

Speech at the Paasikivi Society

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Distinguished Chairman Martti Häikiö,
Distinguished Mr. Mikko Viitasalo,
Ladies and gentlemen,

Let me start by thanking you, Mr. Chairman Martti Häikiö, for your introduction, and Former Chairman Mr. Mikko Viitasalo for your kind invitation.

I am very delighted and honored to have been given the opportunity to address to this prestigious society as we just turned into the New Year. Today, I would like to share with you my views on China's development and her role in international politics.

In the last a few days the recent state visit to USA by Mr. Hu Jintao, the President of China, has been the focal point. People I met, Finns including ministerial officials, Chinese and diplomatic colleagues, all regarded this event as important and positive. President Hu has been well received by President Obama and the visit certainly presented with new opportunities to further strengthen bilateral ties and extend sound development momentum. China, Europe and the United States are three major players in the world community today. We have among us extensive and in-depth cooperation under multilateral frameworks such as the United Nations and the G20. Relations between China

and Europe have maintained stability, registered growth and made important contributions to world peace and development.

Nowadays when opening the newspaper, turning on the TV, or logging on to Internet, we can easily find news on the fast development of China. Recent headlines include Shanghai Expo, world's fastest train, most powerful super computer, largest sun-power panel supplier, second largest economy, our Deputy Prime Minister Li Keqiang's visit to Europe, etc.

So, how does China make all this? Actually, changes began 33 years ago, when China started to explore a sustainable way of development in accordance with our own reality and situation. After hugging globalization, China has been keeping an average annual GDP growth of 10%. In 2010, China achieved 10.3% growth and the volume of GDP reached 6 trillion USDs. China's trade volume reached 2.9 trillion USDs. In the past 3 decades, 250 million Chinese people were lifted out of poverty.

Meanwhile, China's growth makes significant contribution to the world economy. In the wake of the international financial crisis, China was one of the early birds to recover. China offered assistance to countries like Iceland, Greece and Portugal in coping with the sovereign debt crisis in accordance with the EU financial stabilization efforts. In times of hardship and doubts, with the share of over 30% of world economic growth in 2010, China refuels public confidence and trust to the Future.

However, there is an obviously deficit of knowledge on

China in the western world. If we take an overall view besides the above-mentioned numbers, it is so clear that China remains to be the largest developing country in the world. In China, any accomplishments, no matter how magnificent, will become very modest when we take into account of the population of 1.3 billion. China's GDP per capita is merely 10% of that of Finland. There are yet 150 million Chinese living on less than 1 US dollar per day. China's aging population amounts to 167 million, which equals to the population combination of the UK, Italy and Spain. Every year, 24 million new labour join the job market, including 6 million university graduates.

China's challenges are far beyond this. There are backward economic structure, weak innovation, pollution issues, resource constraints, uneven development, and imbalanced economic and social development. To address these issues demands the interaction between China and the rest of the world. How can China strengthen herself and enable her people to live better off with dignity?

Ladies and gentlemen,

China, as one of the four ancient civilizations, is endowed with spectacular cultures, which still have deep influence on her modern politics, economics and society today. The culture of *HE* is among the most important, which has a history of thousands of years, and it means harmony with senses of kindness, compromise, coexistence, smoothness, peace and etc.

The mainstream of Chinese classical philosophy redeems

peace as the most important rule, and harmony as the best state and highest stage of the society of mankind, which differs greatly from the politics of the western realism. For instance, *The Analects of Confucius* believes that *Harmony is the essential part of ritual applications*, and *All within the four seas are brothers*. *Book of Changes* illustrates the theory of harmony through the dialectical relations of contradiction. *The Art of War* by Sunzi even advocates that *No War is the best of best*.

Almost all dynasties in China's history paid great attention to *HE*. New China founded in 1949 developed the theory of *HE* in foreign relations. In 1950s, China raised *Five Principles of Peaceful Coexistence* and found them as the corner stone of relations with all foreign countries as well as the independent foreign policy of peace. In 1971, China resumed legitimate position in the United Nations, thus reinforced the power to maintain world peace. In the following years, Mr. Deng Xiaoping made the strategic judgment that *Peace and development are the themes of the time*, and Mr. Jiang Zemin advocated the importance of *Respecting and developing the diversity of world civilizations*. In recent years, President Hu Jintao as well as other Chinese leaders repeated in many important occasions that China would stick to the road of peaceful development, and all countries in the world should make joint efforts to build a harmonious world of lasting peace and common prosperity.

We not only succeeded the tradition and culture, but also made choices from history and reality. China used to be a

country of tragedies and pains. Within the 100 years since 1840, China had been tortured by invasions and wars and was the victim of colonialism and hegemony. It is because of this painful history that China has deeper understanding of and yearns for peace. We don't wish any country to repeat our tragedies, nor have ourselves repeat the old powers' road of invasion and expansion, nor tolerate that any one spoil world peace.

In these 62 years, China made magnificent achievement and world-known devotion on her own land through the hard work of her people. Today's history witnesses fast development of globalization. The interdependence between countries grows much deeper and common interests are much wider. It is no longer zero-sum games in the international politics. Peace, cooperation and development have become the most realistic, most efficient and most civilized ways for countries to attain growth and prosperity. They as well became the logical choice in the long term for China.

Ladies and gentlemen,

Dr. Henry Kissinger said that world is undergoing major changes rarely seen for a century, and the rise of China is the most prominent feature of this trend. It is true that the rise of China has been the hot topic in the world today more about than its fall. Furthermore, with over 50 million Chinese travelling overseas each year, some local vendors can bargain in Chinese for a good price right in the central market of Helsinki.

