

## PANEL III

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# The New Paradigm Represented by the 'One Belt, One Road' Policy

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REN LIN

## The New Silk Road Win-Win Perspective

*Dr. Ren Lin is a researcher on the One Belt, One Road policy, at the Chinese Academy of Social Sciences.*

Dr. Ren said that the Brexit vote shocked her, as much of what she has been researching for the One Belt, One Road (OBOR) policy is on how to make globalization work. “I favor integration,” she said. “Cooperation through OBOR is a form of globalization.”

She then reviewed the challenges presented by globalization, and how the OBOR policy addresses them. For example, challenges such as eliminating poverty, can industry be reconstructed (after the effects of free trade lowering wages), and dealing with geopolitical issues which threaten security.

After reviewing ten such challenges, she said that the solution lies in precisely the way China is pursuing the OBOR policy. The best way to resolve regional and



cross-regional problems is to cooperate, with infrastructure projects. In describing the win-win policy, she said that “complementarity” is the only proper approach, where stronger countries use their advantages to help others, not to compete against them.

There can be no unilateral solutions, she added, and policies must be based on acting globally, with every interest in mind. There must be inclusive institutions, such as the Asian Infrastructure Investment Bank (AIIB), which can bring people

together around mutual concerns. The OBOR, she concluded, is “an open project, not a finalized plan.” Other nations—referring to European nations and the United States, in particular—can join in, to overcome global problems.

*EIR* will publish a full transcript of Dr. Ren’s remarks.

HAMID SADIG

# Greetings to the Conference from the Ambassador of Afghanistan to Germany

*H.E. Hamid Sidig is Ambassador and Extraordinary Representative of the Islamic Republic of Afghanistan to Germany.*

Dear Mrs. Zepp-LaRouche, dear Colleagues and Friends:

I would like to express my gratitude and honor to be part of this important event. Over the past 30 years, the Schiller Institute has played a significant role in promoting international discussions on major topics that have shaped the future of our world.

Since ancient times the Silk Road has been a symbol of the commercial artery that connects Asia and Europe, creating wealth and cultural exchange to benefit all countries involved.

Our conference today hopes to build on this ancient tradition by bringing together scientists and politicians to develop a New Silk Road and begin the process of healing and regenerating this region.

Our vision is to create a secure and peaceful life for our region, which will allow thousands of refugees to return back to their homes and rebuild their communities.

This conference shall look at the possibilities of how we can create such a future: a future based on eco-



nomie, social, political, and cultural cooperation; that will bring stability and prosperity to Eurasia which is so desperately needed. We should not forget the most important issue of security and the harboring of elements that are destabilizing the entire region.

I believe that we should work to build an infrastructure and pathways to facilitate this vision through trade.

On a practical level, we need to build new railroads, including high-speed train links; look at new sources of green and secure energy; and explore new technolo-

gies and innovations, particularly in IT, to facilitate our success; and finally establish fair trade agreements to compete in global markets.

Our ancestors, with their limited technologies and standards, were able to sustain this important trade link for more than a millennium. Today, we should be capable not only of rebuilding it, but of making it the economic and cultural highway for the next millennium.

If we envision a better future today, together we can make it a reality for tomorrow.

Ladies and gentlemen, I thank you for your attention.

EGBERT DREWS

# International Networking in the Economy: Practical Experience

*Egbert Drews is a board member of MARWIKO, AG, Berlin, an alliance of medium-sized companies operating in the international economy.*



Ladies and Gentlemen,  
I would like to thank Mrs. Zepp-LaRouche and the organizers of this conference for the opportunity to speak to you. You may be surprised to hear it, but as business entrepreneurs of the *Mittelstand* or SME [small and medium-sized enterprises], we are related to the subject of this conference, and we are very much interested in this debate and in the development of this idea. I shall attempt, in my contribution, to present how this theme affects us on the basis of our experience.

Given the globalization and liberalization of the economy, the significance of cooperation among SMEs has considerably grown over the past years: The SMEs recognize that this approach is a means of achieving the needed growth potential, which they cannot realize by themselves due to a lack of or insufficient financial resources, market share or competencies.

Cooperation often affords a much more flexible and more effective approach in the short term for common growth than mergers or acquisitions. Essentially, this involves organizing cooperation at different stages of the value chain, such as project identification, marketing, implementation, and funding, aimed at bundling specific competencies and resources to find and then exploit market potentials.

That is precisely the core activity of our enterprise. MARWIKO AG offers mainly medium-sized enterprises new lines of business or additional strategies for their portfolios, and today they primarily involve cross-border business transactions.

As an international consortium of medium-sized companies, MARWIKO AG operates a wide-ranging network, which makes it the reference point for partners through extensive contacts in important economic regions of the world. Its foundation is good contacts and a well-run international network.

## ***Mittelstand* Cooperation**

We present an unbureaucratic, practical instrument for different types of cooperation among *Mittelstand* firms—a platform that brings companies together both

physically and electronically, harmonizes their activities, and develops opportunities for synergies.

We operate an active cooperation management, which means—

- Integration of a cooperation partner into the actual activity of the company;
- Active search for offers, projects, partners, and regions supported by that partner, and concrete support based on MARWIKO's structures and network;
- Transfer of selected activities into MARWIKO's portfolio;
- Bundling of the partner's offers and competencies in the regions and on the projects by MARWIKO; and
- Presentations by the partner at trade fairs and exhibitions, project trips, and other activities.

Success is only possible under conditions that are advantageous for all and with the acceptance of the partners. That presents the immediate relation to the model of cooperation among States.

In the preamble to this panel, it says:

“China, with the New Silk Road policy, has put a completely different model of cooperation on the agenda, based on ‘win-win’ cooperation, which is consciously

focused on the interests of the other. With the New Silk Road, the Maritime Silk Road, and a series of new financial institutions designed solely to finance the real economy, an alternative is already in place, which over 60 nations now consider to be a more attractive model.”

In our opinion, the future of countries and their successful economic development lies in the commitment to common grounds in the coordination of their political principles for a national economic development policy which is anchored in an advantageous development for all regions, that is dominated by none.

The central themes for German *Mittelstand*—according to the Federal Economics Ministry—are internationally competitive funding for starting-up and growth, the successful handling of company successions, assured availability of skilled staff, relief from bureaucracy, and digitalization so that German SMEs can remain vital, strong, and innovative in meeting the challenges.

The themes are, among others, to:

- Promote entrepreneurial spirit;
- Support the availability of a future skilled workforce;
- Use and design digitalization; and
- Strengthen innovations.

*Mittelstand* entrepreneurs know better than anyone else that, in these areas, they have a great potential of their own and can essentially carry out these tasks themselves. But that is not the case in the field of *Mittelstand* and Globalization.

“The Federal Ministry assumes that the volume of world trade will nearly quadruple by the year 2030. On this backdrop, even more *Mittelstand* entrepreneurs should regard globalization as an opportunity. To make the move to markets abroad, the Ministry provides foreign trade promotion, which is continually expanded in cooperation with the business world and which should become even better known among companies.”

