

CWPE 1

CHINA IN THE WORLD
A SURVEY OF CHINESE PERSPECTIVES
ON INTERNATIONAL POLITICS AND ECONOMICS

CHIEF EDITOR SHAO BINHONG CHINESE ACADEMY OF SOCIAL SCIENCES
INTERNATIONAL ADVISOR ALLEN CARLSON CORNELL UNIVERSITY

and the World
SHAO Binhong (Ed.)

A SURVEY OF
CHINESE
PERSPECTIVES
ON INTERNATIONAL
POLITICS AND
ECONOMICS

What is China's rightful place on the world stage? Will the world remain unipolar as signs of American decline appear to be mounting? How can China maintain a harmonious relationship with its neighbors? What does China intend to do with the new power and influence that appears to be at its disposal? In light of emergent post-2008 economic realities, how should China adjust its foreign economic relations? This volume, the first of its kind, gathers a collection of translations of influential essays, talks, and papers on Chinese foreign policy, national security, and foreign economic relations written by Chinese elites. Many papers have also served as propositions for policy prescriptions to China's leaders, the vast majority of which have to date only been available in Chinese.

SHAO Binhong is senior editor of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences (CASS) and also the Secretary-General of China Society of World Economics. Since 1996, she has been managing editor-in-chief of the *International Economic Review*, one of China's core periodicals.

and the World

Balance, Imbalance and Rebalance

EDITED BY
SHAO Binhong

ISSN 2213-8439
brill.com/cwpe

ISBN 978-90-04-25583-8



9 789004 255838





This book is the result of a co-publication agreement between Social Sciences Academic Press and Koninklijke Brill NV. This book is published with financial support from Innovation Project of the Chinese Academy of Social Sciences.

Library of Congress Cataloging-in-Publication Data

China and the world : balance, imbalance and rebalance / edited by Shao Binhong.
pages cm. — (China in the world : a survey of Chinese perspectives on international politics and economics ; volume 1)

Includes bibliographical references and index.

ISBN 978-90-04-25583-8 (hardback : alk. paper) — ISBN 978-90-04-25584-5 (e-book) 1. China—Foreign relations—21st century. 2. China—Foreign economic relations. 3. National security—China. 4. Monetary policy—China. 5. Renminbi. I. Shao, Binhong, editor of compilation.

JZ1734.A5C55 2013

327.51—dc23

2013016518

This publication has been typeset in the multilingual "Brill" typeface. With over 5,100 characters covering Latin, IPA, Greek, and Cyrillic, this typeface is especially suitable for use in the humanities. For more information, please see www.brill.com/brill-typeface.

ISSN 2213-8439

ISBN 978-90-04-25583-8 (hardback)

ISBN 978-90-04-25584-5 (e-book)

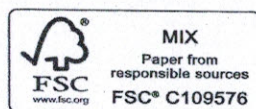
Copyright 2013 by Koninklijke Brill NV, Leiden, The Netherlands.

Koninklijke Brill NV incorporates the imprints Brill, Global Oriental, Hotei Publishing, IDC Publishers and Martinus Nijhoff Publishers.

All rights reserved. No part of this publication may be reproduced, translated, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission from the publisher.

Authorization to photocopy items for internal or personal use is granted by Koninklijke Brill NV provided that the appropriate fees are paid directly to The Copyright Clearance Center, 222 Rosewood Drive, Suite 910, Danvers, MA 01923, USA. Fees are subject to change.

This book is printed on acid-free paper.



Printed by Printforce, the Netherlands

CONTENTS

Foreword	ix
Introduction	1

PART ONE

CHINA AND THE WORLD

1. Thoughts on the Grand Change of World Politics and China's International Strategy	13
WANG Jisi	
2. China and the World: Balance, Imbalance, and Rebalance	33
GUO Shuqing	
3. The Rich, the Poor, and China: China's Responsibilities in an Era of Three Worlds	45
LI Daokui	
4. Understanding the Changing Relations between China and Its Neighbors	55
ZHANG Yunling	
5. The China Model and World Order	69
SU Changhe	
6. TPP: A Major Challenge to China in the Process of Its Rise	87
LI Xiangyang	
7. The Rise of China and the Adjustment of the International Order—A Case Study of China's Participation in the Multilateral Trading System	105
SONG Hong	

China, Japan, and South Korea formed a mechanism for dialogue and cooperation that needs further development. It is particularly important to push forward the China-Japan-Korea Free Trade Area (FTA) after the construction of the East Asia FTA was halted when Japan announced it would take part in the US-led TPP and the US-South Korea FTA was implemented. Since China is relatively less developed compared to Japan and Korea, it should prepare to make a bigger commitment to open its markets when refining the China-Japan-Korea FTA. While the existing dialogue mechanism mainly aims to promote the three's collaboration on economic and non-traditional security issues, like protecting environment, safety of nuclear power stations, as well as handling the fishing disputes etc., the China-Japan-Korea FTA should help to restructure their economic relations by facilitating investments from China to Japan and South Korea.

The Shanghai Cooperation Organization (SCO), conducive to maintaining security in China's north-western areas, becomes a platform for promoting China's relations with Russia and other countries in Central Asia. China should invest more resources in all aspects of the organization, enhancing coordination with the SCO. One basic principle guiding the development of the SCO is to make steady progress on ensuring the stability and peace and promoting the economic development of the region. Neither aggressive actions nor reckless expansion of the SCO is suggested for China since it needs time to consolidate and to be enhanced. China should also be very cautious toward US participation in the SCO. Although safeguarding common security has been the starting and focal point of the SCO, promoting economic cooperation to achieve mutual development of its member states remains the foundation for future sustainable development. China should push forward an "SCO connectivity plan" and increase its investment in the Organization since a SCO-FTA may need more time to be put on the agenda.

