

G20 Summit Promotes Global Economic Growth and Improves Global Governance**China's Distinctive Mark and World Significance
of G20 Hangzhou Summit**

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Engagement at the West Lake attracts world's attention.

On September 4-5, 2016, under the auspices of Chinese President Xi Jinping, the 11th Group of 20 (G20) Summit is held in Hangzhou, China. How to deal with the challenges of the world economy, what kind of program China proposes for the global governance, these are given answers in Hangzhou. To draw the blueprint for the overall world economy is destined to be one of the most important items at the G20 Summit 2016.

From the Fall 2008 in Washington to Fall 2015 in Antalya, Turkey, the G20 leaders have gathered together on 10 occasions. In the past 8 years, the global economy has been out of the devastating impact of the international financial crisis, but lingering at the weak growth. At this critical moment, the world economy needs to find new momentum, and have cohesion of the new consensus, China is willing to provide this platform for it. The G20 Summit meets in Hangzhou, which is the trust of the international community, but also China's big role to play.

Born in crisis

In the history of mankind, the crisis are often the impetus for change, change is the path to pull through. In the wake of the 1970s oil crisis in the Middle East, the United States, Japan, Germany, Britain, France, Italy and

Canada formed the group of 7 (G7) to coordinate economic policies among them; after the 1997 Asian financial crisis, the G20 finance ministers and central bank governors meeting came into being.

In 2008, the financial crisis from the Wall Street in the United States swept across the whole world, the world economy is facing the risk of recession cliff. In the Fall of same year in Washington, the G20 finance ministers and central bank governors meeting was upgraded to the G20 top leaders summit. In the face of "very rare" global financial crisis, the G20 top leaders pulled together in times of trouble, pledged to improve the financial market transparency and improve accountability, strengthen management, promote integrity in financial markets, strength international cooperation and reform international financial institutions, which successfully leads the world economy to get free from the disastrous effects of the financial crisis.

People coming to unity can take up any difficulty. In the face of world issues, the participation of developing countries cannot be absent. With China, India, Brazil, South Africa, Indonesia and other countries participation, the G20 is a far beyond the G7 in terms of extensive representation and decision-making fairness, the confidence in rapid recovery of the global market is even more exciting. Over the last 8 years, in the important areas such as



promoting the recovery of world economy, and pushing the reform of international financial system, the G20 Summit is in pivotal position, and plays an important role that other international organizations such as the International Monetary Fund and the World Bank cannot do.

The true character of a hero is shown in the time of turmoil. After the international financial crisis, China with a positive attitude strengthens solidarity with the G20 members to assume a heavy responsibility. After the crisis becomes eased, China, in order to avoid the world economy into recession, actively provides "China Program of global economic governance". At the 3 Summits of the G20 in St Petersburg, Brisbane and Antalya since 2013, Chinese President Xi Jinping shared China wisdom with the world, and stressed that various countries should look at the situation in the long-run, should strive to create a world economy with innovation-driven national development, interconnected growth, and integrated interests; that they should become development partners to promote economic reform, implement a comprehensive growth strategy and promote the world economy from a cyclical recovery to sustainable growth; that they strengthen macroeconomic policy coordination and communication, promote reform and innovation, construct an open

world economy, and implement the 2030 Sustainable Development Agenda.

The Road to Transformation

In the fall of 2009, the G20 Pittsburgh Summit first explicitly designated the G20 as the main platform for international economic cooperation, the G20's discourse is authorized to define the path of world development.

This major change is the mega-trend of the times. The G20 members population accounts for 2/3, its total land area accounts for 60% , aggregate gross domestic product (GDP) accounts for 85%, and the global trade volume accounts for 80% of the world in these 4 aspects, and its influence and representation are far beyond that of the G7. At present, the G20 is the only globe-wide economic governance platform that can take into account the discussion-effectiveness and the common interests of the North and the South, and also the highest coordination mechanism in which there is the equal dialogue between leaders of developed countries and leaders of developing countries. To continuously develop and improve the G20 mechanism and to consolidate its position as the main platform for international economic cooperation are the rational choice to promote global economic governance more equitable, inclusive, and efficient, compatible with the common interests

of the world.

