***EURISPES –BRICS LAB.***

***10th Expert Meeting (Webinar), Rome - 7 July 2021***

**REPORT**

**BRICS - PRESIDENCY OF INDIA 2021**

**For a comparison on the new capitalisms. The cases of India and China.**

**A proposal from Italy to the BRICS on the conversion of sovereign debts**

*The Experts’ meeting takes place via videoconference. List of participants:*

***Giovanni BARBIERI, Elisabetta BASILE, Annalisa BOTTANI****,* ***Claudio CECCHI, Carmelo CEDRONE, Roberta CIAMPO, Myrianne COEN, Antonio DE CHIARA, AntonGiulio DE’ ROBERTIS, Anna LIFANG DONG, Giovanni MANTOVANI, Ugo MELCHIONDA, Paolo MOTTA, Fabio Massimo PARENTI, Francesco PETRONE, Dmitrii PETUKHOV (Embassy of Russia), Paolo RAIMONDI, Amb. Roberto RIDOLFI, Gianfranco TAMBURELLI.***

*The meeting was introduced and coordinated by* ***Marco RICCERI****, the Eurispes’Secretary General,.*

*The meeting, held in Italian language, addresses the following topics:*

Introduction

***The India Chairmanship, BRICS 2021***

1st Topic:

***Capitalism - capitalisms. The current differences between capitalist systems on the world stage. The cases of India and China. A scientific approach to understand the processes in place.***

***1st Report: prof. Elisabetta Basile; 2nd Report: prof. Claudio Cecchi***

2nd Topic:

***From debt to investment funds: the Italian RELEASE 2020 proposal at the G-20 for the conversion of the sovereign debt of fragile countries into development opportunities.***

***Report: amb. Roberto Ridolfi, LINK 2007 President***

**Report: Reports, Discussion – Comments**

During the meeting, the main reflections and proposals developed by the Laboratory's experts concerned the following main themes:

**INTRODUCTION**

***Marco RICCERI, Eurispes’ secretary general***

\*INDIA and the BRICS 2021 chairmanship. In the introduction, the Eurispes’s secretary gen. underlines the importance of the fact that in 2021 India took over the chairmanship of the BRICS coordination for the third time, after previous experiences in 2012 and 2016; furthermore, that the BRICS celebrate the 15th anniversary of their cooperation started in 2006. Also noteworthy is the title chosen by the Indian chairmanship for the management of its mandate: “*BRICS @ 15: Intra-BRICS Cooperation for Continuity, Consolidation and Consensus*”. Note the emphasis placed on the need to strengthen cooperation among the BRICS, an interesting element for its political, economic and socio-cultural implications. This element is then specified in the "three pillars" on which the Indian chairmanship operates, which are: a) Political and security cooperation, with reference to the reform of the multilateral system and the common fight against terrorism; b) Economic and financial cooperation, which concerns above all the problems of mutual benefits linked to a common development, to be pursued according to the “BRICS Strategy of the Economic Partnership 2020-2025” in the main sectors of intervention; c) Cultural cooperation and exchanges between peoples, to strengthen knowledge and exchange of experiences in the most diverse fields: culture, business, education, sport, institutional representatives.

*\*The official website of the Indian chairmanship,* ***www.brics2021.gov.in****, makes available to interested people the documentation of the more than one hundred scheduled events, including the ministerial meetings, with the related final declarations and the commitments undertaken on these occasions. The BRCS Summit of Heads of State and Government is scheduled for September 9, 2021.*

The two meeting’s agenda topics are therefore presented:

**Capitalism - Capitalisms**. To properly analyse and understand the strategies of the BRICS countries it is necessary to adopt an adequate scientific approach. To this end, the two reports by *prof. Elisabetta Basile* and *Prof. Claudio Cecchi* recall the value of the institutionalist approach and the influence that the multiple social, political, cultural and religious factors exert on the processes of change in the global scene with reference to the formation of different capitalist systems in the main areas of the world. The BRICS states and coordination as a whole, which obviously participate in these processes of change, are at the origin of new capitalist systems that confront the pre-existing ones. By way of example, the capitalist systems of INDIA and CHINA are mentioned. *The final proposal presented by the two experts is to apply the institutionalist approach in the analyses and studies promoted by the BRICS Laboratory*.

