CHINA AND GLOBALIZATION: CONFRONTING MYRIAD CHALLENGES AND OPPORTUNITIES*

Samuel S. Kim

China, with its rapid economic rise, holds one of the master keys to the future of globalization in the post-cold war world. This article explores how China is coping with the forces of globalization since that time, beginning with a brief description of the global discourse and politics on globalization. The article then tracks Chinese views on globalization, especially how its promises and perils are conceptualized and addressed by key pundits and decision makers. An examination follows of the complex and evolving interplay between globalization and China's policies in terms of globalizing economy, security, and soft power. The final section sketches out a series of major challenges confronting the Chinese leaders, each of which will involve a strategic decision and sequencing regarding how to cope with globalization challenges and how to redefine the role of the state as a competent, efficient, and adaptable actor.

Key words: China, globalization, Chinese foreign policy, soft power

Introduction

What in the World is Globalization?

At the turn of the new millennium, globalization seemed to have become all things to all people—an historical inevitability, an unstoppable scientific and technological trend, a neoliberal "globaloney" myth, a populist rallying cry, a journalistic buzz-word, and a theoretical puzzle. This is hardly surprising since there are so many competing notions of what globalization *is, ought to be*, or *ought not to be*, engendering what Stanley Hoffmann calls a pervasive "clash of globalizations."[1] As a socially constructed and politically contested concept, it has become a grab bag, serving as the defining feature of a global reality that may be either empirical or normative.

At least until 9/11, no subject or phenomenon had elicited as much passion, controversy, and even protest as had globalization had among people on the street, ivory-tower academics, political activists, and corporate elites, all of whom were advancing conflicting claims and images of contemporary globalization. The acceleration and intensification of globalization in the two decades following the end of the cold war have engendered new opportunities as well as new dangers to people's security, well-being, and identities in both developed and developing countries.

The first major challenge to globalization came from East Asia in the form of the Asian Financial Crisis (AFC) of 1997-1998, one of the most serious financial crises to affect the global political economy since the end of World War II. The response to this crisis by the U.S.-led International Monetary Fund (IMF) and the World Bank seemingly exemplified the reinforcement of

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1. Stanley Hoffmann "Clash of Globalizations," *Foreign Affairs*, vol. 81, No. 4 (July-August, 2002), pp. 104-15. It is equally revealing that the first-ever dedicated academic journal was established in 2004 and entitled *Globalizations*, not *Globalization*. See also James N. Rosenau, "Many Globalizations, One International Relations," *Globalizations*, vol. 1, No. 1 (September, 2004), pp. 7-14.

the American model of laissez-faire capitalism, the so-called Washington Consensus. As if in defiance of such a claim, however, the years 1999-2001 witnessed outbreaks of violent street protests and mass movements against globalization at the annual meetings of the three keystone global/globalization multilateral economic institutions (the World Trade Organization, the IMF, and the World Bank). Likewise, the September 11, 2001 terrorist attacks on the World Trade Center and the Pentagon elicited a number of epitaphs surrounding globalization (e.g., "sinking globalization," "the era of globalization is over," "the age of globalization is unexpectedly over") and brought about significant shifts in U.S. foreign policy from multilateralism to unilateralism, stability to insecurity, and soft power to hard power.[2]

The most serious challenge to globalization, however, did not come until September 2008, when the global economy sunk into the greatest economic recession since the Great Depression of the 1930s. Ironically, while most economies have suffered amid the turmoil, new opportunities have opened up for others, especially China, which has emerged relatively unscathed from the global economic downturn. Because their financial markets are still in their infancy, China's banks have limited exposure to the toxic assets that have crippled the credit system of the Western countries in general and the United States in particular. While its economic growth has declined slightly, China is still expected to grow by 8.7 percent in 2009 (down from 13.0 percent in 2007 and from 9.0 percent in 2008).[3] If these projections are correct, China may very well overtake Japan as the world's second-largest economy by the end of 2009 or by 2010, rather than by 2025 as projected by the U.S. National Intelligence Council.[4]

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2. See David Held and Anthony McGrew, "Introduction: Globalization at Risk?" in David Held and Anthony McGrew, eds., *Globalization Theory: Approaches and Controversies* (Cambridge, UK: Polity, 2007), pp. 1-3.

3. See Nelson Schwartz, "Asia's Recovery Highlights China's Ascendance," *New York Times*, August 24, 2009, p. B4.

4. National Intelligence Council, *Global Trends 2025: A Transformed World*, November 2008, NIC 2008-003, p. vi, available at www.dni.gov/nic/NIC_2025_project.html.

