

Topic IX.

China's Interaction with International System

I. Historical background of Chinese international organization behavior

- 1, The merging of the two (east and western international) systems was a process of defeated China with its system brought into the Westphalia system through force, landing China to a humiliated unequal position.
- 2, China gained independence through revolution, but was not recognized and treated as equals.
- 3, Hate the western dominated system, revolutionary diplomacy

4, From revolutionary to a transformer (1971 to 1979)

China restored its legitimate right in the UN in 1971 and began its multilateral diplomacy in the organizations.

Policy was security driven:

On international affairs China tried to form a potential alliance with the U.S. to pursuing non-aligned independent foreign policy;

In the UN China tried to adapt and transform the UN represented international; the UN was a platform for China to air its world view, and condemn hegemonism and power politics;

China did not accepted international aid, did not accept FDI, and Foreign trade was limited, import **substitution system** was **developed.**

China's Share In World Trade selected years 1953-1977

Year	World trade Volume (US\$ billion)	Share in World Trade(%)
1953	2.37	1.5
1957	3.11	1.4
1959	4.38	1.9
1962	2.66	0.9
1970	4.59	0.7
1975	14.75	0.8
1977	14.80	0.6

5, From a transformer to a participant and reformer (1979-1989)

Opening up and Joining the world

- The year of 1978 is a turning point in China's history. China began to practice an "opening up" policy, which was carried out gradually from the coast areas to the interior of China.
- China revised its domestic laws to allow and encourage foreign investment/
- China began to accept foreign aid from international organizations.

- While “inviting in”, China took an active step of “going out” by actively participating in the international institutions, starting the process of integration into the international system.
- In the realm of economy.
 - China joined World Bank and International Monetary Fund (IMF) in 1980,
 - resumed its observer status in the General Agreement and Tariff and Trade (GATT) in 1982, and formally applied for the restoration of its contracting party status in GATT in 1986
 - 15 years of negotiations for its official accession to the WTO in 2001 was a process for China to liberalize its foreign-trade system to meet international norms by
 - Reducing its tariff barriers
 - Abolishing import quotas
 - Improving laws and laws enforcement system

- **In the Security realm, China began**
 - **to participate in the Conference on Disarmament in Geneva and its affiliated special committees and working groups in 1980.**
 - **to adopt a positive attitude towards the role of UN peacekeeping operations in 1981.**
 - **To pay its due to UN peace-keeping operation in 1982 and became a member of the UN Special Committee on Peacekeeping Operations in 1988.**

In the realm of human rights,

China began to participate in the United Nations human rights conference as an observer in 1979,

was elected to the Human Rights Commission in 1981,

elected to the Human Rights Commission since 1982 and has participated in the annual meetings ever since.

- By the end of 1986, China had joined UN and all of its affiliated multilateral organizations
- The Report on the Work of the Government to the NPC stated for the first time in 1986:
- “China supports the work undertaken by the UN in the spirit of the Charter and participates in activities for world peace and development sponsored by the organization and its specialized agencies. China has joined a wide range of international organizations, actively engaged in multilateral diplomacy and strived to promote international cooperation in all fields.” Signaling a change in China’s attitude in policy to multilateral international mechanisms represented by UN.

Summary of Chinese international organization behaviour

- Exclusion period – 1949-1970
 - Dual-adversary strategy
 - “System-transforming” approach
 - Ended with China’s entry into the UN in late 1971
- “System-reforming” approach – 1970s
 - Selective and symbolic participation in IGOs.
 - Discrepancy between normative activism and participatory aloofness.
 - China treated UN and other IGOs as legitimizing platforms of normative claims for the global underdogs and anti-Soviet struggle, rather than to promote Chinese national interests and development.
- “System-maintaining” and “system-exploiting” approaches – 1980s
 - Decline of China as a symbolic champion of the Third World.
 - China began to focus more on what international organizations can do for them, rather than what China itself could do to reform/transform the existing world order.

II. Malign relationship between China & the International System

1, Policy:

Facing the environment of globalization in post Cold War era, China has actively participated in systems, energetically expanded its multilateral diplomacy.

The process of opening up was accelerated, forming a situation of **all round, multi-level, wide-scope opening** to the outside world, making itself more integrated into the international community.

