

Let the Light of Opening-Up Shine the World

2023 marks the third year of the World Openness Report. In the past three years, we have often heard the weakening footstep of globalization, but we have also pooled our wisdom to drum and advocate for the human community with a shared future. The world openness and cooperation have never been in such a state as they are today, making great strides while facing tough terrain ahead. Aiming to continue the mission of “building an open world economy” proposed by President Xi Jinping, this year’s report centers on the major changes in the post-COVID era to launch a grand narrative of common openness in the world, under the principle of being “scientific, international and authoritative.”

1. Explore Science with Scientific Spirit

As the world changes, the times and history put forward a tough question: how can we solve the problems encountered when transforming the subjective world and the objective world? Our answer is: Let the light of science and reason guide the world through the thorns to a smooth path.

Based on scientific measurement, we compiled the **World Openness Index** to gauge the openness of various economies and sectors in the world from economic, social, cultural, policy, performance, and other dimensions, striving to fill the research gap in this field as an important supplement to existing global indicators. Since its inception, the World Openness Index has gradually flourished from a scientific research “seedling” growing in the ivory tower to a practice of “sapling” in world development, won the approval of our readers, and gradually became an international public product widely recognized. Using it as a tool, we can better look back at the history of the world openness, see through the present, and look ahead to the future of it.

The principle of scientificity is a top priority in the compilation of the World Openness Index. **Be authoritative:** To accurately measure the openness of countries and regions around the world, objective and reliable data released by international authorities such as the United Nations, the World Trade Organization (WTO), and the World Bank is collected through appropriate statistical methods guided by the scientific theory of openness. **Be realistic:** In

compiling the index, we not only follow the mainstream views of the international economic community but also adapt to the practice of opening-up in today's world and the opening-up policies of various countries, with full consideration of the flow of goods, services, people, capital, information, and other factors. This index focuses on economic openness, especially trade openness, combined with related social openness and cultural openness while taking into account differences in national conditions. **Be ground-breaking:** As a breakthrough, we have compiled the index based on the most recent statistics. For some indicators of the unreleased official data for 2022, we estimated these underlying data using a common statistical method. This, for the first time, allows the 2023 World Openness Report to update the index to the year before the release of the report, that is, the latest World Openness Index 2022, effectively improving the timeliness and policy reference value.

Chapters 1 and 3 of this report highlight the latest results of the World Openness Index research in the new year. **World openness in 2022 continues the overall downward trend since 2008, with the intensified divergence of openness between countries, sectors, and regions. As active openness and conservative seclusion are colliding fiercely and stuck in a contradictory stalemate, countries still need to work together, meeting each other halfway to maintain and expand world opening-up.**

The “chill” of the world openness situation remains strong. In 2022, the World Openness Index was 0.7542, 5.4 percent lower than the 0.7975 in 2008. This is the seventh consecutive year that the index has been between 0.75 and 0.76, with a slight increase of 0.17 percent from 2020 and a decrease of 0.4 percent from 2021, and the second lowest level since 2008. This means there is still no solid foundation for a recovery. The world economy is less open, social and cultural openness is continuously at a relatively low level, while openness policy and performance remain sluggish.

The “temperature difference” of opening performance widened. In terms of contribution to world openness, in 2022, 78 economies made positive contributions, while 51 economies made negative contributions. From 2008 to 2022, the openness index for advanced economies decreased by 7.7 percent from 0.8543 to 0.7882, while for emerging economies and developing countries, it increased by 4.8 percent from 0.6741 to 0.7067. In terms of sectors, the world cultural openness index and the world economic openness index shrank by 2.9 percent and 0.4 percent, respectively, in 2022, while the world social openness index increased by 0.46 percent.

The “icebreaking” of opening impetus is expected. The World Openness Policy Index for 2022 was 0.7469, 0.9 percent lower than the previous year, and the Openness Performance Index was 0.7618, with an increase of 0.1 percent on top of the 0.1 percent increase in 2021. Scientific and technological progress, digital intelligence, green development, and other positive driving forces for global opening-up have accumulated, further facilitating the flow of factors such as goods, services, and information and improving the performance of opening-up. The policy sector has also witnessed a lot of progress. For example, thanks to the steady increase in the visa openness index from 0.76 to 1.07, the passenger volume of international flights since 2023 has recovered to more than 90 percent of the 2019 level.

2. Write Openness with an Open Mind

Since the inception of the report, we have adhered to the core principle of openness and cooperation, taking it as both a goal and a method. The purpose of the report is to build global consensus on openness, promote the opening-up of the world, and improve the well-being of people in all countries. Therefore, its compilation and release should be more inclusive and international.

