

China's Role in the World Architecture After the G20 Hangzhou Summit

By Guan Pingpu and others, People's Daily

I. Building a Garden of Flowers for all Countries to Share

In the face of the developing and evolving world economic situation, China is doing its best to provide more public goods for the international community.

Historians have used the "sea with waves rising one after another" as a metaphor of human history. The changing world architecture will always push some countries onto the high tide. Having entered 21st Century, this brave high tide-rider is called China

Eight years ago, the G20 finance ministers meeting was upgraded to the G20 Summit, and in the following years in London and Pittsburgh, the Second Summit and Third Summit was held respectively. The fifth paragraph of the Pittsburgh Summit Statement was as short as two words: "It works". Some scholars make the analysis that it takes just two years time for the G20 to curb the spread of the rare financial crisis in one hundred years, and the secondary reason is that the emerging market economies represented by China have participated in the process.

Emerging market economies and a large number of developing countries have achieved rapid development, and their international influence has been strengthened continuously, which is the most revolutionary change in the international power balance since the modern times. As president Xi Jinping judges that the current world architecture is in profound changes, the global management system reform is at a historical turning point; to overcome the global economic downturn, find a new growth momentum, and effectively coordinate policies of various countries, the demand is in search for more effective management program in course of changes.

Reviewing the historical trajectory of the global management system change for more than three centuries, the changes in the international order had never been out of the shadow of rivalry for hegemony. Until the end of World War II, constructing a fair and just international order

under the United Nations purposes, through dialogue and consultation to deal with differences and disputes between countries in a peaceful manner become the world trend. For the first time, mankind has tasted the fruits of long peace, and a possibility to share lasting peace.

However, look at the world today, on the one hand, protectionism is rising, international trade and investment is sluggish, the development of the multilateral trading system is facing a bottleneck. According to statistics, since 2008, the G20 members launched a total of more than 3500 new protectionist policies, 81% of which is still in operation. On the other hand, geopolitical factors get perplexing, regional hot issues and global challenges such as political security conflict and unrest, refugee crisis, climate change and terrorism, etc., continue to highlight and cast a shadow over the global governance. As the economic recovery now is very fragile, if trade decreasing, disputes expanding, missing coordination of macroeconomic policy are allowed, the "new mediocrity" in the global economic growth is likely to evolve into a "new ideal".

To keep up with the pace of the times, we should have entered the 21st Century both physically and mentally, President Xi's statement reflects the common aspirations of various countries to improve the global management system. To maintain peaceful and stable international environment, to jointly build a global partnership of win-win cooperation and to jointly improve the global economic management -- "China's approach" for the G20 Hangzhou Summit -- are recognized and appreciated by the participants.

The future can be hardly predicted, but can be shaped. To rely on innovation to open up the source of growth, to open up further to the outside world to expand development space, to strengthen integrative ability by relying on interoperability, to consolidate the win-win foundation with inclusiveness -- President Xi Jinping points out the direction for promoting the

healthy development of world economy. ... Putting the development progress in a prominent position in the global macro-policy framework for the first time, making connected action plans for attaining the 2030 Sustainable Development Agenda for the first time, issuing the chairman statement on the progress achieved for climate changes in the G20 history for the first time, ... Since taking over the G20 chairmanship, as a Chinese saying goes, people with petty shrewdness attend trivial matters while those with greater wisdom attend to governance of institutions. China, facing the evolution and development of the world economic situation, has been constantly trying to make efforts for these firsts and provide more public goods for the international community.

The new mechanism and a new initiative advocated by China are neither to reinvent the wheels, nor target any other country, nor to build China's backyard garden, but to develop a flowers garden for all countries to share. President Xi Jinping states to the world. As the first state to sign the UN Charter, and as the current international system participant, builder and contributor, China sincerely hopes to work together with other countries to promote the global management system to get further improved, to become more compatible with the world growing consumption requirements, and more conducive to the common development of all countries in the world.

In China's view, today's world is no longer in the era of rivalry between Athens and Sparta, economic globalization is increasingly deepening, all countries closely connected together, no state can afford the cost of major powers conflict and confrontation. Only we jointly promote improvement instead of reinventing the global management system, and build a mankind community of shared destiny instead of shifting troubles onto others and engaging in vicious competition, will mankind have a bright future.