**The conversion of the sovereign debt of the most fragile countries**.Debt cancellation of emerging and developing countries was, in the past, and still is, one of the main proposals of the BRICS cooperation strategy and their commitment to fairer and more balanced world development. In this regard, on the occasion of the Italian presidency of the G20, the LINK 2007 coordination, which brings together the main NGO associations, drew up an original proposal to convert the debts of countries defined as "fragile" into investment opportunities, also necessary to allow achievement of the UN goals of sustainable development. The “RELEASE G20” proposal was delivered on June 23, 2021 to the Deputy Minister of Foreign Affairs of the Italian government, Marina Sereni, who pledged to support it in the G20. The report of the president of LINK 2007, *amb. Roberto Ridolfi* allows you to understand and evaluate the characteristics and scope of the initiative. To this is added the following additional option:

***A proposal to the BRICS coordination****:the RELEASE-G20 project idea on the conversion of sovereign debts into investment opportunities could also be supported and carried forward by the BRICS coordination at the G20 (see the 3rd Report by Amb. R. Ridolfi).*

**1st TOPIC: CAPITALISM-CAPITALISMS**

The two reports by *prof. E.Basile* and *prof. C. Cecchi* recall, in the introduction, a basic observation and a thesis extensively treated also in a recent publication (1):

a)**Observation**: while capitalism is the dominant mode of production in the contemporary economy, the processes of change lead to a progressive diversification of capitalist systems, which, while retaining the identifying features of the mode of production, develop specific organizational forms and social relations. This gives rise to different varieties of capitalism.

b)**Thesis**: the modes of economic development and the forms that characterize the economy and society of different countries - the different capitalisms that we observe in the real world - have ***institutions as their main factor***, defined in a broad sense as formal and informal rules that influence individual behavior and interact with the choices and activities of agents in the various historical and geographical contexts, conditioning the process of economic development. Institutions are produced by social coexistence as tools to facilitate and ensure the survival of human beings in every community. And, in every situation, they are rooted in history and culture. In this sense they are specific to each country. Institutions influence the objectives and preferences of agents and shape their behaviors and, as a result of this mutual influence, have a decisive impact on the organization of the economy and society. On the positive side, institutions can encourage virtuous behavior, favoring the introduction of innovative processes and / or facilitating the solution of social and economic problems. On the negative side, institutions can create and sustain rent positions, facilitating the control of market segments and the manipulation of power relations. Thus, there are "good" institutions that generate wealth and promote development, while other institutions are "bad" and hinder the development of the productive forces and social progress. Institutions are, therefore, the key to studying economic development in contemporary capitalism. ***The influence of institutions on human behavior*** - institutions which, it is repeated, are the fruit of the history and culture of each country - generates the variety of paths of change and development which, however, despite their diversity, still retain their identifying traits of the capitalist mode of production. It is the binomial capitalism - capitalisms.

(1) Reference: *E.Basile, M.Biggeri, C.Cecchi, F.Volpi: Istituzioni e sviluppo economico nel capitalismo contemporaneo. Il caso di Cina e India, (Institutions and economic development in contemporary capitalism. The case of China and India) F.Angeli, Milan, 2021*

**1st Report**

**The institutional roots of development**

**Reflections on the sidelines of the BRICS experience with reference to INDIA**

***Prof.Elisabetta BASILE, Department of Economics and Law, Sapienza University of Rome***

The study of the BRICS coalition raises questions that lead us to reflect on the development processes of the countries involved and on the future prospects of the initiative. Two important questions:

1. Why has the BRICS coalition had a marginal impact on the economic processes of the member countries, with the evident consequence that the differences between them have increased rather than decreased?
2. Why are joint economic-political initiatives difficult to carry out and the actual results, apart from the creation of the *Contingent Reserve Arrangement (CRA) and the New Development Bank* (NDB) in 2017, are overall modest?

The answer to these questions is that the BRICS countries follow very diversified trajectories of change and development which are the product of the prevailing institutions in each country. The BRICS are very different economies that have very different institutional arrangements and cultural values; these differences explain the different development trajectories and conflicts of interest within the coalition, they also explain the trend towards an hegemonic role of China and its conflicts with India which can appear today also as an antagonist subject within the BRICS.

In particular, the analysis on the status of economic development in India and China is divided into 3 steps:

1. Illustration of the institutional theoretical model;
2. Diversity of capitalist systems in the contemporary world;
3. Reflection on India and China and their institutional, social and cultural conditioning that can be observed.

