

PANELISTS' REMARKS

Dominique Moïsi, Special Advisor at Ifri

Let me start with what struck me most in this panel, which was the way it was supposed to represent the potential G3: China, Russia, and the United States. Nevertheless, Europe was extraordinarily present in this debate, as a negative model or as a positive model. There is the Europe Han Sung-joo alludes to. In a way, in demographic terms, we discussed 60 as the new 50 yesterday, but today we discussed the following question, 'Is Asia in 2012, Europe in 1912? Is the situation we are witnessing in Asia about to become what existed a century ago in Europe?' I think it would be interesting to concentrate a little bit on this issue.

Can we really make the comparison? There are similarities. One of the similarities, which Han Sung-joo alluded to, beyond the nationalism, which is obvious, is the limits of the respective leaders of the countries. Do they really understand what is at stake? Are they at the level of the challenges they are facing? However, there are also significant dissimilarities. China is not Wilhelmine Germany. The Germany of Wilhelm II was an emerging power in a hurry to prove that it could make a difference. China is a re-emerging power with, probably, hopefully, greater patience in the long-run. Then Europe, in the beginning of the 20th century, was really the centre of the world. Asia, today, is a centre of the world; it is not the centre of the world. There is a third difference, which is the nuclearisation of the world. Can we consider that war is the continuation of politics through other means in the nuclear age? That is, I think, the first question I would like you to engage.

Then, there is a second, which is not Europe as a negative model, but Europe as a positive model. I hear Russians saying, 'Well, we may be going down in life, because we are moving away from Europe.' It is not the Europe of Brussels, nor the Europe of Berlusconi and others, but a much more fundamental Europe that, in fact, can be defined in terms of culture, civilisation, and socialisation. I sense that this is a very important point. China can be a symbol of dynamism, but are Russians dreaming of becoming Chinese? I am not sure. Europe, as a negative model, Europe, as a positive model, who wants to rebound on the first subject? Is Asia about to become what Europe was at the beginning of the 20th Century? Then, if you do not mind, we will move onto the second subject, which concerns you all.

Serguei Karaganov, Chairman of the Presidium of the Council on Foreign and Defense Policy

Obviously, what is happening in Asia resembles our worst European experience. By the way, the balance of powers, which has been a popular word in European parlance for quite a while, has returned in full force to international relations. However, it is returning to Asia, where it was something very foreign. We have imposed that culture on Asia. We see that things are very much like they were in Europe traditionally, where most of the problems of the world were born, including two world wars. However, I am more optimistic. The reason for that is the second part of your first question: nuclear weapons. Asians, like Europeans, will be unwilling and unable to go for the resolute resolution in the foreseeable future, for the simple reason that the United States, Russia, and some other countries have already obtained their Armageddon potential with nuclear weapons. They could not go for big wars and that is understandable. Nobody could afford a big military solution in Asia or elsewhere. Although, of course, we have been dealing in this conference and many others on the proliferation issue and saying nuclear weapons are bad; I must say that we must thank Monsieur Curie, and some others who created this awful or immoral thing, which makes us more sensible and more moral than otherwise. Thank you.

Wang Jisi, Dean of the School of International Studies, Peking University, and director of the Center for International and Strategic Studies, Peking University

There are some similarities between Asia today and Europe a century ago, but I see more differences. Firstly, in Europe 100 years ago, there were a lot of revolutions, civil unrest, and disturbances in various countries, especially in central Europe and Russia. That led to the Russian revolution in 1917, which was led by Leninist ideology. However,



where are the new ideologies in Asia today? I do not see any. Most Asian countries are politically stable and do not see revolutions ahead. All the actors are actually in similar shape and are focusing on their domestic development. That is the first difference. The second difference is the United States, as a leading power and a balancer. We, in China, do not like to see that, but we recognise the importance of the United States and we recognise that if we have a war with Japan, that will be a war with the US at the same time, or probably South Korea would be involved. Would Russia be our ally? No. Would North Korea be involved in fighting with the United States together with us? No. Therefore, what is the point of fighting?

The third difference relates to the peaceful solution to territorial disputes. This becomes political correctness. Although many people in the region, especially some people in China, are saying that we are talking about solving the Diaoyu Island crisis by using our military force, but if that is not simply an accident but an intentional attack on Japan, even the people with responsibilities in China would not have sat there. A major war with Japan or the United States over such small islands is not acceptable, although the rising nationalism is indeed there. When you go to that point like Europe in 1914, people will have to stop.

Jim Hoagland, Contributing Editor to *The Washington Post*

Yesterday, we heard at great length how all of the problems of the Middle East are the fault of America, the United States. This morning, we have heard that, in fact, it is the United States' fault that we have island conflicts in Asia and we have heard from our Russian friends that the United States is at the root of a dual containment theory, by the way, which I had not heard of before, in Washington. The one place that we did not hear suggestions that it is all America's fault was from China and I want to thank my Chinese colleague here for the very blunt remarks that he has put on the table, some of which could be offensive, but he said, 'Too bad, you have to look at that.' The one thing he did not do is suggest that it is all our fault and, for that, I thank you. I think that reflects a certain amount of self-confidence on China's part that other countries might do well to emulate.

