
IV. Berlin Schiller Institute Conference

A Common Future for Mankind and A Renaissance of Classical Culture

EIR's July 1 issue provided extensive coverage of the Schiller Institute's international conference held in Berlin, Germany, June 25-26, 2016. (We had further coverage July 8.) The full edited texts of five addresses and one discussion (all summarized in the July 1 *EIR*) are presented here. They are: the address

of Dr. Ren Lin to Panel III on June 25; the discussion with Dr. Bouthaina Shaaban following her address to Panel III; the address of Talal Moualla to Panel III; the address of Fouad al-Ghaffari to Panel III, and those of Alain Gachet and Rainer Sandau to Panel IV, all on June 26.

REN LIN

'One Belt, One Road' in its World Context

Dr. Ren is an Assistant Professor in the Institute of World Economics and Politics at the Chinese Academy of Social Sciences (IWEPCASS). Previously, she was a research fellow in the Global Economic and Strategic Center at IWEPCASS. Dr. Ren has chaired a National Social Science Fund project on emerging countries' participation in global governance. Her research focuses on global governance, particularly BRICS and G20; nontraditional security issues such as cyber security; and European security and politics.

Schiller Institute President Helga Zepp-LaRouche introduced Dr. Ren as follows.

Helga Zepp-LaRouche: I just want to say a few words of introduction. This is the panel which will start tonight and continue tomorrow morning, and has many aspects, because it deals with the question of the New Silk Road, the "One Belt, One Road." I don't want to make a long speech, because we have a very important



speaker from the Chinese CASS [Chinese Academy of Social Sciences], one of the leading think tanks of China, who is a researcher on the New Silk Road.

Let me just say in comment to what the last speaker from [Panel III] said: If Europe wants to survive the refugee crisis in any human way, that is, not with guns and boats, and shooting at refugees or making dirty deals with Turkey—such that Turkey does the dirty work for the EU—the only way is to expand the New Silk Road into Africa and into Southwest Asia

with a real global approach of development. And that should be part of what should come out of this incredible transformation which we are experiencing right now.

So without any further ado, I want to give the floor to Dr. Ren Lin from Beijing.

Dr. Ren Lin: Firstly I want to deliver my sincere thanks to the Schiller Institute because it is this conference that brought me back to Berlin, of which I would

say "*Berlin ist meine zweite Heimatstadt*" [Berlin is my home away from home]. Here it is close to my university, the Free University of Berlin, and I'm very happy here to give this speech on One Belt, One Road. And my next thanks would be delivered to the audience, because, even though it is too hot here, you listen carefully.

My background concerns globalization, economic integration, regional integration, as well as OBOR (One Belt, One Road). Every time I begin a presentation, I always like to share my research findings with my academic friends—that a moderate level of globalization and regionalization would benefit economic development. But yesterday, when I got off the plane, I heard that this word "Brexit" had succeeded, which gave me a great shock. It shocked me and surprised me, because I began to question whether or not my former research was wrong. This is somehow a new thing. Does it mean the recession of globalization? Does it mean that economic integration and collaboration are not the proper solution to the global challenges and the global issues that we are confronted with?

But today I want to again argue for economic integration such as OBOR, and I would like to argue for the significance of economic cooperation among countries, even though we are faced with the phenomenon of Brexit. It is easy to understand why countries seek integration, sometimes regional integration such as the EU; and sometimes integration in a group across countries, across regions, such as OBOR, One Belt, One Road. That is the fight against the stronger challenge brought by globalization. As well, it is still one part of globalization, I would say. It means a lot, especially for those countries that are less developed or in a serious economic crisis, to work collectively and regionally in a group. It protects them from stronger competitors outside, also from non-neutral rules, unfair rules and regulations. Therefore, the full focus would be, why economic integration such as One Belt, One Road and cooperation is important and necessary, and how to improve it, and coordinate it with globalization.

