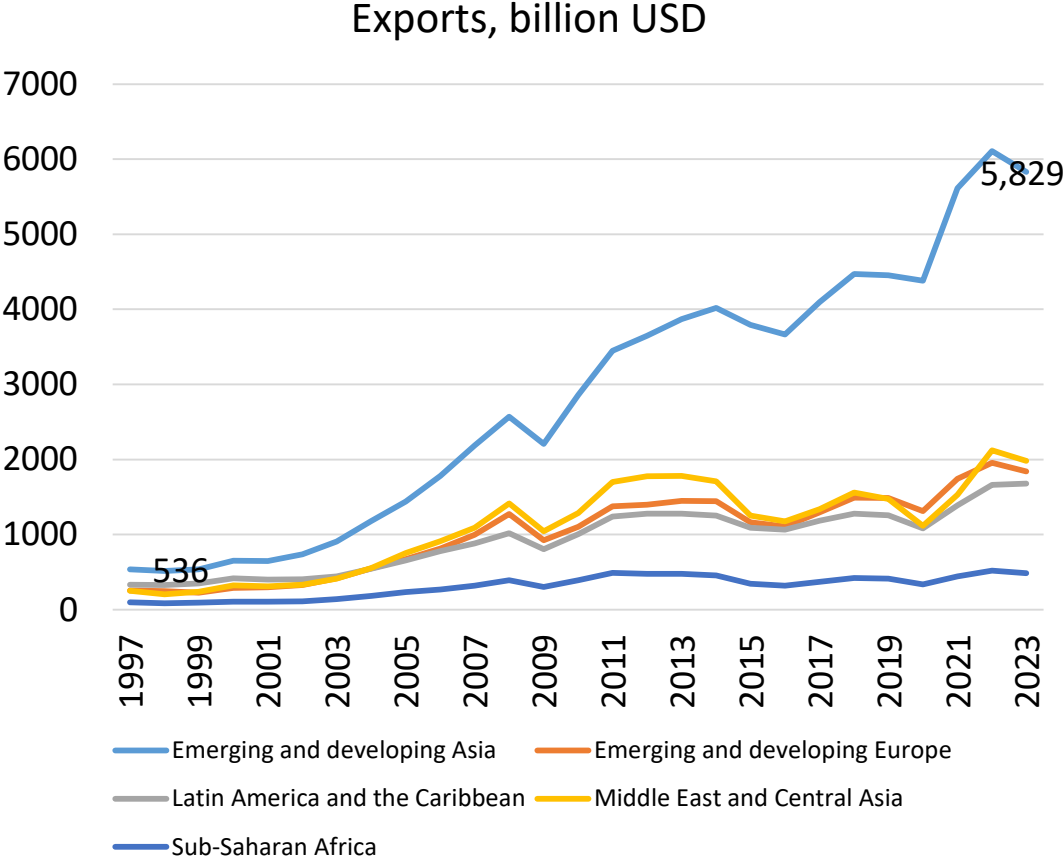
Shares in World GDP



Exports of developing economies increased 8.4 times, compared to 3.7 times in developed countries