Relationship between institutions and economic theories. Interest in institutions is not new in economic theory. The classics, for example, show a widespread and implicit interest in institutions. Institutionalist theories were developed in the past by the German school (late 19th century) and the American school (first half of the 20th century). In our analysis of the diversity of capitalist development models, which also characterize the reality of the BRICS states, the institutionalist approach of the American scholar *Thorstein Veblen* (1857 - 1929) and his future followers of the 1970s is valid. They questioned the foundations of neoclassical economic theory and explained how full rationality in economic behaviour, supported by the classics, is not possible because the information structure is generally limited and because individual behaviours are influenced by institutions, by the system of social rules, "habits of thought", widely shared behaviours of which they are the fruit and which in turn contribute to sustain. On this hypothesis Veblen builds his whole analysis. The specific "thinking habits" and behaviour of human beings are a product of the development over time of repeated attitudes. Institutions reflect the set of thinking habits that each society produces. These define the social rules. Every individual born into a community acquires, consciously or not, the rules deriving from the society itself.

The will of individuals is not completely questioned, but the human brain has limits that prevent the processing of sensory data. The help in the elaboration is provided by the institutions. These act as facilitators for individuals in adapting to life. A reiterated and consolidated set of habits generates institutions. Three reference definitions:

*\*Institutions are widely shared habits of thought that influence individual behaviour and social organization (Veblen, 1919)*

*\*Institutions are a set of formal and informal social rules (Delorme, 1994)*

*\*Institutions are enduring systems of social rules and widely accepted conventions that shape the interaction between individuals (Hodgson, 2001).*

Institutions perform a cognitive function that is complex and articulated: they broaden, consolidate and transmit the functioning mechanisms of habits of thought and behaviour; they influence the perception that individuals have of external reality; they shape their mental attitude; they provide information for their decision-making processes: in a certain sense they constrain and at the same time facilitate individual behaviour. Institutions are born in social coexistence and therefore there is a double relationship of influence with individuals.

Each society produces specific institutions. Among these, two main types are distinguished:

a) Cultural institutions, which reflect the values and ideas of each social aggregation;

b )Institutions functional to survival in the environment of society: those that regulate the distribution of resources, the production and exchange of goods and services; those that regulate property rights, relations between individuals and between them and the State.

Institutions are made up of both “subjective ideas”, in the minds of the agents, and of “objective structures”, external to the agents. The category includes:

a) Formal organizations (such as banks, state agencies, businesses, trade unions, political parties. These organizations require the adoption of a series of rules for their operation);

b) Other types of institutions ranging from widely shared behavioural patterns expressed by social conventions to norms and prescriptions. For example, family, ethnicity, gender, the caste system, language, but also ethical codes, such as religion.

As in the evolution described by Darwin, institutions also evolve in the process of social change; each evolutionary step is always connected to the changes that occurred previously even if this step does not occur in a deterministic way, because there are no "laws of movement" that explain the evolutionary steps. Institutions suitable for development survive by transforming and adapting to the new situation. Nothing can be considered as a fact that has stabilized over time.

The *concept of institutional rooting of change* highlights how the change of a system is not a linear process, directed towards a predetermined outcome, but how it is conditioned by the cultural characteristics and the historical path of a community, by the evolutionary process of the institutions on which it is founded. Cultural conditioning rooted in the processes of history influence the evolution of institutions. The concept of institutional roots, therefore, allows us to interpret the variety of institutional structures as well as of the development trajectories of contemporary economies.

**INDIA. The institutional roots of development in contemporary India.**

**The caste system. The example of the provincial capitalist system**.

No capitalist country is the same as another because the structuring of economic institutions does not take place with the destruction of the past, but with its transformation. The past - in particular with the tangible and intangible elements of the cultural factor that constitutes the main element of variety - conditions and determines the plurality of capitalist systems currently present on the world scene.

A confirmation can be found in India, in the enormous influence that the historic caste system still exercises on the processes of change of the economic system in this country.

The caste system and provincial Indian capitalism. In India, where about 70% of the population lives in small towns, villages and rural areas, the caste system has represented and, in many respects, still represents one of the main organizing principles of Indian society. It rests on a set of beliefs and rituals that have their roots in the sacred scriptures of Hinduism (80% of the Indian population is of the Hindu faith) and defines a form of social stratification based on a concept of inequality that finds its legitimacy in Hindu culture and which rests on the contrast between purity and impurity. The social stratification defined by the caste system is very articulated and complex and extends to all aspects of human life: from nutrition to marriage, lifestyles and professional status. The stratification system defined by the castes is closed and segmented: individual mobility is denied (the system is endogamous) and the castes recognize the hierarchy and accept their position in it because it is legitimized in religious terms.

