



## 2013 Group of 78 Annual Policy Conference

Ottawa, September 27 – 29, 2013

### CONCLUSIONS & RECOMMENDATIONS

1. Canada should work towards a new Bretton Woods agreement designed to stabilize international finance, enhance long-term investment flows (as per a BRICS Development Bank) and restore the goal of full employment as the first policy priority.

This recommendation is based on two 'on balance' conference conclusions: The first is that China's relationship to the rest of the global economy likely will become more problematic if the international financial system remains endemically unstable and continues to generate or tolerate unsustainable economic and financial imbalances. The second is that China's efforts to deal with rising domestic income inequality are unlikely to succeed without systemic changes, given that those same international financial markets have been associated with dramatic increases in income inequality in fully democratic developed countries with strong civil societies. Participants also supported this recommendation as a significant measure to enhance efforts against global poverty, for which greater equality and respect for the value and integrity of labour were essential.

2. Canada should seek to make global governance institutions more representative & democratic.

This recommendation reflects participants' strong agreement with the keynote speaker's reminder that the effective future management of the global economy will be impossible unless the institutions of economic global governance come to be guided and shaped by a more representative arrangement of nations within them.

3. Canada should support China's ongoing efforts to move towards inclusive democratic institutions, an independent judiciary, an active civil society and meaningful adherence to its human rights obligations.

This recommendation arises from acceptance of three propositions: that China is currently moving towards a more inclusive and open society; that the precise pace and form of that transition must be a matter for China's people and government to determine; and that the international community's best way of encouraging these developments would be to lead by example and to ensure its own continued adherence to those objectives. In discussion, participants also mentioned the importance of free and independent media (including in our own country) and the value of space for dialogue, both within China and between Chinese and other peoples.

4. Canada should continue to engage actively with China in trade, investment, and intellectual and cultural exchanges with due regard to each nation's economic, social and environmental priorities.

This recommendation reflects the view that constructive engagement and better mutual understanding of each others' priorities and constraints are the best foundation for defusing, and ultimately resolving, future differences.

5. Canada should engage actively with China in promoting effective mutual efforts to address the global environmental crisis.

This recommendation reflects the urgency of the current environmental crisis and overexploitation of natural resources and calls upon the Canadian government to join with China in developing and promoting effective action to slow and ultimately to reverse currently unsustainable trends.

6. Canada, working with others, should encourage China and the United States to pursue a new grand strategy encompassing diplomacy, trade and human rights with the goal of strengthening international peace and security.

This recommendation reflects the strongly voiced belief in the imperative of peace, a growing concern about the emergence of an American-Chinese strategic military rivalry, and the rejection of the increasing tendency to define China as an imminent military threat. Participants agreed that the grand strategy must respect international law and institutions, such that conflict, if not settled bilaterally, should be resolved peacefully and through international bodies. Conflict resolution should take into account the need to achieve a more balanced and stable international economic system that allows nations to manage their economies in accordance with their own priorities and circumstances.

7. Canadian engagement with Africa should strengthen the abilities of African governments to negotiate mutually beneficial arrangements with China and other economic partners.

This recommendation makes the point that it is important for African (and other) governments to develop and protect their capacity to ensure that external economic links with China, as with others, generate significant net benefits to their citizens and their future development objectives. Discussion noted that, while China is making significant contributions to African development in areas such as infrastructure, many in Africa have a growing concern about some of the measures and methods, such as land use, labour practices, and cultural misunderstandings.

8. In engaging with China and other countries, Canada should seek to “lead by example” and consistently uphold and apply, at home and abroad, universal principles and obligations, including human rights.

Speakers and participants alike mentioned many problems facing China in its economic, social and political spheres but emphasized that Canada and other western countries still have many unresolved issues as well. Dialogue with China on many issues can be more productive when Canada is making real and substantive progress on its own problems. Vigorously applying and implementing United Nations treaties is one important means to achieve and demonstrated this progress.