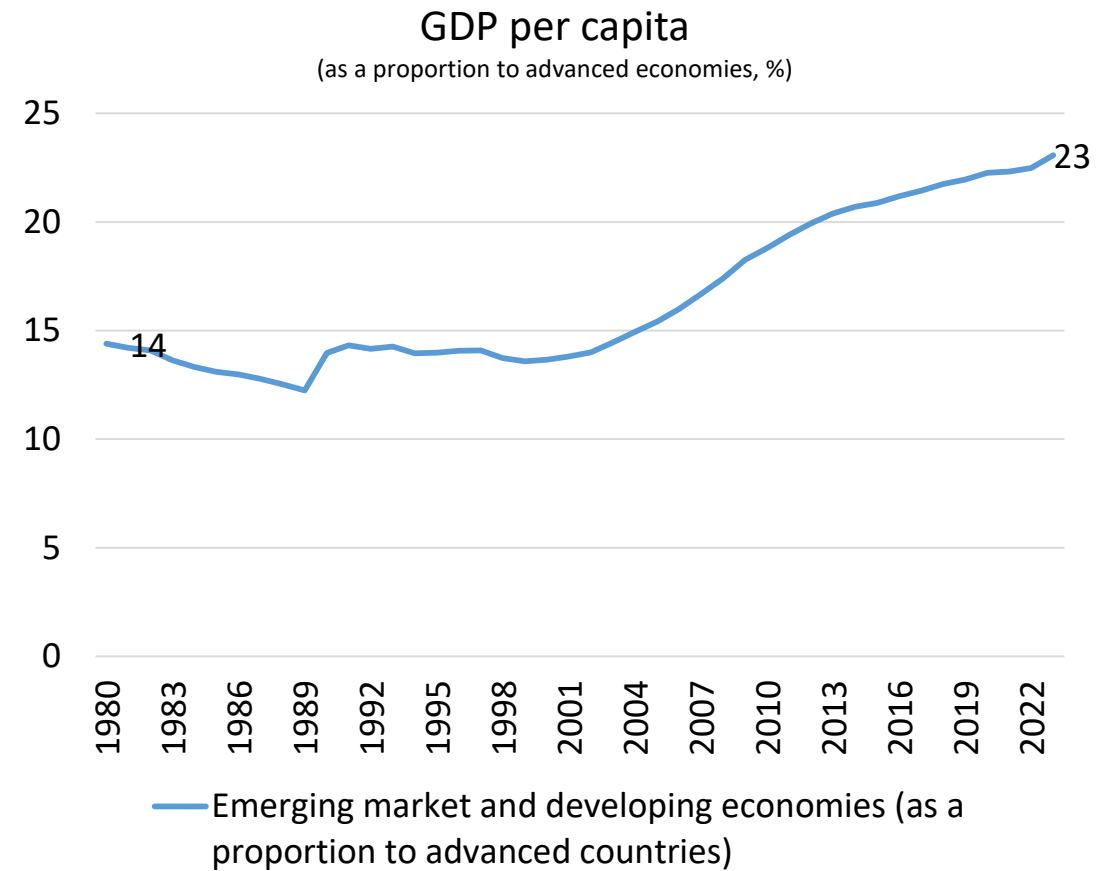
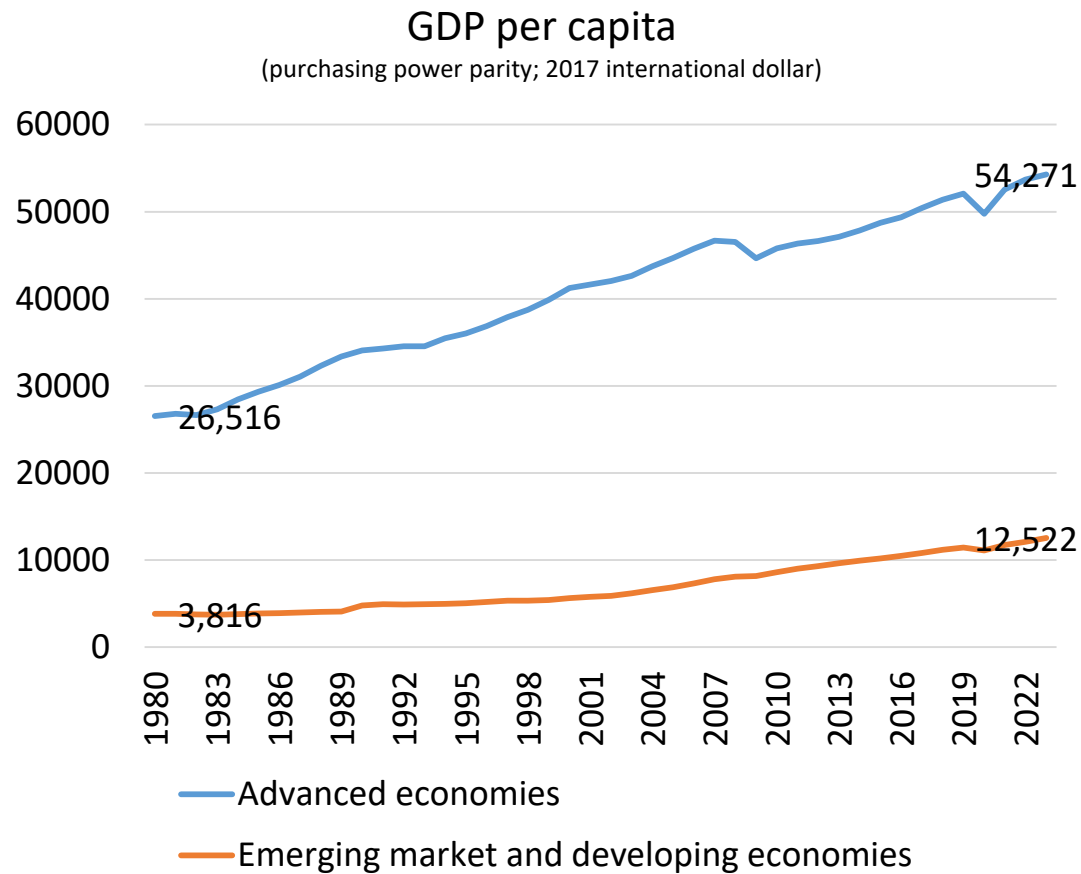