Moreover, China and the United States are joined at the hip as China holds nearly $800 billion of U.S. treasury bonds and the United States remains China's largest export market. China's relative immunity to the world's pernicious economic woes and the evident symbiotic relationship between the Chinese and U.S. economies are giving rise to much talk of a shift from U.S. dominance to a new multipolar or U.S.-China bipolar era.

Given the inherent complexity of globalization's impact on the global system and nations within it, it is no surprise that globalization scholarship has sired many debates in the West and particularly in the United States, often with more heat than light. Despite the burgeoning literature, there is as yet no dominant theory of globalization that commands much theoretical excitement, let alone paradigmatic status;[5] most international-relations scholars seem to be too preoccupied in the turf war of contending realist, liberal, and constructivist theories.[6] In the

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5. The literature on globalization is too plentiful to list here. The most comprehensive and definitive scholarly work on globalization is David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton, *Global Transformations: Politics, Economics and Culture* (Stanford, Calif.: Stanford University Press, 1999), a product of ten years of collaborative research by four leading British social scientists. For overviews, see David Held and Anthony McGrew, eds., *The Global Transformations Reader: An Introduction to the Globalization Debate* (Cambridge, UK: Polity, 2000) and Patrick O'Meara, Howard D. Mehlinger, and Matthew Krain, eds., *Globalization and the Challenges of a New Century: A Reader* (Bloomington, Ind.: Indiana University Press, 2000). For a critical analysis of contending theories and approaches, see Held and McGrew, *Globalization Theory.* For discussion of globalization in the East Asian context, see Samuel S. Kim, ed., *Korea's Globalization* (New York: Cambridge University Press, 2000); Samuel S. Kim, ed., *East Asia and Globalization* (Lanham, Md.: Rowman & Littlefield, 2000); and Catarina Kinvall and Kristina Jonsson, eds., *Globalization and Democratization in Asia: The Construction of Identity* (London: Routledge, 2002).
6. A few notable exceptions include: Joseph S. Nye and John D. Donahue, eds., *Governance in a Globalizing World* (Washington, D.C.: Brookings Institution Press, 2000); James N. Rosenau, *Along the Domestic-Foreign Frontier: Exploring Governance in a Turbulent World* (New York: Cambridge University Press, 1997); James N. Rosenau, *Distant Proximities: Dynamics Beyond Globalization* (Princeton, N.J.: Princeton University Press, 2003);

first boom decade of the post-cold war era, globalization scholarship gained momentum, dominated by two extreme views. On the one hand, neoliberal proponents advanced a Panglossian view, claiming that globalization heralds the emergence of truly open and free global markets, the rise of a new post-Westphalian global order, and the functional demise of the state system. Social and economic processes would now function at a predominantly global level and nation-states would no longer be decision makers but decision takers.[7]

On the other hand, critics of globalization, in spite of their diverse political, methodological, and normative orientations, argued that all the fuss about globalization amounts to no more than "globaloney." As the conservative economist Milton Friedman put it, "The world is less internationalized in any immediate, relevant, pertinent sense today than it was in 1913 or in 1929."[8] The "globaloney" school proceeds from two diametrically opposed starting points: On the one hand, neorealist skeptics argued that there is nothing new in today's world economy and the state is as powerful as ever; on the other hand, populist resistance skeptics argued that globalization has gone too far at the risk of state sovereignty or social democracy. Sleeping in the same antiglobalization bed but having different dreams, many populist critics have vehemently stated that globalization is the extension of American hegemony and that the IMF is just doing America's bidding.

"Globalization" in the Chinese Case

For a more specific analysis of the complex and evolving

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and Ian Clark, *Globalization and International Relations Theory* (New York: Oxford University Press, 1999).

7. See Kenichi Ohmae, *The Borderless World* (London: Collins, 1990); Robert Reich, *The Work of Nations* (New York: Vintage Books, 1992); Susan Strange, "The Defective State," *Daedalus*, vol. 124, No. 2 (1995), 55-74; Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (New York: Cambridge University Press, 1996).