II. China's Growth will Benefit the World More

As China is on a new starting point of having in-depth interaction with the world, and opening still wider to the world, Chinese development will more and more benefit other countries, and provide more opportunities for them on the Chinese Express.

After 38 years of reform and opening up, China's growth has brought to the world too many surprises. Dr. Kissinger admits that during his first visit to China he never imagined China's strength position in the international system could have such a huge leap. China, as the world's second largest economy, the world's largest manufacturing country, the world's second largest consumer market, more than 170 million highly educated and professional talents, over 20% contribution rate to the global economic growth. ... For decades, the Chinese people are marching forward in exploration, working really hard, and moving toward common prosperity in the process of going to the world, which itself is a magnificent contribution to mankind.

An important feature of economic globalization era transcends the past development model that "your development is my nightmare". Reasonable allocation of resources in the global scope and building industrial ecological chains by various countries enable countries to have mutual benefit and win-win outcomes between them. China has been in the world economic cycle for the past 40 years, the vast Chinese market attracts many foreign investors, high quality and inexpensive China-manufactured products sweep the world, the strong power of the "world factory" leads the entire chains boom from upstream to downstream.

China can have current achievements, which cannot be separated from its own hard work, but also benefited from world environment for the peaceful development, as well as from the shared dividend of the economic globalization. For this reason, China is more heartfelt and self-conscious on the issue of promoting the world-wide common development. From building a new system of open economy to accelerating the implementation of the strategy of free trade zones, from promoting "the Belt and Road" construction to establishing the Asian Infrastructure Investment Bank, the Chinese not only firmly grasp the development key, but also hopes to precisely open the lock for the world development.

"World prosperity" and "China's growth" play the symphonic unison, "world dilemma" and "China's difficulties" are not separated by any wall. The global growth is rather weak, and China goes all out for "steady growth"; the world's major economies worry so much on the

exacerbated aging that "they have more grey hair on the head", the "grey-hair wave" also worries various aspects of the Chinese society; as global protectionism tends to rise, small business owners in China's Wenzhou immediately frown; when the Wall Street decides to pierce the bubble, China's government at all levels are "actively de-leveraging". ... The economic linkage with deep integration, sharing weal and woe, and there is no exception in the face of difficulties. Strengthening the interconnected policy measures, consolidating interconnected infrastructure, and promoting interconnected win-win outcome, the "three interconnections" President Xi Jinping proposed is to work with other countries together, to coagulate interconnected vitality, and to achieve interconnected development in the world economic resonance.

For thirty-year rapid development almost from scratch, few people could understand better than the Chinese the significance of the development; for thirty-year reform and opening up in the course of globalization, few people could know better than the Chinese the value of opening up and inclusiveness. Pass on your development experiences to us, Tanzanian PM Majaliwa said. To share results more, and better benefit the world, China's contributions speak louder than words.

III. China contributes its wisdom to global governance

Behind the flexible and practical solution is the Chinese resolute opposition to the dominative and exclusive thinking, and the strong support for the concept of rising and falling together and win-win outcome.

The concluded G20 Hangzhou Summit has identified the direction for the world economy, innovated growth mode, and improved the global economic and financial governance, revived the international trade and investment as the two engines, promoted inclusive and interconnected development, President Xi Jinping in his Concluding Remarks at the closing Ceremony of the Summit relays the Hangzhou consensus of global governance, and highlights China's wisdom for harmonious symbiosis.

The theme and topics China proposed very much fit into the needs of the current world economy, can be described as "timely", Eurasia Research Institute expert H. de Keyser

commented and continued the Hangzhou Summit showed precise grasp of the global trend and made a "prescription" for the world economy accordingly, helped to make a timely plan for global development future, and China will become a global leader because it provides solution ideas for the global economic uncertainty and the status of political conflict.

