

Special Address by Vladimir Putin, President of the Russian Federation

Speakers: Klaus Schwab, Vladimir Putin
January 27, 2021 12:00 - 12:30 CET

Klaus Schwab

Mr. President,

Welcome to Davos agenda 2021

Russia is an important global power. And since a long standing tradition of Russia's participation in the World Economic Forum at this moment in history, whereas the world has a unique and short window of opportunity to move from an age of confrontation to an age of cooperation, see ability to heal you, wise Savoy's of the president of Russian Federation is essential, even and especially in times characterised by differences, disputes and protests, constructive on harnessed dialogue to address our common challenges is better self isolation and polarisation. Yesterday, your phone exchange with President Biden and see agreement to extend su new stop nuclear arms treaty in principle, I think is a very promising sign in this direction. COVID-19 Mr. President has shown our global vulnerability and interconnectivity and like any other country, will, Russia will certainly also be affected. And your economic development and prospects for international cooperation, of course, is of interest to all of us. Mr. President, we are keen to hear from your perspective and from set of Harsha. How you see situation developing into certicate of the 21st century. And what should be done to ensure that people everywhere find peace and prosperity. Mr. President sobald is waiting to hear from you. It was me it. was really me.

Vladimir Putin

Your visit to Davos many times, assisting meetings starting from the 90s. Mr. Schwab just mentioned that we met each other first in back in 1992. And when they want to complete this for many times, I'd like to thank you for this opportunity today. For me to make my statement visibly the expert community so we tres participating or thanks to your efforts. First of all, listen, gentlemen, I'd like to welcome all World Economic Forum participants. I'd like to start off with the following. In spite of the pandemics it's gratifying to see that at least here despite of the restrictions caused by the Coronavirus, Coronavirus. The forum continues on provided an opportunity for the participants to engage in an open and free discussion and share their evaluations on the podcast partially makes up for the lack of direct communication between the leaders of global businesses and the world community has accumulated over the past few years.

All of this is important now, that we are facing so many complex issues requiring solutions. This for the first decade of 21st century and lean majority of its topics are dedicated to the profound changes which are taking place in our planet in the world. It is indeed hard to ignore fundamental transformations in global economy, politics, social life and technology. But the mia Coronavirus coronavirus pandemic, which you've mentioned before, has become a major challenge to the entire mankind has just occurred or separate of the structural changes the preconditions for which have been already in place. For many years, the problems and imbalances that accumulate in the world led me reason to believe that the tensions might aggravate even deeper such tendencies might in almost every area.

Naturally, there are no direct parallels But some experts However, I do respect their opinions, they compare the current situation to the late 20th century, one kid may agree or disagree with such opinion such an opinion, yet one cannot draw some parallels in terms of many aspects the scale as well as the cross cutting and systemic nature of challenges and potential for mobili. We see the rise,

we witnessing the crisis of previous models and tools of economic development. social stratification is increasing both globally and countries. We mentioned this before, but today, it causes a sharp polarisation in public opinion, populism, right and left wing radicalism and extreme movements are on the rise. The political processes, including in leading economists are escalating and becoming more violent. attacks. The nature impact the nature of international relations, making them less stable and predictable, international institution, institutions are weakening regional conflicts multiplying the global security system is degrading and Klaus just mentioned my yesterday's phone call with the US president, and we have agreed about the extending the agreement, it's the correct style. Anyway, the contradictions are multiplying. And well known that in the 20th century, the family and inability to resolve such catastrophic. Of course, nowadays, I should keep it calm, which is not possible. I hope that is not possible in principle, because it will mean the end of our civilization. I would like to reiterate, however, that the situation might develop unpredictably and uncontrollably.

We will sit on our hands doing nothing. And there is a possibility that we may experience an actual collapse of global development might result in a fight of all the warring parties will attempt to tackle de escalated tensions by searching through internal and external enemies to fight would mean the destruction of not only traditional values and his values in our family, but also fundamental freedoms including the right of choice and practice, to know that social crisis and the crisis of values have already caused negative demographic consequences as a result of humankind risks, losing the entire civilizations and cultures. Our common responsibility today is to avoid such a future that resembles a green light guys. We do need to ensure development following a different path one that is positive balanced. And in this regard, I would like to elaborate on the key challenges that in my opinion, are facing the world community today. The first of them, the first one of them is the social and economic nature. If we look at the statistics, despite the Syria crisis as of 2008 and 20. The past 40 years extremely successful for the global economy, starting from 1988 global GDP at purchasing power parity in real terms per capita. globalism, mobilisation and domestic growth resulted in a boost in developing countries.