2, some facts

Status

Time:	IGO's	NGO's	Int'l Regimes
1977	21	71	45
1989	37	677	157
2009	130+	thousands	300+

Global: UN, WTO, G8+5, G-20

Trans-regional: APEC, ASEM, FOCAC, BRIC

Regional: SCO, ARF, 10+3, 10+1

From Passive applicant to active advocate and initiator:

SCO & Six-party talks. the Bao'ao Forum,

3, China's gains from the International system

Joining the international system has increased China's national strength, international standing, influencing and contribution to the world.

Most remarkable has been China's economic achievement which has been possible due to the favorable international environment.

Politically, China's global image has changed from a revolutionary to a constructive player or "responsible stakeholder" .

China's gross domestic product (GDP) has increased from 364.5 billions RMB in 1978 to over 33.54 trillion yuan (\$4.91 trillion) in 2009.

During the Mao period (1949-1976), China spurned foreign investment and paid back all its foreign loans by 1965.

After opening up China's become an attractive target for FDI which reached US\$92.4 billion in 2008.

China's trade has increased from US \$20.6 billion in 1978 to more than US \$2 trillion in 2008, an increase from a negligible 1% to more than 8% of the world total

- **The increase of China's economy has not only upgraded the living standard of the Chinese people.**
- **With China's rising global economic clout, it has played an increasing important role in the world economy. For instance, China overtook European nations in the voting shares in the World Bank after a rise with its voting share from 2.77% to 4.42% , putting China's share only behind the U.S. and Japan and China's share in IMF had an increase from 3.72% to 6.39% , its voting rights from 3.65% to 6.07%**

4, China's contribution to the world

In political and security realm.

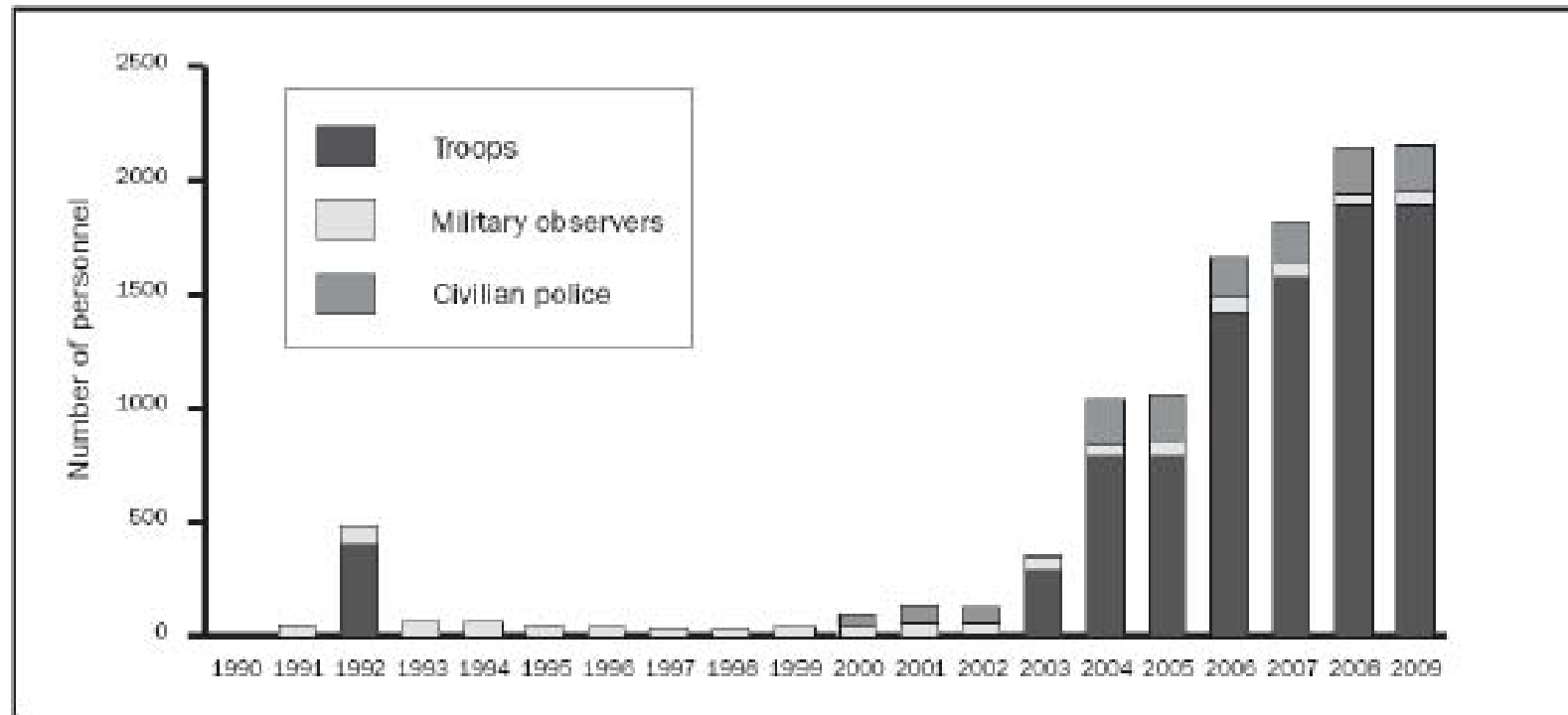
- China's share of UN budget
 - 1971: 4%
 - 1974: 5.5%
 - 1995: 0.72%
 - 2004: 2.053%
 - 2007-09: 2.667%
 - 2010-2011: 3.189
- China's payment to UN peace-keeping budget increased from zero in 1981 to 3.147% to in 2009 to 3.9390 % from the year of 2010
- China has participated 24 UN peace-keeping operations, dispatched a total of more than 10,000 peacekeeping personnel, making China an important actor of international system.