As for the performance of the German *Mittelstand*, the figures speak clearly. Over 99% of all companies are small and medium-sized companies, over 82% of all apprentices are trained there, and they provide nearly 60% of all jobs. Fifty-six percent of our economic output is produced in SMEs. But we should not lose sight of the actual conditions the *Mittelstand* is exposed to.

The Ministry also assumes that “*The takedown of trade restrictions ... should benefit SMEs in particular. Therefore, the Ministry is committed to trade facilitation and the conclusion of bilateral and multilateral free trade agreements.*”

According to the estimates of the EU Commission and the German government, SMEs should benefit from a large portion of the assumed growth. We believe that the positive impact of the Transatlantic Trade and Investment Partnership (TTIP) on SMEs is overestimated, and that, critically assessed, the risks greatly outweigh the opportunities.

Until March 2015, the EU Commission, the government, the employers’ association, and the Chambers of Commerce claimed that TTIP would bring significant gains in growth and income, as well as hundreds of thousands of jobs to the EU, and cited to that effect the relevant studies. But the estimates, including in the EU-commissioned studies, could not be confirmed.

The positive effects, if there are any, will only appear among those SMEs that export onto the world market. Given the SMEs’ strong orientation to regional sales markets, only 7% of them turn up as exporters in the foreign trade statistics.

Among the top leaders of the export-oriented industries, such as production industry, services, trade and transport, that account for some 68% of the German gross value added, SMEs only have an export quota of 4% to 20%. Also, in trade with the United States, SMEs play only a small role.

## The TTIP

According to a publication of the Hamburg Chamber of Commerce, only 950 companies have business relations with the United States, which is less than one percent of all the companies registered at the Chamber.

German SMEs in the production industry are mostly specialized providers of high-quality products with strong innovative capabilities. That implies a corresponding level of prices. If the current quality standards are lowered through the harmonization of standards in the “domestic market” of the TTIP space, and if public instruments of protection are considered to be trade restrictions and therefore eliminated, then transnational competitors, who have the advantage of economies of scale, would be able to oust middle-sized innovators from the market through a low-price strategy which is more or less harmless for them. In such cases, an active public regulatory policy should be provided for the *Mittelstand*, but that would be considered a non-tariff barrier and therefore would violate the TTIP.

That free-trade agreements such as the TTIP are generally advantageous for transnational companies and detrimental for SMEs, can be seen in the experience with the North American Free Trade Agreement

(NAFTA), which went into effect in 1994. In the 20 years since then, in Canada, the share of the largest listed corporations of total profit nearly doubled, while the major macroeconomic indicators were cut in half in the same time period. In the agricultural sector in particular, the SMEs were heavily disadvantaged.

So far, according to the Restriction of Competition Act (GWB), medium-sized companies should be handled preferentially when awarding public contracts. But in view of the expected principle of non-discrimination in awarding community contracts, it is to be expected that the practice will change to the detriment of SMEs and that in the future, only corporations still active internationally will take part in such tenders, because of their logistical and operational advantages.

According to the figures published by the Federal Statistics Office in 2012, German foreign trade with the BRICS countries (Brazil, Russia, India, China, South Africa) increased nearly sevenfold, while the entire foreign trade only grew twofold.

It would be disastrous for the export-oriented SMEs if those markets were destroyed by the thrust of the so-called free trade agreement (FTA) between the EU and the United States which the EU Commission intends to impose. But that is exactly the effect the EU Commission expects and describes, since it considers China, India, and the member states of the Association of South East Asian Nations (ASEAN) as the losers of the so-called FTA. Thus, German exporters represented in the foreign trade association BGA warn against a kind of “Economic NATO” at the expense of other trade partners. But that seems to be the intention of the German policy, when the geopolitical and geostrategic advantages of a bilateral agreement between the EU and the United States are mentioned, which is meant to set the standards before they can be set by China, India, or the alliance of the BRICS.

In our opinion, these are economic policy strategies on a geopolitical background. We are convinced that in the 21st Century other approaches are needed, which are rather reflected in the model of cooperation initiated by China.

Upon weighing the claimed opportunities and the expected consequences of TTIP, it is not surprising that a clear majority of the small and medium-sized companies, according to a poll by the Federal Association of SMEs (BVMW), are critical toward the TTIP negotiations. Although this group is not known for ideological or anti-business prejudice, its attitude toward the FTA is conspicuously critical.

As small and medium-sized entrepreneurs, we are for fair, transparent free trade on the basis of high environmental and social standards. The planned FTA with the United States (TTIP) contradicts those principles.

Core elements of the planned agreement, such as the Investor State Dispute Settlement (ISDS), the harmonization of norms and standards, as well as deregulation in the fields of culture, services for the public, and public tenders, benefit mainly the interests of global corporations with more capital and more staff, that will force the SMEs out of the market.

### **Germany, Russia, China**

At the same time, we are very concerned that the attempt of the EU and the United States to define international trade rules on their own, can lead to the disruption of the economic order and thereby jeopardize essential markets for us in the emerging countries (BRICS and others). As we know, over 2,000 German medium-sized entrepreneurs have signed a petition against the agreement.

We, as small entrepreneurs, assume our responsibility for society, and we value high social and ecological standards in Europe as well as vibrant democracy and a functioning constitutional state.

The European domestic market has become much more important for SMEs: over 93% of SME exports go to the European market. Therefore, the interests of SMEs in an SME-friendly domestic market and the takedown of unjustified restrictions must be represented with a stronger voice in Brussels. We need a just balance between growing market integration and the preservation of proven, successful structures, in particular self-management of the economy and its core elements, such as dual occupational training, master craftsmanship certificates, representative chambers, and social partnership.

We followed with great interest the visit of EU Commission President Jean-Claude Juncker to the St. Petersburg International Economic Forum, and we see it as a step in the right direction. The Committee on Eastern European Economic Relations also welcomed Juncker’s participation in the Forum, saying it is time to begin a dialogue between the EU and the Eurasian Economic Union concerning a common economic space from Lisbon to Vladivostok. It could begin by harmonizing standards and lowering trade restriction, according to the committee’s President, Wolfgang Büchele.

As a consortium of the SMEs, we see hope and perspectives in a new type of economic cooperation

among countries. It is difficult enough, but also interesting, to carry out economic cooperation in other cultures. We are competent and experienced in this job and we know what we need—respect, tolerance, and mutual benefit.

That was again proven in the tenth Business Day that my company organized in Berlin during the German-Russian celebrations. Over one hundred companies from Germany and Russia responded to our invitation. This format of mutual exchanges, contacts, and discussions about fruitful cooperation of companies is very much appreciated by SMEs, and we like to use it as a platform for cooperation.

We are not competing in any way with your conference; we are only concerned with the clear economic interests of our partners and their development for mutual benefit.

We will organize a similar Business Day in October after our next trip to China. We already see synergies and cooperative opportunities not only among our partners, but also in the triangle of relations among Germany, Russia, and China. We believe that is the right approach in the spirit of your conference.

I thank you again for the Schiller Institute's Initiative and wish you great success in the process of rethinking cooperation in politics and the economy.

