

Keynote Address by Ambassador HE Yafei
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to the United Nations Office at Geneva
and Other International Organizations in Switzerland

An Address

Presented to the

Global Challenges Forum

Château de Coppet, Geneva, Switzerland

16 November 2010

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Introduction

0:00

...I wanted to be witness to the launch of Global Challenges Forum – the Forum of all Forums. And it happens to be situated in the capitol of soft power – Geneva.

When I start my presentation, I feel humbled and awed because, as we toured the château before the dinner, our guide told us there was so much wisdom historically associated with this château. And as I look around in this hall, I can see so much wisdom on display here by so many great minds, that I am happy to speak. But anyway I have been given this instruction to talk and to lead the discussion, if I may.

What Are the Critical Global Challenges?

1:00

We all know that the first 10 years of this century has witnessed a great increase in global challenges, both in numbers and also in complexity. Of course, we know globalization has brought us lots of advantages. What are these most critical global challenges? This is the first question I ask myself – what are they?

1:33

The first that comes to my mind is the failure of global economic system. We're all having faith in the system, but it failed. Some would even, or, many people blame the United States, ah... [pause] ...but I believe the US [1:52] has its due in its way, but it is collective failure. We have failed [emphasis] in this global economic system: financial regulation, accounting standards, even growth models. How can we re-balance global economic growth? So this is a challenge #1 – challenge #1 – it has a systemic risk for all of us.

2:30

Secondly, security challenges. We now are facing greater security challenges, and also they are more complicated, more difficult to deal with. The traditional security threats, for instance, in the Middle East, we would have the Palestinian issue, we have Iran – Iranian nuclear issue, North Korea nuclear issue, etc., etc. And we are witnessing also a fast increasing of armaments – countries are arming themselves! – in spite of the fact that they don't have much money for economic and social development. We are also witnessing the spreading of terrorist attacks, proliferation of weapons of mass destruction, and what nominally or alarmingly is the greatest threat, now coming into such areas of cyberspace, polar areas, even, outer space. There is no place where there is no security threat. So this, I would say, this is #2 – the #2 challenge.

4:00

Thirdly, there are some pressing issues that pose great challenges for all of us. To name only a few: energy and natural resources, or rather possible depletion of natural resources; climate change, however how difficult it is to negotiate a solution, even if we know the dangers; water and food security or water and food crisis. These pressing issues

pose grave dangers to not only economic and social development but the very survival of our human rights – our human race [clears throat after correction]. According to OECD and FAO (UN Food and Agriculture Organization) reports, our global population will be growing to 9 billion, probably, and by 2050 global food products or production has to increase by 70% for us to meet the demand of global population – to feed us.

5:25

Lastly – I'll only name four – lastly, an extremely important one, is a development challenge. What is a development challenge? I would define it as a widening gap between rich and poor countries. Without the full development of, for instance, OECD least developed countries (LDCs) [note: a list made up mostly of African countries], without full development of African continent, we cannot say the world is on the way to a sustainable development. It doesn't make economic sense, it doesn't make social sense. I have a figure in my hand – this year, we have added 64 million people – 64 million people – to the group of people called 'absolute poverty' – 64 million more. I doubt very much whether we can fulfill on time by 2015 the MDG – the Millennium Development Goals. I doubt it very much, in spite of the fact we had the summit in New York [6:51] and this and that. These are a few of the challenges, as I think about them, they come to my mind.

What Is New About These Global Challenges?

7:03

The second question I have been asking myself is, "what's new about these challenges?" These challenges have existed for some time, so what's new? Why are they so difficult to address? Why? I'll give you my perception. One is multiplicity. These crisis challenges all come – seem to me – all come at the same time. It's not that you can deal with one and then sit for dinner and another comes. The multiplicity has compounded the difficulties we have.

7:55

Secondly, it's interconnectivity, it's interconnected. These challenges... you cannot say this is a single challenge, we can deal with this and find a single solution. It's all interconnected. Take China as an example, for instance. In the past, we would believe, whatever problem we have, it's China's problem. Not anymore. What policies we have will have an impact on other parts of the world, our trading partners. That's why the value of our currency is the focus of attention of other people. And the line between domestic and international issues are very much blurred, very much blurred. Also the line between different areas, sectors, are blurred. This has reinforced the global nature of these trends – these are global.

9:13

Number three, I will say, is the unpredictability. Nobody could have thought that a financial crisis of such magnitude could happen, nobody could really... could happen in our generation. And now people are beginning to understand, this crisis might not go away in the next 2 or 3 years. We might face a decade or even more of stagnation. What

shall we do? Not to mention the tsunami in the Indian ocean, [9:56] [...], the Gulf oil spill, etc., etc. Even the volcanic ash from Iceland can disrupt the air traffic in Europe. So this unpredictability is very much there.

10:18

Lastly, I will say it's persistency. These crisis challenges will not go away. If we wait, unfortunately, it will be with us or they will be with us for some time to come, no matter how hard we try.

10:37

This has brought us – the above set has brought us – two things, for all of us, for all people in the world, this community of ours. One is uncertainty, increased uncertainty. We're not sure, especially decision makers, are not sure what is the future. What is going to happen? Secondly, it's insecurity. People feel insecure. They will not spend money – you give them money, they put it under mattress. They will not invest, they will not do things they usually do. This has created chaos in our society. No country can handle these challenges single-handedly, no matter how powerful that country is.