Over the past 8 years, the world economy has gradually moved out of the trough, and continuously improved. However, the recovery is not solid based: the in-depth impact of the international financial crisis is still continuing, the world economy is still in a deep adjustment period. The new economic situation requires the G20 to mainly solve the problem of transition from crisis response to long-term governance mechanism, from paying attention to periodic policy to reforming structural policy, and to shift from short-term pursuit to stimulating the long-term growth potential and enhancing endogenous growth momentum.

The G20 transformation has been on the road: in November 2010, the Seoul Summit formally incorporated into the agenda development issue, marking the important changes of the G20 from the crisis response mechanism to the global economic steering mechanism. From 2013 to 2015, targeted at the global economic imbalanced recovery, especially the slowed growth of emerging economies, the G20 Summit shifts to focus on the core issues such as the real economy, trade, investment, employment and development. In the process of the G20 transformation, the role of emerging economies in the global economic governance has become increasingly significant.

Under such circumstances, signs of differences within the G20 cannot be ignored. Since some developed countries are out of the financial crisis, but their attitude towards the G20 transformation is negative, and even begin to question the role and legitimacy of the G20.

Since the G20 Toronto Summit, the United States and other developed countries try to reset the G7 leading role in the world economy, attempt to dilute the importance of the G20, and take a harder attitude in policy coordination with emerging market countries. This pragmatic philosophy based on their own

interests constitutes a major obstacle to the G20 transformation.

The growth predicament of the world economy reminds people of improving the global economic governance system, which cannot be given up halfway; the historical lessons of economic crisis has already explained that the sincere unity is the basic force to get the world economy pulled out of the mire. In November 2015, Chinese President Xi Jinping said at a Beijing International Conference that China can run the 2016 Summit well, one of the main objectives is to enable the G20 mechanisms to further develop and improve, consolidate its status as the major platform of international economic cooperation, so as to promote more fair, inclusive and efficient global economic governance.

This is a responsibility shouldered by a major country, but also the voice of the world. As the world's second largest economy and the largest developing country, China actively coordinates the position of developed countries with that of emerging market economies, and strives to maintain the overall situation of the G20 cooperation.

On July 25th, President Xi Jinping met with U.S. president's national security adviser S. Rice in Beijing, stressed the importance of cooperation between China and the United States, the two major economies, on the G20 platform, and they should jointly promote the positive achievements of the G20 Summit in Hangzhou, sending out a message of confidence to the world, and giving impetus to global economic growth.

The G20 members meet in Hangzhou, which is an important opportunity for the world economy to adjust its course.

China's Contributions

A global financial crisis has forced the G20 upgrading, and provoked the in-depth



thinking of the global governance and human destiny by various countries. Only a clear understanding of "joint efforts and sharing weal and woe", cherishing the spirit of partnership to pull through together in times of difficulties, can mutual benefit and win-win outcome, and sustainable growth be achieved.

Since the 2008 international financial crisis, China has been the world's largest engine for economic growth. According to IMF statistics, from 2008 to 2015, China's contribution rate to world economic growth reached 48% (by the exchange rate of U.S. dollars) and 26.3% (at PPP), is much higher than that of the United States, the world's largest economy. China's annual incremental economic scale is equivalent to add a "moderately developed country" to the world.

In addition to the growth of the world economy, China's contribution is also reflected in the conceptual enrichment and innovation-driven global governance and development. At Cannes, Los Cabos Summits, China put forward 10 proposals for promoting growth and maintaining stability; at the St Petersburg Summit, China proposed a new concept of the innovation-driven development, interconnected growth, and integrated interests; at the Brisbane Summit, China's wisdom occupied 15% of the "comprehensive growth strategy". As a trio-member of the G20 during 2015-2017, China made 10 proposals for the

Antalya Summit. In November 2015, President Xi Jinping put forward at the G20 Summit in Antalya that we should be committed to building a innovation-driven, vigorated, interconnected and inclusive world economy, through development and structural reform driven by innovation, to inject impetus into economic growth of all countries and rejuvenate vitality of the world economy .