MICHEL RAIMBAUD

## In Syria, Against the War Party, Build Peace and International Law

*Michel Raimbaud is a former French ambassador, particularly in the Arab world, Africa, and Latin America. He is the former director of the French Office for Protection of Refugees and Stateless Persons (OFPRA). He titled his address, "In Syria and Elsewhere, Against the War Party and the Law of the Jungle, Rebuild Peace with Respect for International Law."*



The world today faces a great danger of war, more than ever before. It is going through a global crisis.

One hears much talk about a new cold war that would lead us back to the old confrontation between the "Free World," the ancestor of the "Axis of Good," and a "totalitarian bloc," dubbed the "Axis of Evil" by George Bush, a confrontation which ended with the victory of the United States over communism.

The disappearance of the U.S.S.R. in 1991, which Vladimir Putin called the "greatest geopolitical catastrophe of the 20th century," provoked the rise of the famous "unipolar American moment" of sinister memory—a much shorter moment than expected by the At-

lantic Empire, which thought it would be eternal, but much too long for the rest of the planet, especially for the poorest among us.

"The most powerful empire the world has ever seen," "more powerful than Rome" is what the indispensable and unique hyperpower was for 20 years (1991 to 2011), as it assumed the vocation of dominating the world, in the name of a messianism inspired both by the Old and the New Testaments. This alleged "divine will," that is, the whims of the new masters of the world, took the place of International Law. It is upon the rubble of

that legality that the American imperial order was built, around a "civilized center" erecting itself as the "international community," attempting to rule the planet, including a number of peripheral rogue states.

The Elizabeth Arden Club (Washington, London, and Paris) has claimed for a quarter of a century that it embodies the "international community." It is a political directorate inspired by that war party, whose followers make up the "Deep State" of Western and other countries. Some speak of "the military-industrial com-

plex”; others call it the “neo-conservative” current. That bellicose, imperial party, interventionist and bigoted, carries out, in the name of God, a systematic policy of aggression, interventionism, destruction,— a criminal policy. Their aim is supposedly to impose peace, democracy and human rights throughout the world, in particular in the Arab-Muslim world, including and especially through force, since it is the divine will of the Empire to do Good and repress Evil (by the way, that is the name of the religious police of the Wahhabite Saudi regime). NATO is the armed branch of that war party, of the Atlantic Empire.

The Atlanticist leaders move in the shadows, hiding behind the false flags of democracy, justice, morality, and law. They demonize any country that opposes their ambitions by calling them to the Gehenna of “worrying states” to be carved up into “democratic” entities: In short, they are “rogue states.” That concept has played an essential role in U.S. strategy for several decades, and it is by evoking this bogeyman, that they have systematically violated and destroyed International Law.

That Law is based on the United Nations Charter which, in Article 51, attributes solely to the Security Council, the right to take the adequate measures it deems necessary to maintain peace and international security. But the neocons in Washington couldn’t care less about UN legality.

The only thing that counts is threats to American interests, which make “direct military interventions” necessary. For them, the law is not founded on the UN Charter, but on the U.S. constitution. According to Noam Chomsky, “that contempt of the primacy of law is profoundly imbedded in American culture and practices.”

The neoconservative doctrine, the “zero degree of political thought,” has a simple basis: The Cold war is finished, but the United States still has the responsibility to protect the world from “rogue states.” In the 1970s, Nixon thought that the United States should give the impression that it was ruled by “madmen with unpredictable behavior, armed with a huge potential of destruction, in order to create or reinforce the fears of its adversaries (madman theory).” Annals of United States strategy show that those evaluations are not pure fantasy.

In August 1990, Washington and London decreed that Iraq was a rogue state, and it became the first of a long list: Sudan, Afghanistan, Somalia, Palestine, Yugoslavia, Iran, and Ukraine, followed by others, including Syria (2011). In June 2000, Robert McNamara, the former American Defense Secretary (1961-1968), told the *International Herald Tribune* that the United States

had become a rogue state. Noam Chomsky said the same in the beginning of the “Arab springs,” noting that his country put itself above international law.

## The War Party

The world in 2016 is no longer that of the Cold War, but it is also different from what it was in 2011. Like all the adages on matters of war and peace, the Latin expression, “*Si vis pacem, para bellum*” (If you wish for peace, prepare for war), is ambiguous, because it raises the concept of armed peace. Yet this is the motto of the War College in France, and of the British navy. It could very well be the motto of NATO. The Romans, claiming they were harassed by the barbarians, decided to declare war on them in order to distract their attention, and to be able to enjoy the famous *Pax Romana* in their own empire. Some cynical minds believe that the message is indeed: “If you want peace at home, make war against others.” This is the meaning given to the expression by the leaders and thinkers of the war party.

Today, a peace camp is opposed to the war party. The Peace camp refers to principles of International Law, to crisis settlement through negotiations and to the perspective of a multipolar world, as opposed to the War party which prospers on the rubble of the UN legality, imposing chaos, the law of the jungle, and seeking every occasion to impose its views by force.

Whether it is the wars in the Middle East, the threats of nuclear conflict, the coming implosion of the financial system, the refugee crisis, or other dramas that afflict the planet, you never have to look too far to find the hawks ready to do everything to preserve the hegemony of the Atlantic camp, if need be by war, and to stop the world from changing. To reconcile beautiful principles and noble values on the one hand, with wars of aggression and criminal behavior on the other, the chaos theory manual has an answer.

Yet the Nuremberg Tribunal, which knew what it was talking about, ordained that “to launch a war of aggression . . . is not only an international crime; it is the supreme international crime differing only from other war crimes in that it contains within itself the accumulated evil of the whole.”

The debate about ethics in international relations is loaded. It is a real debate for some, a smoke screen for others; the reference to legality does not have the same value for both camps. Diplomats cannot work miracles if they have only indefensible policies to defend, on the wrong side of history. They cannot be constructive if they act in the service of destructive leaders, deter-

mined to continue the war and to weaken diplomacy.

Master of the Empire, the United States carries the main responsibility for those crimes, destructions, and atrocities we have just mentioned. Obama boasts that he avoided the worst in August 2013, by deciding not to launch punitive strikes against Syria in the wake of the chemical weapons affair. In fact, the decision to break the rules of the game seems to have been more motivated by his desire to affirm his own power against the Chiefs of Staff, the secret services, and the think tanks, that are all under the influence of, and financed by Saudi Arabia and other Middle Eastern countries, and most of which work for the Arab or pro-Israeli financiers.

Nothing would prompt the peoples of the Greater Middle East to disagree with Paul Craig Roberts, the former U.S. Assistant Treasury Secretary, when he wrote with his vitriolic pen (*Le Blog de la Résistance*, January 12, 2016): “Unique among the countries on Earth, ... the U.S. government is the most complete criminal organization in human history.”

Despite his smiles and lovely speeches, Obama has lit and kept going more conflicts than George W. Bush, and he is heading a state responsible for the death of millions of children and adults, the destruction of states and of whole societies, tens of millions of lives broken, without even having to go all the way back to Hiroshima and Nagasaki. Having continued to wreak havoc in the Greater Middle East, he has contributed more than anyone to nuclear proliferation, especially in Europe, and to relaunching a war of aggression against Russia and China. Words full of peace, but acts of war galore.