11:38

So, what is... the last question I ask myself is, what is the way out? What to do? I believe we need togetherness – we are all in this together. Global challenges need global solutions. We live in a global village. We need to trust – we need to trust each other – so our policies and actions will be going in the same direction and not undercutting each other. We need reform, reform of global governance.

12.20

But most of all, we need partnership. We need a new global partnership that is more equal, that is more balanced, that has mutual and shared benefits. We survive or we sink together. So this new global partnership is extremely important.

He's Solutions to Specific Global Issues

12:53

I don't have time to give you a list of what we should do, you are better equipped, intellectually, to give me such a list. What we can do, at least, is address the issues I have outlined and give, for instance, macroeconomic coordination a [13:13] [better try]. We need to coordinate. And we cannot afford, I'm sorry to say, I give the example of [13:26] [600 billion infusion] by the Federal Reserve [Fed announced new round of quantitative easing on 4 November 2010 in amount of \$600 billion]. It's hurting us, too. And of course we need to think about the values of our currencies, what should we do? It's all connected. So this partnership entails, we have a collective rethink, or rethinking.

13:50

We need to be very serious about development, the developmental gap, very serious about it. Not just talking about deficit countries, surplus countries. We tend to forget there is a large number of countries that are neither deficit nor surplus. We should not forget.

14:12

We need to support or give a greater support to the UN system, the United Nations system. This is the only international system we have, even if sometimes we're not happy with it. Does that mean it could be improved? Yes, it can be improved. Should it be reformed? Yes, it should be reformed. We should support the UN system with all its specialized agencies.

14:41

We need to think very seriously about growth model. What should be the growth model, the test of economic growth for all of us. National thinking is not enough. We need to have a better coordinated, integrated approach to economic growth – reform of global governance. We have started... Professor [15:13] Walter introduced me, saying I am the sherpa for China, at the very beginning of the agenda.

15:20

The G20 has initiated reform of global governance, economic governance, and has made some progress in terms of transfer of voting powers shared in the World Bank and International Monetary Fund, from, more or less, developed countries to developing countries, increasing the rights of developing countries in these institutions. They should continue to do so. But the principle we should follow is justice, fairness, equality, and mutual benefit. To put it simpler, we need to democratize international relations. We all believe in democracy. We should also firmly believe in the democracy of the international system.

16:19

G20, I know is a group we have defined when we were hit by the financial crisis. It's not an invention – it's something that existed before. It is a group of more than 20, but we need to make it work. We need to make it work in the sense we need to increase or consolidate its legitimacy by reaching out to the other 172 countries, because you only have 20, only 20, more or less 20. How about that 172 countries? You have to reach out and bring everyone into your embrace, so that we can promote strong, sustainable, balanced growth of the global economy.

17:23

Two other solutions I want to propose. These other [control] solutions might not be workable, and might not work. One thing is a new concept of security, because there's no zero-sum, absolute security. You cannot achieve security at the expense of others. As I said, togetherness, we're all in this together. We are interdependent for the security of all others. So we need new thinking: new concepts, new mechanisms, and new means to achieve this concept.

18:15

Lastly, it might be a little bold for me to say that, because [you remember] Joseph Nye, talking about 'soft power' [and civilization]. The problem with the new concept of civilization... conflicts among civilizations should be avoided. Definitely. Civilizations

existed for thousands of years – each and every one have great strengths. So we need to promote exchanges, peaceful coexistence, useful reinforcement of civilizations: [collision], fusion, are possible, but we need to make it work. Open and inclusive – two key words – open and inclusive. We need to respect different civilizations, respect the diversity of religious beliefs and cultural traditions of each and every country, respect the right of each nation to seek and find its own way of development.

China's Global Contributions

19:37

I won't waste time talking about China, we all know China very well, but we have been doing our share in promoting the ideas I have expounded. I'll just give you one example: China has dispatched more than 14,000 soldiers and officers in 25 different peacekeeping operations in the UN. And China has played a role in rolling back the financial crisis. We have cancelled the debts, for instance, of 50 heavily indebted poor countries or HIPC's, fifty, we have cancelled them, all of them, and we have increased to a great extent our assistance to Africa.

He's Vision for Africa

20:30

And I have a vision for Africa too that I won't talk about today. But again, this is very short. I hope it's not a waste of your time, but it will be some thoughts for your discussion tomorrow. Thank you.

Dr. Talal Abu-Ghazaleh: How about Africa? A few minutes on Africa.

20:53

Ambassador: (laughing) Africa, I believe, 10 years down the road, medium-term, will be a continent full of opportunities. We can already see signs of economic growth, political cohesiveness, and cultural richness. When I was a young diplomat, that was right after my study in Geneva, I went to Africa to serve in Zimbabwe as a young diplomat. And after that I spent quite a few years on African affairs. So I'm a bit passionate about Africa. I believe... they have 20% of the world population, but they only have 2% of global trade. Just think about these two figures. So we have to put our efforts where our hearts lie. Thank you.