China's attitudes toward UN Peace-keeping

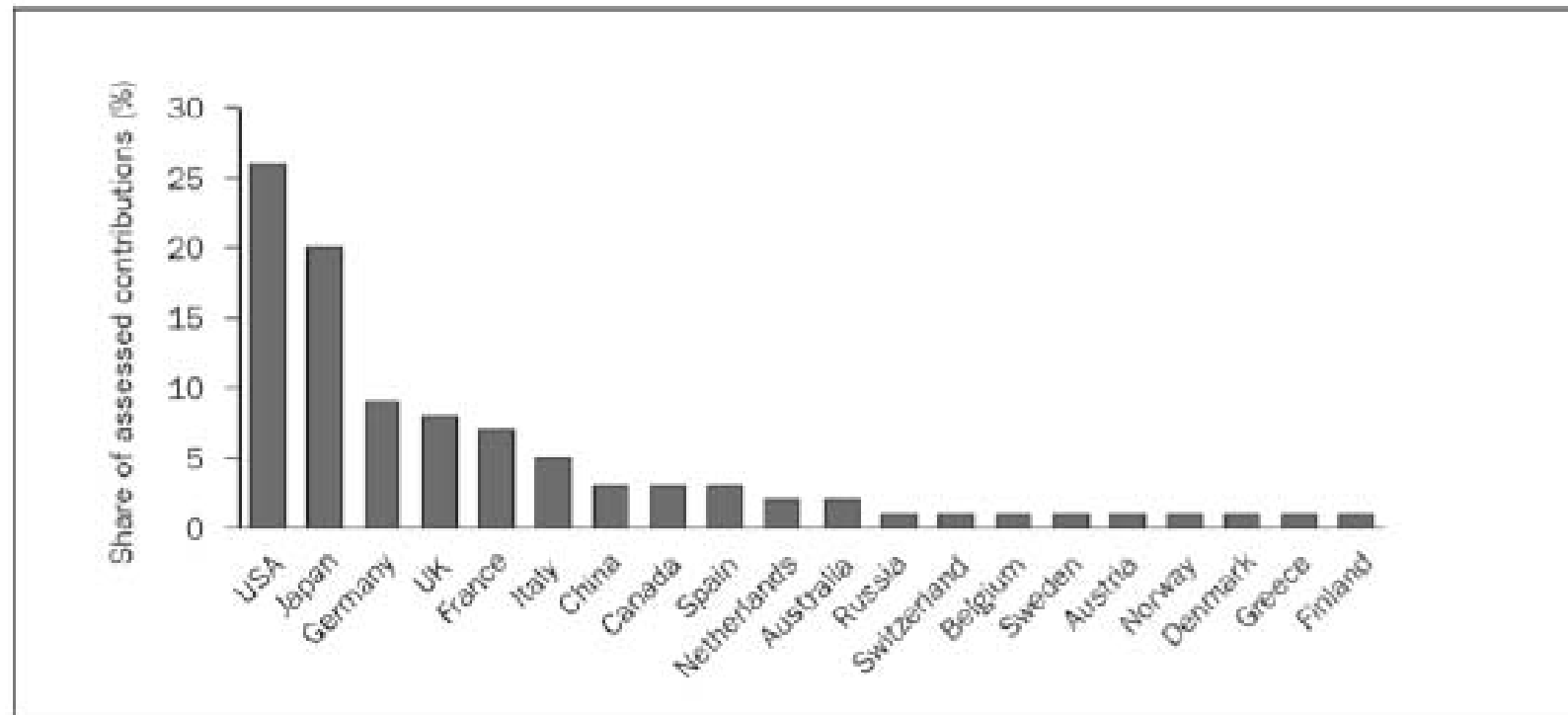
- Opposition (the Korean War), 1950-1971
- Acquiesces (non-vote) 1971-1982
- Flexible (began to share UNPM budget) 1982:
- Active (pay \$4.4 million in 1986)
- Strong Support.
- UNPM budget share
- China 3.939% from 2010-2012 (increased from 3.1474% the previous term, with total \$ 220 million) compare U.S. 27%、 Japan19%、 Germany, France, & Britain7%, China and the Netherland 2%。