The caste system was formally abolished with the Constitution approved in 1949, but only in 1979 was a special commission (*Madal Commission*) set up, with the task of preparing a package of preferential measures (essentially reserved quotas) in favour of disadvantaged groups in the Indian society (low castes, Dalit and Adivasi). Reserved quotas, introduced in 1980, have triggered a process that in a few years has led to a profound re-invention of the caste system in economic and political terms. With the aim of occupying the reserved shares in education and professions, the caste system has acquired new roles and underwent a process of secularization that has ended up leading to the growth of the influence of castes in Indian society. Their identity, their localization, the hierarchy among the sub-classes have changed, caste associations have been born. The politicization of caste identity has not affected their religious identity but has opened up the possibility of using castes as vehicles to represent and organize the interests of disadvantaged social groups in the political arena. In pursuing the interests generated by reserved quotas, castes have turned into pressure groups, organizing themselves through caste associations, political associations and even caste-based parties. Since the caste stratification is also built on the basis of professional status, the caste ends up by intertwining with the social class, a reality based on relations with the means of production. **In contemporary India, caste is both an ideology and an institution.** As a system of values ​​and beliefs it is part of the mental processes that shape individual behaviours and social relationships. As an institution - that is, when it is transformed into social norms - it defines widely shared models of organization, constructing and legitimizing social differences. Based on these roles, caste continues to be an important organizing principle of contemporary India. To this we can add a further consideration concerning the discrimination existing between castes: this discrimination constitutes, in effect, a form of "forced" social exclusion that limits access to capital, work, land, education, denying rights and preventing social mobility. The result is the structural inefficiency in the allocation of resources and the perpetuation of the class subordination of the lower castes. *India took the last caste-based census in 2015.*

Following the process of liberalization of the economy promoted in 1991, India has achieved very high growth rates which has prompted many observers to look to the future with optimism, in the belief that ***a new India*** could take shape that could become one of the major economies in the world, capable of ensuring a widely shared well-being to the growing population. The current situation in India shows that this development promise can hardly be kept. Despite the high growth of the economy, a significant part of the country is imprisoned in a series of social, economic and political imbalances. This has led many scholars to question the potential of the new India, arguing that economic and social imbalances are a structural feature of Indian capitalism, which needs a different development model to be overcome (*Bhattacharya, 2008; D’Costa, 2012; Drèze, Sen, 2013; Azad et al., 2019*). Referring to World Bank data and indications on the poverty line, it is estimated that 86.8% of the population in India is poor (respectively 92.0% in rural India and 75.4% in urban India). The wide spread of poverty - together with its persistence in the strong economic growth experienced by India in the last three decades - actually raises many important questions for assessing the quality of the development model experienced by the country.

***2nd Report***

***Variety of Capitalism***

***From Confucius to Confucius: the role of culture in the China of the Revolution***

***Prof. Claudio CECCHI, Director of the EuroSapienza Research Center, Sapienza University of Rome***

The variety of capitalism. The capitalist mode of production is one of the results of the transitions that over time and space generate changes in economic and political power. The different forms of transition, in history and in space, they give rise to diversity of paths and results. With the institutionalist approach, the postulates of the neoclassical (mainstream) economy which considers a single model of market economy are overcome.

The Market Economy considers **equal individuals** who act **rationally** in order to **maximize their income**. On the basis of this model, by observing real situations, differences in development or results may appear. However, these differences depend on variables exogenous to the model - and therefore irrelevant for economic analysis - such as the different availability of resources, the different preferences of individuals.

Institutional analysis takes as a reference the agents of the **economy** and **society** who interact with each other in multiple ways. This interaction leads to the *creation of institutions that are functional to the realization of common objectives; but also, at the origin of different forms of capitalist systems.*

The standard literature distinguishes two types of economic system. Free Market Systems and Centralized Systems. In addition to these, mixed systems are also observed, representing a combination of the first two.

**Free Market Systems**: they are based on liberal ideology. They consider all individuals to be equal because they have equal opportunities. In this type of system there is freedom of initiative. Agents are rational and maximize their income and satisfaction. Governments therefore protect the interests of the ruling classes, guaranteeing the freedom of individual and corporate actions. Governments are an expression of the choice of individuals made through parliamentary democracy.