This catch-up was most unequal between regions



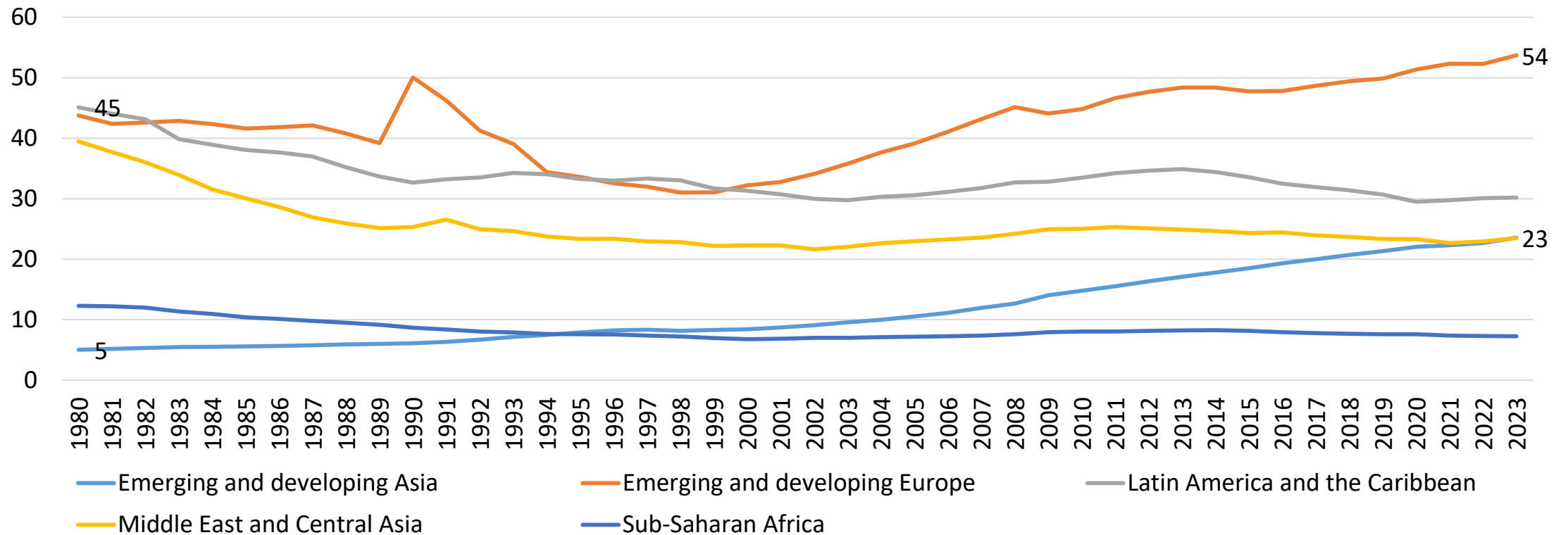
Source: IMF, WEO Database

It is the same in every dimension of the catch-up; GDP per capita increased 3,3 times in developing countries but...



