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China has a special role at crucial stage of global economic development

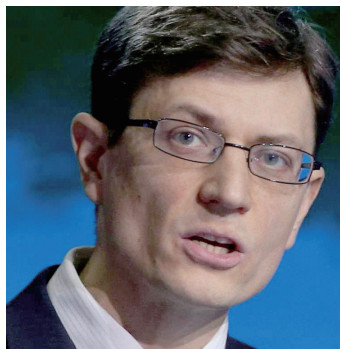
In the economic sphere, there are several important messages coming from the speech of Chinese President Xi Jinping at the 20th CPC National Congress. We can foresee that it will continue to support the development of the private economy along with allowing the markets to play a major role in the operation of the economy, which are all important guidelines and signals to the investor community. Xi also stressed the importance of reforms and economic openness that enabled China in the preceding decades to attain impressive success in economic modernization.

What these messages from China's leader mean for the world economy is that China is committed to forging ahead with further modernizing its economic system and supporting open markets for the good of "common prosperity." This is essentially the paradigm of a "win-win" economic strategy that expands the possibility set of international economic cooperation as opposed to protectionism and Realpolitik that has increasingly been observed from the US and some of the other advanced economies.

In view of the complexities associated with de-globalization, the disruption of supply chains, and the global economic downturn, China's leader has rightly emphasized the

need to focus on developing the sectors in which China was still to demonstrate sufficient catch-up growth vis-à-vis advanced economies. This is particularly important in sectors such as IT and computer technology that will determine to a significant degree the competitiveness of national economies in the coming decades. This will in turn necessitate the attainment of strategic alliances with partners from the Global South via the platforms introduced in recent periods by China such as: BRI, BRICS+, RCEP.

And indeed as noted by Xi, the next five years will be decisive in many ways—China and the world economy will need to surmount the current perilousness of geopolitical rifts, the persistence of the shocks from the COVID-19 pandemic and the fragility associated with the increasingly likely global recession. China's role in leading the world economy into safer waters will be defined by its ability to innovate and present new modes of economic cooperation. The target in this journey has been defined by Xi as a "high-level socialist market system" and China's success on the road to reaching these ambitious goals will be critical to the recovery and dynamic growth of the world economy.



China has a special role at this crucial stage of global economic development that is characterized by increasing rifts between national economies and regions. Against the tide of de-globalization China is advancing a rejuvenated globalization agenda that targets greater connectivity, trade openness, and inclusivity. China is also actively moving towards creating new international institutions, such as the New Development Bank and the Asian Infrastructure Investment Bank. With the global economy becoming increasingly fragmented and regionalized, China may become the key force in the globalization process that reverses the protectionist and de-globalization trends.

In my view, the main innovation coming from China in recent years has been the BRICS+ paradigm,

because this is the first case of a partnership that is open, inclusive and diversified across the global economy. The beauty of this concept is that creates tremendous scope for further innovation in creating alliances that have not been explored in the advanced world.

In this respect, such innovation allows China and its partners in the developing world to be at the very frontier of innovation in creating new types of economic alliances. These may include digital economic accords, trade, and investment alliances across the extended platform of BRICS+. Most importantly, China can lead the creation of new layers of global governance on the basis of the BRICS+ platform via bringing together the main regional integration blocks and regional development institutions. Thus far there are no such platforms of coordination of regional institutions and blocks in the global economy.

The world economy after a brief recovery in 2021 is again headed into negative growth territory. Alarm bells regarding the risks of a recession in the world economy are increasingly emanating from global organizations such as the IMF. China and its BRICS partners may play a decisive and a leading role in overcoming these challenges. For example, joint

efforts could direct at developing vaccines and making them available to other developing nations. There is also considerable potential for the countries of the BRICS+ block to address issues related to energy security. To address geopolitical and geo-economic challenges BRICS countries need to play a more active role in building new financial mechanisms, including de-dollarizing the global economy through the greater use of national currencies and creating a new BRICS reserve currency (the so-called R5 initiative).

Finally, the BRICS together with China need to create new anti-crisis mechanisms that provide a greater role to regional development institutions. Such a new anti-crisis mechanism could rely on a greater role of the BRICS Contingent Reserve Arrangement (CRA) in working together with regional development arrangements of developing countries with the aim of devising coordinated measures to tackle recessionary risks.

