

QIAO YIDE

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Let me turn to Qiao Yide. You are a Chinese citizen so we will be listening very carefully to what you say.

Qiao Yide

Thank you, Chairman and thanks to the organizers for having me here. I guess there is no consensus on the definition of international economic order, but it seems to me that there should be three components to it. First, it is international economic organization or as people say, a Bretton Woods institution, the IMF, World Bank, WTO. Second, it is international economic law and regulation, which is partly involved with these institutions and partly not, as John mentioned, like a Paris Club, some written and some unwritten. Last, an international monetary system, which means which currency becomes the international currency standard. I have a general judgement on the international economic order after the Second World War, it provided public good, played a positive role in building a base from which the world economy has steadily grown in the last few decades. At the same time, it has some shortcomings, for example, as John mentioned, it has not fully provided the benefits of globalization to developing countries among other things. Therefore, it is time for reform.

How can that be done? I want to describe each component of economic order one by one. First, for an international economic organization, I also hope, as John said, more power in decision-making to developing countries. I guess for the G20, as Jeff Sachs says, it should be the G21, including the African Union, which should have a seat. I think that is a good idea for consideration. Second, for international economic regulation and law, I guess we should keep some of them and revise them throughout. Also, we should add some new regulations along with the development of technological advances. Last, for the international monetary system, after the collapse of the 1971 Bretton Woods System, the US dollar became the dominant reserve currency. I do not think this pattern will fundamentally change in the conceivable future but in the long-term a multiple reserve currency system is more likely. I am not going to say it will definitely happen, but it is likely, which will provide international liquidity more evenly to different kinds of countries. People say that will be a three-pillar system, which means the US dollar, the euro and the Chinese renminbi. In the short-term, I guess it is very important for the US to do more cooperation on macroeconomic policy among other major economies. Also, many countries are currently experimenting for CBDC under the framework of BIS, they have



four projects to see whether they can unify some features for the CBDC. I think it is good to facilitate the transaction and payment system.

I guess how the international economic order evolves in the near future will depend on the results of two important factors. First, it will depend on the results of geopolitical evolutions, if the Russia and Ukraine war expanded to involve other countries or escalated to a high level; if the friction and the competition between the US and China escalated into conflict, including military conflict, I cannot believe that the current framework of the international economic order will continue to exist, although as mentioned, it should be reformed. If not, the whole world will be totally fragmented, and the international economic order will completely collapse. The second factor is whether emerging protectionism and anti-globalization will be effectively contained. If not, the global industry will be greatly disrupted, and the international economic order would inevitably fall into disorder. I will stop here.

Jean-Claude Trichet

Thank you very much, what you say is extremely important. Your plea for reserving, renewed order and fighting against deglobalization and anti-globalization phenomenon that is looming in the present world is very important. I reserve the right to come back to the international monetary system you mentioned so wisely.