China's Peacekeeping Operations (PKO)

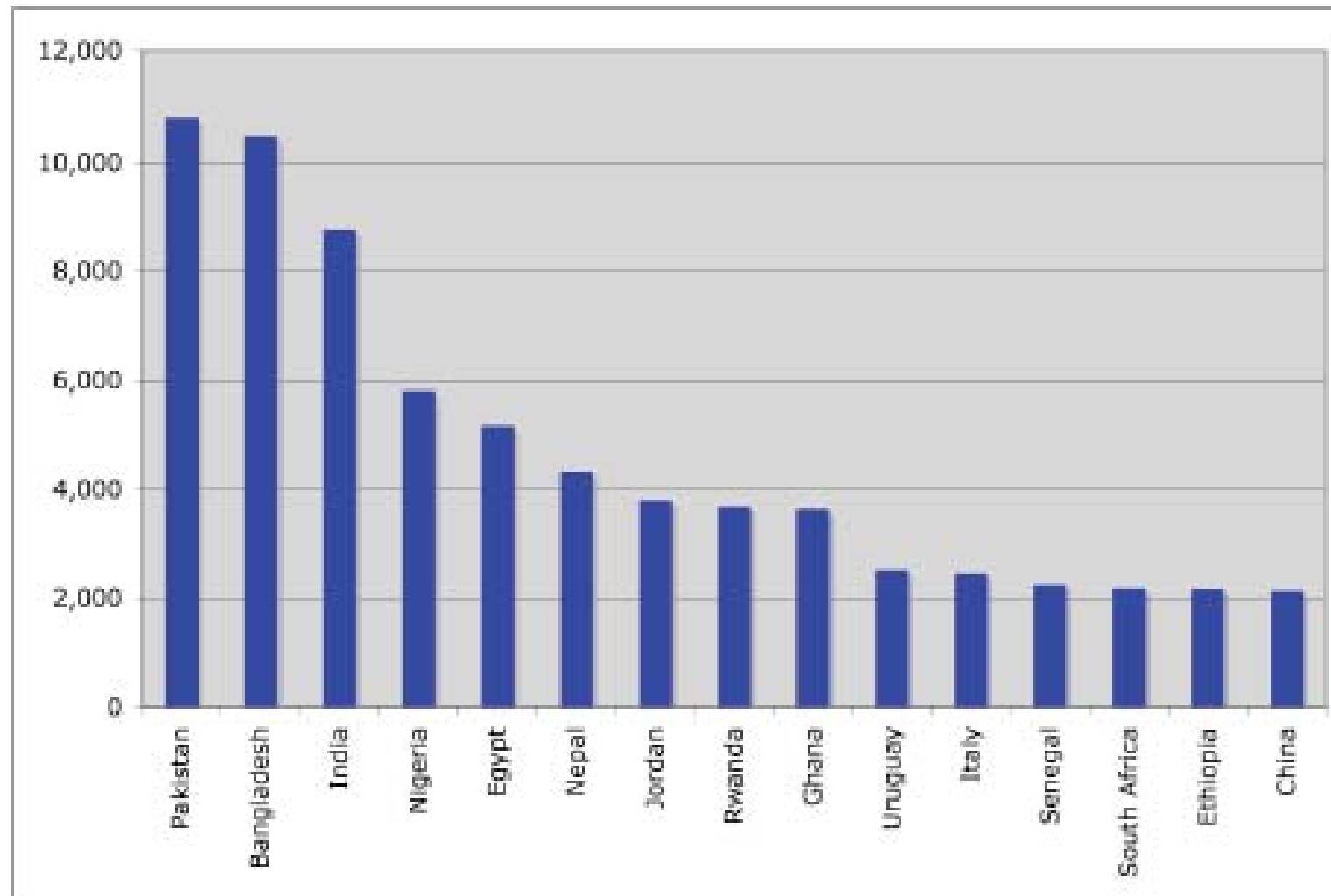
(source SIPRI 2009)