More than a billion people have been lifted out of poverty is yet for instance, if you take an income level 5.5 US dollars per person per day at purchasing power parity. According to the World Bank. The number of people with low income in China has 1.1 billion COVID-19 it no less than 300 million in recent years and it's a success for China in Russia. This number has decreased from almost 64 million people in it 99 to about 5 million people as of now.

Usually,

we think that we are moving in the right direction. The most important question, which gives me much insight into the current problems is what was the nature of the global, who benefited most from it. We undoubtedly, already said developing countries gained much benefit from using a growing demand for their traditional and even new products in bedding in the global economy, which resulted not only in new jobs and expertise, but also in social, including significant income gap of the population. And what is the situation in the developing countries? Average well being is much higher than it is which is slightly sleeping is a big problem. So this trick of vacation here in developed countries have proven to be even more profound. According to the World Bank estimates, while there were 3.6 million people living on less than 5.5 US dollars a day in the US in the year 2002, nutritious nuts.

In 2016, this figure rose up to 5.6 million. During the same period, the globalisation resulted in a substantial increase in the profits of the large multinational companies, primarily American and European ones. As to the number of years to the people in European countries develop European countries with embassy tendencies, the same like in America. But again, you could get this Raven you're stressing about about companies, the answer is obvious to those who represent 1% of the population and what has happened with the other people. For the last 30 years, more than half the citizens of a number of developed countries, in real terms unison has not increased, while the cost of education and health services has tripled, has increased and has tripled actually. A millions of people even in rich countries have ceased to see the prospect of increasing their income. At the same time, they face the problems of how to preserve their own health get out of their parents how to provide quality education for their children.

Children, there is also a large proportion of people who in fact, turn out to be non demanded. According to the International Labour Organisation estimates in 2019 21% of young people in the world 67 million were neither studying the work of the Buddha and even among those who have that's an interesting figure even among those who work 30% live on less than 3.2 US dollars a day at purchasing power parity. Such imbalances in global social and economic development are the direct results of the targeted policy has been conducted since the ages of the last century, often blatantly dogmatically, based on the so called Washington Consensus unwritten rules that give priority to private debt driven economic growth, deregulation and low, low taxes on the rich and the rich and corporations. As I've already mentioned, the coronavirus pandemic has only exacerbated the problems by union last year and economic decline the global economy was the worst since the Second World War and labour market losses by July were equivalent to almost 500 million jobs. Yes, half of them have been recovered by the end of the year. Almost 250 million jobs lost which is a very large and barring worrying, give it in the first nine months of last year alone. Global labour income losses totaled three and a half, three, three and a half trillion dollars.

This figure is still rising, which means social tensions are on the rise as well. At the same time post crisis recovery is not an easy task to enjoy many years ago and the problems could have been resolved through cumulatively Military, macro economic policies we have done and we are still doing it. So today such mechanisms are no longer working. The resource is practically exhausted. It's not my just my valuation loss according to the IMF estimates, aggregate public and private sector is close to 200% of global GDP. And in some economies, it has exceeded 300% of national GDP. At the same time, we've all developed countries now, zero interest rates. And the main developed developing countries historically historical minimum ones. All this leads to practically just practical impossibility of stimulating the economy with traditional tools by increasing quantitative easing, so called quantitative easing, which only increases in place the financial asset bubble leads to further stratification in the society and the increasing gap between real and virtual economy.

Economy is wide open a representative of real economy sector from many countries. Keep telling me this, I think that business representative today will tell me tell me the same so. And the increased gap between real and your actual economy as I said represents a real threat and it is fraught with serious and unpredictable disturbance of certain crops for resetting the period growth models are related to technological development. Yes, the last 20 years have laid the foundation for what is known as the fourth industrial revolution, which is based on the widespread use of artificial intelligence, automated and robotic solutions. Coronavirus pandemic has greatly accelerated such developments and data are erroneous this process is also bringing is also bringing about new structural changes in the labour market. Therefore, without efficient efforts by states, many people are risking their jobs.