In the coming years, the most important part of China's strategies regarding its relationship with its neighbors is still to actively promote a stable, peaceful, cooperative, and development-oriented environment. China needs to rely on its continuously rising power and influence to further improve its capacity in comprehending and guiding the overall situation in its surrounding areas. So long as China makes sound judgments regarding its neighboring relations, there will not be an anti-China coalition, nor could China become a "lonely power."¹¹

¹¹ John Lee from Australia Lowy Institute described China as a lonely power since it has few true allies. <http://www.macrobusiness.com.au/2011/10/chinas-lonely-power>.

CHAPTER FIVE

THE CHINA MODEL AND WORLD ORDER

SU Changhe*

Abstract: During the past six decades, China has gradually formed a systematic and unique model in handling domestic and foreign affairs, in fields including foreign relations, political, economic, and social developments. In the organization of its political and social order, the concept of "cooperation" instead of "checks and balances" is the core spirit of the China model. Such a spirit has been manifested in specific institutional arrangements, such as multi-party cooperation, political consultation, the combination of legislative and executive powers, the United Front, the mixture of diverse forms of ownership, the coexistence of governmental and non-governmental organizations, and the cooperation of domestic politics and international politics. This spirit of cooperation embedded in China's institutional arrangements diametrically differs from the spirit of checks and balances in the Western political order. The China model demonstrates the Chinese people's understanding of the domestic order and the world order. As part of human political civilization, the China model can provide necessary ethical and political resources for the organization of the world order. Yet, this process requires a sustainable high-level cooperation between China's domestic politics and international politics.

Keywords: The China model, the Western order, the world order

I. A HISTORICAL REVIEW OF CHINA'S RELATION WITH THE WORLD

China is a super-large state in terms of geography, population, and societal complexity, the type of its relation with other countries in history had been widely regarded as one of classical regional systems in world history. The founding of the People's Republic of China in 1949 was a major event in world politics. China's attitude and actions around the Soviet Union, the United States, and the Third World countries impacted the evolution

* The Chinese version of this article was originally published in the *Waijiao pinglun* 外交评论 [Foreign Affairs Review], 4 (2009), 21-31. Su Changhe is Professor and Deputy Dean of the School of International Relations and Public Affairs at Fudan University. He is also the Executive Director of the National University Institute of International Politics; the Executive Director of China United States Society; and the Director of the United Nations Association of China. His email address is suchanghe@fudan.edu.cn.

of Cold War politics after the end of World War II. Immediately after the founding of the People's Republic of China and since the late 1960s and early 1970s, China's choices and actions influenced its relations with the rest of the world in the following three ways.

During the late 1960s and early 1970s, China was one of the key factors in breaking through the Cold War system. As a socialist country, the improvement and normalization of China's political relations with the United States and other Western countries helped to break the rigid Cold War system and accelerate the end of the Cold War. Seen from the international Cold War history, China was one of the driving forces that ended the old Cold War order and its dynamic role during this process could be described as at least critical, if not decisive.¹ The second major decision was the reform and opening-up strategy that began in 1978. This marked the beginning of the era of comprehensive cooperation between China and the international economic system that brought about historical changes in China's relations with the world economically. Since then, the interdependence between China and the world economy sharply increased. China and the world economy are inseparable. Seen from the relations among socialist countries, China is the most courageous socialist country in terms of breaking the socialism dogma and is also the first socialist country that carries out extensive cooperation with the international economic system. Such practice has enriched and developed socialism. The third major decision is shown in the speeches delivered by President Hu Jintao (胡锦涛) on occasions such as the 60th anniversary of the founding of the United Nations General Assembly, the Yale University² visit, and the 17th CPC National Congress. Those speeches express an idea of building a harmonious world of lasting peace and common prosperity, and state China's ethical and political stand on the world order.³ The idea of

¹ Zhang Shuguang 张曙光, *Jiechu waijiao—nikesong zhengfu yu jiedong zhongmei guanxi* [接触外交—尼克松政府与解冻中美关系] [*Diplomatic Contact: The Nixon Administration and Milestone in Sino-US relations*] (Beijing: World Affairs Press, 2009), 319.

² Hu Jintao's speech at the Summit Meeting on the 60th Anniversary of the United Nations, "Nuli jianshe chijiu heping, gongtong fanrong de hexie shijie—zai lianheguo chengli 60 zhounian shouaohuiyi shang de jianghua 努力建设持久和平、共同繁荣的和谐世界—在联合国成立 60 周年首脑会议上的讲话 [Making Great Efforts to Build a Harmonious World with Long-lasting Peace]," http://news.xinhuanet.com/world/2005-09/16/content_3496858.htm; Hu Jintao's speech at the Yale University, <http://www.chinanews.com.cn/news/2006/2006-04-22/8/721041.shtml>.

³ Hu Jintao 胡锦涛, *Gaoju zhongguo te se shehui zhuyi weida qizhi wei duoqu quanmian jianshe xiaokang shehui shengli er fendou—Zai zhongguo gongchandang di shiqici quanguo daibiao dahuishang de baogao* 高举中国特色社会主义伟大旗帜 为夺取全面建设小康社会新胜利而奋斗—在中国共产党第十七次全国代表大会上的报告 [*Hold High*

a harmonious world is the combination of Marxism with China's national conditions. It embodies a wealth of ethical, ideological, institutional, and cultural resources that could contribute to the construction of the world order. Working with China's increasingly powerful material resources, this idea will have an important impact on the evolution of world political order. As for the scale of such an impact, it's still too early and it would be hasty to make any final conclusion for the future.

Since the founding of the People's Republic of China, particularly the reform and opening up policy in 1978, China has accumulated some unique experiences in its dealings with the world. These experiences provide the basis for the peaceful co-existence and common development of China and other nations.

The first experience is through domestic institutional innovations, China mitigated many negative effects on world politics caused by its own development. This helps reduce negative extraterritorial effects on world politics and maintain China's cooperation with the outside world to the utmost extent, and secure a peaceful international environment for China's domestic development.