### **An Uncompromising Future**

Supported by the Zionist lobby, the Saudis and the Gulf countries, by the weapons dealers, the financial groups and the favorite candidate of the neo-conservative camp, Hillary Clinton, Obama’s former Secretary of State, has a long record as a war-monger and extremist. She has played an active role in fanning the flames of all conflicts and wars for a quarter of a century now: Yugoslavia, Kosovo, Libya, and Syria, not to mention Ukraine and Honduras in between. An enthusiastic proponent of “regime change,” she is wildly anti-Syrian, anti-Iranian, anti-Hezbollah, anti-Russian, and anti-Chinese. And wildly pro-Israeli as well.

Paradoxically, there are many wise people on the other side of the Atlantic who hope that Donald Trump will be elected, since his isolationism might steer Washington off the course of war-like interventionism.

The vassals of the Empire, whether Europeans,

Middle Eastern, or others, are accomplices and co-responsible for all the suffering perpetrated. It is common knowledge that France and its NATO allies, with their privileged relationships to Qatar, Saudi Arabia, Turkey and Israel, have played a key role in the “supreme international crime” which is wars of aggression; it was the case in Syria as in Libya before. That support is multiple and accepted: closing down of embassies, sanctions, active support to the armed opposition, including terrorists, activism at the UN Security Council, deployment of special forces in flagrant violation of international law (June 2016), tolerance toward jihadists leaving for Syria.

### **The Current State of Affairs**

In 2011, it was Syria’s turn. It had long been targeted by the Empire, both by the Israeli-American plans to break it up, and by the measures and statements adopted since 2001. We will not go into the details here.

The Syrian state has not collapsed, as its “friends” expected. It pays wages and pensions to its civil servants without default, its institutions are in place, and its constitutional calendar has been respected, all things taken into account. Its national army, supported by the Russian, Iranian, and Lebanese (Hezbollah) allies, has resisted an aggression of the great western powers in alliance with the fundamentalists of the Middle East and tens of thousands of mercenaries of a hundred nationalities.

Two-thirds of Syria has been destroyed, after five years of savage violence during which it served as a testing ground for all forms of “creative chaos.” A country formerly prosperous, self-sufficient, and debt-free, with functioning public services and free education and healthcare, lies today in ruins. Its infrastructure (schools, hospitals, social centers, roads) is destroyed. To achieve that result, the aggressors, claiming to be “friends of Syria,” had to help the terrorists of the armed opposition break a good part of the country.

The multi-form sanctions had an impact on the Syrian national fabric, united by an exemplary “secular tolerance,” but were not able to destroy it. The aim of this politicide was, and is still, to demoralize the populations, while creating the illusion that the West is there to “save them from the tyrant who is massacring them,” and to welcome the refugees and turncoats.

Just in the year July 2011-July 2012, the EU and the United States, Canada, and Australia, launched 17 different sets of sanctions ... The diplomatic sanctions were adopted starting Autumn 2011, after Russia and China vetoed the UN Security Council draft resolution inspired by the Libyan precedent.

The human costs are extremely heavy. With 300 to 400,000 dead (of which at least 130,000 were soldiers of the regular army), more than one million handicapped, 14 million refugees or displaced people (more than one out of two Syrians), the nation's fabric is torn, weakened by the proliferation of armed groups and by the invasion of mercenaries joining the jihad, and by certain ethnic demands.

### **Immense Material Damages**

For Syria alone, recent estimates put at \$300 billion the cost of destruction and looting. Bernard Cornut, a Middle East expert, wrote on March 11 2016, "Given that it is increasingly known and proven that several countries—France, the U.S.A., Great Britain, and of course Qatar, Saudi Arabia, Turkey—supported and financed the armed rebel groups with the stated and shared aim of changing the regime, and notably to oust the elected president, those countries, and others that Syria knows, are all co-responsible to different degrees for the damages incurred, estimated recently at \$1 trillion." And he concluded, "they will have to deal with actions taken by Syria in international courts to obtain legitimate war claims." He proposes to create a tax on oil and gas, which would be used for a "fund to compensate victims and reconstruct Syria," to be managed by the UN.

The horrendous count in Iraq—one and a half million dead, of whom 500,000 were children—is there to remind us that sanctions are a weapon of mass destruction, used with total cynicism by the "masters of the world." For Madeleine Albright, "it was worth it."

The upheavals of the past years (according to Canadian expert Ahmed Ben Saada), in terms of "Arab Springs" led to 1.5 million dead and wounded, and more than 15 million refugees and displaced persons.

For all the Arab countries, they caused losses on the order of \$833 billion (\$300 billion just for Syria) of which more than one half were damage to infrastructure and archeological or historical sites. Let us add to those pharaonic devastations, financed by the oil-producing states to the tune of tens of billions, the hundreds of billions of dollars "frozen" (in other terms, "stolen") by the sanctions (plus \$700 billion for Libya).

Politically, the future of Syria is not yet sealed, as *realpolitik* keeps knocking on the door of the over-optimistic analysts. The armed jihadi opponents had a hard time disguising themselves as negotiators; their record would more easily lead them to the International Criminal Court than towards diplomatic tasks. But their Western mentors think they have some virtues: their

protégés refuse to negotiate from a weak position. From time to time, they need a ceasefire to reconstitute themselves. If they violate the truce it doesn't matter, the one to blame is the Bashar al Assad "regime." This vicious circle is self-feeding, as politicians, journalists, and Western intellectuals all take part, with a few exceptions, in the conspiracy of lies.

The military situation weighs heavily in the diplomatic balance. At this end of June 2016, it is manifest that NATO, in all illegality, is setting up a deployment in the north of Syria the purpose of which—the fight against Daesh—is either a bad joke or a new war.

### **Rebuild Peace with Respect for Law**

To rebuild peace with respect for law, we must reconstruct legality and rediscover the UN principles (sovereignty of states, non-interventionism, obligation to negotiate to solve conflicts) by introducing a new paradigm: the BRICS can be that new paradigm, which tends to usher in a new type of relations respectful of sovereignties and mutually profitable.

Reconstruction cannot be conceived along the lines of a classical scheme: a pool of financiers, emanating from the West, and a Syria at the mercy of the "benefactor" which destroyed it. The United States and NATO are hardly suited to solving crises, since they were the instigators.

This is why the project launched by China, called "the New Silk Roads: a Belt and a Road," responds to the expectations of numerous countries, close to 70 today. We will not go into the presentation of our Chinese colleague.

That project, which integrates a good part of the Greater Middle East, notably Syria and its neighbors (Iran, Lebanon, and Iraq), as well as its allies (Russia, China) in a vast ensemble of win-win economic cooperation, could shake up the regional balances, reorient trade, and break the logic of a dominant North versus a dominated South. In the end, that means some 900 projects, and financial contributions close to \$900 billion, as Helga Zepp-LaRouche recalled it.