Dominique Moïsi, Special Advisor at Ifri

Why were you looking at a European when you were saying that, at Igor and then Donald? Wang Jisi wants to reply immediately.

Wang Jisi, Dean of the School of International Studies, Peking University, and director of the Center for International and Strategic Studies, Peking University

This reminds me that some Chinese say that we are now number two in the world; we will soon become number one. When we are number one, we will no longer fear the United States, so you are not going to be very happy at that time.

Donald Johnston, Founding Partner, Heenan Blaikie; former Secretary-General of the Organisation for Economic Cooperation and Development (OECD)

I will speak really to the second question about Europe, as opposed to Asia; is that what you would like at this point?

Dominique Moïsi, Special Advisor at Ifri

No, I think at this moment we are still on the first question.

Donald Johnston, Founding Partner, Heenan Blaikie; former Secretary-General of the Organisation for Economic Cooperation and Development (OECD)

I would be interested in hearing how these problems are going to be resolved, from our Korean friend. He left me quite pessimistic.

Han Sung-joo, Former Minister of Foreign Affairs of the Republic of Korea

First of all, I was not saying that everything is America's fault. But there are something that the US could have done better, especially on these territorial issues for, at that time, on the basis of, I think, a US strategic consideration after the Second World War, but I would say that one very important difference is the way that the United States is involved in Asian politics, in a way that is more than the United States was in 1912, which was before the First World War. Even as China has misgivings about the US's alliance system with Japan and South Korea, it also recognises that the US has a stabilisation function. At the same time, it helps to discourage Japan from rearming. I think this factor still remains. In the end, as I think Professor Wang suggested, China will also be recognised.

Another element here is that democracy has not become a universal value or practice in Asia. In addition to the democratisation of many countries and the spread of the social and electronic media, I think all governments will have to react and not only to the nationalistic fervour. At the same time, they cannot engage in large-scale war, as Wang Jisi said, in the way that the governments and autocrats back in early 20th Century Europe could be engaged. In addition, the economic interdependence is very heavy, especially between the United States and China, but also all over, between Japan and China and among the Asian countries. I think it is very difficult for these countries to escalate their conflicts into more than rhetoric and into the manoeuvres into major military conflicts in the way that evolved in Europe early in the last century.

Dominique Moïsi, Special Advisor at Ifri

Thank you very much. I think we will end this first part, Europe as a negative model, with a relatively reassuring note, except that, in history, you are always confronted with the dictatorship of events. You cannot exclude an event that takes place in the South China Sea; when you play with boats, something may happen that you have not planned or prepared for. Let us move to the second part, Europe as a positive model. Igor and Donald want to intervene on that subject. Donald.

Han Sung-joo, Former Minister of Foreign Affairs of the Republic of Korea

This question about what to do about the territorial issues. Deng Xiaoping had a very famous saying that we should leave the issues to the wiser generation that will come next. We will always have a wiser generation after the present generation

Donald Johnston, Founding Partner, Heenan Blaikie; former Secretary-General of the Organisation for Economic Cooperation and Development (OECD)

Let me inject a positive note. Some years ago, I stumbled upon a quotation, that I am going to read to you very briefly, written by H. A. L. Fisher, who was a British historian before the war. He wrote this in 1936; he was a warden at Oxford. He said, 'Europe used to be unified by the egalitarian plan of the French revolution. Equally, it now declines to accept the iron programme of Russian communism. Yet, ever since the first century of our era, the dream of unity has hovered over the scene and haunted the imagination of statesmen and people. Nor is there any question more pertinent to the future welfare of the world than how the nations of Europe, whose differences are so many and so embedded, may best be combined in some stable organisation for the pursuit of their common interests and the avoidance of strife.'

This is written on the eve of World War Two. Unfortunately, Fisher died in 1944, so he did not see what we have today, because that is exactly what has happened. The crisis has made a significant contribution to that and I made reference to the Marshall plan, for example, but he said, 'to the future of the world' and I believe that we should never forget that Europe serves as an amazing example. For example, the concept was introduced in the stabilisation of the Balkans, with the stability pack and the notion that economic interdependence, trade, and, basically, mutual cooperation are the synergies that bring nations together; they are the way forward. A similar approach was taken with respect to – and it is now off the tracks somewhat – MENA, the Middle East North Africa programmes, introduced by the World Bank, the UNDP, the OECD etc., which brought together the leaders of 16 Arab countries with the hope that once the peace process was underway, Israel would become part of it. In the long-term, that is how these differences, I think, are going to be resolved, as Europe has resolved them. The same is true, I think, in the Far East. I hope that we are going to see a free trade agreement and an investment agreement between Korea, Japan, and China, which will solidify



relationships. When we see the enormous amount of investment in China, even from Taiwan and the United States, it is clear that multinationals have also created a lot of glue in this system, which is under the radar and is sometimes lost because of rhetoric at the political level.