**Centralized Systems**: they are based on socialist ideology. They regard all individuals as equal because they have equal rights. Ownership of the means of production is collective. Production is tailored to needs. Governments ensure that basic needs are met. The form of government prevents the establishment of private economic powers.

Veblenian institutionalist thought (Veblen, Hogdson, Screpanti) considers the invariant (ideal-type) characteristics of the capitalist mode of production but also the variations that occur in the different institutional systems, which are at the origin of the different forms of the capitalist system

**Invariant characters**. a) a legal system in support of individual rights and freedoms, including for owning, buying and selling private property, b) widespread exchange of goods and markets using money; c) widespread private ownership of the means of production by companies that produce goods and services for profit; d) a large part of production organized separately from the family economy; e) wide diffusion of wage employment contracts and, in general, of dependent employment, f) a developed financial system.

**Sub-system variations**. The main changes occur in the following sub-systems a) System of distribution and allocation of resources, b) System relating to the methods of use of work, c) Political-social regulation system (private property, financial system), system of culture and ideologies (cultural roots, religion, ideological contrapositions).

The Veblenian institutionalist current raises some questions about the global diffusion of the capitalist mode of production. Regarding the impact of this diffusion on socialist systems, one of the major exponents of this current of thought, E. Screpanti, comes to the conclusion that the capitalist system has also established itself in the so-called socialist economies because, regardless of the ownership of the property rights of resources, what currently prevails is the principle of capital enhancement and support for accumulation, a fully capitalist principle. An example: the Chinese system can also be classified as a capitalist system. Another important question concerns a possible hierarchy between the different systems. Are there any better manifestations of capitalism than others? The answer, widely shared by scholars, is a clear denial. This is because every manifestation of capitalism is the product of the interaction between the agents of the economy who build institutions functional to their needs and at the same time adapt their needs and their actions to what the institutions impose.

**CHINA. The capitalist model and the role of Confucian culture-ethics**

*Culture is one of the keys to interpreting the behavior of agents and the main factor that explains the variety of capitalist systems in the real world.* Culture is made up of the set of material and immaterial "responses" that each community gives to the survival needs of its members. The intangible components concern the ideas, concepts, philosophies that are produced in the human mind and the regulations, that is, the standards and norms that regulate the behaviour of individuals and communities. Culture has a double essence: a) it is an ideological system, made up of a set of shared ideas, values, symbols and meanings through which the real world is interpreted and "narrated"; b) but it is also an "adaptive system", that is a set of behaviours that define the lifestyle by which each community adapts to the real world and ensures its own survival. In every historical and geographical context, culture is in a state of constant change.

On the occasion of the centenary celebrations of the founding of the Chinese Communist Party (CCP) and in those of 2020, the new China has always referred to the commitment of the central government to build a "***moderately prosperous society***", official translation of *Xiaokang*, a concept which was born three thousand years ago with Confucianism and which guided the entire evolution path of Chinese society until the revolution of 1949. The philosophy of Confucius, adopting the term *Xiaokang*, refers to a fundamentally wealthy society in which people are able to live with relative comfort, albeit neatly. The values ​​of Confucianism call to **respect and obedience** (essential constituents of love and filial devotion) to **love of neighbour and harmony** (cornerstones of social relations) to **loyalty and reliability** (fundamental in relations between subjects and rulers).

The Confucian principles are substantially internalized in the Chinese population through the events that have taken place over the last two millennia.

In the first two decades of Mao Tse-tung's revolution of 1949 there is the most profound attempt to remove Confucian principles from Chinese society, but experience has shown that the cornerstones of Maoist ideology are not adequate to support the transformation and development of Chinese society, as are the principles of philosophy, ideology, religion of Confucianism. It is with the reforms launched after Mao's death starting from the 1980s (Deng Xiaoping, Jiang Zemin and recently Xi Jinping) that China began its path of recovering a relationship of consensus between the Communist Party and Chinese people and the transformation of society that has led this country to be a leading power in the world economy. In this context, among other things, the recognition in 2000 of the positive role of religion in the development of socialist society is inserted. In addition to the manifestations of community religions, the practices of other religions were also considered legitimate: Buddhism, Taoism, Islam, Protestantism and Catholicism.

