



CHALLENGES AND OPPORTUNITIES FOR THE NEW SILK ROAD:

**How to enhance cooperation and integration
in developing the initiative**

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The 1st Silk Road Dialogue

And the 2016 Annual Conference of the Silk Road Think Tank Association

'Building the Belt and Road: Connection, Innovation and Sustainable Development'

Speech by Ernst Stetter, Secretary General, Foundation for European Progressive Studies

Esteemed colleagues,

It is an honour to address you this afternoon here in beautiful Shenzhen. A very warm thank you to the organisers of this conference, the China Centre for Contemporary World Studies, along with the Fudan University and the Shenzhen Municipal Government, for the kind invitation.

I represent here the Foundation for European Progressive Studies, the major progressive think tank at European level. Working with progressive organisations across the world, our Foundation, since its creation, has been at the forefront of the efforts to shape a more progressive economic and political paradigm that is invested in promoting equality, advancing global solidarities and allowing for a continuing substantive dialogue with the European Union's global strategic partners. In this spirit, we have recently launched this new global initiative called the New Global Construct, which will bring together distinguished policy-makers, academics and global thinkers, with the objective of articulating concrete, plausible proposals that the progressive movement could translate into reforms and policies at the international, national, and local level concerning the political, economic and social realm, and of course the area of trade.

In this sense, it is indeed a pleasure to be here not least because this 1st Annual Conference is focusing on a highly topical issue that shares many complementary components with what FEPS is doing in its research work: The issue of how the 'One Belt, One Road' initiative - this ambitious plan to revitalize the ancient Silk Road overland and maritime trade routes linking East and West - can be a catalyst for wider connectivity, innovation and sustainable development – therefore a new Global Construct is needed.

Ladies and gentlemen,

Since its introduction by Chinese President Xi Jinping in 2013, the "One belt, One road" initiative has attracted considerable attention because it has the potential to provide a number of opportunities.

Our topic of this panel is 'Enhancing Development Plans Integration'.



Especially for Europe, a continent that has in recent years faced unprecedented hardship due to the financial crisis, the revived Silk Road can provide a solid basis for multiple synergies between Europe and China, as it has been confirmed at the 17th EU-China summit meeting last year, where both sides addressed the importance to identify synergies between the Juncker Plan and the “One Belt and One Road” initiative. The Sino-European trade, financial and investment flows are an increasingly important factor in the global environment, and working towards an equitable growth in this area can have a truly beneficial effect.

Nonetheless, the challenges that remain in succeeding in making this initiative to have a beneficial effect on Europe, China and all other participating countries are many, not least due to the incredibly rich tapestry of countries that both the land and sea routes of these initiatives are to go by. If this initiative is to succeed, it needs to overcome these challenges so as to achieve the highest level of coordination in promoting a new climate of investment.

In order to do so, there are five main areas where we think we need to focus on.

First, we believe that the most crucial component of the success of the plan will be its respect for the mutual interests and concerns of all countries involved in an equitable manner. The principle of reciprocity should be observed in the way all components of the initiative unfold. Because it is absolutely crucial that there is a climate of collaboration, parity, and equal opportunities. In this regard, we need to recognise that there are many steps that still need to be taken in order to ensure equal market access and openness, as we go forward. This implies also a better access to Chinese markets and the full implementation of the WTO protocol of accession.

Second, one should also stress the need for a modus operandi where in addition to respect towards equality and national peculiarities, the issues of human rights, labour rights, intellectual property rights (copyright, trademarks and patents) and the environment are safeguarded and protected.

Third, the way the initiative will unfold should also avoid to be derailed by excessive central planning, and should also not fall into the trap of merely being concerned with infrastructure construction and ‘blind investments’. The Silk Road Action Plan aptly recognizes this, by saying that the Silk Road network will enhance ‘five connections - trade, infrastructure, investment, capital and people’, but this needs to become a reality because the true potential of the initiative is to allow for local talent and innovation to flourish, while promoting true knowledge-sharing and capacity-building. There is indeed a great opportunity here to overcome the challenges posed by the lack of skills in many countries through proactive cooperation under the banner of the ‘One Belt, One Road’ initiative, and focus should be therefore given to all five areas of links, and people-to-people bonds in particular, as a way to further promote the initiative’s transcultural and transcontinental



character. Projects centering on inter-city interactions and tourism promotion could aid a lot in this direction.

Fourth, the initiative should be implemented in a gradual manner and tempo that is grounded on realism of the situation on the ground, of the opportunities but most importantly of the barriers that still exist. This much-required realism will shield the process from any political games of arm-wrestling that might come up in the process.

A fifth and final component, and this more concerns the European side, we strongly believe that the European Union has the most to benefit from this initiative, if it stands together. Now that the initiative is still in its initial stages, Europe has to inject in the process its own respective interests, but the response and the involvement should be collective, and not on an individual, bilateral basis. Especially at the time when the EU Global strategy is under review, it is urgent and necessary to devise a single, coherent, common European response that incorporates the Silk Road in its strategic thinking and its strategic actions.

Ladies and gentlemen,

Against all the difficulties that will for sure be involved, if it succeeds, the new Silk Road will be an ambitious feat of diplomacy, engineering, and perseverance. But the point that I would like to stress is that this will not be made possible, if it ends up being a one-sided affair. Only if it works on the basis of a positive and progressive direction, in a mutually respectful and collaborative spirit, can we arrive at the maximum synergy and integration of all development plans that are to be included in the Silk Road Initiative. Only then, can the Silk Road can fully achieve its very promising, true and full potential.

Regional stability has to be always combined with economic prosperity. Therefore, the further implication of that is that peace can only be maintained or achieved when there is prosperity, development and growth. We realize this very clearly in our European history, but also since decades now, in a lot of the countries and regions of the Silk Road initiative.

To conclude, in my view, the overall interest of Europe, but also of China, is for regional stability. Therefore it should become a true Europe-China initiative at both ends of the Road.

As Willy Brandt said, history does not repeat itself and every era needs its own answers. In promoting this initiative, we can therefore not resort to the solutions of the past, but work together in this progressive, forward-looking spirit to face the challenges of the future.

Thank you for your attention.