That project could rebuild a destroyed Syria on a new basis, respecting its freedom of choice and free of any threats. It aims at ensuring a more stable environment, knowing that South West Asia is structured around two corridors (with major roles for Iran, Iraq, Syria, Saudi Arabia, and Turkey), whether the railway corridor (axis launched in 2011) or the road corridor (from Urumqi in Xinjiang to the Near East) or the maritime corridor leading to the Mediterranean through the Suez Canal.

The Schiller Institute, for its part, proposes a project in line with the same perspective: “The New Silk Road Becomes the World Land-Bridge,” which also bases itself on a change of rules of the world economy while reserving a specific role for the reconstruction of South-west Asia, ravaged by war and conflicts for a quarter of a century now, but holding an enormous potential of development and immense natural and human resources, which explain for geopoliticians the lust of the Eurasian countries and the Empires of the Sea.

That project echoes the strategy of “five seas” announced by President Bashar al Assad in 2004, for the creation of a network of infrastructure between the Mediterranean, the Indian Ocean, the Red Sea, the Caspian Sea and the Black Sea, aimed at making of this strategic hinge zone, an area of exchanges among the three continents of the ancient world.

### **There Will Be a Reconstruction**

Obviously, there will be a reconstruction.

1. However, the terrorist groups supported by the West and their allies will have to stop their destructions. It would suffice for that, that the existing resolutions of the Security Council be applied.

2. There will be no reconstruction without rapidly lifting the sanctions whose object is the destruction of a people and their country.

3. The solution is not to receive in Europe the refugees which have been created in one way or the other by fanning the flames of a war of aggression and jihad in Syria.

4. On the other hand, the struggle against Daesh, while certainly a priority, is not an end in itself, because it will not solve all Syria’s problems, especially in its future as a resisting nation state.

It is up to the Syrian people and only up to them to decide Syria’s destiny, without foreign intervention. It is that principle of sovereignty that Chinese President Xi Jinping brings forth when he claims the end of the Unipolar area and that the world is now multipolar. Vladimir Putin has also placed himself within the framework of an international legality and supports the Syrian state and “the armed forces of President Al Assad which are the only ones really fighting the Islamic state.” The Russian president’s decisions to intervene provoke anger among the Westerners, furious at his continual references to an international law that they violate.

BOUTHAINA SHAABAN

## Reconstruction with Syrian Characteristics

*H.E. Dr. Bouthaina Shaaban, Presidency of the Syrian Arab Republic, delivered her address by means of a video recording titled, “Reconstruction with Syrian Characteristics: Rebuilding a Truly Diverse and More Secure World Based on the Lessons of the Syrian Experience.” After the playing of her video, she joined the conference by Skype to answer questions. The transcript of her address is followed here by notes of the discussion by Skype.*



Good morning.

Allow me first to thank the Schiller Institute, and in particular, to

thank Helga Zepp-LaRouche, for inviting me to this very important conference and for allowing me to contribute to this very important panel.

But before I begin my paper, I would like to pass on a few notes that lead me to the conclusion which I would love to conclude for this panel, and for this conference at large.

One of the major problems we face in our country, is that today, Western countries approach our countries with the feeling of exceptionalism or a feeling of righteousness, that whatever Western countries see appropriate or good, should apply to our countries without any question. The first action that was taken by Western countries, when the war on Syria started, was to withdraw their ambassadors from Syria. The question is, isn't it the job of the ambassadors to convey the reality on the ground, and to help in opening channels of communication between countries instead of closing them?

This leads me to the role of corporate media during the war on Syria. Unfortunately, most Western media rely on *Al Jazeera*, Qatar-funded, and *Al Arabiya*, Saudi-funded, to report on events in Syria, even though both channels, *Al Jazeera* and *Al Arabiya*, withdrew their correspondents and relied on what are called "eyewitnesses," which could be anybody, anywhere. This applies also to the Syrian Observatory for Human Rights, which is run by one person in Coventry, U.K., Rami Abdel Rahman.

These media outlets choose to focus on what they find which fits their agenda, ignoring the reality on the ground. For example, even the terrorist acts in Tartus and Jableh recently, which claimed the lives of 200 innocent civilians, were not noticed by Western media, and certainly did not therefore evoke any Western sympathy.

What I would like to say is that the false narrative propagated about Syria was as dangerous to the Syrian people and to the safety and security of Syrians, as the acts perpetrated by terrorists, because it isolated the reality in Syria from the public understanding in the West and in the world at large, and it prevented the creation of a level of understanding between Western countries and the Syrian people about what is going on.

### **Terrorism and 'Democracy'**

But before we can begin to talk about reconstructing Syria, we still face the monumental challenge of eradicating terrorism in Syria, Iraq, and the region. We have to eradicate this terrorism. And when I say "we,"

I do not mean the Syrians or the Iraqis alone, but I mean the world at large, because, as we have seen, in Paris, Brussels, Orlando, and lastly, the U.K., terrorists can strike anywhere in the world; it's a cancer that can spread anywhere in the world. However, is the world, and in particular, are Western powers, doing all they can to face this danger? This is the question that I would like to ask.

Of course if we separate out what is promoted in the media and look at actions and deeds, rather than words, we see that in the case of Syria, Western countries are not doing what needs to be done to eliminate this danger, both from Syria and from the world at large. And I would like to give you one example: On December 17, 2015, the Security Council adopted Resolution 2253, under Chapter 7, which dictates stopping the financing, arming, and facilitating of terrorists into Syria. The Vienna Group, afterwards, interpreted this resolution, that it should include closing the Turkish border and not allowing armaments and finances to cross to the terrorists. On December 18, the Security Council issued Resolution 2254, which calls for a political solution in Syria.

Now, you see that the entirety of humanity focusses on 2254, without dealing with 2253, which is a logical prerequisite for 2254, that is, for finding a political solution in Syria.

The same thing can be said about humanitarian assistance. Instead of focussing on ending the war in Syria and restoring peace and security in Syria, we see that the entire corporate media is speaking about humanitarian assistance, as if this is the issue! Syria, before this war, was able to host 2 million Iraqis and to feed itself, and to export food to 84 countries in the world. It is since the 1970s that the Syrian people have adopted the motto, "We eat from what we produce, and we wear from what we manufacture," which means that Syria does not need humanitarian help if there is peace and stability, and if the Syrian people are able to develop their crops and attend to their factories.

Today we hear a lot of talk from the Western alliance about "containing" ISIS, "limiting" ISIS; and lastly, you all heard the speech of CIA Director John Brennan, who said that we did not succeed even in limiting the influence of ISIS. Why? Because there is no real desire and wish, really, to get rid of ISIS. There were two elements: The Russian government had called on Western countries to join efforts to defeat ISIS both

in Syria and Iraq, and the agreement in Vienna was that the Turkish borders should be closed. Neither of these two elements received a positive response from the United States or the Western powers. The question is, why?—if there is a real will to fight ISIS.

The other question is, that we in Syria feel that what is needed is a real will in the international community to fight terrorism and to build real bridges. When I say “real bridges,” I mean, on an equal basis, on a basis of parity. The problem with promoting “democracy”—in quotation marks—in our part of the world, is that Western countries believe that liberal democracy is the only issue, or the only copy, or the only formula that should be applied to our countries. And this is not true, because we all have different cultures.