In order to better demonstrate the “openness” of the World Openness Report, on the basis of fully absorbing the opinions and suggestions from the participants of the press conferences and international symposiums of the previous two reports, we held three international symposiums in Hangzhou, China in February 2023, Rome, Italy and Geneva, Switzerland in April 2023. We have listened to the opinions and suggestions from many international organizations and think tanks, including the United Nations Conference on Trade and Development (UNCTAD), the Food and Agriculture Organization of the United Nations, the United Nations Industrial Development Organization, the United Nations Global Compact, the International Trade Centre, the WTO and the World Intellectual Property Organization (WIPO). More and more experts and scholars participate in the research of the report, either as content designers, specific chapter writers, experts who review the first draft, or consulting experts of the symposium. In this way, **the report truly gathers the openness wisdom and power of the world.**

“Victory is ensured when people pool their strength; success is secured when people put their heads together.” Thanks to the active and extensive participation of intellectuals with insight into politics, business, schools, and research institutes, we have conducted more in-depth academic research under the theme of opening up and reached a more pragmatic policy consensus on openness practice. From the perspective of both theory and practice, Chapter 2 and Chapters 8–11 of this report fully demonstrate the positive interaction between countries and the world in opening-up. In this way, **in this era full of uncertainty, we can understand more deeply the historical logic of “thriving in openness and withering in seclusion” and answer the “three questions” of openness.**

—**Why should we open up?** Both in theory and in practice, the openness of all economies and the common trend of economic development fully demonstrate that openness is the only way for national prosperity and development and a grand cause for the good of the people, countries, and the world. After World War II, the United States significantly cut tariffs by signing trade agreements, reducing its average import tariff from 33 percent in 1944 to 13 percent in 1950. The concept of free trade not only promoted the economic growth of the United States but also contributed to world economic development. Today, faced with the challenge of the sluggish recovery of the global economy and the increasingly prominent four deficits, all countries have a greater responsibility to contribute to the progress of history and promote the “win-win” of domestic development and world development through opening up together.

—**By what should we open up?** High-level opening-up can only be supported by high-level opening-up capacities. Only by focusing on fostering opening-up capacities can we assume

greater opening-up responsibility and obtain higher opening-up benefits. Since the WTO was established in 1995, 36 new members have joined the organization. By analyzing the trends of GDP, import and export, and foreign investment in the 30–40 years before and after their entry into the WTO, it can be found that two-thirds of the members have seen significant economic improvement since joining the WTO, while 1/3 of the members have seen little or no economic change. An important reason for the difference in profit and loss of countries after joining WTO is the difference in their opening-up capacities. Therefore, all countries in the world, especially emerging markets and developing economies, need to attach great importance to the building of national opening-up capacities.

—**To what extent should we open up?** The optimal openness should be the most appropriate openness. When the opening-up capacity is utilized to the greatest extent, the corresponding openness would be the most appropriate. “A tasty orange grown in southern China would turn sour once it is grown in the north.” We should tread a “fine line” when opening up in different periods and at different levels of development, neither feeling inhibited nor being blind or bold. The increase in a country’s development level will lead to the progress of its opening-up capacity, so the appropriate openness should also be stepped up synchronously. Over the past 45 years of reform and opening-up, China’s coastal, inland, and border areas have opened up in a gradual manner, in the order of “point–line–plane.” Coming into the new era, China is pursuing a more proactive strategy of opening up, with CIIE achieving greater success and the Belt and Road Initiative (BRI) becoming a popular international public product and a platform for international cooperation. China has embarked on a path of opening-up and reform and positive interaction between China and the rest of the world, becoming an example of appropriate openness.

3. Surge Innovation with Innovative Trends

Since the birth of economic globalization, its multi-dimensional and complex characteristics have been constantly changing, with both positive and negative effects that vary from country to country, but the role of enterprises as the main body of globalization remains still. Based on this, despite desk work, we paid more attention to investigation and research. When compiling the 2023 report, we not only invited the representative world’s top 500 enterprises to participate in the discussion but also approached the front line of enterprises to deeply explore the “source of running water.”

From China’s coastal counties to the other side of the ocean, from traditional manufacturing factories to emerging platform enterprises, we see that, at present, when the stock competition is intensified and the “involution” game is upgraded, entrepreneurs pay more attention to mining increment, constantly “making the cake bigger.” When the noise of “hemispherization,” “slowbalization,” “the end of globalization,” and so on is causing a great clamor, the industrialists are talking more about “new track,” “new blue ocean,” and even “new globalization.”

As a “pathfinder” observing the world’s opening-up trend, we are keenly aware that innovation is both a task and an opportunity in the new era. Chapters 4 and 5 of this report focus on the far-reaching impact of the digital economy and green trade on international economic and trade cooperation, demonstrating that, **under the new trend of digital and green, globalization will not dissipate but will break new ground.**

Digital economy as a new engine. As a major economic form following the agricultural economy and industrial economy, the digital economy has not only given birth to new industries but also empowered thousands of industries, thus becoming an underpinning driving force for global economic growth and innovative development. It is estimated that by 2026, the digital economy of the world’s major countries will account for 54 percent of global GDP. With the vigorous growth of the digital economy and digital trade, the intension and extension of digital-related rules are also expanding. Cross-border data flows, digital intellectual property rights, and tax-related rules are all breaking new ground and being incorporated into a growing number of international agreements. Digital technology will surely bring a strong impetus to greater openness with its gift of overcoming barriers to human communication.