The world is keeping an eye on China's contribution and its source. China's contribution is originated from the road of self-confidence to national development and national rejuvenation. The great changes in China's development are beyond the limits of human beings, Former U.S. Secretary of State Kissinger said. Today, China is the world's second largest economy and the largest trading nation, the first major industrial country, the country of largest foreign exchange reserves, the second largest foreign investor in China. Its GDP per capita jumped from less than 500 Yuan in 1980 to more than \$8000 in 2015, and touches the level of moderately developed countries from the end in line. China, with more than 1.3 billion population, under the leadership of the Communist Party, has pioneered a completely different model of development with the West, is marching forward to the "two one-hundred-year goals", closer to the goal of the great rejuvenation of the Chinese nation than at any time in history.

China, with path self-confidence, theoretical self-confidence, institutional self-confidence, and cultural self-confidence, is bound to leave a clear mark of China in improving the global governance system.

China's contribution is originated from outstanding practice and theoretical accumulation of the reform. At the 2014 Brisbane Summit, China submitted a growth strategy including 134 policy measures, which are resulted from China's practical experience of steady growth, structural adjustment, promoting reform, and benefits to people's livelihood. The political courage, strategic vision, innovative thinking and overall artistic consideration demonstrated by Chinese leaders in new stage of the reform and opening up, as well as the five major development concepts of "innovation, coordination, green, open and sharing" summed up in the new development practice have profound impacts on the world. China's supply-side structural reforms can help transcend the "shortage economy" and "surplus economy", and blaze a new trail to avoid similar Western periodic financial crises, also bound to bring confidence for the structural reform of the world economy.

China's contribution is originated from the advocacy and practice of building a community of shared destiny. China does not accept the hegemony logic, does not believe Thucydides trap, adheres to the combination of "righteousness and interests," advocates the construction of a community of shared destiny, abandons the outdated concept of the zero sum game, establishes a new concept of win-win cooperation, caters to other countries well-being in the pursuit of national interests, seeks national development while taking into account the development of other countries, expands converging interests and enhances the common interests of mankind. Working together with other countries, China's leaders at 2015 United Nations Development Summit

made the solemn commitment to establishing the "South-South Cooperation Fund", providing the first sum of US\$2 billion and striving to reach US\$12 billion by 2030; and continuing to increase investment in the least developed countries. Working together with the world, China's new initiatives and cooperation mechanisms such as The Belt and Road, Silk Road Fund, the Asian Infrastructure Investment Bank (AIIB) and the new BRICS Development Bank (NDB), etc. the interoperability and interconnection provided shall become the new fulcrum of international economic cooperation and new hope for developing countries to share the achievements of world development.

The Hangzhou blueprint

The G20 Hangzhou Summit will record many "firsts" in the G20 history: putting development issues in a prominent position under the global macro-policy framework for the first time, making plan of action to implement 2030 Sustainable Development Agenda for the first time, setting structural reform priorities, guiding principle and index system for the first time, and introducing the green financial issues into the G20 Summit agenda for the first time. In addition, China also invited the chairman state of the ASEAN Laos, chairman state of the African Union Chad, chairman state of the new partnership for Africa's development Senegal, chairman state of the G77 Thailand as well as Kazakhstan and Egypt as two representatives of the developing countries. China shows to the international community that the G20 does not only concern with their own well-being, but also the common development of the mankind.