China's path to modernization unswervingly follows the policy of independence and self-reliance. During the process of China's industrialization from 1952 to 1978, China established relatively complete and independent industrial and national economic systems mainly through domestic efforts,⁴ except for its heavy dependence on Soviet aid during the "First Five-Year Plan" period, but it is worth noting that China never joined the Council for Mutual Economic Aid (CAER),⁵ which represented the socialist economic system. From 1978 to 2008, participation in the international market economy, trade and investment became an important factor in

the Great Banner of Socialism with Chinese Characteristics, and Strive for New Victories in Building a Moderately Prosperous Society in all Spects—A Report from the 17th National People's Congress of Communist Party of China] (Beijing: People's Press, 2007), Part. II.

⁴ Hu Angang 胡鞍钢, *Zhongguo zhengzhi jingji shilun* 中国政治经济史论 (1949–1976 年) [*On China's Political and Economic History-From 1949 to 1976*] (Beijing: Tsinghua University Press, 2007), 692–702.

⁵ Shen Zhihua 沈志华, "Lulian daguimo yuanhua yu zhonggong dui sugong de zhichi 苏联大规模援华与中共对苏共的支持 [History of Sino-Soviet Relations, Soviet's Large-Scale Aid to China and Chinese Communist's Support of Soviet Communism]," in *The History of Sino-Soviet Relations* ed. Shen Zhihua 沈志华 (Beijing: Xinhua Publishing House, 2007), 168.

Zhou Hong, Zhang Jun, Zhang Min 周弘, 张浚, 张敏, *Waiyuan zai zhongguo* 外援在中国 [*Foreign Aid in China*], (Beijing: Social Sciences Academic Press, 2007), Chapter 2. "The First Five-Year Plan" was implemented during 1953–1957, which was to realize the socialism industrialization.

boosting China's economic growth. However, China didn't dominate the international economic systems then, and it was impossible for China to take advantage of international institutions to transfer its domestic negative factors to the international community. This strategy for China's modernization determines that China has to shoulder greater pressure than those countries that relied more on expansion to achieve modernization in earlier colonial times, and it also means that China wouldn't launch frequent wars of expansion as those major powers did during the modernization race in the 19th century. The major reason contributed to it is the self restraint factor which is embedded in China's political system.

The second experience is that since 1978 China achieved its modernization through a moderate way of cooperating rather than confronting the international systems. Yet, as mentioned earlier, China's non-dominant role in international systems enables it to reap the benefits of globalization, but it also places China under considerable self reliance situation. As a leader in the modernization wave, China cannot easily achieve its industrialization through the way of external war and plundering resources as the early capitalist countries did. It means that China must take the way through domestic institutional innovations rather than external expansions. From the records of how China complies with the international institutions, China is one of the countries that most scrupulously abide by the international institutions and international laws. Such a compliance quality is inseparable from China's unique political and economic system, and from China's foreign relations featuring peaceful development, cooperation, and dialogue. By following international institutions, China's development hasn't brought about turbulence to the international system as other emerging powers, such as Japan and Germany, did in the late 19th and early 20th centuries when they tried to challenge and reform the international system. In contemporary world politics, reforms of international systems become a major trend. China's attitude toward the reform of international systems puts more emphasis on supplementation, incremental improvement, and consultation instead of total negation and radical revolution.

The third experience is that China's development focuses more on coordination of internal and external politics. China perceives its relations with the world from the perspective of cooperation of domestic and international politics, and common progress. In the era of globalization, the interaction between domestic and international politics has shown that the more isolated these two types of politics are, the poorer the relation is, and the more difficult it is to tackle domestic or international problems.

What's more, the crisis of the international system would spread to the domestic system, and the deterioration of domestic issues would accordingly endanger the stability of the international system. On the contrary, the more cooperative the two politics are, the more rapidly their problems transmit to each other, and the more likely for a country to seek solutions of its problems from the perspective of overall interests. In addition, as some scholars proposed, China promotes the interaction between domestic politics and international politics through a way of "changing itself and then affecting the world."⁶ And as it will be explained later, China's domestic political and economic progress create favorable domestic conditions for China to interact with the world, and China's domestic reforms drive it to take more actively participate, support, and transform the international political and economic reform. If China had not domestically reformed, the world would find it difficult to accept China.⁷ Similarly, an unreasonable international political and economic system is not conducive to the solution of China's domestic problems. Thus, it can be concluded here that China is a major power in promoting multi-polarization of the world and democratization of international relations.

II. CHINA'S MODEL: INSPIRATION FROM DOMESTIC POLITICS

China is a socialist country, and Marxism is the ideological basis of China's political and economic system. Of course, this political and economic system cannot be separated from the Chinese tradition and current national conditions. From the perspective of comparative political economy, after over 60 years of development, China's political and economic system gradually accumulated some unique practices that became part of the human political civilization and also provided the domestic institutional foundation for China's peaceful development toward modernization.

First, with regard to China's political system, it has several unique elements that help to maintain a stable domestic order for the country's

⁶ Zhang Baijia 章百家, "Gaibian ziji yingxiangshijie—20 shiji zhongguo waijiao zouyi 改变自己, 影响世界—20 世纪中国外交基本线索刍议 [Changing Oneself and Affecting the World—A Basic Clue of Chinese Diplomacy in 20th Century]" *Social Sciences in China*, 1 (2002), 4–19.