Nine World Challenges

Before making a further argument, I want to share with you the background information that we're confronted with today. Why do you need economic integration projects, initiatives like OBOR? And why do we need to work collectively and together? I have nine challenges that we're facing in this world. The first one is that a global economic downturn has appeared, as you know. It is necessary, not only for the emerging and

developing countries, but also the developed ones, to work collectively, to work for new sources of economic growth. For some 50 years, trade has hardly been able to contribute to global economic growth; do we have other solutions? Not yet.

So the second problem that we're confronted with today, is that emergent and developing countries are still facing the problem of development. And they're still facing the problem of poverty reduction. So far as we know—it's already 2016—have the [UN] Millennium Development Goals already been fulfilled? Because it's already 2016. It's beyond 2015. So this is the second challenge, development programs to eliminate poverty.

The third challenge that I would cite, is that global financial risk could jeopardize regional financial and economic stability. Therefore, to work together as a group could enhance the capability to prevent those outside risks and harms brought about by globalization.

Then the fourth: What is the fourth problem we need to confront? The countries such as emerging and developing countries, still need to figure out how infrastructure construction could effectively serve cross-country interaction. To update infrastructure construction is also an emergent task for Europe as well. Do we have enough experience in this? Not yet.

The fifth problem, the fifth challenge is that sometimes trade deficits occur, and they sometimes discourage cooperation among neighboring countries. This might happen to China with other neighboring countries; this might also happen between Germany and other European member countries. Is there a solution for this? This is the fifth problem.

The sixth is that we still have many geopolitical security issues that need to be settled, that will always hinder trust-building and confidence-building, as well as the normal interaction among countries. This is the sixth problem: It's loss of certainty, a loss of stability in the world.

The seventh, what is the seventh? Structural reform is highly needed domestically for many countries. We need to better coordinate the distribution of industry. Some industries do not enjoy the advantage of the cost of labor. Do we have a better solution to the reconstruction of our industries?

The eighth is that we have many regional and partial crises and instabilities in some parts of the world, such as the regional crisis in the Middle East, such as the refugee crisis here in Europe and the Brexit, a new phenomenon as well.

The last but not least, is that it is also difficult to integrate the many regional and global institutions. We

have many, many institutions, some bilateral, some multilateral, others regional, still others global. Sometimes I just want to say there are too many! How can we coordinate among all these institutions and make it all work more efficiently?

Beyond all these nine problems, nine challenges I have mentioned, there are still more. You could just brainstorm and figure out more. How can we deal with all these problems? How could we share our common experience and work together for a global solution instead of a unilateral solution?

Here I would like, for the second part, to indicate several countermeasures that we could put under the framework, or put under the content of OBOR/One Belt, One Road.

Countermeasures Through Cooperation

The first one is to solve development problems by effectively financing infrastructure construction—sustainable advancement which improves people’s livelihood—this is the first solution. And the second one is to together look for new sources of economic development, such as infrastructure investment. But now experience-sharing is in high demand, such as how to effectively run an infrastructure investment project,— to share the better experience of some countries, maybe here in Europe, for example.

The third countermeasure is that regional and cross-regional financial cooperation is very important, and we need to set up crisis-prevention mechanisms. Information sharing is also in high demand. Then we need to figure out how to effectively run infrastructure investment projects with all these supporting measures.

The other thing I would like to mention is adjustments of global value chains: This is not only an academic term; it has a concrete content. It means looking for the right connective point, for example, to relocate part of the industry chain due to aging populations or other disadvantages, since other countries have demographic advantages. This is the fourth one.

The fifth countermeasure I would mention is mutual complementarity. I remember a maxim from Confucius. In Chinese, it is [recites in Chinese]. In English, it means, “If I am walking with two other men, each of them will serve as my teacher. I will pick out the good points of the one and imitate them, and the bad points of the other and correct them in myself.” This is mutual complementarity.

What I would say here, is, for example, that Europe has more advantages in technology, such as clean-

energy technology, and Europe has more experience with project financing, with sustainable financing, such as PPP—public-private partnerships to run infrastructure investment projects. For other sectors, such as the service sector, Europe has more experience; and moreover here in Germany, you have “Industry 4.0.” China and some other Asian countries would like to discuss how to run an innovative plan.

