Selected Papers from the 2nd World Forum on China Studies

(Abstracts)

Panel 3

China’s Peaceful Development and the International System

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Panel 3

China’s Peaceful Development and the International System

1) Kinds of International Sequence and Creation of International Relations Systems
       ------ By Yongxin Cao (China)

Abstracts:
The ideal realization to establish democratic sequence of international politics and to keep might &valid restriction of world hegemony rely on three kinds of development of actual sequence: country relationship sequence that takes the sovereignty rules as the base, area integration sequence, and the whole world sequence with the world mechanism & organization on base. Present sequence is overlapped by nations sequence together with the international community; The realism sequence is overlapped against the idealism sequence; The sequence of equal doctrine (democracy) is overlapped against the sequence of hegemonism. This also indicates that the world multi-polarization will be not only multi-polar of forces, But also the equal plurality of culture and the international norm . In the future ,improved world system , together with better sovereignty country sequence ,high cohesive area integration sequence , shall be produced, which will prop up and guarantee international democratic sequence ,combat and condition any sequence of hegemon . China’s strategy will be pushing on the construction of new peaceful three-level systems in order to realize a harmonious area, a harmonious world and peaceful rise.

2) The Rise of China and the Rise of Asia
       ------ By Weixing Hu (China Hongkong)

Abstracts:
China’s rise and its implications really polarize the region in terms of whether a rising China poses a threat or an opportunity for the East Asian region. China reacted to the debates by arguing that China’s stability and prosperity presented an opportunity for its neighbors, while many government officials and scholars in the region with the Cold War realist mind-set want to brush aside the prospect of a peacefully rising China and keep China on the defensive in regional international relations. This paper discusses the impact of China’s pursuit of international status in the region under the notion of “peaceful rise.” The author argues that the rationale of China’s peaceful rising must be understood from the Chinese outlook for its national development strategy in the next fifty years and China’s own perceptions of its status in future world affairs. The main argument of the paper is that the “peaceful rise” declaration
amounts to a foreign policy strategy of reassurance, i.e., reassuring its East Asian neighbors of no Chinese grand design of returning to creating a China-Centered regional order in Asia. However, it is more than a rhetoric strategy, and China’s “peaceful rise” also depends on how other Asian states respond to the peaceful rise of China. The stability of Asian international affairs will depend on whether China and the rest of Asia can rise and prosper together and they are peacefully related to each other in resolving all existing problems they face.

3) Modern China: Fifty Years of a Non-Confrontational Foreign Policy
------- By Jose Jesus (Portugal)

Abstracts:
Some traditional principles of Chinese ancient legal system of the pre-Han period; the understanding of some concepts like: human nature, the power of the State, legitimacy, oath, the nature of the “Mandate” and the idea of reciprocity, help us to understand some long-standing principles of a traditional non-aggressive nature of the main positions of China in the world and in the framework of international relations. - Some of these basic doctrines which go back to the Confucians traditions have been often forgotten by modern politicians and some analysts. - This fact has been an obstacle to provide a more coherent explanation for the modern Chinese foreign policy. - 50 years ago, the Conference of Bandung changed the shape of the world system issued from the Second World War. Bandung should be considered as an important step towards the new global world. - The role of China in Bandung was of the utmost importance for China and the world in general; through Zhu En Lai, the RPC formulated a kind of Road Map of its future foreign policy. - Its implementation only suffered some adaptation to the rapid evolution of the geo-political foreign environment and to the internal new policy launched by Deng Xiao Ping. - The consistency of the nature of that “Road Map” remained until today – a non-confrontational foreign policy of a continuously growing big power, seeking for a multi-polar balanced world.

4) China’s Rise and the Realization of a “New World Order”
------- By James Muldoon (United States)