With deepening development of the economic globalization, the interests and destiny of all countries are more closely linked, many problems are no longer limited to one country, and no country can respond to all challenges without working with others. Therefore, in essence, the global governance is embodied as a pursuit of order, and the core is how to get rid of the plight of collective action institutionally. Looking at today's world, although there is signs of change in Western countries-led global governance system, because of the limitation and interference by the domestic political and economic reality, some major countries show serious short-sighted view in global governance, lack of long-term consideration and global perspective, economic globalization and the "politics localization" highlight contradictions, highly efficient organizations collective actions are often faced with the choice contradictions and logical dilemmas

Since the world is so big and has so many problems, the international community is looking forward to hearing China's voice, and to see the China's program, so China cannot be absent. It is noticed that in modern times both the French "Declaration on the Rights of Man and Citizen", and the United Nations "Universal Declaration of Human Rights" after the WWII quote the well-known phrase of the "Analects of Confucius -- do not unto others as you would not have them do unto you. In the Chinese culture and world view, harmonious co-existence is the fundamental keyword. From the "benevolence", "people being the basic "and "true with one's words "to "harmony without blind following", "expecting assistance from friends on travel", etc., this Chinese philosophy of daily life has injected new spirit and provided a new idea to improve the current global governance.

To find out the similarities in confrontations and conflicts, to guide the parties to think in the opposite position, and to subtly solve differences until a satisfactory result is achieved

by all sides concerned - in the eyes of many international observers, whether to mediate regional disputes, or advocate solutions to resolve a crisis, the Chinese approaches are always "fresh and new". Behind the flexible and practical solution is China's resolutely abandoning dominant and exclusive thinking, and strongly supportive of the concept of win-win cooperation.

From the "Asian community of shared destiny" to "human community of shared destiny", which points out that countries, be it big or small, strong or weak, rich or poor, should work as guardians and facilitators to maintain peace, rather than help in the work one way and hinder it another way, but should complement each other. Having on a number of diplomatic occasions stressed that the world affairs need to be discussed by all countries, and advocated attaching importance to interests but more to friendship in international cooperation, ... China's ideas and solutions for global governance promoted by President Xi Jinping, without exception, on different international occasions over the past 3 years, produced a strong resonance of the audience. The reason is it represents China's voice, having washed away egoism and utilitarian value, and bridged the gap caused by confrontation and conflict.

Being marginalized for a long time in global governance system, China suffered the pain of unfair rules of the game. One hundred year ago at the Paris Conference on Peace, China's diplomat Gu Weijun wrote to his friends that China

attended the Conference as a winner but its territory was divided as the defeated Germany. At the Yalta Conference in 1945, China again was a winner at the battleground but a loser at the diplomatic court. Today, China has been a "host" on various world's major occasions, the world's scenery is indeed not the same with China or without China. From the establishment of Asian Infrastructure Investment Bank to creation of a BRICS Bank, from hosting the APEC meeting to hosting the G20 Summit, targeted at the current status of major transnational and world-wide growing challenges, China, with hitherto unprecedented confidence and strength, continuously puts forward the "Chinese program", with "Chinese wisdom" to improve the global governance mechanism. Meanwhile, China also uses its own experience to tell the world: a fair and just "round table" is often more important.

However, there should not be only a single peak, nor an isolated island completely cut off from the rest of the world in the course of world development. In the waves of economic globalization, only mutual benefit and complementary support to each other and every wave showing its peculiarity, can the rolling waves of diversified development be formed. China is willing to put up a platform and pave the way for the global governance, seek tangible benefits to all countries and peoples in the world. As president Xi Jinping says in his closing remarks that may the Hangzhou Summit "become a new starting point".

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have many similarities in economic and social development goals, share similar positions on many international issues, and have common requirements to reform the current world political and economic system and build a more balanced global governance system. These common interests and similar positions are the central factors that unite the BRICS members more closely.

With the gradual formation of the BRICS cooperation mechanisms, as the representative of

the global emerging economies, the BRICS international influence is also growing. The BRICS with a broader representation has come on the international stage. With the BRICS cooperation mechanisms becoming more and more mature, there may be more emerging economies to join in the future, the growing BRICS will play a more important role in the international political and economic affairs. Looking ahead, the BRICS member countries cooperation still face challenges, but will show a more promising prospect.

Establishing a Multi-level and All-Round Cooperation Framework: the BRICS Pragmatism and Vision

By Hu Mingshi, Senior Researcher of Daily Telegraph

Abstract: during the (G20) Hangzhou Summit, the BRICS leaders informal meeting was held. The top leaders of the 5 countries believe that the prospects and momentum for economic growth in the BRICS member countries are still there, and will continue to serve as an important engine of global economic growth. BRICS members, under the guiding principle of open, equality, inclusiveness, mutual benefit and win-win cooperation, would further strengthen their strategic partnership, and promote the construction of equal and fair international order on the basis of international law.