This often affects the so called middle class, which continues with the conspicuous decor of any modern society. And let me turn to the second fundamental challenge of the forthcoming decade. In other words, the social and political challenge, increasing economic problems and inequality as polluting the society. They paved the way for social racial, national intolerance and this pressure shows to live in those countries which seem to possess well established civic and democratic institutions that are designed to smooth over mitigate such events. Systemic social economic problems leads to public discontent. It requires special attention, they should be this problem should be resolved with dangerous illusions that we can adjust to don't deal with it. But in this case, the public discontent will increase and the society will be divided. Because the reasons of discontent has to do with real problems which affect everybody independently, what political beliefs or what political ideas there are real problems, they lead to discontent, I would point out one more important aspect of modern technology like modern technological. First of all, digital giants have been playing an increasingly significant role in the life of the society.

We talk a lot about that, taking into account what had happened in the United States and we're not talking about economic giants only in certain areas, they are competing, they're competing with each other audience include million millions and millions of which are using this ecosystem. They're using ecosystems. They spend a lot of time there and the company's monopoly position as they can see it

is best suited for running a logical and business processes. It's true, but here's the question, How well does this monopolies correlate with the public interest distinction between successful global businesses sought after services and big data consolidation on the one hand, and the efforts through the society by subsidiary substituting for legitimate democratic institutions by encroaching on or restricting the natural right of people to decide for themselves, how to live and what to choose, and what view to express freely.

On the other hand, we've seen all of this just recently in the United States, and everybody understands what I'm talking about. And I'm sure that a majority of people share with you, including those who are waiting today if this meeting and final challenge. To be more precise, the clear threat, which we can face in this decade, I mean, the further aggravation of the coal set of international problems, usually in the States, especially major states choose to search for your internal enemies, they will inevitably need an external external enemy, the one, which they can blame for each and every failure, and the one for which they can redirect the temper of their own citizens and we see it, we can see it already we'll feel the tension in external policy or grow, we may expect practical steps to become more aggressive. This might include further pressure on countries that do not agree to become easy to control satellites. Use of trade barriers to legitimate sanctions, like restrictions, restrictions in the financial, technological, and information spheres.

Such a game without rules is dramatically increasing the risks of the unidirectional use of military force, which is very dangerous, under the under any pretexts, invented the odds of the emergence of new hotspots on our planet. That's cannot be the cause of this preoccupation. Dear participants do participant despite this angle of differences and challenges, it is essential that we keep looking positively into the future and remain committed to the constructive agenda to be naive to offer some universal magic solutions for the subproblems. All of us should certainly work to develop common approaches to narrow down discrepancies as much as possible. I didn't identify sufficient. I would like to reiterate my message. The fundamental reason behind the lack of sustainability in global development is in many cases, the accumulated social and economic problems. That's why the issue for us today is this.

What logics are they following in our actions so as not only to quickly restore global national economists affected by the pandemic, to ensure that there's such restoration, sustainable, long term quality structure, enabling it to help overcome the burden of social imbalances? In the above mentioned, limitations of the past macroeconomic policies for the development of the economy will be based to a great extent on fiscal stimulus, state budgets with state budgets and central banks playing the key role. We are already witnessing such tendencies in the developed countries as well as, as well as in certain developing countries increase the increasing role of the government in the social socio economic sphere at the national level. And obviously, in medicine, the Global Agenda requires greater responsibility and closer interstate cooperation various international fora has invariably been calling for inclusive growth, creating conditions to ensure decent life for everyone. It is absolutely clear and that's correct. It's absolutely clear that absolutely, yes.

The world cannot follow the path of building an economy that works for a million people who even for the golden billion this type of policy such model is unsustainable by definition and recent developments including the migration crisis. Again. Today it is important to move from general statements to actions, to put in real efforts and resources to both reducing social inequality within individual states. And step by step to narrow the gap between the levels of economic development of different countries and regions of the planet. Immigration and migration risks designed to ensure sustainable, harmonious development and pre artists, those include the creation of new opportunities for everybody. For people to develop and realise their potential, regardless of where they were born, and where they live. There, there are a few key priorities, how, how I can see them as the priority.