We have different identities, we have different habits, we have different ways of life, and I can give an example: China, India, the Persian culture, Arab culture have contributed a great deal to the world, but on a *human* basis, and on a basis of parity. In fact, here I would like to make an important point, that the Western world believes in opening markets to the entire world, but only to export its own goods! But *not* to allow other countries to export to the West, on an equal basis. And every day they invent different formulas in order not to allow equal treatment—tariff constraints and other constraints.

### **Intellectual Silk Road**

The same thing applies to politics. The concepts, values, and ideas, coming from the West should be respected and implemented in our countries, but there is no other road that takes our culture, and our values and our ethics to the West. If we need to create a world for all, if we need to create a peaceful world, if we need to create a prosperous world for all, we need to create a conceptual, intellectual concept of one world; we need to create a conceptual concept of a Silk Road. Not only an actual Silk Road, but an *intellectual* Silk Road. All of you know that Aleppo and Syria were extremely crucial in the ancient Silk Road that connected Asia to Europe. Syria and the Syrian people will be more than happy to be very active also in a New Silk Road and in a political, social, intellectual Silk Road that connects Asia to the West, that connects Eurasia to the West.

The other byproduct of this war on our countries, and the other byproduct of promoting only Western exceptionalism in our country, is the distortion of the

image of Islam in Western eyes. Islam, like any other religion, is a religion of love, a religion of humanity. We, as Muslims, were hardly ever, if ever, addressed in our Quran as Muslims. We are addressed as “ye human beings”: We are part of the human community. And therefore, those who kill in the name of Islam, those who destroy in the name of Islam, are not Muslims at all. They have nothing to do with Islam.

We have to address the concept that the terrorists are promoting, and the lack of dialogue that the corporate media are causing, if we want to create a truly prosperous Silk Road, not only physical, but also intellectual, social, and political. And here, I would like to conclude by thanking Russia and China, who right from the beginning of the war on Syria, took four vetoes against Western attempts to try to strike Syria militarily. And Russia, and China, and Iran, continue to support the Syrian people, to try to find a political solution.

In brief, what I would like to say here is that, in order to build these Silk Roads, we have to deal with each other on an equal basis, on an equal *human* basis, and dealing otherwise, as superior and inferior, as white and black, as important and less important, is producing extremism, is producing racism which is striking not only in Syria, but in Brussels, in Paris, in Orlando, and last of all in the U.K. Thus, it is in the interests of humanity to think as human beings, to think of the world as truly a human village, where people live equally, and have mutual respect for each other, and deal on the basis of parity.

But this requires a huge change in the mindset of the West, that probably requires another conference, to speak not only about the very important idea launched by China, of building a Silk Road, but to speak about the intellectual, social, and political Silk Road, that thinks and deals with all of us, as human, as brothers and sisters, rather than as superior and inferior. Thus, we can build a new world, and one world, and a much better world than the one we live in. We have an obligation to our grandchildren, wherever they are born, to leave them a better world than this one in which we live now.

Thank you very much.

### **Discussion with Dr. Shaaban**

Directly after the video, Dr. Shaaban appeared live on Skype, and received a standing ovation from the audience of the conference. She answered several ques-

tions and demonstrated the double standard of the sanctions and the war on Syria. A German Arabist in the audience asked for her view of the German policy against Syria. Dr. Shaaban recounted how shocked the whole of Syria had been to hear a German parliamentarian, coming out of a vote to send uninvited German

troops to Syria, saying that he did not know anything about the issue.

Helga Zepp-LaRouche took the microphone and expressed her appreciation for Dr. Shaaban's presentation, and vowed to spread the word about what is really going on in Syria.

PANEL III *continued*

## PROJECT PHOENIX

# Video: The Reconstruction of Aleppo

*Project Phoenix was initiated by the Schiller Institute and Swedish architect Greger Ahlberg to plan the rebuilding of Syria from the ashes. This video on the reconstruction of Aleppo was produced by a Schiller Institute team, assisted by a group of Syrian archaeologists and architects who are living in Germany as refugees.*

The video begins by showing what the city of Aleppo looked like before the war, and what it looks like now, after the destruction of war. Aleppo, the crossroads of the ancient Silk Road, has risen and fallen many times, and will rise again like a Phoenix.

In November 2015, a Schiller Institute delegation and the Syrian-Swedish Committee for Democracy travelled to Damascus to present Project Phoenix. In the meantime, developments anticipated by the institute, such as the institutionalization of the BRICS organization and the One Belt, One Road policy, had materialized.

Project Phoenix consists of two major sections: (1) How to finance reconstruction, and (2) How Syria can benefit from connecting to the New Silk Road.

Reconstruction must be financed by a combination of national (Hamiltonian) credit and foreign export financing and direct investments. Resources should be allocated for emergency housing programs, and rebuilding schools, hospitals, and other

services for millions of refugees and the population which has lost them through the war.

At the same time, industries and agricultural facilities destroyed by the war must be rebuilt. Among these, pharmaceutical and petrochemical industries are of strategic importance. The Syrian transport system must be upgraded and expanded to connect the domestic network to transcontinental routes from the "Five Seas," as developed in the "Five Seas Strategy" (Mediterranean, Indian Ocean, Red Sea, Caspian Sea, and Black Sea) that President Bashar al-Assad presented in 2009, before the war broke out.

The New Silk Road involves two development corridors, one East-West and the other North-South, which will bring long-term vitality and growth to the ancient crossroads of Syria. The video presents maps showing all connections from Syria to the three continents and the Five Seas. In this new network of corridors for transport and development, Syria will resume—in the New Silk Road—its historic pivotal role in the old. All of these routes will intersect in Aleppo, Syria's largest city, as it has been for hundreds of years.

Before the war, Syria was not a rich country, but it had a relatively good living standard and free education and health care systems. The city of Aleppo hosted 30-40% of Syrian manufacturing capability. Some 10 kilometers north of Aleppo is the Sheikh Najar industrial city, whose construction began in 2000, equipped with advanced equipment and facilities. Both this city and Aleppo have been destroyed. The development process must be resumed, and continued in other parts of the country.

Aleppo is a beautiful city of history and art; it must be restored to its true character as a center for universal culture and civilization. It must become the world capital for the dialogue of civilizations!

TALAL MOUALLA

## Towards a New, Modern Cultural Approach

*Talal Moualla is on the board of trustees of the Syria Trust for Development, and is executive director of the Ministry of Culture's Syrian Cultural Heritage Transformation Project. He titled his address, "Repositioning of the Cultural Variable: Towards a New, Modern Cultural Approach." He spoke in Arabic, with simultaneous translation by panel moderator Hussein Askary.*



Having come directly from Syria, Talal Moualla described the war in Syria as being an attack on its heritage and culture, as well as on its people and state. But the target is not only Syria, he said, as there is a world heritage with roots in our civilization.