Top 20 contributors to PKO budgets, 2008-9 (SIPRI 2009)



Personnel contributions to PKO (2009)



In economic terms:

China's contribution to world economic growth has surpassed more than 10%, and has become a locomotive for global economic growth.

China's behavior during the Asia financial crisis in 1997-1998 and the crisis in 2009 have all helped stabled the economy and played global recognized constructive role in leading the regional or world economy out of recession.

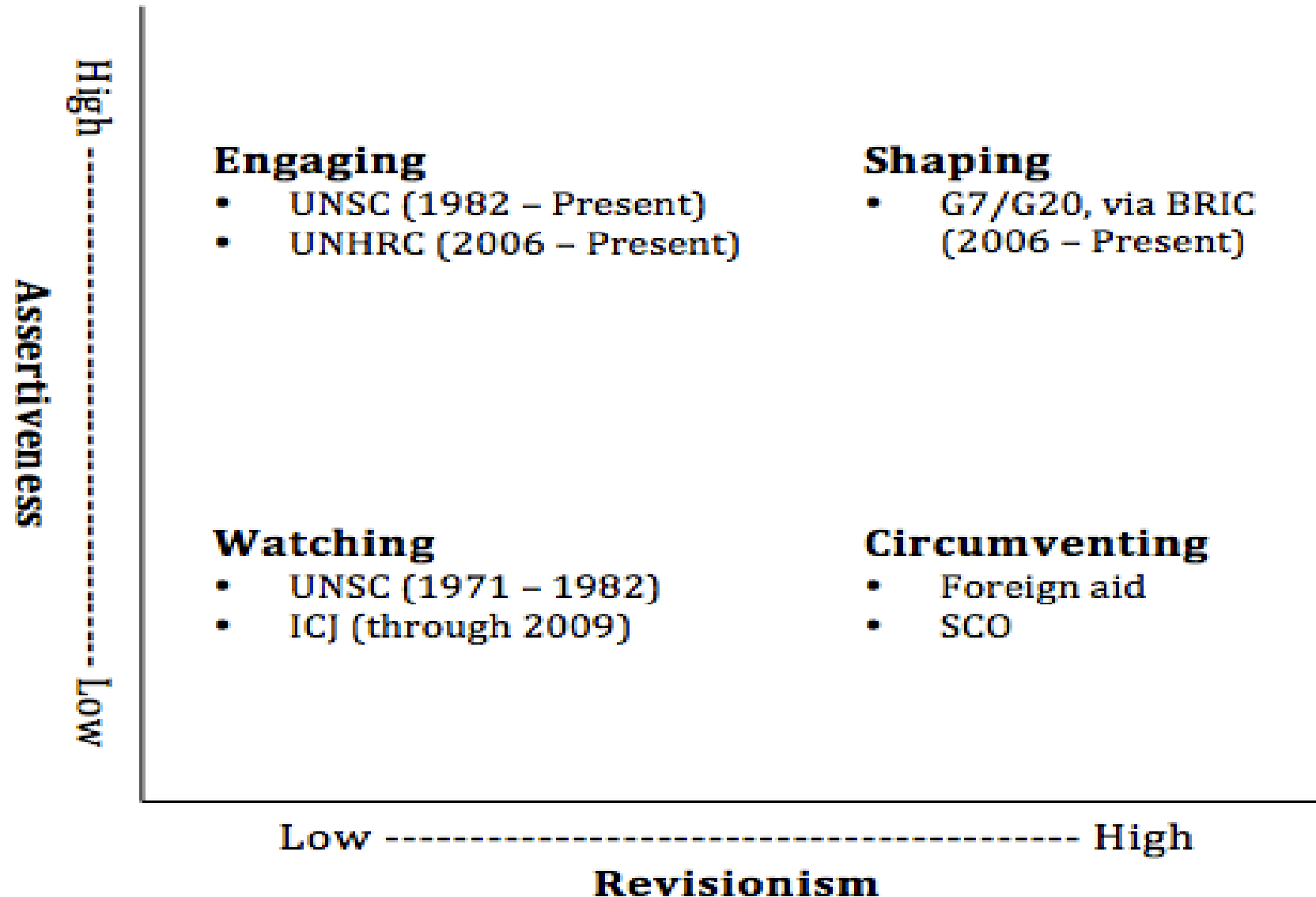
III. “New Security Concept” & categorized Chinese multi-lateral diplomacy