With the recovery of Confucian values and culture, the Communist Party has worked, together with a new process of development, also for the reaffirmation of its hegemony over society, since Confucianism attributes greater decision-making power to those who possess moral, practical and intellectual abilities needed to care for others. In any case, as claimed by several authoritative scholars, e.g., Y. Zhai (2017), it is a fact that the Chinese capitalist model offers an interpretation and a practice of democratic transformation different from those of liberal democracy because the Confucian values to which it refers are profoundly different.

**2nd TOPIC:**

**THE CONVERSION OF THE SOVEREIGN DEBT OF THE MOST FRAGILE COUNTRIES**.

**Report (\*)**

**Release G20, the proposal to convert the debt is a commitment to sustainable development**

***Amb. Roberto RIDOLFI, President of "LINK 2007"***

“*Over the next three years, the public debt of African countries will exceed 950 million dollars. This is why we propose Release G20, which is based on the restructuring and therefore the conversion of part of this debt into investments in local currency aimed at the Sustainable Development Goals. And we hope that this part will be as large as possible*": this is how Roberto Ridolfi, President of LINK 2007, the coordination of the main Italian NGOs, presented the **Release G20** proposal which was enthusiastically welcomed by the participants in the high-level video conference co-organized on 23 June 2021 by “LINK 2007” and by the Ministry of Foreign Affairs and International Cooperation, an initiative that aroused particular interest in the potential first beneficiaries of the proposal: the representatives of African countries. The conference was attended by over 150 people, including prominent institutional representatives, members of the African diplomatic corps in Italy, civil society and diasporas.

The Release G20 proposal met with the favour of Deputy Minister ***Marina Sereni***, who chaired the conference, who explained that "Italy has an ambitious project, with a particular focus on African countries": this is why our country captures “The challenge of cancelling the debt in the framework of the Italian presidency of the G20ʺ and of “restructuring investments so as to be able to support the recovery after the pandemic has exacerbated many crises already underway. Reducing the debt of the poorest countries is a challenge that Italy does not shy away from, especially now that, with the Covid-19 crisis, it becomes increasingly difficult, especially in Africa, to pursue the sustainable development goals set by the UN".

Illustrating the proposal, LINK 2007 President ***Roberto Ridolfi*** explained that Release G20, a plan aimed at easing the debt pressure on low-income countries whose problems have been greatly aggravated by the effects of the pandemic, intends to change the paradigm of approach to investments and debt. "Through different strategies, each country, instead of repaying the debt to direct creditors or private partners, will be able to deposit the same amount in local currency directly in the country, in order to create an investment fund to be used in internal development actions". The creation of national investment spaces, managed by governments but in which the private sector can and have also to intervene, must finally include "the creation of a monitoring mechanism within the United Nations system, to check that funds are invested for purposes in line with the Development Goals". A goal, this of debt relief, also to the attention of the Presidency of the Council of Ministers, as confirmed by the Diplomatic Advisor and Sherpa G20 of Prime Minister Mario Draghi, ***Luigi Mattiolo***.

"Africa loses $99 million in funding every year. This data, combined with weak institutions, becomes a dynamic that limits the potential of our countries. Restructuring the debt will be essential to ensure the recovery and for this we appreciate the Release G20 proposal and the innovative tools coming from the Italian presidency of the G20 " stated ***Ibrahim Assane Mayaki***, director general of the African Union Development Agency - NEPAD. The Foreign Minister of Guinea Conakry, ***Ibrahim Khali Kaba***, underlined the value in the medium and long term of the debt restructuring proposal, binding it to sustainable investments: "This initiative can really help Africa to face the pandemic and the consequent economic crisis” and Release G20 represents an“important opportunity”. Transparency, vision, strategy and international partnerships are the keys, according to Kaba, to quickly find a common position on debt relief. ***Emmanuel Pamu***, permanent budget secretary of the Zambian Ministry of Economy, also spoke on the issue from Lusaka: "We are in line with this initiative, we strongly support it, but we must move quickly". During the round table of African ambassadors, in the second part of the video conference, a convergence of opinions was observed, both in the estimate for the work that the Italian Presidency of the G20 is doing in the area of ​​debt, and in the awareness of the need for a common position. During the round table the ambassadors ***Ahmed Boutache*** Ambassador of the People's Democratic Republic of Algeria, ***Joseph Katema*** Ambassador of the Republic of Zambia, ***Eudora H. Quartey Koranteng*** Ambassador of the Republic of Ghana, ***Fidèle Khakessa Sambassi*** Ambassador of the Democratic Republic of Congo, ***Ely Salem Zeineb*** Ambassador of the Islamic Republic of Mauritania, ***Youssef Balla*** Ambassador of the Kingdom of Morocco, ***Pope Abdoulaye Seck*** Ambassador of the Republic of Senegal, ***Aly Coulibaly*** Ambassador of Mali intervened with high level contributions. All the members of the African diplomatic corps said they were strongly motivated to support the Release G20 initiative and to work quickly in this direction, also involving and stimulating the diasporas, represented at the video conference by ***Cleophas Adrien Dioma***, for greater cooperation: "I believe that the involvement of the diasporic communities could be opportune for the success of the initiative. We can bring our expertise, our point of view and our recommendations”. The chairman of the Development working group, Italian Presidency of the G20, ***Marco Ricci*** concluded: "This common vision" for a new debt sustainability of low-income countries "is a work-in progress for which collaboration between the G20 and African countries”which will also require a review of the development plans for the SDGs of the lending countries. An opportunity for everyone to make a common front towards a more sustainable vision by 2030.