⁷ Su Changhe 苏长和, "Guonei-guoji xianghu zhuanxing de zhengzhi jingjixue: jianlun zhongguo yu guojitixi de guanxi 国内-国际相互转型的政治经济学: 兼论中国与国际体系的关系 [Domestic-International Mutual Transformation of Politics and Economy—On the Relationship between Domestic Change and International System]" *World Economy and Politics*, 11 (2007), 6–13.

modernization: (1) People's Congress and political consultative system rather than the system which mostly dependent on competitive interest groups especially capital interests groups; (2) Cooperative rather than competitive political party system; (3) Electoral system that combines elections and recommendations; (4) As to military-political relations, China's powerful ruling party and its leadership over the army have excluded the possibility of frequent military interventions in political affairs which plague many developing countries during their process of modernization. This is one of the completely different political ecologies that China enjoys when compared with other developing countries.⁸ This special political-military system is inseparable from China's time-honored political culture of "civil administration" and "ruling without army."⁹

China's national system is unique in that it's the unitary system that combines the system of regional autonomy for ethnic minorities and Special Administrative Region (SAR) system.¹⁰ The "one country, two systems," in particular, is an innovative endeavor in China's national system. Generally, this unique national system is more or less understood from the perspective of domestic politics, but when viewed with the larger context of domestic-international politics, this kind of system that integrates the spirit of diversity and unity is an ideal model for the establishment and governance of large-scale geo-politics. This spirit is consistent with ancient China's thinking on Asian order.¹¹

Second, from the perspective of the economic system there are four major points: (1) China has adopted the basic economic system of keeping public ownership as the mainstay of the economy while allowing diverse forms of ownership to develop side by side. On the one hand, the State's control over large State-owned enterprises helps to improve the national

⁸ On the intervening role of the military groups in political development in some developing countries before 1960s, see John Johnson, ed., *The Role of the Military in Underdeveloped Countries*, New Jersey: Princeton University Press, 1962. See also Chen Mingming 陈明明, *Suoyou De Zidan Douyou Guishu 所有的子弹都有归属: 发展中国家军人政治研究* [All Bullets Have Their Targets: A Study of the Military Politics in Developing Countries] (Tianjin: Tianjin People's Publishing House, 2003).

⁹ Xu Zhuoyun 许卓云, *Qiu gu bian 求古编* [Qiu Gu Bian] (Beijing: Beijing New Star Press, 2006), 11.

Lei Haizong 雷海宗, *Zhongguo de bing 中国的兵* [Soldiers of China] (Beijing: The Commercial Press, 2005), 89-147.

¹⁰ Pu Xingzu 浦兴祖, *Dangdai zhongguo zhengzhi zhidu 当代中国政治制度* [Contemporary Chinese Political System] (Shanghai: Shanghai People's Publishing House, 1999), 596-601.

¹¹ Yang Liansheng 杨联升, *Guoshi tanwei 国史探微* [An Exploration on Chinese History] (Beijing: New Star Press, 2005), 92.

macro-control capacity and ensure that the state has sufficient power to determine the direction of economic development. However, an economic system that allows the existence of a non-State-owned economy can activate competition and improve efficiency; (2) China's broad-based democracy (demonstrated in the People's Congress System and political Consultative System) rules out the possibility of domination over political affairs exerted by the capital-oriented democracy and capital power. Thus, it limits the possibility that some small number of large enterprises or financial companies' lobbyism would hinder the interests of national development. As we all know, interest groups are the cancer of any politics. There are countless examples of businessmen harming the national long-term interests for the sake of individual short-term interests. The combination of business and political power often disrupts the national macro-strategic plan. China's socialist political system ensures that the businessmen's influence will not rise to the point of controlling the State power. This feature is determined by China's socialist political system, but is also the result of historical choice. In other words, it's closely related to China's traditional economic ethics of capital regulation. In this sense, China's peaceful development is based on a strong economic system. That is to say, China will not have to depend on the model of alliance of commercial, political, and military power, which appeared in the modernization race during the late 19th century. It thus rules out the possibility of achieving modernization by foreign military expansion; (3) With respect to the relationship between economic growth and the political system, China doesn't regard the Western competition-oriented democratic system as a necessary condition to achieve economic growth. And China promotes its economic democracy through the growth of individual freedom of choice and the introduction of a market competition mechanism; (4) China's socialist market economic system participates widely in the global economic system rather than remaining isolated. Thus this system is completely different from the socialist market system within the socialist camp during the Cold War.¹² In addition, the State's leadership over the large State-owned enterprises enables it to have sufficient capacity when it wants to take action to implement a fair redistribution policy.

¹² On the market socialism during the Cold War, see especially the chapter Three of the socialist market economy, Morris Bernstein 莫里斯·伯恩斯坦, *Bijiao jingji tizhi 比较经济体制* [Comparative Economic Systems], Tran. Wang Tiesheng 王铁生 (Beijing: China Financial and Economic Publishing House, 1988).

Third, from the perspective of social development, since the founding of the People's Republic of China, especially since the reform and opening-up policy in 1978, a large number of institutional innovations in social fields helped relieve social pressure through domestic endeavors. The social pressure has been reduced to the level that will not hinder the political and economic reform. Over the past 30 years, China has achieved economic growth that might take other countries several hundred years to achieve. However, the faster the process of modernization is, the faster the accumulation of social problems. Social pressure thus urges the ruling party to solve social problems in a shorter time. This is a difficult task for the Communist Party. China has already accumulated many unique institutions and experiences in the fields of social development, such as family planning and transformation of population reproduction, the public health system and the health improvement of urban and rural residents, the popularization of education and the rapid decrease in illiteracy, the urbanization model and the system of poverty reduction, the food problem solution model, the social relief system, the comprehensive management of social safety, and the government-social organizations cooperation relationship, to name just a few. These institutions are not perfect. Some have been roughly established while some are still in incubation, but they have one thing in common: China tackles these problems mainly through domestic efforts and makes a great effort to reduce the proliferation of such problems to the international system.