Probably I will not be, I will not say anything new. But I'm expressing the position of the position of Russia. That's what I'm doing. First, a person should have a comfortable environment to live in, which includes housing accessible infrastructure, transport, energy and utilities, and of course, ecological

well being, we should keep this in mind, always. Second, person must be confident that he or she will have a job that provides a steadily increasing increment. Therefore, an adequate standard of living people should have access to effective mechanisms for lifelong learning, which is just yesterday, today, allowing them to keep to develop and build their career and receive a decent pension and social package after retiring in person have the confidence that he or she will receive high quality and effective medical care. when needed, the healthcare system in any event will guarantee them access to most advanced services for regardless of family income, children should have opportunities to receive a decent education and fulfil their potential. And this kind of potential, every kick ass.

This is the only way to guarantee the most effective development of a modern economy an economy that does not view people as a mean just as means as a means places them at the centre, only those countries that can make progress in those in these four areas. And we just mentioned the most important areas. So only those countries that can make progress here will ensure sustainable, inclusive development. It is these approaches that underlying the strategy that Russia is pursuing my country is hearing our prayer just focus on the individual and the family centred around ensuring democratic development and safeguarding the people on improving the well being and protecting the health of our people. We work to create conditions for decent and efficient work and successful entrepreneurship to ensure digital transformation as a basis for a technology driven future for our entire country rather than a small group of companies.

In the coming years, we will concentrate the efforts of the government, business and civil society on this tasks and building a stimulating budget policy achieving our national development goals for international cooperation, can we believe that operational matters on the global social and economic agenda have a positive impact on the general atmosphere and the world affairs, interdependence and solving engineering problems would lead to stronger mutual trust is especially relevant today, it's clear that you're associated with the damage to the centralised unipolar world.

Order is it hasn't been started in February attempts to do this in Java was inherently contrary to the cultural and historical diversity of the reality is that there are truly a different percentage of development in the world with their own distinctive models, political systems, political models, social institutions. Today, it is extremely important to create mechanisms for coordinating their interests. Diversity, which is natural, the natural competition between the poles of development does not turn into anarchy and multiple protracted conflicts. We have to strengthen and develop universal institutions which bear special responsibility for ensuring global stability and security and elaboration of rules of conduct in the world economy and trade. I've mentioned many times that many University institutions are facing facing hard times today.

And the different summits I keep telling you about that. institutions have been created during different era, facing today's challenges, it's not an easy task for them objective and I'd like to stress that we just we should support them we have a unique experience, when it comes to using huge potential implemented, it should be adapted to the reality, but we should use it we should not make history of them, we should use a new form of interaction when it comes to multilateralism. Certainly it can also be understood in different ways. It can be seen as a way of promoting one's own interests and making unilateral actions weak, legitimate, well, others are left with no other choice but to not approve, or it can be an opportunity for southern states to actually join, they're forced to deal with specific problems for the common good. In particular, this may involve the settlement of regional conflict of technological alliances as well as many other areas, including the formation of cross border transport and energy corridors, etc. Gentlemen, you know, the stand. You have here, a vast opportunities for mutual work.

Such multilateral approaches actually work. The prep, the practical work shows that let me remind you that a lot has been done by Russia and Turkey within the Astana format, to stabilise the situation in Syria, and they are currently contributing to the establishment of political dialogue. in that country, we are doing this with other countries, we are doing it together. And Georgia, engaged in active mediation efforts to put an end to the armed conflict in the Nordic Region, the conflict between the nations, our own friends and neighbours, and Armenia. These efforts were guided by the key

arrangements made by the OSCE group, particularly by its co chair, Russia, the US and France. Another good example of cooperation, as it is known attorney state, was signed by Russia, Armenia in November. Most of its provisions are constantly put into practice. There's this cap to the blockchain, which is the most important thing, ending of the bloodshed, we establish a complete ceasefire. And we start with this liberalisation process right now, which is the task for the international community. And of course, those countries that have been involved in resolving the crisis is to provide assistance to the affected regions to help them overcome the humanitarian problems associated with the return of refugees, restoration of the destroyed infrastructure, and protection of historical, religious and cultural monuments and their restoration.