Abstracts:
China’s ongoing rise as a global political and economic power both fascinates and troubles scholars, researchers, and policy makers. Its professed “peaceful rise” is currently the subject of a vigorous debate within academic and policy circles. At the heart of this debate are serious concerns about China’s ability to sustain its phenomenal economic growth, the sincerity of its strategic intentions, and
commitment to the norms and rules of the international system. China has achieved and surpassed the goals and objectives for rapid economic development and modernization, which were initially launched by Deng Xiaoping in 1978, while at the same time carefully cultivating a new approach to regional and global strategic issues and concerns as it seeks to lead efforts towards establishing a “new world order” that is multipolar, just and fair. But, China currently faces many challenges in both the economic and political arenas – increasing international economic competition; growing internal social unrest due to a rise in income inequalities, corruption, environmental degradation, and disparities in education and healthcare; rising strategic rivalries over energy, resources, and influence with other regional and global powers; and, dealing with particularly complex problems such as the nuclear crisis in North Korea, long-standing Taiwan issues, worsening Sino-Japanese relations, and the US-led war on terrorism. If these challenges are poorly managed, they could derail China’s modernity drive and trigger heightened tensions, if not outright conflict, between China and the United States. Moreover, there are grave implications for the international system should the Chinese leadership in Beijing fail to address the country’s serious internal problems or to stay constructively engaged on global problems. This paper examines the effect of China’s development and rise as a major economic and political power on contemporary international relations. I divide the discussion into three parts. First, the paper briefly reviews the differing viewpoints on China’s rise in contemporary world affairs. The second part discusses the main factors influencing China’s rise and relations with the international community. And the final section looks at the prospects of an emerging “new world order” and China’s role in it.

5) Soft Power and the Formation of International Soft Law
------- By Haifeng Wang (China)

Abstracts:
Because international hard law can form a steady international legal relationship and the implementation cost of it is low, super countries in the international community are inclined to take advantage of hard law to establish definite legal relationships among countries by means of their hard power at the stage of creating and establishing a new international system or order, however, the so-called definite legal relationships usually bring about problems of “justice deficit”. As far as the maintenance of international peace and development is concerned, international soft law has the advantage of international hard law. Because international soft law is very flexible in the adjusting and restricting relationships among countries, different kinds of countries (no matter what kind of political or economic situations they have) are likely to accept international soft law in order to avoid a high “sovereignty cost” during the conflicting and cooperation of their long-term international relationships. Soft power plays an important role in the formation of international soft law. One
country or a group of countries usually make use of their soft power, such as the influence and attraction of their culture, axiology and ideology, to ally other countries as possible as they can. When more and more countries accept and absorb their culture, axiology and ideology, the trend of movement and transformation must be reflected in the formation of international soft law. The soft power of China has not played a dominant role in the formation of the current international soft law. However, after decades of the reform and opening, the soft power of China has gradually expanded globally. Not only the products, labeled “made in China”, are spread in the world, but also the development mode and ideology, marked “made in China”, are influencing more and more countries. As a rising and peaceful developing country, China should not only protect its own benefits, but also act as a participant and organizer in the formation of international soft law.

6) The Change and Reform of Economic System in China and in the World
------- By Yikang Wu (China)