8. Milton Friedman, "Internationalization of the U.S. Economy," *Fraser Forum*, February 1989, p. 10.

interplay between globalization dynamics and China's actual performance, we need to be disabused of some of the major misconceptions underlying the recent globalization debates. While contemporary globalization is not all benign or without polarizing and marginalizing normative effects, it is important to highlight that globalization is not the same as normative concepts such as "globalism" or "universalism," as it does not refer to values or structures.[9] Above all, globalization is more than a unidimensional phenomenon (i.e., economic globalization); it is not a process that is linear, irreversible, or necessarily homogenizing. To be sure, globalization can foster more globalization, but it can also foster deglobalization (localization) in various forms of backlash. As Jeffrey Sachs aptly puts it: "Globalization, in short, is pulling decision making in two directions, to the local (and sometimes dangerously parochial) and the global (and sometimes dangerously distant from the citizenry)."[10]

For the purpose of this analysis, I define globalization as a set of processes of spanning worldwide interconnectedness in all aspects of human relations and transactions—economic, social, cultural, environmental, political, diplomatic, and security—such that events, decisions, and activities in one part of the world have unavoidable consequences for individuals, groups, and states in other parts of the world. It is a boundary-shrinking and boundary-spanning process of intensifying levels of interaction and interconnectedness within and among states and societies. The boundary-spanning dynamics of globalization have been developing in tandem with mushrooming communications facilities, economic and social interests, and global markets, through which globalization can engender more globalization worldwide. Whether globalization is the new international *system* that replaced the cold-war *system*, as Thomas Friedman argues, is debatable. But Friedman does capture the two faces of globaliza-

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9. James N. Rosenau, "The Dynamics of Globalization: Toward an Operational Formulation," *Security Dialogue*, vol. 27, No. 3 (1996), pp. 247-62.

10. Jeffrey D. Sachs, "Ten Trends in Global Competitiveness in 1998," in *Global Competitiveness Report 1998*, p. 12 at www.weforum.org/publications/GCR/sachs.asp.

tion by defining it as a kind of a dynamic but double-edged ongoing process that is empowering more individuals, groups, nation-states, and corporations "to reach around the world farther, faster, deeper and cheaper than ever before," while at the same time "producing a powerful backlash from those brutalized or left behind by this new system." If the symbol of the cold-war system was "a wall, which divided everyone," according to Friedman, "the symbol of the globalization system is a World Wide Web, which unites [connects?] everyone."[11]

China, with its rapid economic rise, holds one of the master keys to the future of globalization in the post-cold war world. This article explores how China is coping with the forces of globalization in the post-cold war era. The first of four sections briefly describes the global discourse and politics as a point of departure to examining China's own approach to globalization. The second section tracks Chinese discourse on globalization, especially how the promises and perils of globalization are conceived of and addressed by key pundits and decision makers. The third section examines the complex and evolving interplay between globalization dynamics and China's global policy in terms of globalizing economy, security, and soft power. The fourth and concluding section sketches out a series of major challenges confronting the Chinese leaders, each of which will involve a strategic decision and sequencing regarding how to cope with globalization challenges and how to redefine the role of the state as a competent, efficient, and adaptable actor needed to survive and even prosper in the coming years.

China's Globalization Discourse

Debate in China

Deng Xiaoping's reform and opening in 1978, while not

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11. Thomas Friedman, *The Lexus and the Olive Tree* (New York: Farrar, Straus, and Giroux, 1999), pp. 7-8.

explicitly understood or recognized as such at the time, was a response to the emerging challenges of globalization in practice.[12] Deng had begun to reformulate (and relegitimize) his grand strategy for China's future in terms of hitherto proscribed concepts such as the open door, international interdependence, division of labor, and specialization. At the same time, he broke away from past practices by attributing China's backwardness and stunted modernization to its stubborn isolationism, starting from the Ming dynasty, rather than to Western imperialism. For Deng, Chinese nationalism and globalization were defined in virtuous and mutually complementary terms—the so-called "grabbing with two hands" approach. With one hand, China would grasp reform and opening (economic globalization) as necessary to grow strong and prosperous, while, at the same time, the other hand would suppress ideological and cultural pollutants from abroad (cultural globalization).[13]

The heated and short-lived debate on "global citizenship" (*qiuji*) that the *World Economic Herald* (Shanghai) initiated in 1988 represented early Chinese dialogue on globalization, with the concept of global citizenship taking center stage. Acknowledging that the new wave of scientific and technological revolution was creating complex global networks of mutual influence and infiltration, both sides of the debate believed that China could choose either not to emancipate its political-economy thinking—thereby falling behind in the technological race and forfeiting its global citizenship in the process—or to integrate more fully into the world market and make more creative use of the global economy, potentially opening a path for the country to finally grow in power and prosperity.[14]

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12. Stuart Harris, "China and the Pursuit of State Interests in a Globalizing World," *Pacific Review*, vol. 13, No. 1 (February, 2001), pp. 15-29.
13. Christopher Hughes, "Globalisation and Nationalism: Squaring the Circle in Chinese International Relations Theory," *Millennium: Journal of International Studies*, vol. 26, No. 1 (1997), pp.103-24.
14. See Lu Yi et al., eds., *Qiuji: Yige shijiexing de xuangze* (Global Citizenship: A Worldwide Choice) (Shanghai: Baijia chubanshe, 1989) and Samuel S. Kim, *China In and Out of the Changing World Order* (Princeton, N.J.:

In the wake of the Tiananmen carnage, however, the concept of global citizenship and the notion of "global village consciousness" was denounced as a major culprit behind the June 4, 1989 uprising.[15] Even President George H. W. Bush's call for a "new world order" was attacked as the invisible integrationist hand of the conspiratorial "peaceful evolution" (*heping yanbian*) strategy of seeking to establish a "'free federation' or a federation of 'democratic countries' on the basis of a common principle and common outlook and values." The official Chinese view at the time was that such a scheme rested on a hidden U.S. agenda of bringing the entire world under its hegemonic rule.[16]

By the mid-1990s, however, the word "globalization" had finally found its way into Chinese discourse. Li Shenzhi, former vice president of the Chinese Academy of Social Sciences (CASS), advanced the most liberal "think globally, act locally" proposition. According to Li, transnational, supranational, and global forces were at work, multiplying global problems and defying national solution; hence, it behooved all nations to seek common solutions through multilateral cooperation. "If China chooses chauvinism," Li argued, "it will be China's and the world's disaster; if China chooses globalism, it will be China's and the world's fortune." In an era of globalization, the solution to the perennial Chinese *ti-yong* quest should be "treating the universal laws of globalization as 'essence' (*ti*) and Chinese characteristics as 'utility' (*yong*), thus turning on its head the well-known axiom of Chinese learning for essence, Western learning for utility."[17]

Although the term "security globalization" (*anquan quanqiuhua*) was seldom used in the Chinese globalization discourse at this time, the question of security was inevitably smuggled into Chinese globalization discourse. Some conservative analysts

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Center of International Studies, Princeton University, 1991), pp. 48-49.

15. *Renmin ribao* (People's Daily, Beijing), November 26, 1990.
16. Kim, *China In and Out of the Changing World Order*, pp. 42-49.
17. See Yong Deng, "Conception of National Interests: Realpolitik, Liberal Dilemma, and the Possibility of Change," in Yong Deng and Fei-Ling Wang, eds., *In the Eyes of the Dragon: China Views the World* (Lanham, Md.: Rowman & Littlefield, 1999), p. 55.

argued that globalization constituted the functional equivalent of a Hobbesian war-of-all-against-all: "economic wars, commodity wars, technology wars, and wars over talented people—between developed and developing countries and among developing countries." Such "unlimited war" was said to require a relatively weak country like China to stand up to a powerful country like the United States resorting to compensatory devices such as terrorism, drug trafficking, environmental degradation, and computer virus propagation.[18]

At the other end of the conceptual and normative spectrum, Wang Yizhou, a leading Chinese international relations theorist, broke new ground in defining globalization as more than an economic phenomenon. It was an economic process, to be sure, but it was also a complicated political and historical process. "To each country, it is a 'double-edged sword' which can help break through brambles and thorns, but may also harm the user. In this situation, a new security concept should be established which pays equal attention to economic, social and political aspects." Security in the era of globalization "refers not only to safety in the military and diplomatic senses, but also to economic and technological security, including financial, trade and investment security, the avoidance of big rises and falls, the ability to have stronger competitive methods and a grasp of information factors."[19]

With an almost simultaneous or synchronized rise of a "new security concept," "economic globalization" and the AFC in 1997, economic security and national security shifted from "two sepa-

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18. Liu Ji, a CASS researcher, in *Ta Kung Pao* (Hong Kong), January 25, 1999; in Foreign Broadcast Information Service (hereafter cited as FBIS), FBIS-CHI-99-025, and Qiao Liang and Wang Xianghui, *Chaoxian zhan* (Unlimited War) (Beijing: People's Liberation Army Cultural Press, 1999).

19. Wang Yizhou, "New Security Concept in Globalization," *Beijing Review*, No. 7 (February 11-15, 1999), p. 7. See also Wang Yizhou, *Dangdai guoji zhengzhi xilun* (Analysis of Contemporary International Politics) (Shanghai: Renmin chubanshe, 1995), especially pp. 19-46; and "Mianxiang ershi shiji de Zhongguo waijiao: sanzhong xuqiu de xunqiu jiqi pingheng" (China's Diplomacy for the 21st Century: Seeking and Balancing Three Demands), *Zhanlue yu guanli* (Strategy and Management), No. 6 (1999), pp. 18-27.