Example, I would like to stress the role played by Russia, Saudi Arabia and the United States.

In this civilization of the world energy market. This parliament has provided an example of a productive interaction between countries with different and sometimes even opposite assessments are global processes with their own views of the world at the same time, there are of course issues that affect all states without exception. A good example is the joint work to study and combat the COVID-19. Recently, several types this dangerous disease has emerged as it is well known. And the work community needs to create an environment that enables scientists and specialists to work together in order to understand why and how the Coronavirus mutations occur. What is the difference between its trades, and of course, there is a need for worldwide coordination of efforts. The general secretary and General Secretary calls upon it.

We need to coordinate efforts To distribute and facilitate accessibility of the much needed COVID-19 vaccines, vaccines help should be provided within states that needed the most including African states, such health should involve increasing the increase in the number of deaths of vaccination. As we can see, mass vaccination is accessible mostly today for those who live in the developed countries. At the same time, there are hundreds of millions of people in our world who cannot even to get such protection and relative such in the court, who's out in court in a common thread, because of the endemic, well known epidemic will drag on control centres who will remain infection and pandemics. No no, no, nobody. That's why we need to learn the lessons from the current situation to come up with measures to make the system for global monitoring of emergence of such diseases more effective. Another important area which requires the entire work community to coordinate efforts to deal with the preservation of climate and nature of our planet. Nothing here only together we can achieve progress in addressing such serious problems of global warming, depletion of forests, loss of biodiversity, increasing waste volumes, and marine plastic pollution and so on so forth. Find an optimal balance between economic development and preservation of the environment for the current and future generations was a me, dear foreign participants name your friends, we all know that competition or rivalry between the countries has now are ubiquitous in the world's history, stocks.

And differences of interests are all natural. For such a complex organism has been today's human civilization in general. However, critical times it was never an obstacle, but rather it prompted concerted efforts in dealing with the most vital and truly life changing situations. And I believe that now is exactly such a period, it is crucial to give an honest assessment of the situation focus on real global problems, rather than perceived ones on emitting the imbalances of imbalances which are critical for the entire work community. And then I'm sure we will be able to achieve success to give a false response to the challenges of the third decade of the 21st century. I'd like to stop here. And I'd like to thank for your patience and for your attention.

Thank you, Mr. Chair. Mr. President, many of the issues you've raised certainly our part also of our discussions here during the Davos week, we complement see speeches also by task forces, which address some of the issues you mentioned, like not leaving the developing world behind, taking care of, let's say, creating skills for tomorrow, and so on. So, Mr. President, I have we we prepare for the discussion afterwards. But I have one very short question.

How do you see and I it's a question which we discussed when I visited you in St. Petersburg 14 months ago. How do you see the future of European election relations? Just a short answer is No fundamental issues. We have common culture. Most important political figures in Europe, in the recent past mentioned they need to keep developing the relationship between Europe and Russia.

stressing the fact that that process part of your geographically and what is most important From the cultural point of view, it's just one civilization in reality, French leaders mentioned the need to create a common space from wisdom to heroes. And I mentioned just the same, why just to chill your euros, I will show extended to Vladivostok. For me personally, I have the position of the former distinguished political figure, Chancellor Helmut Kohl, who used to say that, if the European culture would like to preserve itself and to maintain its role as one of the cultural centres in the world, again, taking account of the problems and tendencies of the world civilization development.

So, we're in Western Europe and Russia should be together. And we cannot agree with this, we share the same position and the same opinion, today's situation is no doubt far from being normal. We have to come back to the positive agenda. This is the common interest of Russia and European countries no doubt about it. Well, the pandemic has played its negative role. Our trade turnover has been affected, although European Union is one of our main trade partners. So, we have to come back to positive tendencies. And we have to increase our interactions. Russia and Europe from an economic point of view, are the natural partners and from the point of view of science development, technological development, development from the space point of view, Russia is sharing European culture.

But the territory of Russia is a little bit bigger than the entire Europe.

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