However, successful stories in these fields of social development are not the core concern. What we need to think about deeply is that national power cannot handle all those problems alone and there must be some solid social force, or some unique state-society model to ensure that a country of such a large scale can cope with all these social problems during the rapid modernization process. Then what on earth is China's unique state-society relation? I think there are two points worthy of our attention: First of all, the state-society relation in China has experienced a slow evolution from the "strong-state and weak-society" model to the "strong-state and strong-society" model. Before the late 1970s, the state's control was everywhere and social vitality had been more or less suppressed. "People's desire" and "people's wisdom" were both suppressed.¹³

¹³ In the sense of political ethics, I personally believe that a successful political system can on the one hand inspire public wisdom, and on the other hand guide the public desire, preventing it from undermining the political order. In other words, the ethical function of political system is to "inspire public wisdom" and "guide public desire." Since the

The reform and opening-up wakes up the sleeping social forces, just as President Hu Jintao said in a speech to commemorate the 30th anniversary of China's decision to take a more active role in the world's affairs. He mentioned that an important experience of the reform and opening-up is that it enlightens each person's wisdom: "Actively explore systems and mechanisms that can greatly emancipate and develop social productive forces and give full play to the development enthusiasm of the whole society in order to allow the vitality of labor, knowledge, technology, managerial expertise and capital to compete in functioning and all sources of social wealth to be fully tapped."¹⁴ Secondly, China's state-society relation is interdependent and cooperative rather than confrontational and isolated. This feature is particularly reflected in the relationship between the governmental organizations and social organizations, that is to say, the social organizations and the government, maintain a good, cooperative relation. Such a cooperative relation is a major feature of China's societal development and is also an essential element for a modern state to maintain stable growth. If the two forces confront each other in the direction of national development and lack consensus and cooperation, it is very likely to interrupt frequently the modernization process.¹⁵

Renaissance, the political system in modern western countries has been rather successful in inspiring public wisdom. However, the release of people's desire, like Pandora's Box, disturbed the existing political and economic order from time to time. And so far it's still difficult to find an effective means to properly guide such desire. Therefore, the design of any political system should consider both the release of public wisdom and the restraint of excessive public desire.

¹⁴ Hu Jintao 胡锦涛, "Zai ji nian gaige kaifang 30 zhounian dahui jianghua 在纪念改革开放 30 周年大会上的讲话 [Speech at assembly to commemorate the 30th anniversary of reform and opening up]," http://www.chinadaily.com.cn/hqzg/2008-12/18/content_7318929_3.htm.

¹⁵ I do not agree with the views of some social and political science scholars, who believe that China's NGOs are not real NGOs, but governmental organizations, in that they are not neutral and independent. In fact, the independence of the civil society (the NGOs) and its ability to restrain the state power and promote political democratization still remain as a myth. As a matter of fact, any powerful state always builds itself on a strong social basis. It's difficult to imagine that a state confronts with the society instead of cooperating with it, and if so the state would like a tower building on sands. For example, in Western democratic countries, since the emerging class gained the state power, the state and the civil society began tacit cooperation right away. In modern times, due to the existence of the "revolving door" politics, the civil society appears to be independent. Yet no matter how independent these non-governmental organizations are, they would not go against their national loyalty. Otherwise, as a nonconformist force, the living space of these NGOs would gradually shrink.

III. REFLECTIONS ON THE WESTERN WORLD ORDER

The core areas of human civilizations all once established certain geopolitical orders that organized around certain core concepts and systems. Those core concepts of each civilization area were roughly formed during the Axial Age and later became the intellectual capital for regional order after repeated reforms and transformations. In modern times, the character of the Western world order has developed over two phases.¹⁶ The first phase featured a laissez-faire model, and the second phase advocated a regulation model of the world order, politically and economically.

The laissez-faire model separates the domestic political order from the international one and uses different principles to guide them. The domestic politics is hierarchically subject to the state authority while the international politics is automatically adjusted by the balance of power. The regulation model combined the domestic and international orders. Given that the laissez-faire model cannot guarantee peace and then international crisis often brings about devastating effects on the domestic order, in order to establish order in the international community, regulation must be exercised.¹⁷ As for how to achieve an ideal world order, Western philosophers such as Kant and Rawls, and politicians such as Wilson and Roosevelt advocated applying Western domestic systems to world politics, and they used the principle of their domestic order, namely the Western order, to transform world politics. In current international relations textbooks, this system is widely viewed as a liberal world order.

There is a misleading idea in the epistemology of the Western order that views the world in the spirit of "One" (unity) rather than "More" (diversity). This expansionary epistemology partly came from religion. In practice, it guides the Western world to transform the diversified world and force the world to suit its own model. The order of the Western world was established after repeated wars. The expansion of the Western order reached its peak in the 20th century, especially during the period before and after the end of the Cold War. A significant problem that we need

¹⁶ Xu Zhuoyun 许倬云, *Zhongguo gudai wenhua de tezhi* 中国古代文化的特质 [The Characteristics of Ancient Chinese Culture] (Beijing: New Star Press, 2006), 113–141.

¹⁷ On the laissez-faire model and regulation model, see Su Changhe 苏长和, "Ziyou zhuyi yu shijie zhegnzhi" 自由主义与世界政治 [Liberalism and World Politics], *World Economics and Politics*, 4 (2004), 16–21.

Su Changhe 苏长和, "Heyue, guojia lilun yu shijie zhixu" 合约、国家理论与世界秩序 [Domestic-International Mutual Transformation of Politics and Economy—On the Relationship between Domestic Change and International System], *World Economy and Politics*, 11 (2007).

to face in the future is how to deal with the complicated consequences that the declining Western order may bring to world politics. My point is the direct opposite of Fukuyama's *The End of History*,¹⁸ that is, the expansion of the Western order has already reached its peak during the period before and after the end of the Cold War. This judgment is based on the following logic.