He said, "My own studio was burned down by the terrorists with one hundred paintings in it. I am not worried about these as much as I am worried about the overall cultural heritage of the country, and its position throughout history as a producer of culture and civilization. I have been working for the Syria Trust for Development and the Culture Ministry to find ways to recover and restore the soul of the Syrian people. We are doing this in cooperation with civil society organizations and individuals, collecting their stories—both their folklore stories and new ones that they have created during the war.

"We are using creativity and beauty to encounter the bestiality of the enemy. We have had a terrible mass exodus of intellectuals from the country. The intellectuals have a very important role in working with the people and government institutions to restore the Syrian character, soul, and heritage."

He invited everyone to meet again in Damascus.

FOUAD AL-GHAFFARI

## Confronting the Aggressor with Hope for the Future

*Fouad Al-Ghaffari is chairman of the Advisory Office for Coordination with the BRICS, Yemen.*

In a video sent to the conference, Fouad Al-Ghaffari regretted that he was not able to participate in person. He enumerated the achievements of his office in promoting "a clear vision for a creative and productive credit system and for building a future for the nation along the New Silk Road."

These achievements included publishing and distributing thousands of copies of the Arabic version of



the *EIR* special report, [The New Silk Road Becomes the World Land-Bridge](#), launching it through a conference sponsored by the Ministry of Finance, and organizing weekly public readings of the report, among others.

All of these accomplishments were achieved in a record time of four months, under the worst military attack in the history of the nation. This, he said, was made possible by the dedication and resilience of the young women and men in the Advisory Office, "who confronted the aggressors by creating hope for the future, and broke with the conventional methods of thinking."

BEREKET SIMON

## Ethiopia's Economic Development in Context: the Silk Roads and Africa

*Bereket Simon is Chairman of the Commercial Bank of Ethiopia and Adviser to Prime Minister Hailemariam Desalegn. He titled his address, "On the Importance of the Economic Development of Ethiopia in the context of the New Silk Road, the Maritime Silk Road, and the Greater African Region."*

Mrs. Helga Zepp-LaRouche, representatives of governments and different institutions,

Dear Friends,

Ladies and Gentlemen,

It is an honor and a pleasure to be here in Berlin. First of all I

would like to thank the Schiller Institute for inviting me to speak on a broad topical subject, the importance of the economic development of Ethiopia in the context of the New Silk Road, the Maritime Silk Road and the greater African region.

The term "Silk Road" refers to an ancient trade route, but my interest obviously lies in highlighting the significance of its present incarnation within the current global context. By all accounts, the old Silk Road played a vital role as a well-traversed trade route that stretched outwards from China to the Middle East, even to the shores of the Horn of Africa. This, I believe, was borne out by the history of the old Silk Road, which connected China with much of the rest of the known world.

Like its predecessor, the New Silk Road will radiate from China and straddle a vast swathe of the globe, opening up opportunities for an unprecedented level of trans-boundary exchange of goods and services. I strongly believe that the New Silk Road will not only boost the trade volume of emerging countries, but will also broaden their economic interaction.



However, in the context of changing variables of globalization, countries—especially like ours from the developing world—need to sharpen their competitive edge to fully benefit from the kind of interconnectivity that the New Silk Road brings.

It bears keeping in mind that sharpening one's trade competitiveness is tied to building a strong economy, which again relies on the ability of these countries to design and implement correct home-grown policies and strategies—as the crucial ingredient of development cannot simply be im-

ported or dictated from abroad.

It is evident that the problem with most countries on our continent is not the lack of resources per se. The biggest challenge lies in weak capacity to design and sustainably implement such policies and strategies, without which no emerging country can effectively utilize the opportunities global connectivity offers, mitigate the adverse effects, and tap into the promising benefits of the modern Silk Road.

Hence, lest our continent miss out on the current wave of late development, the present generation of African policymakers needs to bury the legacy of dependency on foreign aid, even though external assistance, when properly sequenced and allocated, has been useful. Instead, African leaders would—if they properly mobilize domestic resources and thrive to catch up with mid-income, industrialized economies—play a commensurate role in the global economy.

### **Ethiopia's Course**

Dear Friends, after having said this much, taking Africa in general as an entry point, I shall now return

to my own country, about which I know a thing or two.

I trust that some of you are aware that Ethiopia was once home to a glorious ancient civilization, survived by at least two enduring and interdependent state and religious institutions. The records of the ancient past attest to Ethiopia's long and fascinating history of interaction with the great Mediterranean, Indian, and possibly Chinese civilizations.

However, in the last few hundred years in general and the last half of the 20th Century in particular, Ethiopia entered into a prolonged period of stagnation, followed by a steep decline that continued right up to the dawn of the modern era. The failure of successive regimes to accommodate diversity, and their inability to meet the aspirations of the peoples of Ethiopia, significantly contributed to its downward spiral.

Although, throughout these centuries, Ethiopia managed to retain and defend its independence from foreign aggression, yet the country missed out on the great global transformation. As the rest of Ethiopia's historical peer states underwent significant changes, our country remained mired in stagnation characterized by recurrent drought, famine, and internal strife.

The cumulative effects of centuries of social and economic stagnation sadly worsened to the point of state failure during the long seventeen years of military rule that ravaged the country from year 1974 to 1991. The command economic system pursued by the military junta, combined with its repressive policy against nationalist demands for political autonomy, left the country in shambles.

Hence, after the fall of the military state in 1991, the successor coalition government of the Ethiopian People's Revolutionary Democratic Front (EPRDF) saw peace and reconciliation as its first order of business.

With a sense of urgency, the leadership exerted enormous effort and succeeded in stabilizing the polarized political landscape of post-conflict Ethiopia by a radical institutional design of governance. The upshot, I am proud to say, is the present inclusive constitutional federal system that provides for all basic individual and group democratic rights.

Once lasting peace had been secured, the leadership turned its attention to the equally pressing task of dis-

mantling the inherited command economy and the institutional barriers it had created. This prompt measure released the market from counterproductive state interference and even spurred a modest GDP growth of around 5% for the first twelve years. But, to the post-military regime Ethiopian leadership, led by the late Prime Minister Meles Zenawi, even a higher percentage of single-digit growth was inadequate to turn around this country with an alarming index of population growth.

### **Against Neoliberal Prescriptions**

The big question, therefore, that the leadership had to squarely address in those years was, by what policies and strategy could it be possible to accelerate growth in a war-torn, underdeveloped country with a fledgling market economy and a tiny private sector? Nonetheless, at this point in history the developing world had not been granted sufficient space to formulate and implement policies other than those prescribed by the Washington consensus. However, Ethiopia from the outset defied such policy prescriptions based on the conventional wisdom of "one size fits all" and opted to formulate its own policy based on the objective reality of the country.

Indeed, we in Ethiopia had, from the outset, defined poverty as our biggest enemy with which no compromise is possible. It was our firm conviction, too, that in a country like ours, where the market and the private sector are at their rudimentary stage of development, no serious developmental undertaking that addresses this core existential issue would succeed without the proper role of the state. It is based on this conviction that, throughout the last 25 years, we committed to promoting and defending our national economic development path, which gives the state a prominent role in influencing the speed and direction of Ethiopia's development. Yet, the path we have chosen allows for both the public sector and the market to play a complementary role in terms of generating national wealth marked by relative equitable distribution.