rate logics to a single domain."[20] Economic security and national security had become two sides of the same coin (globalization), with the consequence of moving China "from being a state that resisted the internal implications of globalization to one that embraced them as a driver of its economic and social reform."[21] The new security concept sired the notion of cooperative security, which is said to have no common enemy, contrary to Maoist fundamentalism; it only has the need to deal with a potential threat through political dialogue and multilateral arrangements. Cooperative security seeks to increase transparency, deepen mutual understanding, and build institutional ties among states to deal with transnational security problems such as drugs, crime, terrorism, and ecological damage, so as to minimize the factors that may prompt one country to go to war against another.[22]

Other scholarly works published since the mid-1990s have explored how globalization is impacting and reshaping the traditional notion of a state-centric international order. The mainstream scholarly discourse converges on the notion of globalization as a double-edged sword that both empowers and constrains. Contrary to the hyperglobalization and globaloney schools, globalization dynamics have not so much replaced the Westphalian state-centric international order as they have transformed the context and conditions under which states compete for power and plenty.[23]

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20. Wang Zhengyi, "Conceptualizing Economic Security and Governance: China Confronts Globalization," *Pacific Review*, vol. 17, No. 4 (2004), pp. 523-45.

21. David M. Lampton, *The Three Faces of Chinese Power: Might, Money, and Minds* (Berkeley, Calif.: University of California Press, 2008), p. 4.

22. Chen Quansheng and Liu Jinghua, "China and the World amid Globalization," *Ta Kung Pao*, FBIS-CHI-1999-0306, March 3, 1999.

23. See Pang Zhongying, "China's International Status and Foreign Strategy After the Cold War," in FBIS-CHI-2002-0506 (May 5, 2002); Pang Zhongying, ed., *Quanqiuhua, fanquanqiuhua, yu Zhongguo: Lijie quanqiuhua de fuzaxing yu duoyangxing* (Globalization, Anti-globalization, and China: Understanding the Complexity and Diversity of Globalization) (Shanghai: Shanghai Renmin Chubanshe, 2002); Wang Yizhou, ed., *Quanqiuhua shidai de guoji anquan* (International Security in an Era of Globalization) (Shanghai: Shanghai Renmin Chubanshe, 1998); Wang Yizhou, *Dangdai*

Globalization in China's Grand Strategy

The official understanding, as made evident in the annual "State of the World Messages" given to the UN General Assembly over the last decade, is that globalization is not only state-centric but also largely one-dimensional. The first mention of "economic globalization" occurs in Foreign Minister Qian Qichen's state of the world message delivered on September 25, 1996, a year before President Jiang Zemin's political report to the Fifteenth Chinese Communist Party (CCP) Congress presented the phrase "economic globalization" to the domestic audience for the first time.[24]

Content analysis of China's annual state of the world messages also reveals that "globalization" is often used in connection with "multipolarization" and is cited as a reason for the changing trend of international relations. The real surprise came in the 2001 State of the World Message: "Security" was described for the first time as becoming increasingly globalized, indicating an extra-economic concept of globalization. Simultaneously, multipolarization that had remained as a recurring theme and claim in Chinese foreign-policy pronouncements since the early 1980s seemed to have become disconnected from the concept of globalization.[25] In a similar vein, the annual frequency of the term "multipolarization" (*duojihua*) in the official *Renmin Ribao* from 1990 to 2000 steadily declined relative to the term "globalization" (*quanqiuhua*).[26] The strategic implications of such a shift

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guoji zhengzhi xilun, pp. 19-46; and Hu Angang, Yang Fan and Zhu Ning, *Daguo zhanlue: Zhongguo de liyi yu shimin* (China's Grand Strategy: Interests and Missions) (Shengyang: Liaoning Renmin Chubanshe, 2000).

24. See UN Doc. A/51/PV.8 (September 25, 1996) and Jiang Zemin, "Hold High the Great Banner of Deng Xiaoping Theory: Carrying the Cause of Building Socialism with Chinese Characteristics to the Twenty-first Century," *Xinhua* (Beijing), September 21, 1997, in FBIS-CHI-97-266.

25. See Samuel S. Kim, "Chinese Foreign Policy Faces Globalization Challenges," in Alastair Johnston and Robert Ross, eds., *New Directions in the Study of China's Foreign Policy* (Stanford, Calif.: Stanford University Press, 2006), pp. 281-83.

26. See Alastair Iain Johnston, "China's International Relations: The Political and Security Dimension," in Samuel S. Kim, ed., *The International Relations of Northeast Asia* (Lanham, Md.: Rowman & Littlefield, 2004), figure 2.3,

in China's global policy pronouncements are not self-evident, but the two terms at the very least assume very different means and ends of seeking what the Chinese call "comprehensive national strength" (*zonghe guoli*).