First of all, the Western domestic order was established on a center-periphery structure of the world politics and economy. This order is similar to the ancient Greek polis-colony model. The ancient Greek model of order, on the one hand, established a brilliant democratic system yet, on the other hand, coexisted with slavery and colony. Without the existence of slavery and colony, the democracy of the Cleisthenes' era would lack its material foundation. In a similar way, the domestic order of the modern Western countries relies on the unequal international political and economic arrangements, and the complex distribution mechanism of international interests maintains their domestic prosperity and stability, for example, the unfair division of labor and international financial system. However, such center-periphery structure was first reshaped by the political independence of those peripheral countries in the beginning of the 20th century and then was shaken by the economic growth of those newly independent nation states in the 1970s and especially after the end of the Cold War. Most of these countries are members of the current G20 Summit. The economic development in those peripheral countries will relatively weaken the material foundation of the Western democracy and welfare systems.

Second, history tells us that desire is destructive to human order. The Western domestic order still fails to manage released human desire and such expansionary human desire increases its dependence on resources in peripheral areas. This kind of dependence, however, won't be everlasting. At the beginning of the Renaissance and the commercial tide of capitalism (also known as the liberation of humanity), there was a major shift in Western political ethics. It adopted the method of "using interest to tame desire" or "using desire to balance desire."¹⁹ Such a method penetrated the systematic design of capitalism. As for the reconstruction

¹⁸ See Yoshihiro Fukuyama, *The End of History and the Last Man*, (New York: The Penguin Books, 1992).

¹⁹ This point is widely elaborated in Albert Hirschman 艾伯特·赫希曼, *Yuwang yu liyiziben zhuyi zouxiang shengli qian de zhengzhi zhenglun* 欲望与利益: 资本主义走向胜利前的政治争论 [The Passions and the Interests: Political Arguments for Capitalism Before Its Triumph] (Shanghai: Shanghai Translation Publishing House, 2003).

of its value system, it has replaced the concept of "desire" with the concept of "freedom." Admittedly, the modern Western world experienced and contributed to a boom of public wisdom. Yet such public wisdom, motivated by the desire and passion in capitalism, explored more of the material world than of the relationship between humans and society and their inner order. If the "public desire" focused too much on the competition for exclusive resources, when such resource-dependence is interrupted or technological progress stagnated, the social order built on such interests would inevitably collapse.

Third, the Western order is built on the basis of a strong military power. Such a strong military power renders military threat rather than diplomatic method as the most important way of settling disputes among Western countries and the disputes between the Western and non-Western world. In a mature capitalist democratic system, the power of the army is on the surface independent of party politics and military interventions in political affairs, which frequently appear in many developing countries. However, an essential feature of the political and economic system of capitalism is the alliance of military and business. Such an alliance enables the capitalist countries to frequently use military force to protect their narrow commercial interests. Although the power of the army is on the surface independent of partisan politics, yet different political parties reach a strong consensus on the role that the army plays in maintaining overseas commercial interests when it wins the election. It can be imagined that if there were no threats of violence backed by military power, it's questionable how far Western freedom, democracy, commerce, and trade would have reached. If communication totally depended on cultural influence rather than military power, the Western order would still be limited to Fernand Braudel's Mediterranean world.

Fourth, the Western modern democratic system, which developed from hundreds of years of political practice, has created a stable domestic order. However, due to the separation of domestic politics and international politics, the democratic mechanism becomes less effective when it's applied internationally. From a large number of regular examples (not individual, isolated instances), it can be found that when democratic countries deal with the international community, they often become non-democratic or even coercive authoritarian, for example in cases of military interventions and the new interventionism actions in Kosovo, Libya, and Iraq. Many factors contribute to this phenomenon: (1) for example, the public seldom perceives the extraterritorial negative effect of the government's public

policy; (2) the public opinion has difficulty in influencing a country's foreign policy on national security; (3) public welfare's dependence on peripheral countries allows the public's support for interference in other countries; (4) the system allows one country to transfer its domestic pressure to the outside world so as to protect its domestic welfare. According to this logic, the simple accumulation of democratic countries does not necessarily guarantee an international community of perpetual peace.²⁰ As long as the negativity and self-interest of a country's domestic politics are strong enough, its domestic democracy cannot guarantee it will always carry out cooperative policies in international politics. In this sense, the Western order is extremely exclusionary.

IV. THE CHINA MODEL AND THE WORLD ORDER

The China model (China's domestic and international development experience) demonstrates the Chinese people's concept of its domestic order and the world order. This doesn't mean that the Chinese people will without doubt actively spread the China model to the construction of the world order, and neither does it mean that the China model surely is universally applicable. Yet as a part of the human political civilization, the China model can provide certain enlightenment for some regions or countries, just like the fact that China draws on the experience of other advanced political civilizations during its development. The significance of the China model to the world order lies in three aspects.

First, the core concept that sums up the spirit of how China conducts its political, economic and social life is cooperation, which is the very opposite of the checks and balances system in Western politics. The spirit of cooperation in current China's political, economic, and social systems manifested in specific fields, including multi-party cooperation led by the Communist Party, political consultation, the combination of legislative and executive powers, a united front, the coexistence of diverse forms of ownership, and the mutual assistance between the state and society.²¹ These systems are the joint product of Marxism, China's history, and its

²⁰ Su Changhe 苏长和, "Bo mingzhu heping lun 驳 '民主和平论' [Refutation on Democratic Peace Theory]," *European Research*, 2 (1996), 27-31.

²¹ Lin Shangli 林尚立, *Dangdai zhongguo zhegnzhi xingtai yanjiu 当代中国政治形态研究* [The Study of Contemporary Chinese Political Formation] (Tianjin: Tianjin People's Publishing House, 2000), 116-257.

contemporary practices. For a country still modernizing, the spirit of cooperation embedded in these systems contributes to the formation of a relatively common consensus on its direction. Thus, the modernization process wouldn't be frequently interrupted simply because of the divergence in understanding.