Abstracts:
The change of world economic strength and international economic relationship leads to the transition of international economic structure and nature. The current international economic system is under reform and transformation. Developed countries led by the U.S. dominate the present international economic system. The rise of newly developing countries since 1980s and 1990s broke the sole domination of developed countries. World economy is accelerating toward multi-polarization. The existence of developing countries and their influence could not be neglected when developed countries seeking effective global governance. The leading position of G-7 countries in the international economic system is tending to be weakened, which indicates the fundamental transform of international economic system and the ending of an era when developed countries dominate the global economy. World economic strength is under changing. Economic indicators are not limited to GDP, but also economic quality and more comprehensive ones, and the leading role of financial capital should be paid more attention. The transformation of international economic system, from a general and historical perspective, is a long and gradual process. For a quite long period of time, developed countries will still possess a dominating position, but adjusting, adapting and restructuring is a main trend. It is necessary to evaluate China’s economy properly, and have a correct attitude and policy towards the current international economic system. As a part of the system, China has no need to or is not able to be a challenger. But China should have a longer sight, actively take part in international economic affairs, function as a bridge in multi-lateral communication, and carefully handle the relationship between reform and stabilization.
The rise of China is fast becoming a fact, rather than an expectation. China’s rise is undoubtedly due to its rapid economic development in the past two decades. Then, the question arises: what kind of power is China becoming, or will become, with its rapid rise? In my short presentation, I want to focus on this question, one that has attracted close attention of the international community-at-large. For the international community, the worst scenario is of course that China is in the process of building on its economic successes to develop into a military power. Indeed, the idea of “China as a military threat” has surfaced in recent years as a major theme in the so-called “China threat” discourse. Despite the fact that China has given priorities to economic modernization since the open-door policy was implemented, the country’s military modernization, as one of the pillars in Deng Xiaoping’s “four modernizations”, has had an increasingly significant impact on the international community. This is a particularly sensitive issue to China’s East Asian neighbours. In the latest two reports on China’s military power by the United States and Japan, respectively, China is seen as devoting itself in expanding its military prowess. To some, China is today going down the very same path that Germany and Japan used to tread before World War II. They believe that a country’s rapid economic growth will naturally lead to similarly rapid enlargement of its military power, as if one phenomenon cannot exist without the other. According to these whistle-blowers, this will inevitably challenge the existing international order. If this were the case, then the international community – much less the world’s only hegemon the United States – needs to undertake considerable measures to constrain, and even contain, China’s rise. At the same time as the so-called “China-as-a-rising-military-power” idea surfaces, an entirely different image about China is gaining prevalence in other parts of the world. The feel is that China is not another Wilhelmian Germany or Meiji Japan. China is fast becoming a commercial power, no doubt, but it is still a long way from becoming a powerful military state. The international community has welcomed China’s economic rise with mixed feelings. On the one hand, China’s booming economy is today one of the engines for growth of the world’s economy. This is especially true for many Asian countries. At early stages of the reforms and the open door policy, China placed emphasis on “inviting” foreign capital, and the reformist leadership hoped that foreign capital would help to drive China’s economic development. Meanwhile, China began to reform its own economic system in order to gear (in Chinese “jiegui”) itself to the world economic system. These practices were proven successful. Within a relatively short period of time, China had transformed itself to become one of the most successful “export-oriented” economies in East Asia, emulating the “economic miracles” of the “four little dragons,” namely, Hong Kong, Taiwan, South Korea, and Singapore. Significant changes then took place in China’s economic policy in the mid 1990s. These changes were relatively obscure at first, but they gradually gained momentum, especially after China joined World Trade Organization (WTO). Among
these, two changes are particularly noteworthy. First, by the turn of the century, China finds itself moving away from capital shortage problems to wield enormous capital surplus. At this stage, Chinese capital begins to venture into the outside world. In 2001, Hu Jintao, then Vice State President, called for Chinese enterprises to “go outside” (zuo chu qu) when he visited Malaysia. The momentum has accelerated after Hu became State President in 2003. China’s out-flowing FDI, while small relative to those originating from the developed countries, should not be overlooked. For this case, it is not the size, but the force behind it, that matters. The policy to “go out” gains a strong impetus since both the state and non-state sectors have become very proactive in this process. In recent years, Chinese firms began to acquire and merge with foreign firms, giving the world-at-large a first-hand experience of China’s economic power. A second change is that China has become a great trading (commercial) state. Underpinning this change is the important fact that China has become the world’s manufacturing centre, not unlike Great Britain at its peak in the 18th and 19th centuries. The seemingly unlimited labour supply makes it possible for China to produce massive volumes of cheap goods for the world market. In this respect, China’s economic rise caused no small apprehension for the rest of the world. A natural question is: “what do we do, when China makes everything?” Moreover, as interdependency grows between China and the world’s economy, the world market can no longer be shielded from economic activities inside China. A recent example is energy pricing. Any minute changes in either the demand side or the supply side in colossal China will immediately upset the delicate world market prices. However, I believe that to talk about China as the world’s manufacturing centre is only one side of the