In the first years of the twenty-first century, China's mainstream thinking about world order and China's role has undergone a subtle but significant shift. In China's State of the World Message of November 11, 2001, Foreign Minister Tang Jiaxuan characterized security for the first time as "becoming increasingly multifaceted and globalized."[27] In the State of the World Message of September 13, 2002, Tang further declared that "security is no longer a zero-sum game. Its mutuality is obviously on the increase, as countries have to come to realize that they have common security interests and feel a greater sense of interdependence."[28]

The international community's hostile reception of China in the early post-Tiananmen years propelled Beijing to keep a low profile, following Deng's foreign-policy axioms of "hiding one's capacity while biding one's time" and "not seeking to lead." With the coming of third and fourth generation of leadership—President Jiang Zemin and President Hu Jintao—China, driven by newfound confidence in its rapid economic growth, began to shift its diplomatic orientation from passivity to "gear with the world," to stand up on an equal footing with the world.[29] Meanwhile, the concept of great-power responsibility has suddenly come to the fore in the Chinese debate on globalization. With three decades of breakneck economic growth, the notion of China as a "responsible great power" (*fuzeren de daguo*) in the global community—that China's sense of responsibility to the world is commensurate with its status as a great nation—began to dominate China's globaliza-

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p. 78. See also Yong Deng and Thomas G. Moore, "China Views Globalization: Toward a New Great Politics?" *Washington Quarterly*, vol. 27, No. 3 (Summer, 2004), p. 122.

27. UN Doc. A/56/PV.46 (November 11, 2001).

28. UN Doc. A/57/PV.5 (September 13, 2002).

29. Yongnian Zheng and Sow Keat Tok, "'Harmonious Society' and 'Harmonious World': China's Policy Discourse Under Hu Jintao," Briefing Series, Issue No. 26, China Policy Institute (University of Nottingham, October 2007).

tion discourse, even as Hu Jintao began to pay more attention to China's soft-power diplomacy in a globalizing world, especially in Southeast Asia, Africa, and Latin America.

"Harmonious" Globalization

With the official inauguration of a "harmonious world" concept in 2005, China's foreign policy seemed to have made another great leap outward—a "going global" strategy. While the phrase of a "harmonious world" first appeared in Hu Jintao's speech at the Asia-Africa Conference in Jakarta, Indonesia, in April 2005, it was Hu's speech at the UN Summit (in celebration of the 60th anniversary of the United Nations), entitled, "Strive to Establish a Harmonious World of Lasting Peace and Common Prosperity"[30] that constitutes an opening salvo of the Harmonious World Principle (HWP)—indeed, the Hu Jintao Doctrine. The HWP was later further elaborated in a first-ever white paper, "China's Peaceful Development Road," released on December 22, 2005.[31]

The HWP seemed made to order to project China's own vision of a new global order. It is a synthetic principle with multiple linkages and purposes. Not unlike Kantian liberals who argue that a stable and long peace—"perpetual peace" in Kant's words—can be achieved through triangulation of the expansion of economic interdependence, the enlargement of democracy, and the enhancement of international organizations and law, the HWP is anchored in twin triangulations. First, there is the geopolitical triangulation of a nation (China), a region (Asia), and a world. The logic here is that the harmonious country is the foundation, while the harmonious world is the ultimate goal, with the

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30. Various versions of the text of this speech are available. See UN Doc. A/60/PV.5 (September 15, 2005), pp. 19-20 (compressed version). The full text is available at the Chinese foreign ministry website, www. prcfm.cn.

31. See "Text of White Paper: China's Peaceful Development Road" (hereafter cited as "China's Peaceful Development Road White Paper 2005"), *Xinhua*, December 22, 2005 in World News Connections (hereafter WNC), Dialog File Number 985 Accession Number 218650354.

harmonious region serving as a connector between the two. Second, there is a functional triangulation of common development, common security, and common prosperity with lasting peace. This represents the Kantian "perpetual peace" with Chinese characteristics.