I look to Europe as having a couple of hiccups in its progression; it is a work in progress. People talk about a united Europe. There is a bit of a debate, which we have heard here. Should we use the term federal state? Should we avoid those terms? What should we talk about? How do we capture what is happening in a new lexicon of constitutional usage, perhaps? The fact is, some kind of united Europe is emerging and I, personally, think it is going to serve as an example and already serves as an example to many parts of the world.

Igor Yurgens, Chairman of the Management Board of the Institute of Contemporary Development, Moscow

On the positive side, we were talking about global governance. I do not know any more successful project on global governance than the European Union. Of course, we are going through a very difficult stage in the European Union, with the crisis in Greece, Spain, Italy and not only. However, it is a fantastic project. There is a project, which is called the Customs Union and then the Eurasian Union. Three nations, one of which is 100% Asian, Kazakhstan, Russia and Belarus, are now involved in something that they call the Eurasian Union, but it is based on the standards of the European Union. Standardisation, customs rules, and everything else that is done inside this integration is done according to the conventions and regulations of the European Union. The ultimate objective of this Eurasian Union is a common economic space from Astana to London. From this point of view, in five years' time, if everything goes according to plan, we will have not only a Eurasian Union that spreads the norms of the European Union to the border of China, but also integration with China, at least in terms of infrastructure. From this point of view, everything is going in the right direction.

If you are in Shanghai on the 110th floor of the restaurant you cannot tell it apart from Parisian or New York restaurants. The cultural spread of the songs, literature, habits, and manners, for the worst or, sometimes, for the best, is gradually making a common economic, cultural, and otherwise space. Some of my friends from the party school in Beijing do not hide that they are thinking in terms of the democratisation of China in five or 10 years from now. At the moment, they are afraid of chaos. To introduce a democratic election process in a country of 1.35 billion could be chaos. It is difficult. To think about seven people, the Standing Committee of the Politburo, running an economy of 1.35 billion people is also impossible. In between the two, we are gradually moving to a convergence model, with democracy on the one hand and a Confucian tradition of meritocracy on the other hand. This already has a huge influence on our European trend of the future, convergence.

Jim Hoagland, Contributing Editor to *The Washington Post*

Your question gives me a chance to complete a thought that I mentioned before, but did not really get around to finishing. That thought is on Europe and the centrality of the European positive model. What I was saying was about the realisation of an American as to how important Europe continues to be, particularly to our economic recovery. We need you. It is striking to come here and be forced to realise that, as we work our way out of these economic problems. I am also struck by Donald Johnston's emphasis on foreign investment, because the most interesting statistic I have seen recently on foreign investment is the fact that Chinese investment in the United States increased 15 fold this year. It is still a small amount, USD 8 billion, but the direction of investment into the United States from China is an interesting political fact. We all need each other in this interdependent world. I will give you one example or anecdote to carry away. It occurred this summer, during our political campaign in the United States, in Toledo, Ohio, where, by happenstance, both Mitt Romney and Barack Obama appeared for campaign rallies on the same day that the mayor of Toledo was hosting 160 visitors from China, including a lot of mayors and other people who could make investment decisions. The mayor of Toledo was very interested in having discussions with them about what a great place Toledo, Ohio is for China to put its money. He did not attend either the rally for Obama or for the Romney campaign. He told me, in fact, 'I wish those guys had never showed up. I just wanted to talk to the Chinese about investment.'

Serguei Karaganov, Chairman of the Presidium of the Council on Foreign and Defense Policy



First, there was a lot of talk about the kind of democracy in Europe and the view that democracy is on the retreat. That is not true. Democracy is on the offensive everywhere in the world. Never in human history have people and nations and societies been able to express their views and influence world and their countries as they can now and it is growing everywhere. Sometimes, though, democracy turns anti-Western or anti-European but that is a different issue. Democracy is the way. In my own country, despite the whole fact of freezing, which is happening, we are developing in the same direction, mostly due to the informational revolution and the spread of all kinds of civic movements, which is, in particular, the result of information openness. We shall be living in a world with more democracy. Will it be a more stable world? Will it be a more European world? I am not sure.

Wang Jisi, Dean of the School of International Studies, Peking University, and director of the Center for International and Strategic Studies, Peking University

On top of many other things China and Asians should learn from Europe, I think one thing strikes me most, which is that making money is not the sole purpose of life. Yesterday afternoon, before dinner, I went to a cafeteria along the beach in this city. The shopkeeper said, 'We are closed, because it is too windy and too cold outside. We do not want to catch cold.' That kind of lifestyle will never happen in China. We work almost 24 hours a day, seven days a week. I think that is meaningful to us and, also, to many Asians.

Dominique Moïsi, Special Advisor at Ifri

Thank you very much. What is fascinating in this exchange on Europe is that we learn that Europe is still perceived either as a risk and, apparently, a receding risk, in the minds of Americans or Asians, or as a model. In a way, the size of the model has not been receding. To some extent, it has been increasing. There is a third dimension that did not appear: Europe as an actor that can make a real difference on the world scene. We are a risk. We are a model. Alternatively, can we return to being an actor? We have nearly 30 minutes for exchange between the audience and the panelists.