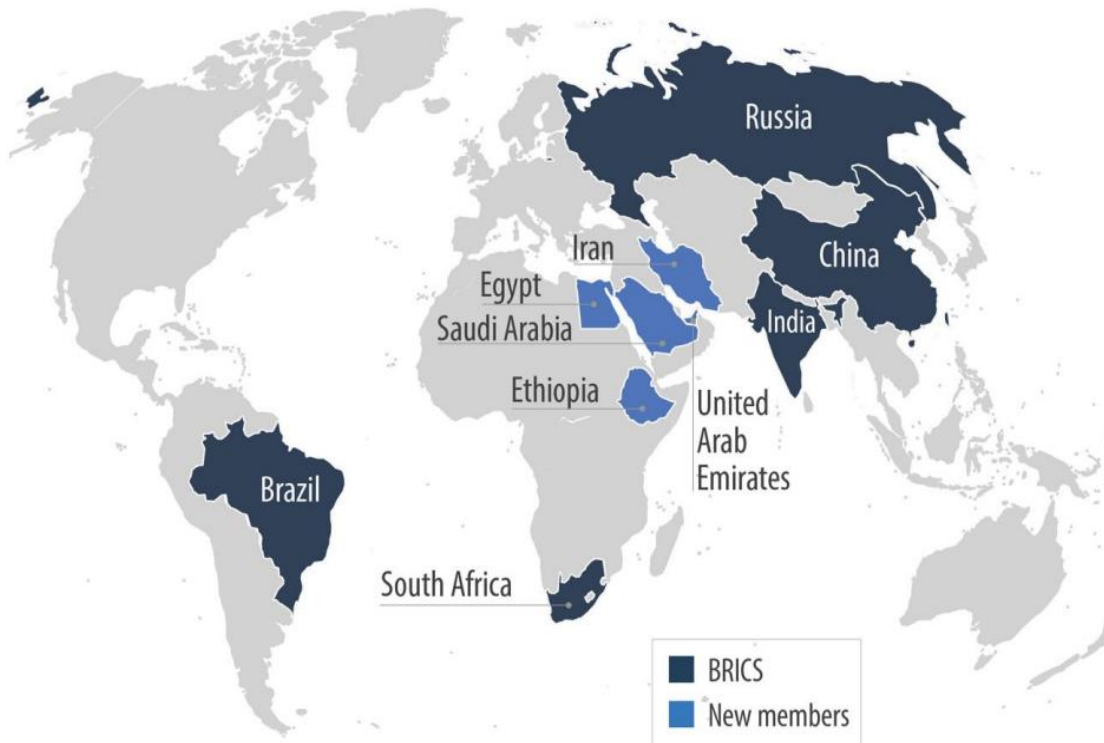
...developing countries in Asia were the pioneers of this development

GDP per capita in emerging market and developing economies
(as a proportion to advanced countries, %)