For those who observe today's China and analyse the

impact of China's development on international relations, the following three aspects merit special consideration:

First, China sticks to constructive development. China's development aims at no other countries as the conceived enemy, hinders nobody, or threatens anyone. China advocates that all countries give up cold-war ideology, foster a new thinking on security featuring mutual trust, mutual benefit, equality and coordination so as to address global threats together. As to the territorial disputes, China advocates that relevant parties temporarily put aside disagreement and keep on dialogues. We believe that wisdom of future generations could solve them in a better way. China will continue to take her part in UN peace-keeping. We will never wage wars nor ignore actions that spoil world peace.

Second, China sticks to open development. We are ready to carry out comprehensive economic cooperation with all countries. In this way, each side can realize mutual benefit and gains by exerting its own comparative advantages. China abides by the rules of WTO, supports free trade and opposes all forms of protectionism. China will continue the joint efforts to reform international financial system with the countries which have abilities to support those in crisis for their social stability and economic development. China will keep to increase aid to developing countries, take active part in humanitarian assistance activities, and reduce and finally alleviate peoples of these countries out of hunger, poverty and diseases.

Third, China sticks to inclusive development. We respect the

diversity of civilization, support cultural and people-to-people exchanges for better understanding and mutual learning. Earth is our home, and we all have the same ancestor. Although differences widely exist in history, culture, social systems and development stages and models between countries in the world, they should not be the reasons to exclude or even conflict, but rather opportunities to learn from each other and progress together. George Bernard Shaw once said, " If you have an apple and I have an apple and we exchange these apples, then you and I still each have an apple. But if you have an idea and I have an idea and we exchange these ideas, then each of us have two ideas." China will keep learning from others and develop harmoniously in a colorful and inclusive world with all forms of civilizations.

It is high time that we should give up the two theories of structural realism and neo-liberalism which were merged in the 1970s and 1980s, when the world was still in the Cold War. Two most notable features of the post-Cold-War international system are EU's integration and enlargement, and China's peaceful development. Today, no one could deny that China and EU are among the most important players of international politics and economies. Since the founding of diplomatic ties in 1975, China-EU relationship has developed into a comprehensive strategic partnership while withstanding the test of volatile international vicissitudes. The cooperation is so important and influential because it is not only between two enormous rising forces, but also between the biggest developing country and the biggest group of developed countries, and between two

great civilizations of the East and the West.

History develops in spirals. Disputes always come first out of tough situation. At the threshold of the second decade of the 21st century, both China and EU are at a crucial juncture with controversy in selecting approaches for further development. However, at this inter-dependent era, cooperation offers more than protection and condemnation. So long as we respect each other's development path, pool strength for cooperation, enhance strategic common understanding, and stay committed to seeking mutual benefit and win-win progress, we both can absolutely make new miracles in the post-financial-crisis era.

Ladies and Gentlemen,

To meet all the challenges, China will launch this year the 12th Five-Year Plan for its Economic and Social Development. Within next 5 years, China will accelerate transformation of economic growth pattern. In order to achieve this target, we take domestic demand expansion, especially household consumption, as a long-term strategy. We will steadily push forward interest rate reform to gradually achieve Renminbi's convertibility under capital account. We will deepen reforms to tackle too much intervention in micro economic agents, relatively weak social management and public services and frequent corruption in some fields. We will take further steps to open up to and create better "soft environment" for foreign investors and further protection on investors' legitimate rights and interests. Last but not least, we will continue to make more efforts to participate in global cooperation and

competition.

Ladies and gentlemen,

Past 60 years are of great importance to our two countries. In this period, with mutual respect and benefit, China and Finland experienced the significant changes from the poor and weak to the rich and strong. Our good relations served our development. Today, facing the changing world, both our two countries are brave and ambitious to increase our competitiveness to meet new challenges in globalization. On the basis of past successful cooperation, China and Finland should enhance joint efforts to open a new chapter for our future relations.

For this purpose, I would like to outline a few points,

First, deepen China-Finland relationship from the strategic high. The multi-polar world increases our interdependence and mutual demands. We need to plan and treat our bilateral ties from long-term view. We need to keep high level contacts, learn more from each other, be more inclusive and strengthen our common ground so as to highlight China-Finland cooperation as the model for China-Europe as well as international relations.

Second, widen economic and trade cooperation. Main steam of future world is to strive to build green economy with high-tech at the core. Our economies are complementary in vast fields. We need to promote bilateral investment and trade, and to increase technological exchanges and cooperation in telecommunication, resources, energy-saving and environment to foster new industries.

Third, strive to create highlights in cultural and people-to-people exchanges. In recent years, Finnish leaders, entrepreneurs and tourists visited China for Beijing Olympics, Shanghai Expo and holidays. Last year, a group of Finnish students took trains across the Euro-Asian continent to many cities of China and learned a true, energetic and friendly China. Recent reports show that 5.7 million visitors, mainly Chinese, visited Finnish Pavilion in Shanghai Expo. More strikingly, commodities sold in Finnish Pavilion rank second in amounts in all state pavilions. Vice-versa, we have seen much bigger number of Chinese visiting Finland each year recently. In the future, we need to continue such exchanges to reinforce the links between our peoples.

Ladies and Gentlemen,

I am a fortunate ambassador, because I experienced the 60th Anniversary of our bilateral relations and received your assistance from Paasikivi Society. As people of knowledge and friendship, we all share responsibilities for better China-Finland relations and world peace. Let's seize the time and do our work.

Happy Chinese New Year of Rabbit! And Kittos!