### **Development Led by Agriculture**

Against the misgivings of neoliberal establishments, our initial answer to the daunting task of fighting poverty lay in the state-directed, agriculture-led development policy and strategy aimed at poverty reduction. This is because agriculture, and specifically that of the

small-holding farmers, is the backbone of our economy on which depends the livelihood of the overwhelming majority of our people.

Granted, our second Growth and Transformation Plan aims to lay the foundation for an accelerated economic transition led by the manufacturing sector, but we still continue to invest in small-holding agriculture as the main growth driver of our economy. There are times when severe drought occasionally reduces our agricultural output, as it did in 2004 and in this last harvest season; we have managed, however, to raise our agricultural production from somewhere around 7.5 million metric tons to over 30 million metric tons in 2014.

Increased production has enabled our nation to cope with the devastation of the 2015 El Niño-induced drought that left millions of Ethiopians in need of emergency food assistance. The fact that no drought-related death occurred despite the severity of crop failure, I believe, speaks to the capacity and resilience of our agricultural economy to absorb natural disasters.

Climate change is no doubt one of the biggest challenges of our planet. That is why only a concerted global response can mitigate the terrible consequences of climate change, particularly for countries dependent on agriculture. To do our part, we have already put in place a Climate-Resilient Green Economic Program, which is bound to make our country less vulnerable to the vagaries of climate change. We are proud that with every passing year millions of Ethiopian farming households are investing their energy in water and soil conservation projects across the country. This had been one of the main reasons that Ethiopia was able to withstand the effects of the El Niño induced current drought.

It is not by accident that Ethiopia today is rated as one of the fastest and most equitably growing economies in Africa. Ethiopia has allocated 70% of its budget for pro-poor programs, such as education, health, agriculture, and food security, which helped it to register an average economic growth rate of 10.6% over the last 13 years.

However, we are the first to caution ourselves against the danger of falling into complacency by forgetting that such a high rate of growth is an index of a weak starting base. In any event, our tiger rate of development still gives us much hope and confidence in our

ability to attain the goals envisioned in our ambitious second Growth and Transformation Plan.

## **Towards Rapid Industrial Development**

While we have given agriculture the top-most priority in the last decade, Ethiopia is gearing itself towards a rapid industrial development as well. To this effect, it has initiated a massive micro and small enterprises development program, together with the expansion of medium and heavy industries. We have heavily invested in micro and small-scale enterprises with high social return in the form of reduction of unemployment. Like many developing nations where the number of the young constitutes the majority, creating job and employment opportunities and gender empowerment are very critical to Ethiopia.

Investing in the development of micro and small enterprises, as a launching base for industrial development, has not only alleviated poverty to an appreciable degree; it has also given rise to a sizable middle class and business community with sufficient capital to invest in the growing manufacturing and service sector of Ethiopia.

Social development is equally important if Ethiopia is to continue with the pace of development that it has initiated. Hence, today, over 28 million citizens are attending school in one grade cycle or another. This is the equivalent of educating the entire demography of the 20 African countries having less than four million population.

In addition to this, with our flagship primary health-care program, we have deployed close to 40,000 health extension workers across the country during the last decade. Thus, Ethiopia has managed to reduce the child mortality rate by close to 30% in the past five years alone. The proportion of people living in abject poverty has declined by nearly 35% in the last fourteen years. As a result, life expectancy at birth has risen from 45 in 1991 to 64 years in 2015. These results, I believe, are a testament to the effectiveness of the pro-poor development policies and strategies that the Ethiopian developmental state, previously led by the late Prime Minister Meles Zenawi, has achieved.

In line with this, Ethiopia has embarked on nurturing the private sector as the engine of our industrial development. A glance at the visible renovation of our cities, a function of the urban renewal program led by the newly created private sector, suffices to

demonstrate the important role Ethiopian entrepreneurs play in our overall development today. Without this pivotal role by the private sector, the current rapid economic growth would have remained a pipe dream.

### **Large Infrastructure Projects**

In the age of globalization, increased private sector investment, which is necessary for a competitive economy, obviously depends on the availability and expansion of physical infrastructure. Today most of the major mega-projects in Africa are found in Ethiopia. The Grand Ethiopian Renaissance Dam (GERD), which is one of the largest in Africa, will produce 6,000 megawatts of electric power at completion, and the national railway line project, covering the entire north-south and east-west axes of the country, are only two good examples in this respect. The fact that Ethiopia has started graduating around 70,000 students in engineering and science fields every year plays a pivotal role in the development of its engineering industry.

Likewise, though fraught with difficulties, Ethiopia has cultivated a good and peaceful, neighborly relationship with most of the countries in the Horn. The fact that Ethiopia has initiated some infrastructural programs with Kenya, Djibouti, Sudan, and the South Sudan is expected to have a much broader impact in terms of sustaining the cooperative spirit toward a better regional integration.

One cannot, however, underestimate the difficulties of sustaining diplomatic and trade relations in the Horn of Africa, a region threatened by international terrorism. I believe this represents one of the most serious challenges that need to be overcome in order to build this new economic belt through the Silk Road.

From the above limited facts, it can be seen that Ethiopia is indeed registering rapid change in every aspect, which is why it has become one of the preferred destination points for foreign direct investment in Africa. A trainable young workforce, a stable political system, a rapidly transforming society that contains the second largest population on the continent is, we believe, the best venue for those who would like to engage

in long-term investments. Ethiopia's efforts to join the global community, in the new expanded Silk Road, are based on such thorough preparation.

### **One Belt, One Road**

Dear Friends, Ethiopia considers China's Silk Road Economic Belt and Maritime Silk Road projects, jointly known as "One Belt and One Road," as another milestone opportunity that could contribute to Ethiopia sustaining its economic development, together with all the countries in our region. We believe, as the last decade or so has witnessed the resurgence of trade between Africa and the East, the new Silk Road would also further strengthen the mutual benefits of expanded trade between nations. This will also apply to the relationship between Ethiopia and its traditional partners. The fact that not only development assistance, but also foreign direct investment from Europe and the United States had been instrumental in the rapid economic development of the country, is another proof that mutually beneficial relations could bring about a guaranteed positive outcome.

Finally, I would like to conclude by saying that, since the adoption of a new economic direction 25 years ago, we have come a long way. We were able to achieve double-digit economic growth for over a decade, build important governance institutions, significantly increase our contribution to regional and continental peace and stability, and put in place major infrastructure networks for regional integration. We are conscious that the journey ahead of us will continue to be challenging, as we have to overcome the adverse effects of climate change.

As a country, Ethiopia is determined to realize its vision of becoming a middle-income country by 2025. To this end we will strive hard to strengthen and nurture our fledgling democracy, as well as peace and regional stability. We draw inspiration from the great achievements of the last two and half decades, as we prepare ourselves to further build our country's competitiveness in the current global framework. Together with our neighbors in the region, we are determined to attain an Ethiopian, and indeed an African Renaissance which can harness the new possibilities opened by developments like the New Silk Road.