story. An equally important fact is that China has also become one of the world’s most attractive markets. China’s consumer market, despite its size and potential, has yet been fully tapped. While China is still a developing country and its per capita GDP remains small, the size of China’s middle class, in absolute terms, is a sizeable consumer market. Owing to China’s large population, this small proportion of its people, when becoming richer, can still generate a huge impact in the world’s consumer pattern. This growing, and consuming, middle class is good news for all businesses. China’s middle class has become a major consumer for branded and high-end goods. Many begin to holiday overseas. Tourists from China are now the primary target groups in many countries. Wherever Chinese tourists go, they will help to drive local high-end fast consumer goods markets. In this regard, Chinese consumers behave like Japanese consumers in early days. Predictably, this demand from China’s middle class will continue to grow over the years to come. Most people will probably agree my above-mentioned observations on China’s economic rise. But not so many, I believe, have realized that China’s rise as a commercial power has far more implications beyond the economic domain. For the Chinese leadership, to make China as a great commercial power, or to make the country as a trading state, has important strategic dimensions. China’s commercial relations with other countries cannot be regarded just another supply-demand relationship or simple transactions between nations in monetary terms. For the Chinese leadership, this is an important strategy for China’s peaceful rise, the core foreign policy concept in the discourses of
the fourth generation leadership. Trade and commence, developed within the comprehensive strategy of “peaceful rise,” are the answers provided by the Chinese leadership in addressing the concerns over China’s threat to the current distribution of world power. So far, we can identify three main pillars in this grand strategy. Here, multilateralism constitutes the core; economic diplomacy and good neighbourhood policy rounds up the overall effort. Over recent years, we have been witnessing a change in China’s attitudes towards multilateralism. In the early days, China was reluctant to join multilateral organizations. But since the 1990s, China has become a pro-active actor in organizing and developing multilateralism. To date, China has joined almost all important multilateral organizations in today’s world. By doing so, China is expressing its willingness to respect existing norms of these multilateral organizations and accept corollary constraints that come with these memberships. In all multilateral relations that China organized, the Chinese leadership has placed overwhelming emphases on economic priorities. This is duly reflected in the development of the China-ASEAN FTA (CAFTA), Sino-EU relations, and Sino-Latin American relations. Despite the fact that conflicts of different types often surface in Sino-US relations, China has displayed remarkable flexibility in solving trade and commercial conflicts with the United States. It also appears that the discourse against rising China in recent years in the United States does not affect Beijing’s determination to develop even more substantial commercial relations with its antagonist. Even in the case of the Shanghai-6, an organisation borne out of China’s global strategic thinking in the early post-Cold War years, the Chinese leadership has also placed emphasis on the economic issues, adopting the approach to deepen relations among the six states through trade and commercial interactions. More importantly, in the long run, such a commerce- and trade-centred strategy enables the Chinese leadership to realize the goal of national unification, arguably the most important political task for the Chinese leadership. It is often argued that no China leader can afford to see Taiwan formally moving towards independence. Yet Beijing’s determination to prevent Taiwan’s independence – at times resorting to the threat of the use of force – has made international community uneasy. But such worries can be overstated. For China, the “non-peaceful means” against Taiwan independence may be no more than deterrence; as a series of recent events show, the Chinese leadership has devoted even greater efforts to stabilize the Taiwan straits. Hu Jintao has invited Taiwan’s opposition leaders to Beijing to discuss “all concerns.” The leadership has also tried to reach a consensus with Taiwan’s political figures over the Taiwan issue. More concretely, Beijing has also taken a unilateral approach to open the mainland markets for Taiwan’s agricultural products, and to realize the air links in the so-called “three links”. These acts are often seen as forging a united front inside Taiwan. However, it is one thing to say that such actions are expected to weaken the social support for pro-independent forces inside Taiwan, and quite another to expect these social elements to join Beijing’s camp. I believe the thinkers in Beijing are shrewd enough than to believe in such fantasy. By now, Beijing should have a lot more confidence with such a strategy since its success in Hong Kong. It might be recalled that after Hong Kong was returned to China, the Special Administrative Region (SAR)
experienced a series of crises and its economy was in a very bad shape. People apparently lost their confidence on the SAR government, and demonstrations and protests became daily businesses for Hong Kong people. To restore the people’s confidence, Beijing turned to a series of commerce- and trade-centred approaches, including the “free travel” (ziyou xing, i.e., allowing mainland tourists to travel to Hong Kong), the CEAP (Closer Economic Partnership Arrangement), and the “9 + 2” arrangements (i.e., greater Pearl River Delta Economic Cooperation). These measures have all been successful. Hong Kong’s economy has restored its health and people’s confidence skyrocketed. When applied to Taiwan, this strategy may have been so effective that the pro-independent forces are beginning to feel the political heat, and are trying to minimize and resist its impact. To conclude, how to deal with the rise of China is a question relevant to both the observers as much as to the subject itself. Both the international community and Beijing each has to come to terms with this new phenomenon in international politics. Overwhelming attentions have so far been paid to answer the concerns of the first group of audiences; insufficient attention was given to the question how the Chinese leadership can deal with its own rise. Back to the two widely different perceptions of China’s rise discussed at the beginning of my talk, I would like to say that to regard China as a military power could lead to the undesirable consequence of a self-fulfilling prophecy, while recognizing China’s as a commercial power could well lead to a win-win situation between China and the international community.