The politics emphasizing cooperation considers its influences on political development from the overall interests of the state to all of the human population. Whereas the politics stressing checks and balances presumes that there are tensions between man and man, man and society, and man and nature. Such different leading spirits in political systems are partly due to different views about human nature. Western politics mostly regards human nature as evil, while China's political philosophy mostly considers human nature as virtuous. For that reason, the Western systems emphasize checks and balances of different powers, using evil force to restrain evil force. Without such a presumption of evil human nature, its political systems would lack an operational basis. On the contrary, since ancient times, China's politics has always stressed the significance of enlightenment on the change of human nature, including the cultivation of propriety, virtue, and reason. Thus, China's systems, influenced by Confucius philosophy, highlight reconciliation and cooperation in political life.

The divergences in these systems are also because China's view on "differences" differs from that of the Western world. Western politics, influenced by its religious spirit, sees the world as divided in which there is a confrontation between "me" and "the other." Therefore, whether in theory or practice, the "me" always has a strong inclination to change "the other." In contrast, China's social and political order respects divergences, advocating seeking common ground in differences while encouraging diversity. Therefore, China has formed a cooperative and a pluralist view on the world order. From the perspective of culture, Chinese culture features the principle of cultural federalism or diversity in unity. And during the cultural interaction between Central China and the other minorities, this kind of order spread and expanded rapidly. Such an order is entirely different from the Western order that has weathered repeated wars.

The principle of cooperation needs to be integrated into the reform and the construction of international systems. Since the end of World War II, embedded liberalism, which advocates transforming the diversified world into one unified domestic order, guided the design of the international system rather than seeking one order through the reconciliation of different orders. This order opposes the cultural and political differences between countries and ideally expects that a universal culture or political

system could be arranged to rule the world. In order to reflect the diversified reality and achieve the purpose of building a harmonious world, the reform of the international system needs to include the following key points: (1) expanding the representatives that can reflect the diversity of civilizations and seeking consensus on agendas through negotiations among different groups; (2) reducing the transnational economic interest groups' dominance in setting the agenda; (3) cultivating the notion of mutual cooperation between domestic politics and international politics; (4) reducing the negative extraterritorial effects of domestic public policy; (5) expanding and enhancing the channels for dialogue.

Second, the China model embodies cooperative political ethics. Just as Professor Shi Yinhong (时殷弘) mentions,²² President Hu Jintao's speech at Yale University, which summarized the four major characteristics of Chinese civilization, is actually "a rising power's historical declaration on what a morally decent world should be like." Those four characteristics are the following: (1) The civilization always gives prominence to the people and respect for people's dignity and values; (2) the civilization always gives prominence to unrelenting self-improvement, reform and innovation; (3) the civilization always gives prominence to social harmony, unity, and mutual assistance; and (4) the civilization always gives prominence to good neighborliness. Cooperative political ethics differ essentially from Western ethics in that the cooperative political ethics consider an individual's rights in the background of the whole social order from the very beginning, rather than regarding personal interests as the starting point of building social order.

An ethical perspective may contribute to understanding such a difference. I think the evaluation of the moral level of individuals in the community or countries in the international community probably have several criteria. The best criterion is benefiting others while benefiting oneself, specifically, fairness, mutual benefit, and a win-win result. The second is benefiting oneself without harming others. Alain Peyrefitte in the late 18th century once wrote: "A person has every right to do things that benefit him so long as it doesn't trample on the interests of

²² Shi Yinhong 时殷弘, "Chuantong neiwai de dangdai zhongguo: zhengzhilingdao, duiwai zhengce yu zhongguo tezheng 传统内外的当代中国: 政治领导、对外政策与其中国特性 [Traditions in Both the Inside and Outside of Contemporary China: Political Leadership, Foreign Policies and Chinese Characteristics]," *Foreign Affairs Review*, 3 (2009): 7.

others.²³ Yet this kind of ethic simply ignores the fact that an individual's pursuit of personal interest may do harm to the social order. Adam Smith's classical liberal economics did not expect this paradox that individual rationality often induces collective non-rationality on the whole. The third criterion is benefiting oneself at the expense of others' interests. The worst criterion is preventing others from benefiting what one fails to enjoy like the dog in the manger. Trade protectionism falls exactly into this category. The cooperative view on political ethics considers society as a whole, and follows the principle of "benefiting others while benefiting oneself." Thus, when Chinese people speak of personal freedom and human rights, they first of all put them in the context of the whole community. The idea that "a person has every right to do things that benefit him so long as they don't hurt the interests of other people" doesn't represent the whole picture of freedom for the Chinese. What's more, under the backdrop of the "veil of ignorance" or behavioral effects that transcend time and space, how can a person or a country make sure that behavior, while benefiting him/her or it, won't hurt the interests of others? The highest state of freedom is not to go beyond the rules of the whole community. The exercise of personal rights or the pursuit of personal desires should also follow this principle. Simply put, once a personal desire or personal action harms the order of the whole community, the legitimacy of the personal rights will lack an ethical and legal basis.

Third, the China model can provide certain solutions to the modern world. What is the inner tension in today's world political order? In short, it's the tension between the modernization agenda and the postmodern agenda. Eighty percent of modern countries and their people face the development agenda, such as political order, economic growth, border disputes and conflicts, poverty, education, public health, organized crime, and environmental protection. The remaining 20 percent of countries that have already stepped into the welfare society are confronted with postmodern problems, for example, the tension between endless desire and limited resources/science technology, the increasing competition for resources, and the imbalance between formidable military power and threats of non-traditional security.²⁴ Therefore, both the modern world

²³ Alain Peyrefitte, *Tingzhi de diguo: liangge shijie de zhuangji* 停滞的帝国: 两个世界的撞击 [The Immobile Empire—The Collision of Two Civilizations] (Beijing: SDX Joint Publishing Company, 1993), 1.