Green and low-carbon as a new track. Green and low-carbon is a path we must take to achieve sustainable development. In 2022, the total import and export volume of green trade in the world reached US\$8.84 trillion. Over the past decade, green trade has accounted for 20 percent to 23 percent of the total global trade in goods, where there is still huge room for growth. Countries should strengthen communication and coordination on carbon pricing and carbon rules, reduce “green barriers,” and accelerate the spread of green and low-carbon products and technologies worldwide, which will certainly open up broader areas for openness cooperation.

New changes in the opening-up pattern. With economic globalization facing headwinds, the global order is to be restored. As important participants in world opening-up, emerging markets and developing economies have a stronger desire and more urgent need to seek mutually beneficial opening-up. In the past two decades, emerging markets and developing economies have outpaced advanced economies in terms of economic growth and generally maintained a higher trade growth rate than that of advanced economies, continuously making larger contributions to global value chains (GVCs). They are also increasingly becoming the focus of international investment, playing a bigger role in world opening-up and global economic governance and promoting economic globalization to be open, inclusive, balanced, and beneficial for all.

4. Make History from a Historical Perspective

Speaking of openness, the security issue that goes along with it is one that cannot be ignored and is increasingly mentioned and paid attention to. When rationality gives way to self-opinioned values and efficiency gives way to the absolute security outlook, how can we correctly view the opening-up and national security in the context of economic globalization? To know great truths, one must study history.

Is openness and security mutually exclusive? Is being open certainly unsafe? There is a saying in the West, “Either the goods go out, or the soldiers go out.” Both the Anglo-Dutch War and the American War of Independence had something to do with trade monopoly. The Ming Dynasty fought with the Northern Yuan regime by fits and starts. But once the commodity exchange market was opened, it would bring peace and tranquility to the border. Zhang Qian’s “pioneering journey,” originally intended to unite with Da Yuezhi to combat the Huns, eventually opened the Silk Road that lasted for two thousand years.

History shows that openness will indeed increase a country’s risk factors, but trade and information exchange with the outside world will also strengthen its capacity, enhance its ability to maintain security, and help it obtain a more stable external environment through enhanced mutual trust and deepened binding of interests with the outside world. The Cold War mentality cannot bring security, nor can beggar-thy-neighbor policy. The fundamental way out for world security is to **advocate the vision of common, comprehensive, cooperative, and sustainable security and balance openness and security at a higher level.** Chapters 6 and 7 of this report reveal the dialectical relationship between openness and security from a theoretical perspective.

Flourish together rather than harming each other. The entropy law of physics also proves that openness is not necessarily dangerous, but seclusion is surely not safe. This report suggests that the appropriate openness of an economy is the openness guaranteed by its opening-up capacity. Under appropriate openness, the more open an economy is, the more it develops and the more secure it is. We should not emphasize only the security of openness at the expense of the openness and development of security.

Take the middle course rather than the extreme. In an interconnected world, there is no such thing as absolute security because when one side tries to achieve “absolute security,” the other side will feel “absolutely insecure.” The generalization and polarization of security will only make a country rigid inside and conservative in external relations, which will hurt both others and itself. “Generalization of security” will lead to “generalization of insecurity.” Similarly, openness without security protection is uncertain and unsustainable. We should find the best combination of optimal openness, optimal security, and maximum development at the global level.

Be harmonious and cooperative rather than exclusive. As global security issues become increasingly interconnected, transnational, and diverse, the report believes that an equal, open, cooperative, and shared world economic order is crucial to enhancing the resilience and security of industrial chains and supply chains. All countries should uphold multilateralism to balance openness and security, enhance opening-up capacities through win-win cooperation, and expand common security through exchanges and mutual learning. As Mark Twain said, “If your only tool is a hammer, everything starts to look like a nail.” In the era of walking hand in hand, we should not only see the so-called “security” tools but also see the ideas of “promoting harmony among all nations” in Chinese civilization, the “universal love for all” in Western civilization, and the “tolerance and kindheartedness” in Islamic civilization, to better solve common challenges through solidarity and cooperation.

Looking back at the earth from hundreds of millions of kilometers away, when the gullies and mountains are leveled, when the sea and land boundaries disappear, and when there are no more boundaries between races and civilizations, the fact that mankind is a unified community of shared future becomes more concrete. We should make the right choice between progress or retrogression, openness or seclusion, cooperation or confrontation so as not to let this planet wander or even go astray. As science fiction writers once asserted, “The choice is: the Universe ... or nothing,” we can also predict that either we embrace openness or nothing. To advance opening-up, cooperation and win-win development, instead of seclusion, confrontation, and monopoly, should be the basic consensus on which we forge ahead and jointly pursue the beautiful dream of mankind.