Engagement of BRICS+ in the world economy

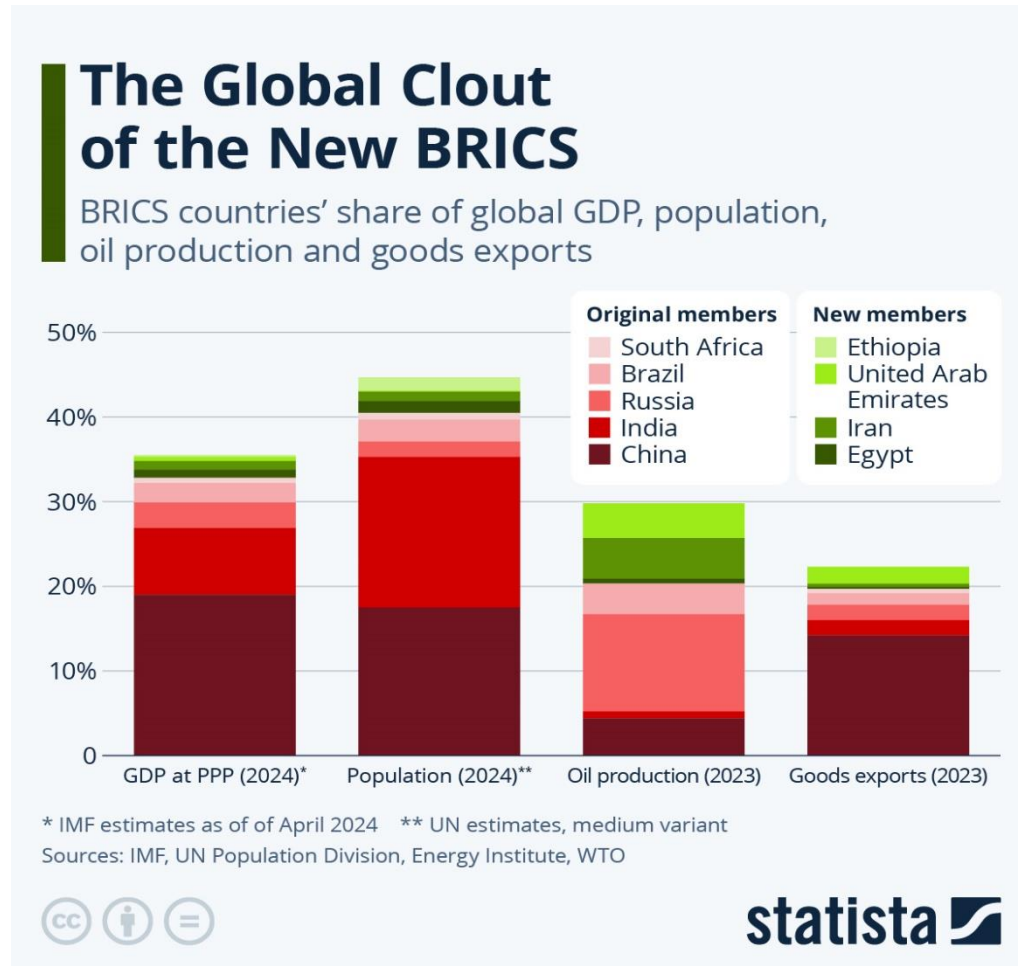
BRICS is expanding



	Population	GDP	Exports
India	18%	3%	3%
China	18%	17%	11%
Brazil	3%	2%	1%
Russia	2%	2%	2%
Ethiopia	2%	0%	0%
Egypt	1%	0%	0%
Iran	1%	0%	0%
South Africa	1%	0%	0%
Saudi Arabia	0%	1%	1%
United Arab Emirates	0%	0%	1%
Europe	6%	17%	31%
United States	4%	26%	10%

Note: Data is for 2023.

BRICS+ have a key role in global economy



BRICS+ represents;

- %45 of the world's population
- %35 of global GDP measured at purchasing power parity
- %30 of global oil output
- %22 percent of global merchandise exports
 - China accounts 2/3 of the bloc's exports

Is the growth model of the past still valid? Or, are we at a turning point?

Economic growth rates in the developing countries are dropping down preceding the Covid-19

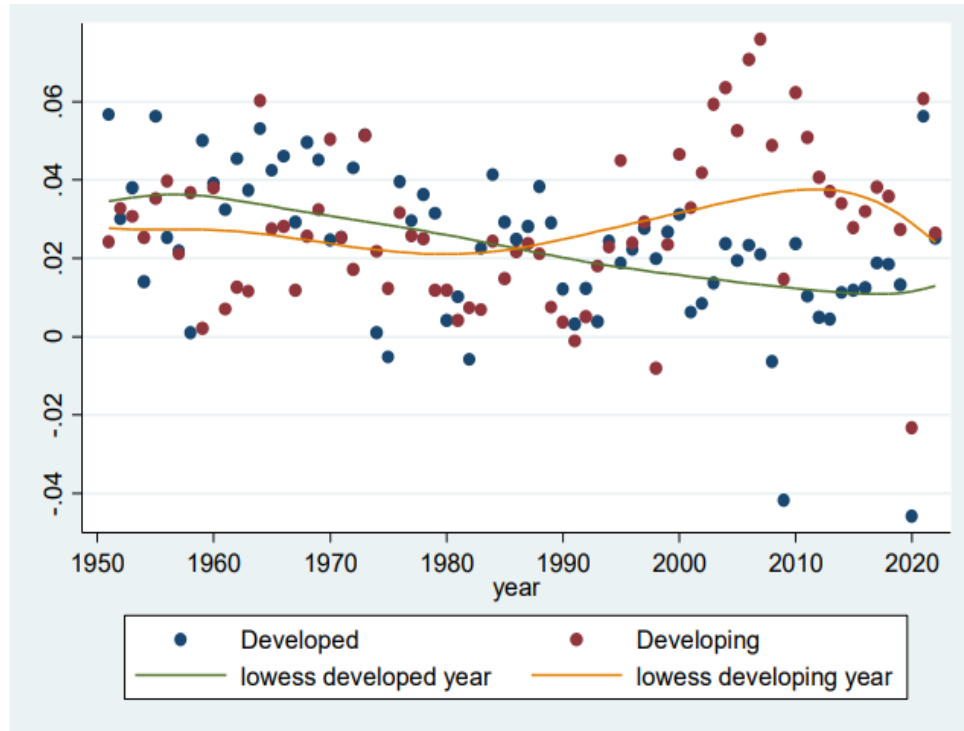


Figure 1: Growth rates for developed and developing countries since 1950

Sources and notes: Data are from Angus Maddison database, updated with data from World Bank, World Development Indicators. The curves labeled “lowess” depict the smoothed trends of the annual observations for each group.

New dynamics of growth:

- New technologies
- Climate change
- Reconfiguration of globalization

New requirements of growth strategies:

- Green transition
- Labor-absorbing services

Turning into an investment strategy, climate change can become a growth opportunity

Some key investment areas are:

- Transformation of the energy system
- Redesigning / establishing sustainable cities
- Increase resilience to disasters

Main challenge: How better jobs can be created?

Governments should focus on programs that have potentials simultaneously increasing productivity and employment

- Establishing public and private partnerships
- Initiating time and cost efficient programs
- Developing labor-friendly technologies to benefit more from digital tools and AI

Success in implementing effective industrial policies depends on learning throughout society

- Establishing strategic dialogue and collaboration with firms
- Forming strong policy coordination
- Monitoring outcome of the policies
- Providing incentives for compliance
- Founding new institutions