²⁴ "The UN Report says 20% people in the world own 80% world wealth," see http://www.china.com.cn/aboutchina/txt/2009-09/07/content_18477153.htm.

and the postmodern world confront hard political choices. The Western model's influence on the non-Western world can be seen almost everywhere during the past 500 years. But the effect of such an order and system is not even counted as the second-best. Rare successful instances of Western order governing the non-Western world are concentrated in those countries with low social complexity. Yet for political bodies with large geographical areas, for example those that have their own complicated and unique civilization, history, and system, the Western experience was not so successful in pushing their political and social transformation even in Russia during the period immediately following the end of the Cold War. In other words, the Western model has quite a few successful examples in small non-Western countries, yet the one-way simple implementation of the Western model in large non-Western political bodies is not useful for maintaining the local social order.²⁵

From the perspective of the modernization agenda and the postmodern agenda, the China model can provide one of the alternative models for countries still undergoing a modernization process. And the spirit of cooperation embedded in the China model can also enrich Western domestic order. This doesn't mean that the China model is universally applicable, and it still needs to absorb the positive experiences of the Western model. For example, it should learn how the Western model inspired the people's wisdom, which played a positive role in the development

²⁵ A number of domestic and overseas Chinese scholars, especially economists, have a false presumption when they explore the solution of problems in China's development process, that is, they assume that the Western liberal democracy can solve all the problems in China's social development. Some of these views are listed below: Countries with abundant state treasury tend to have dim development prospects, while governments that borrow money often have more incentive to innovate. The modern finance requires freedom of the press since freedom of the press can provide the necessary transparent information for the financial market. The reason that the Chinese companies' foreign acquisitions do not go well is that these companies are mostly state-owned, and if they were private enterprises, there would not be legal barriers. China's trade friction is the result of a market economy that is not full, and if it were, the friction would lessen. China's corruption problem results from the one-party politics, if multi-party competition existed, it would solve the problem of corruption. The tension between Chinese officials and the public is due to the lack of complete election, if election politics prevails, officials would be responsible for their voters, and thus improve their tense relations. The Chinese government is too rich while its people are too poor, and a small-government-and-big-society mode would be better. When per capita GDP reached \$ 3000–5000, the process of democratization would turn on and the political reform required. The state-owned enterprises have inefficient governance performance, if they were privatized, managers would have incentives to improve their efficiency. Only if there were truly independent NGOs, the social power can be fully tapped.

of human political civilization. Yet at the same time, it should be always vigilant about people's desires that are released along with their wisdom. What's more, even if the prediction about the decline of the Western order is true, it shouldn't be overoptimistic to assume that the China model can fill the gap that the Western order leaves. Furthermore, China should always bear in mind that it still lacks certain knowledge in dealing with the outside world. The citizens' international education is still far from enough to help them meet the qualities of international citizens. More negatively speaking, China's reform and opening up during the past over 30 years also brought about the expansion of people's desire especially shown in the field of commerce and business culture. China is still facing many problems, including corruption, and the increasing gap between the rich and the poor. Those problems remain a big challenge for China's development.

V. CONCLUSION

At least in the foreseeable future, it seems that no single model can solely dominate the construction of the world order. And the political wisdom of humans has yet to develop to the degree necessary to establish a whole new political order that can cope with such a diversified, different, and complex real world. But the certain thing is that the China model is undoubtedly providing a new model and new possibility for regionalism in the practice of large-scale geopolitics, just as it contributed to regional order in the past.

There are some questions that this paper fails to answer. Patience and faith are equally important in exploring China's contribution to the world order. From the perspective of the integration of domestic and international politics, there are probably three possibilities for whether a model can transform into an agenda for world order: The first possibility is that the domestic model is actively promoted in world politics. This is similar to the Western practice. The second possibility is that domestic politics fails to cooperate with international politics. This model has to be limited to the domestic sphere. The third possibility is that such a model is the product of high-quality cooperation between domestic and international politics. Thus, it would be easier to carry out such a model in large-scale geographical politics and in the construction of the world political order. If we compare those three possibilities, we may make a breakthrough in further exploring the relationship between the China model and the world order.

CHAPTER SIX

TPP: A MAJOR CHALLENGE TO CHINA IN THE PROCESS OF ITS RISE

Li Xiangyang*

Abstract: Trans-Pacific Partnership (TPP), employing both economic and political motives, constitutes an important component of the "return to Asia-Pacific" strategy of the United States. Containing China's rise remains one of TPP's undeniable objectives. The 2011 summit of the Asia-Pacific Economic Cooperation (APEC) members symbolized a stage of substantive talks TPP has entered. The stances of Japan and other East Asian nations will decide the TPP's development prospects to a large extent. The Free Trade Area of Asia-Pacific (FTAAP) advocated by the US is basically a symbol without any practical significance during the current stage. Once TPP becomes a reality, APEC will possibly become the first organization to be sidelined in this region. For China, its exclusion from TPP not only means that it will be under the impact of "excludability effects" but it also means that the process of regional economic integration it has made unremitting efforts to advance in East Asia is likely to be reversed, a trend that will pose a major challenge to China in the process of its rise.

Keywords: "Return to Asia-Pacific" strategy, TPP, Asia-Pacific Economic Cooperation (APEC), East Asian regional economic integration

The Trans-Pacific Partnership (TPP) has already attracted extensive attention although formal negotiations regarding it are still underway. The reason for this attention is that its formation and future actions will influence the configuration of economic cooperation in a region that possesses the most energetic economy in the world. More importantly, behind TPP is a game playing among larger countries, especially a possible re-organization of trilateral ties between the United States, Japan, and China. There is a very slim possibility for China's entry into TPP, but the formation of the US-spearheaded partnership will constitute a major challenge to the country's peaceful rise.

* The Chinese version of this article was first carried in *Guoji jingji pinglun* 国际经济评论 [International Economic Review], (2) 2012. Li Xiangyang is President of the Institute of Asia-Pacific and Global Strategy at Chinese Academy of Social Sciences. His email address is lixiangyang@cass.org.cn.