The next one is, having noted that a trade deficit may be a problem, do we have countermeasures for it? I would say that we have established some special economic zones (SEZ) locally in target countries, and we can show the experience of SEZ operations, which can serve as one of the multiple ways to reduce a trade deficit, since the products produced in the SEZ could be exported to China, could be exported to Germany, and to the rest of the world. This is another countermeasure.

The next one is to coordinate domestic structural reforms between cooperating nations, and redistribute resources within the group to more fully exploit potential productivity.

The next countermeasure is that we need to avoid and fear non-mutual institutions, and create dialogues between newly established platforms such as the G-20, for example, and the established ones, such as the World Bank and IMF, and to achieve some coordination among all these institutions. And make them work together more efficiently, effectively.

The last countermeasure I want to mention is trust-building. The economy and the security mechanism is asymmetric. The lack of a security mechanism leads to the shortage of trust and confidence, which blocks the process of economic integration as well. Encourage initiatives of trust building such as the CICA in Asia, the summit of the Conference on Interaction and Confidence Building Measures in Asia.

Thus we have all these countermeasures. Group solutions and global solutions are generally welcomed, since to deal with global issues, global problems, we need a global solution instead of a unilateral one.

What China Is Doing

Then what has China delivered in recent years? As you might have seen, China has offered many public goods to global governance. And what are the Chinese measures to coordinate the large numbers of institutions, and to better encourage economic integration and global governance? Here’s my personal response.

For the first one, the key word is “inclusive institution.” We dislike any institution that excludes the

others. Contrast the OBOR, or the AIIB. The Asian Infrastructure Investment Bank, proposed by China in 2013, officially opened in early 2016. It includes over 57 initial founding members, from Asia, Europe, Africa, America, and Oceania; it is devoted to further improving the existing global financial governance mechanism, and taking into account the financing needs of countries, such as developing countries. This is the first key word, “inclusive institution.”

The next one, the second one, is “inclusive integration plan.” In 2016, China entered the Thirteenth Five-Year Plan. The Thirteenth Five-Year Plan clearly put forward active participation in global economic governance, strengthening macroeconomic coordination, promoting financial security, economic stability and growth, promoting a balanced multilateral trade system, a “win-win” situation, as well as inclusive development. Accelerate implementation of the free trade zone strategy, promote regional comprehensive economic partnerships, agreements, negotiations, etc., such as the Regional Comprehensive Economic Partnership (RCEP) and the Free Trade Area of the Asia Pacific (FTAAP). This is the second thing that China has delivered.

The third is shaping an inclusive global agenda. We talk about global issues and global governance. Therefore we then need a global agenda. China serves as the president of the G20 Summit. The Seventh G20 Summit

will be held in Hangzhou in September this year. And this summit has been characterized by Four “I”s. What are those Four “I”s? Innovative, the first one; Invigorated, the second one; Interconnected, the third one; Inclusive, the last one, which also would be and should be the whole spirit of the OBOR initiative. This applies in several areas: It involves the growth model of innovation; it enhances potential economic growth and improves global financial governance; it has increased focus on emerging and developing countries; it enhances the ability to resist risk; trade and investment contribute to global economic growth; and it gives attention to inclusive and interconnective development, as well as poverty elimination. All this content bears the spirit of inclusivity and interconnection.

My last point is that OBOR is an *initiative*. Why do we mention that it is an initiative? It is an initiative, because it is not a finalized plan, but an open project that opens more support and ideas. So global public goods are in high demand. Not only in China, but here: The countries in Europe, in America, and elsewhere, are all responsible for these global challenges that we’re confronted with today. We need a global solution to deal with global issues and crises; no single country could exclude the others.

So, thank you to the Schiller Institute again, and thank you for this conference. I would like to encourage more comments and welcome any suggestions. Thanks.