The HWP also represents blurred boundaries between domestic and global spheres. There is a clear connection between the logic, politics, and value of China's global strategy and its domestic policy. The HWP synthetically links the concept of a "harmonious society," which became one of CCP's four strategic domestic goals in 2004, with the concept of a "harmonious world." This synthesis involves the twin objectives of responding to domestic problems (e.g., growing income inequalities, widening regional disparities, massive employment causing a massive floating population, and rising environmental concerns) at home while at the same responding to the so-called "China threat" theory abroad. The theme of "harmony" (*he*), with its deep roots in traditional Chinese image of world order, seems to have made a comeback with a vengeance and now runs through all levels of global governance.[32] As one Chinese international law scholar put it: "The beauty of the [harmonious world] concept is that it is at once characteristic of Chinese culture and consistent with the purposes and principles of the United Nations and the common urge for peace as exhibited in the main forms of civilization."[33]

By the end of 2005, China's leaders and elites had agreed on a consensus position on Sino-global interdependence. As China's Peaceful Development Road White Paper put it: "China cannot develop independently without the rest of the world. Likewise, the world needs China if it is to attain prosperity. Following the

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32. See Hongying Wang and Yeh-Chung Lu, "The Conception of Soft Power and Its Policy Implications: A Comparative Study of China and Taiwan," *Journal of Contemporary China*, vol. 17, No. 56 (August, 2008), pp. 427-28. For a detailed analysis of the traditional Chinese image of world order, see Samuel S. Kim, *China, the United Nations and World Order* (Princeton, N.J.: Princeton University Press, 1979), pp. 19-48.

33. Sienho Yee, "Towards a Harmonious World: The Roles of the International Law of Co-progressiveness and Leader States," *Chinese Journal of International Law*, vol. 7, No. 1 (2008), p. 102.

trend of economic globalization, China is participating in international economic and technological cooperation on an ever larger scale, in wider areas and at higher levels in an effort to push economic globalization towards the direction of common prosperity for all countries."[34] Thanks to the globalization-cum-transparency revolution and China's rapid rise as an economic superpower, there is now in China virtually a full embrace of globalization, with a whopping 87 percent of Chinese respondents believing globalization is "mostly good," as shown in *Table 1* below.

Table 1. China's Public Support for Globalization
in Comparative Perspective*

Country	Support Percentage
China	87%
South Korea	86%
Australia	64%
U.S.	60%
India	54%

* Percentage in each country who believe that globalization, especially the increasing connection of their country's economy with others around the world, is mostly good for their country.

Source: Adapted from *The United States and the Rise of China and India: Results of a 2006 Multination Survey of Public Opinion*, Chicago Council on Global Affairs, 2006, figure III-12, p. 71.

The global financial meltdown of 2008 clearly demonstrated that most Chinese observers and policy makers still conceive of globalization in state-centric and state-empowering terms. Following the crisis, China has been acting as a staunch supporter of free markets, vocally criticizing protective measure of other nations. At the G-20 summit, Hu Jintao urged that "no country or region should carry out protectionism under the pretext of stimulating the economy."[35] However, China's pro-globalization pos-

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34. See "China's Peaceful Development Road White Paper 2005."
35. "PRC Expert Says 'Not To Underestimate' 'Obstinacy' of Protectionism," Renmin Ribao Online, April 8, 2009 in WNC, Dialogue File Number 985 Accession Number 278800532.

ture is driven by the reality that the Chinese economy cannot depend solely on itself to fulfill the demands of its own development, such as its need for energy resources and technology.

The 2008 crisis has been dubbed as a chance to elevate China's international status as a global power. The crisis aligns with the Chinese double-edged sword concept of "crisis" (*weiji*), which includes not only danger (*weixian*) but also opportunity (*jihui*) waiting to be seized. Many scholars and pundits believe that the global financial crisis has brought casualties but also provided favorable opportunities for China's development. China is then advised to further advance its "going global" strategy—a Chinese euphemism for globalization strategy to "establish a new structure for its diversified assets portfolio which includes the concurrent development of various forms of domestic and foreign assets.[36]

Chinese leaders and experts have also captured the opportunity to enhance China's soft power through the promotion of the China model—the so-called "Beijing Consensus"—in lieu of the seemingly discredited "Washington Consensus."[37] In a speech at Cambridge University, Premier Wen Jiabao criticized the U.S. laissez-faire approach, asserting that the financial crisis showed that such system "will inevitably give rise to chaos in the economic order and unequal social distribution, ultimately inviting punishment." Simultaneously, he indirectly expressed his espousal of the government-supervised development model (i.e., the Beijing Consensus), arguing that "the international financial crisis also tells us how much we have to fear from an unsupervised market economy," which is doomed to failure.[38]

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36. "PRC Economists: China To Be First in Get Out of Economic Doldrums," *Xinhua*, March 25, 2009 in WNC, Dialogue File Number 985 Accession Number 278100246.
37. The term "Beijing Consensus" was coined and elaborated by Joshua Cooper Ramo, *The Beijing Consensus* (London: Foreign Policy Center, 2004).
38. Text in *Xinhua*, February 3, 2009, in WNC, Dialogue File Number 985 Accession Number 275601342.