At present, the BRICS member countries' total land areas account for 27% and the total population for 43% of the world's total respectively. According to the relevant international organization statistics, in 2013 the five countries GDP together account for 17%, and total trade volume for 16% of the global total respectively. China is the world's most dynamic economic region, introduces the largest amount of foreign capital, and becomes production bases of the world's largest enterprise groups. With 1.3 billion inhabitants, China is the world's largest populous country, abundant, cheap and reliable labor generating China economic prosperity, besides the labor quality is rising. Brazil's GDP is the highest in Latin America, in addition to the traditional agricultural economy and production, service sectors are also increasingly prosperous, and occupy a natural advantage in terms of raw material resources. Brazil has the world's highest iron, copper, nickel, manganese, bauxite reserves, in addition, communications, financial and other emerging industries also show an upward trend. India is the largest populous democratic country in the world, more than 6000 listed companies in the stock market indicate unprecedented growth. Over the past 20 years, India's economy has grown at an average of 5.6% year-on-year, and behind the economic front, it has a highly qualified workforce. Export sectors also provide a strong follow-up impetus to economic development. Russia has vast territory, abundant resources, and rich in energy, however Investors nowadays pay particular attention to the Russian current economic policy changes, which, in addition to the price of raw materials, is another important factor to impact the Russian financial market. As the economy continues to

recover, how to ensure sustained and healthy economic growth this year is the top priority of the Russian government. In terms of Russia's economic situation, to curb inflation, and reduce the deficit are the two main challenges to the Russian government. Employment is the biggest challenge facing South Africa, with the help of the G20 Hangzhou Summit, both domestic and international investments for the purpose are encouraged; its bottleneck of transportation and communication facilities restrict economic exchanges; in order to overcome the single energy structure, the South African government proposes the development of solar, wind and other new energy.

During the G20 Hangzhou Summit, the BRICS leaders informal meeting was held, The top leaders of the 5 countries -- President Xi Jinping, Prime Minister Modi of India, President Jacob Zuma of South Africa, Brazilian President Temer, and Russian President Putin - believe that the prospects and momentum for economic growth in the BRICS member countries are still there, and will continue to serve as an important engine of global economic growth. BRICS countries, under the guiding principle of open, equality, solidarity, inclusiveness, mutual understanding, and mutually beneficial and win-win cooperation, would further strengthen their strategic partnership, and promote the construction of equal and fair international order on the basis of international law.

Reaffirming the will of in-depth cooperation

This BRICS leaders meeting was presided over by PM Modi of India as the BRICS chairmanship state, and issued a Press Statement after President Xi Jinping delivered the welcome speech. The

BRICS leaders congratulate and support China as chairmanship state of the G20 Summit 2016, are fully satisfied with the fruitful results achieved for the Hangzhou Summit, appreciate China as the G20 chairmanship state attaching great importance to the development agenda, agree with close coordination on global problems commonly concerned by the BRICS and strengthen dialogue and cooperation with other emerging market economies and developing countries under the framework of the G20, while emphasizing the construction of innovation-driven, invigorated, interconnected and inclusive world economy, creating a new era of global economic growth and sustainable development, expecting the G20 to take the Hangzhou Summit as a starting point to begin a new journey of the strong, sustainable, balanced and inclusive economic growth.

On the subject of the global economic development attracting much attention in the world, the BRICS leaders have given accurate judgment. After the meeting, in the Press Statement, the leaders agree that the current global economic recovery is still imbalanced, facing the grim downturn risks, stress that the G20 members should strengthen coordination of macro-economic policies, avoid the negative spillover effect, and achieve strong, sustainable and balanced growth. The leaders believe that the G20 members countries should focus their efforts on the implementation of the domestic growth strategy. They together with the G20 member states, are determined to continue to contribute to economic growth, agree that innovation is an important driving force for long- and medium-term growth and sustainable development, welcome the G20 Blueprint on Innovative Growth.

The BRICS leaders stress that the center position of WTO as the cornerstone of the rule-based, open, transparent, non-discriminate, and inclusive multilateral trading system should continue to take development as the core of WTO. They reaffirm their commitment to strengthening the WTO role and consultative functions, show concerns to the rise of protectionism under the background of the declining global trade, and agree to strengthen the market interoperability and build inclusive, rule-based, and open world economy.

