

# COOPERATION WITH CHINA IN THE CHANGING WORLD ECONOMIC ORDER

## HAIHONG GAO

Professor and Director, Research Centre for International Finance at the Institute of World Economics and Politics (IWEP) and National Institute for Geostrategic Studies (NIGS), Chinese Academy of Social Sciences (CASS)

Resumo (layout)

*We are in a world with the rise Global South – a new group that is still in shaping, the expansion of BRICS+, and how China as the world largest trading country plays a role. For instance, the New Silk Road continues connect China with the world. There are also uncertainties because of the changing geopolitical landscape. Today's issue is how countries can cooperate in the multipolar world. This is exactly what we are going to discuss now. What I want to emphasize is that, there is certainly a hope that while the Global South raised their voice, the role of Global North is also inseparable. This is because challenges are common, so are the efforts that countries should make.*

我们正身处一个全球南方国家崛起、金砖机制扩员持续推进的世界，而作为全球最大贸易国的中国在其中扮演着重要角色。例如，新丝绸之路持续搭建中国与世界的桥梁。但受地缘政治格局演变影响，世界也面临着诸多不确定性。当今的核心议题是：在多极化世界中，各国应如何开展合作——这正是接下来我们要探讨的内容。需要强调的是，在全球南方国家增强话语权的同时，全球北方国家的作用同样不可或缺。因为我们面临的挑战是共同的，各国需要携手付出努力。

Distinguished guests and friends, good morning!

I am here on behalf of the National Institute for Global Strategy - NIGS of Chinese Academy of Social Sciences to welcome you to the 5th International Conference on Portugal-China Cooperation in the context of the EU and the Global South. It truly is an honor for me to be here. This is the second time I participated in the event. Last year I joined the panel discussion in Porto. I'd like to especially thank Rui Lourido, President of the China Observatory for organizing this event.

We are now in the critical period that the world is becoming fragmented and unstable. The global economy is at risk of disorder with rising unilateralism, prevailing protectionism, politicized economic relations, a more serious debt crisis, a growing risk of climate change, and global financial instability that is even more devastating in the absence of international cooperation. Geopolitical tensions and wars have weakened the willingness for dialogues to deal with the common economic threats globally. The changing economic landscape has also made it difficult for countries to come together if the old economic order is unchanged.

G20 still functions as a leading platform for the leaders in the major economies to discuss the key issues and find out global solutions. Brazil took the presidency of the G20 in 2024. I just turned back from the T20 summit held on November 11-12 in Rio de Janeiro. T20 (i.e. Think20) is one of the engagement groups of G20. It gathers the think tanks worldwide to provide policy recommendations for G20. My role is to serve as a Lead Co-chair of the Taskforce of Reforming the International Financial Architecture together with my Brazilian colleague. Throughout the year, we had frequent dialogues through our taskforce and with other engagement groups of G20. We have tried to find solutions for how the G20 countries work together to mitigate the global financial risks through international cooperation, increase the accessibility of financing for the Sustainable Development Goals (SDGs), reform the Multilateral Development Banks (MDBs), solve the global debt problems, improve tax system, and enhance the representation and participation of developing countries in the governance of the International Financial Architecture institutions, such as the International Monetary Fund, and the World Bank.

China is playing a positive role to promote international cooperation for global economic development. Two days ago at the G20 Summit, President Xi Jinping announced China's eight actions to support global development, including 1) build a high-quality Belt and Road Initiative; 2) implement the Global Development Initiative to deepen practical cooperation in various fields such as poverty reduction, food security, and digital economy; 3) support Africa's development; 4) to join the Global Alliance against Hunger and Poverty and support the G20 Development Ministers' Meeting; 5) launch the Open Science International Cooperation Initiative jointly with Brazil, South Africa and the African Union to promote global scientific and technological innovation in the Global South; 6) support the G20's Roadmap for Increasing Investment in Clean Energy in Developing Countries and the High-Level Principles for the Bio-economy, digital education, museum digitization and digitization of ancient books; 7) implement the G20 Anti-Corruption Action Plan and strengthen cooperation with developing countries in areas such as the rejection of safe havens for corruption, and anti-corruption capacity building; and 8) improve high-level and unilateral opening-up to the least developed countries, with zero tariff treatment granted

to all least developed countries that have diplomatic relations with China for 100% of their tariff items.

China will continue support globalization. As a beneficiary and contributor to globalization, there is no reason for China to reverse the course of globalization. On the contrary, China has the momentum to further promote global connectivity. China's accession to the World Trade Organization (WTO) in 2001 was the starting point for China's participation in the international division of labor and rules-based international cooperation. This period was also the end of the Cold War. The end of the cold war brought with it a brief period of hegemonic stability, accelerated globalization and widespread openness. Globalization has matched China's export-led growth strategy, and urbanization and industrialization have promoted the diffusion of Western technology and unleashed a demographic dividend. China is now the world's largest trading nation and the world's second-largest economy. China is also one of the world's leading creditors. It can be said that without globalization, China would not have had the economic growth of the past 40 years

Multilateralism undoubtedly is still the basic principle of China's participation in international cooperation. China's economic position in the world is quite unique. China is a superpower in terms of economic size and a frontrunner in areas such as digital transformation. Because of China's economic influence, there is an argument that China should play a responsible stakeholder in global governance. However, in terms of GDP per capita, China's position lags behind that of advanced economies. In fact, China is still at a stage where personal incomes have to grow faster in order to keep pace with the growth of national wealth. The uniqueness of China's position reflects the reality that if there is a more diverse group of players in the global economic order, then the rights of emerging markets and developing countries need to be legitimized as a whole. With this in mind, China sees governance gaps in international institutions as an opportunity to improve multilateralism. China's leaders have called for "genuine multilateralism." This has two levels of meaning: one is to clarify China's position that multilateralism is the basic principle of China's participation in international affairs; another implication is that multilateralism requires inclusiveness, fairness, and a balance of power in governance structures.

We are in a world with the rise Global South – a new group that is still in shaping, the expansion of BRICS+, and how China as the world largest trading country plays a role. For instance, the New Silk Road continues connect China with the world. There are also uncertainties because of the changing geopolitical landscape. Today's issue is that how the countries can cooperate in the multipolar world. This is exactly what we are going to discuss now. What I want to emphasize is that, there is certainly a hope that while the Global South raised their voice, the role of Global North is also inseparable. This is because that challenges are common, so are the efforts that countries should make.

I am sure today's discussions will help understand the ongoing debates of the key challenges we have, what actions should be taken, and, how China and Portugal cooperate to manage the economic relations in particular, in a win-win manner. This event is also a continuity of the collaboration between NIGS of CASS and the Portuguese partners. With our mutual efforts, this partnership will be strengthened further in the years to come.

Thank you for coming to this event and for your contributions. I look forward to your insights and views in the following panel discussions.