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WANG ZHIMIN

Chinese solutions create new drivers for global growth

Facing an era of unprecedented change, the 20th CPC National Congress has asserted that "China continues to adhere to the appropriate path towards economic globalization. It strives to promote trade and investment liberalization and facilitation, advance bilateral, regional, and multilateral cooperation, and boost international macroeconomic policy coordination. It is committed to working with other countries to foster an international environment conducive to development and create new drivers for global growth." China's solutions for the challenges posed by global development remain an important public good, and a testament to the wisdom of its policies. They also demonstrate that the CPC indeed conforms to the trends of the times—peace, development and win-win cooperation.

Current China and the world

As China continues to both navigate its historic ascendance and confront a once-in-a-century pandemic, it now finds itself faced with and increasingly complex environment globally. Intensifying geopolitical turbulence, sluggish world economic recovery and increasingly frequent "black swan" and "gray rhino" incidents have significantly impacted sustainable development of human society. The international communi-

ty is now confronted by four primary deficits—deficits in peace, development, security, and governance. Among these, the development deficit ranks highest as a driving source of global turmoil.

As the largest developing country in the world, China shares historical experience with other developing nations, who have supported each other in the struggle to safeguard national independence and territorial integrity. Today, China's economy and social development have essentially "leapfrogged" development success cases of the past. As asserted in the congress report, with full confidence, the CPC and the Chinese people are driving behind this great transformation, as the nation transitions from "standing up," to "growing prosperous" and finally to "becoming strong." Under the leadership of the CPC, China has developed into the world's second largest economy.

BRI as a cooperation platform

According to the congress report, China has been diligently pursuing a proactive strategy of opening up. We have worked to build a globally-oriented network of high-standard free trade areas. As a collaborative endeavor, the Belt and Road Initiative (BRI) has been welcomed by the international community

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both as a public good and as a cooperation platform. In contrast to many Western countries' colonial aggression and capital plunder, the BRI adheres to the principles of common development and mutual benefit, which has improved the well-being of people in the regions and countries along the routes. So far, China has signed more than 200 Belt and Road cooperative documents with 149 countries and 32 international organizations, and fostered the establishment of more than 3,000 cooperative projects.

According to the policy research working paper by World Bank Group, The BRI could contribute to lifting 7.6 million people from extreme poverty and 32 million from moderate poverty. If fully implemented, BRI transport projects could increase trade by

as high as 6.2 percent for the world, increasing global real income by as high as 2.9 percent.

GDI addresses common challenges

In September 2021, Chinese President Xi Jinping proposed the Global Development Initiative (GDI) in response to the questions of the times—"What is wrong with the world? And what ought we do?" Against the backdrop of imbalanced and unequal global development and in the context of the challenges of implementing the UN 2030 Agenda for Sustainable Development, the initiative represents a Chinese solution to move the world towards a new stage of development.

The GDI strives to put the United Nations 2030 Agenda for Sustainable Development into real practice. The Chinese Permanent Mission to the UN also launched the "Group of Friends of GDI," which has received positive responses from more than 100 countries and international organizations, including the UN. UN Secretary-General Antonio Guterres believes that the GDI is a valuable contribution to addressing common challenges and accelerating the transition to a more sustainable and inclusive future.

Silk Road spirit deliver benefits to all

In May, 2017, Chinese President

Xi Jinping formally summarized the Silk Road spirit as an embodiment of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit. Peace and cooperation emphasizes the advancement of cooperation based on mutual respect for each participant's development paths and social systems. Openness and inclusiveness aim to build an open platform of cooperation, stimulate an open world economy and create an environment that will facilitate further opening up and development. Mutual learning advocates for the respect of diversity and encourages all countries and regions to plan for a better future on the basis of mutual respect and cooperation. Mutual benefit focuses on the fundamental issue of development, which aims to harness the growth potential of various countries and achieve economic integration and interconnected development, delivering tangible benefits to participants.

From the perspective of global development and human progress, the Silk Road spirit has effectively responded to the common aspirations and expectations of people around the world.

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