In addition, the leaders also emphasize that an

effective global economic and financial governance structure is essential to achieve the risk-resistant growth, and will continue to make efforts in this regard. They stress that the International Monetary Fund quota system does not reflect the current state of the global economy, hope that the G20 members states and the IMF to make joint efforts to increase the IMF quota resources, reevaluate the quotas and voting rights, and to ensure a fair reflection of the status of emerging market economies and developing countries. They call on the IMF in 2017 to complete the fifteenth round of quotas review before the annual meeting, including the formation of a new quota formula.

Cooperation mechanism is becoming more and more Improved

From the first meeting of the foreign ministers of the BRICS member countries up to now, the BRICS have gone through 10 years of cooperation. From non-existence to establishment, from small to large, the BRICS cooperation has covered the political, economic, financial, trade, social and cultural fields, etc., and formed a multi-level and all-round cooperation framework, with the contents of cooperation becoming more and more diversified. In December 2010, the 4 founding countries -- Brazil, Russia, India and China -- on the basis of consensus, admitted South Africa officially into the mechanism, thus, "BRICS" has come into being. BRICS countries over the past ten years have contributed more than 50% to the global economic growth rate.

In June 2009, the first official meeting of the BRICS leaders held in Russia officially launched a cooperation mechanism between the BRICS members. After several years of development, the BRICS cooperation mechanism is increasingly improved, currently under the guidance of the top leaders meeting, pillared with meeting of senior representatives on security issues, and ministerial meeting of foreign ministers, has formed the multi-level architecture to carry out pragmatic cooperation in wide-ranging fields, and become an important platform for emerging markets and developing countries to have communication and dialogue in the economic, financial and development fields.

It is worth emphasizing that the BRICS Development Bank, the Contingency Reserve Fund Arrangements both get started, marking the

BRICS cooperation mechanism institutionalized and normalized, indicating that the BRICS mechanism has become an entity from the concept, and in the future will provide effective protection for the BRICS countries and other developing countries, improve infrastructure, respond to the exchange rate fluctuation, and deepen financial cooperation, have the milestone significance to promote the BRICS cooperation.

Having used the BRICS concept first and worked for Goldman Sachs, British economist Jim O'neal said that the most positive progress in cooperation between the BRICS member countries is to set up the BRICS Development Bank, and the BRICS countries will also cooperate on some important issues concerning the Development Bank.

Professor Xia Huasheng of finance at the Federal University of St Paul, Brazil, pointed out that in cooperation among the BRICS member countries, the BRICS Development Bank will play an important role. The BRICS member countries expect directly from the emerging financial institution to obtain the necessary funds for development; and can within the framework of the bank carry out currency swaps and other financial exchanges so as to enhance the economic and currency impact-resistance. As emerging economies, to strengthen cooperation between them is the development needs of the times, the BRICS mechanism may have the potential to lead the world economic development in the future.

Executive Director of the Russian National Committee on BRICS Research Toloraya pointed out that the role of the BRICS cooperation mechanism is not limited to the members economic cooperation, there is greater room for it in solving international problems, and improving the international financial system. Having derived from the BRICS cooperation mechanisms are the Parliamentary Forum, Civic Forum, Youth Summit and other new cooperation platforms, marking the BRICS countries begin to explore the possibility of cooperation in more fields. Under the current international situation, various difficult problems emerge endlessly. BRICS leaders can discuss the most pressing global issues in the framework of the BRICS cooperation mechanism, which will become very important.

Troyjo Marcos, visiting professor at the

University of Brazil, director of the Center for the BRICS Studies, U.S. Columbia University, stressed that the BRICS cooperation mechanism is upgraded from the "BRICS 1.0" to the "BRICS 2.0", i.e., from coming together to emphasizing the construction of global governance tools, such as the BRICS Development Bank, the Contingency Reserve Fund, as well as counter-terrorism, public health and customs working groups, these cooperation platforms are necessary to guarantee the BRICS mechanism development.

Cooperation between the BRICS member countries are fruitful, which is not only a reflection of subjective aspirations of the BRICS countries, but also the objective needs of their own development, and reflects the mega-trend of the world's political and economic pattern as well.