**A proposal from Italy to the BRICS coordination**

***On behalf of the LINK 2007 coordination, the president Amb. Roberto Ridolfi invites the member states of the BRICS coordination to carefully evaluate the RELEASE-G20 project idea on the conversion of the sovereign debts of fragile states into sustainable investment opportunities and to promote it within the G20.***

*(\*BRICS-LAB: report as a reworking of the official LINK 2007 press release of the RELEASE G20 international conference, Rome, 23 June 2021)*

**MAIN COMMENTS - REFLECTIONS - PROPOSALS**

**UGO MELCHIONDA**

***OECD Correspondent "International Migration Outlook", Coordinator and Spokesperson for "GREI250", Board Member of "Religions for Peace Europe"***

On the different models of capitalism. The analysis of India presented by prof. Basile was realized in terms of "caste" capitalism; consequently, the relationships between power groups were analysed as the element that determines the forms of capitalism and its economy. The analysis of China, on the other hand, presented by prof. Cecchi, was carried out on the basis of an ideology, the Confucian one, and not on the basis of power relations, despite the fact that historically the senior Chinese state officials have always been Confucians.

In addition to this, it is important to add how the capitalism of the Brazilian (and, more generally, Latin America) system is based on the reality of landowners, a phenomenon that no longer exists in Europe. On the other hand, the capitalism model of the OECD countries can presumably be defined as financial capitalism, determined by relations with the world's major economic and financial groups.

**ARCH. PAOLO MOTTA**

**Urban development expert, Member of the ICTC-Icomos Scientific Committee**

On the different models of capitalism. The comment concerns the following aspect of the problem: how two radically different capitalist models such as the Chinese and Indian ones can lead to situations of convergence and to the limit to the construction of a common model, maybe promoted and developed within the BRICS coordination.

On the debt conversion of fragile countries. With regard to sustainability policies, the comment concerns the objective interest of the BRICS countries in promoting a possible collaboration on the proposal made by Amb. Ridolfi, to support fragile African countries in their conversion of sovereign debt into sustainable infrastructures. This proposal could offer an important opportunity to the BRICS countries, also to overcome their profound differences and remedy the failures of the past due to the lack of a common external cooperation strategy and a common development model of reference.

**PROF. GIOVANNI BARBIERI**

***Università Cattolica del Sacro Cuore, Milan***

On the different models of capitalism. The comment underlines that according to the ideology of "Tianxia", inspired by the Confucian model, China conceives foreign policy as a structure that categorizes humans as living beings equal to each other and "living under the same sky".

On the debt conversion of fragile countries. The management of the sovereign debt of fragile countries until recently was concentrated in the West, while recently there has been a shift to the East that has brought fragile African realities closer to China.

**PROF. PAOLO RAIMONDI**

***Coordinator, Italian Committee of the Razvitie Project, International Finance Expert***

On the debt conversion of fragile countries. The past interest in restructuring African debts, particularly by China, has not yet been realized. It will be necessary to promote a *monitoring* of the evolution of the real initiatives promoted by this country, as by the other member states of the BRICS coordination.

***Contacts***

EURISPES – BRICS LABORATORY

Via Cagliari 14 – 00198 Rome (Italy) - Tl. +39/ 06 44202211 - 06/ 68210205

Web: [www.eurispes.eu](http://www.eurispes.eu)

Email: eurispes.intl-dept@libero.it