- Characterized by mutual trust, mutual benefit, equality, and coordination.
 - “Common security” – based on common interest, transcends the traditional one-sided security.
 - “Cooperative security” – seeking security through cooperation. Security of all states is interdependent; therefore dialogue and cooperation are indispensable.
 - Comprehensive security” – a country’s security is no longer one-dimensional (just military), but also includes many other domains (NTS – economic, scientific, technological, environmental, cultural, etc.).
 - Importance of non-traditional security emphasized – 9/11 attacks, SARS, drug trafficking, environmental degradation, etc.
- China must create new approaches to seek security.
 - Boost economic diplomacy and abandon traditional military means of seeking security.
 - Flexible and diversified form and model of cooperation.
 - Seek win-win results rather than unilateral advantages.

Four strategies in China's multilateral diplomacy – Overview

- China's behaviour in multilateral institutions is an indicator for what type of rising power it is (status quo vs. revisionist).
 - Different perspectives from scholars:
 - Alastair Iain Johnston – China behaves as a status quo-oriented power because of its growing participation rates, conformity with the norms, and acceptance of the rules of formal organizations.
 - Barry Buzan – China is a “reformist revisionist” power because it accepts some institutions (for a mixture of calculated/instrumental reasons) while resisting or wanting to reform other organizations.
- Four strategies
 - Watching
 - Engaging
 - Circumventing
 - Shaping

Four strategies of China's diverse multilateralism



Four strategies in China's multilateral diplomacy – Watching

- China usually adopts a “watching” stance when:
 - First joining an institution
 - Lacks adequate knowledge of the issues
 - Does not have a clear sense of its interests in a particular negotiation
- “Watching” does not mean China is indifferent or detached.
- When “watching”, China is most prone to efforts by other states to transmit norms – 3 processes of socialization in institutions:
 - Mimicking
 - Social influence
 - Persuasion
 - The watchful actor does not challenge the rules and processes of the institution.
- Example – UN and UNSC
 - “Say little”
 - Avoided “corridor diplomacy”
 - Relied on non-participation and abstentions

Four strategies in China's multilateral diplomacy – Engaging

- “Engaging” is when a state takes a more active and, when necessary, assertive role in negotiations.
 - Form coalitions
 - Exercise veto power
 - Attempt to place items on/off the agenda
 - Use tactics (side payments, persuasion, etc.) to convince opponents to accede to its goals
- The actor does not pursue its goals in a way that challenges the regulations and authority structures that constitute the institution.
- China will choose to engage when it believes that it will yield a steady stream of benefits that outweigh the costs of adhering to rules that may constrain China's choices or limit its power within an institution.
- Example – development in the UNSC from “watching” to “engaging”
 - China's participation has become increasingly assertive towards the US and its diplomatic partners, but it did not seek fundamental changes in the structures of authority/principles of the UNSC.
 - Demonstrates how a state can be both highly assertive and non-revisionist.
 - Why did China adopt an engaging strategy towards the UNSC?
 - Responding to the perceived excesses of US unilateralism
 - Lack of “collective legitimization”
 - China as a “responsible” partner
 - China's status as a veto-holding power ensures its influence on a range of regional issues, which ties into economic and security interests.