BRICS Research Center of Fudan University Director Shen Yi pointed out that since the establishment of the BRICS Summit mechanism, the BRICS concept has already gone far beyond the then pure economic scope, but formulating a platform for the new market economies to seek discourse in the global economic governance system, and no matter what happens, the BRICS cooperation mechanisms is in objective existence, the needs of the BRICS countries to participate in the global governance system and its goals to seek development will not change.

Last year, at a seminar on the new concept of development and the BRICS cooperation held in Fudan University in Shanghai, experts believe that independent decision-making, equality, inclusiveness, and green is the essence of the new development concept the BRICS member countries have formed.

From the perspective of future economic cooperation, the BRICS countries will make more efforts in exploring innovative models of cooperation, and promoting the overall reform of domestic and diplomatic policies, and earnestly implement the BRICS Economic Partnership Strategy adopted at last year Summit to create a new situation of trade and investment integration, monetary and financial circulation, infrastructure interconnection and interoperability, and personnel and cultural exchanges on large scale, so as to form a powerful force for complementary advantages and growth linkage. Meanwhile, the BRICS countries should also strengthen

South-South cooperation, try to help other developing countries to enhance their development capacity, give them a ride on the express train of the BRICS development; promote the pragmatic cooperation under the BRICS framework, work together to implement the sustainable development agenda, make efforts to create a new and balanced development situation jointly built by the stakeholders of various interests in all sectors and shared prosperity by all social strata.

Global Gloomy Economy Cannot Cover up the BRICS Brightness

At present, the global economy is still in the in-depth adjustment period after the international financial crisis, and instability and uncertainty are increasing. In particular, the emerging markets and developing countries, represented by the BRICS countries, in the face of gathering risks and challenges, experience the general slowdown in economic growth. But the BRICS member countries have rich natural and human resources, vast domestic markets, great development potentials, ample spaces for the policy, so the upward trend will not change, and is still an important driving force for global economic growth in the future.

In late July, the International Monetary Fund downgraded again the world economic growth rate expectation for this year and next year, argued that uncertainty produced by the results of the "Brixit Europe" referendum will bring downturn risks for global economic growth, and expected the world economic growth rate of 3.1% and 3.4% for this year and next year, down 0.1 percentage point compared with the predicted rate in April; economic growth for newly emerging economies and developing countries is expected to remain at 4.1% and 4.6% respectively for this year and next year. For the BRICS countries, affected by the slow recovery of the global economy and the impact of the decline in staple commodity prices, their economic growth meets with the slowdown or even negative growth. World Bank forecast that China and India can still maintain a relatively high growth rate, while the economy of Russia and Brazil this year will shrink by 1.2% and 4% respectively, a decline compared with the forecast made at beginning of the year.

Looking at the current trend, the overall rise of the emerging economies remains, and is still an important driving force for the growth of the world economy.

The IMF data shows that over the past 10 years, the BRICS's contribution rate to world economic growth is more than 50%, by the year 2030 the BRICS members economic growth will be generally higher than that of developed countries and other emerging economies. Russian Research Centre for APEC deputy director Ivashentsov pointed out that an American study shows that by the year 2020, BRICS countries share of global consumption will increase from the current 23% to 62%, which also reflects the economic weight of the BRICS countries.

It is a mutually beneficial and win-win choice for the BRICS member countries to come together. Although the five countries have different national conditions, yet the stage of development is similar, and are faced with the same arduous task of maintaining growth, maintaining stability, and maintaining the people livelihood. In the process of economic development, they also meet with similar challenges or problems such as structural adjustment, environmental protection, etc.. Each BRICS country has its own advantage, and their economies are highly complementary, so they have both a solid foundation to carry out extensive cooperation, and the practical and strategic needs to promote the common development, thus strengthening cooperation is only logical.

It is in line with the common interests of the international community for BRICS countries to come together. Different with the G7 countries cooperation mechanisms, the BRICS is neither a new bloc of major countries, nor a political alliance, but a development partner. The issues discussed by this mechanism focus on economic, financial and development areas, with which both developed countries and developing countries are generally concerned. It can be said that the BRICS is an active advocate and practitioner of global development partnership, and is a bridge for dialogue and cooperation between the North and the South.

BRICS member countries are important developing countries and emerging market economies, (Continued to page 37)