In addition to "innovation-driven", "problem-shooting" is another trait of China's top-level design for the Hangzhou Summit and China-led development of the "Hangzhou Action Plan", which, targeted at the economic policy of differentiation, promotes to intensify



macroeconomic policy coordination and to avoid the negative spillover effect; targeted at the disconnection of conversion to the new engine power from the old engine power, promotes to tap potential and achieve strong, sustainable and balanced growth in the course of innovation and reform; aimed at the risks and uncertain factors in the world economy, promotes improving global economic governance and safeguarding international financial stability; aimed at the downturn of trade and investment and rising protectionism, promotes to revive the two huge engines, and build an open world economy; aimed at the development gap to be bridged, promotes the G20 to take initiative in action to lead the global sustainable development cooperation.

As one of the top ten achievements of the Summit, developing entrepreneurial action plan has China's particularly distinctive mark. China's periodic achievements and experience of promoting public entrepreneurship, and mass innovation attract attention, and the entrepreneurial action plan will provide strong power for the world economic growth and employment growth, and build an important platform for entrepreneurs to share their practice and experience. The action plan proposes a series of policy recommendations and concrete measures, and will provide a

reference for countries to develop policies.

Regarding the international community's concerns about the future development of the G20, China puts forward a four-point suggestion for it: i.e. to keep up with the times and play a leading role; to take practical actions with ideas integrated with acts; to build a cooperation platform with joint endeavor and for all to share; and to carry forward the spirit of partnership to pull through together in times of difficulties, which once again clarifies the G20 shouldered-heavy responsibilities, and expresses sincere wishes to work with the parties to strengthen the G20 mechanism building and, to give guidance for the stability and prosperity of the world economy.

Hangzhou Summit leading a new voyage of the world economy

The G20 Hangzhou Summit coincided with world economic growth and the G20 transformation at the key point. Under the guidance of the theme of the summit to build an innovation-driven, invigorated, interconnected and inclusive world economy, the parties discussed key issues and other outstanding issues such as climate change, refugees, terrorist financing, etc. affecting the world economy, and, adopted the G20 leaders communiqué, Hangzhou Summit pushed

world economic growth and painted a beautiful picture for future development. At the critical juncture of the world economy, mankind determination and will to pursue human development and yearn for cooperation once again light up the way forward.

Various parties are determined to indentify clearly the direction of world economy and plan its path; determined to create the growth mode of innovation and inject new impetus to the world economy; determined to improve the global economic and financial governance and build the anti-risk ability of world economy; determined to revitalize the international trade and investment as the two engines, and structure an open world economy; and determined to promote inclusive and interconnected development and ensure the G20 cooperation results to benefit the whole globe. These five "determinations" are profound interpretation of the Hangzhou consensus and embody the essence of the summit achievements, point clearly the orientation to promote the world economy to go back on the track of strong, sustainable, balanced, and inclusive growth, and plan for the G20 to maintain, build and develop itself well. The Hangzhou summit will be a new starting point leading international economic cooperation, an important milestone pioneering a new pattern of global economic governance, and write a new chapter in the history of mankind with the thick and heavy colors.

This new chapter crystallizes the world consensus and brings together the global

powers. Eight years ago, at the most crucial juncture of the international financial crisis, the G20 was entrusted to stepped in and jointly pulled the world economy back to the track of stability and recovery. To pull through together in times of crisis can overcome difficulties and a harmonious symbiosis can ensure prosperity sharing. In the economic globalization process today, no island is isolated, nor any country can be cut off from the rest of the world, nor any country alone can solve all the problems in the whole world. The partnership spirit of pulling through together in times of trouble is the G20 most precious property, but also an inevitable choice for various countries to overcome the challenges. The participating parties seek common ground while reserving difference, deepen cooperation consensus, and expand cooperation space. The G20, from strengthening coordination and cooperation on investment policy to enhancing cooperation in financial administration, international tax, anti-corruption, etc. and further to jointly building a global partnership of win-win cooperation, plays the concerto for deepening win-win outcome. With equality as the foundation, openness as the orientation, cooperation as the driving force, and common share as the goal, to constantly improve the global economic governance and collectively build a mankind community of shared destiny will pool together the majestic power of all countries to overcome difficulties and share opportunities so as to promote the well-being of mankind together.