Four strategies in China's multilateral diplomacy – Circumventing

- “Circumventing” – When a state perceives that the current system does not provide a net benefit, it may choose to work outside of the existing institutions to establish novel regimes with goals/rules/structures of their own.
- “New phase” in global politics – global interactions are moving away from Western power anchors and towards new centers outside the West.
- “Circumventing” is a problematic strategy for China.
 - China joined existing institutions because it believes that participating will be beneficial.
 - Circumvention may damage relations with status-quo powers.
 - Circumventing may duplicate existing functions.
- Example – Shanghai Cooperation Organization (SCO)
 - China, Russia, four Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan)
 - Unique creation and development of SCO
 - From a one-dimensional security-consulting mechanism to a comprehensive formal regional organization.
 - Put functionalism upside down
 - Revisionist tendencies – China advocated an alternative set of norms governing collective security.
 - Contrast between SCO and Western multilaterals (UNPKO, NATO)
 - SCO has narrower security interests.
 - Operates on a looser principle of selective cooperation.
 - Criticized for the “Shanghai Spirit” – promoting authoritarian values in Central Asia.
 - SCO is not assertive towards existing bodies, but it is serving as the primary new security institution in the region.
 - China may pursue a revisionist multilateral strategy by working around, rather than directly undermining, the existing order.
 - Key condition – there was political space available for China and its partners to develop the organization.
 - Circumvention is chosen when the political costs towards the major powers are not high.

Four strategies in China's multilateral diplomacy – Shaping

- When a state is dissatisfied, a more assertive choice would be to try and shape the underlying rules/procedures of an existing body to better suit its interests.
- As a pragmatic state, China will pursue a “shaping” strategy sparingly and with great caution.
- Limitations on China pursuing “shaping” strategy:
 - There must be an expectation of resulting in a gain in the ability of the institution to help secure China's interest.
 - Attempt “shaping” only if doing so would not threaten the core interests of other key players.
 - China is likely to shape institutions only when there is broad support for reform.
- China is oriented towards an adaptable, strategic approach to international institutions and regimes.
- Not a one-size-fits-all posture
- Example – G20/BRIC
 - BRIC – Brazil, Russia, India, China
 - Best strategy for establishing a new international political and economic order – engage with the G7 and reform from within the G20.
 - Reluctant to be associated with G7 throughout 1990s:
 - Saw G7 as a “club of the rich” that does not fit in with China's self-styled identity as a “developing country”.
 - Did not want to be treated as a second-class member (like Russia) and only have limited influence.
 - Creation of G20

IV, Lessons from China's experience

- When China tried to change the world order by revolution, it not only failed in reaching this goal but locked itself economically in a backward position and politically isolated.
- When the world tried to isolate China, it has not only deprived the opportunity for China to change economically but helped create an revolutionary enemy.
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- When China changed its domestic policy and external behavior, China not only changed its relations with the outside but also made China created a favorable environment for sustained economic high growth.
- When the World began to embrace China, it has not only made a strong power but also a responsible and constructive China.

- The influence of China on the World and the influence of the World on China today are both unprecedented.
- China has realized that China cannot develop without the world and the world cannot become prosperous without China.
- The future and fate of China has been intimately tied with those of the world.

- China is promoting the world's development within the international system by its own development and contributing its own prosperity to the world's prosperity.
- China has been integrated in the current system and depends on the stability of this area for its development
- China cannot rise outside the international system, China cannot outside the international system; China cannot rise if the international system is in chaos; China cannot rise when other countries remain poor; China cannot remain immune sustain its high economic growth rate if the major economies are in recession.

V. Problems and Future relations

- 1, Multiple identities
- 2, China's responsibility and China's threat
- 3, China's rising nationalism

3, China as a status quo power

Does China has capability to change the system?

Does China has the will to change the system?

What is China's will?

Responsible stakeholder?

Free rider?

- Questions:
- Explain the historical evolution of China's interaction with the international system
- What are the general patterns or remarkable features of China's interaction with the international system?
- What drives China's changing relations with the international system?
- How do you explain the changes with China's overall external orientation?