China's Grand Globalization Strategy

In the post-cold war world, which is becoming increasingly interdependent and also increasingly fragmented, it is one thing for a state to announce a positive view of globalization and quite another for that state to sustain its consistent and positive engagement with the forces of globalization. Even though Chinese leaders' public embrace of globalization remains undiminished, there is a growing recognition, albeit more often outside of China, that globalization by any definition requires a strategic choice about the basic structure and goals of the economy and the society, a choice that will determine the nature and direction of a nation's developmental trajectory.

China's grand globalization strategy (GGS) can be conceived as part of the triangle where domestic, regional, and global policies interact in the pursuit of three overarching interests and demands: first and foremost, economic development to enhance domestic stability and legitimacy; second, promotion of a peaceful external environment free of threats to China's sovereignty and territorial integrity in Asia; and third, cultivation of its status and influence as a responsible great power in global politics.

It is important, therefore, to break down the areas in which China is more or less fully engaging with globalization. China's global policy in economic, security, and ideational dimensions mostly represents the external manifestation of Beijing's GGS. The GGS is a product of the interplay between its external and internal factors. On the one hand, China exploits the strategic opportunities embedded in globalization to promote the rapid development of the country, while on the other hand Beijing pursues the role of responsible global power to discredit the "China threat theory." These two goals, however, are not mutually exclusive. China's economic development significantly enhances its status as a global power while its larger global role affords the country an ability to manage globalization to maintain domestic stability and international peace for sustained national development.

Globalized Economy

China clearly is a big winner in the (economic) globalization game. Beijing's generally positive view of and response to globalization are fueled by impressive economic accomplishments, which in turn reinforce the belief that the country is well-positioned to take further advantage of globalization in the future. As early as 1991 the World Bank had singled out post-Mao China as having garnered an all-time global record in doubling per capita output in the shortest period (1977-1987).[39] As *Table 2* shows, China's GDP growth rate during the first two decades of the post-cold war era of globalization is even more impressive.

Table 2. China's GDP Growth Rate in Comparative Perspective, 1990-2001, 2000-2007

Country	Average Annual Growth Percentage, 1990-2001	Average Annual Growth Percentage, 2000-2007
China	10.0%	10.2%
Singapore	7.8%	5.8%
India	5.9%	7.8%
South Korea	5.7%	4.7%
Hong Kong	3.9%	5.2%
United States	3.5%	2.7%
France	1.8%	1.7%
Germany	1.5%	1.1%
Japan	1.3%	1.7%
Russia	-3.7%	6.6%
World Average	2.7%	3.2%

Sources: Adapted from World Bank, *World Development Report 2003* (New York: Oxford University Press, 2003), Table 3, pp. 238-39; World Bank, *World Development Report 2009* (New York: Oxford University Press, 2009), table 3, pp. 356-57.

China's trade exploded, from $20.6 billion in 1978 to $2.5 trillion in 2008 (a whopping 121-fold increase in three decades),

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39. World Bank, *World Development Report 1991: The Challenge of Development* (New York: Oxford University Press, 1991), figure 1.1., p. 12.

even as trade as a percentage of GDP—a widely used measure of a country's integration into the global economy—more than doubled once every decade, from 5.2 percent in 1970 to 10 percent in 1978 to 26.8 percent in 1990 and then 44 percent in 2001. By 2007, the rate of China's foreign trade dependence witnessed a steep rise, reaching an all-time high of 72.4 percent, an increase of 62 percentage points since the end of the Mao era, compared to 26.8 percent for the United States, 27.3 percent for Japan, 48.8 percent for India, 55.1 percent for Russia and France, 61.6 percent for UK, and 85.3 percent for South Korea for the same year.[40] China is the world's third-largest trading state after the United States and Germany and is 3.5 times as integrated into the world economy as the United States or Japan. China is also the world's most popular recipient or destination of inward foreign direct investment (FDI)—$92.4 billion in 2008[41]—and the world's largest holder of foreign exchange reserves ($2.13 trillion as of June 2009), two-thirds of which is in dollar assets, including more than $800 billion dollars in U.S. treasury bonds.[42]

In sum, China today enjoys the number-one global ranking in key economic indicators: inward FDI, foreign-exchange reserves (liquid assets), and holder of U.S. treasury bonds. All of this has contributed to China's emergence in 2008 as the world's third-largest economy (with GDP of $4.4 trillion). It may well overtake Japan as the world's second-largest economy by the end of 2009 or at the latest by 2010.

With its newly-gained economic weight, China's economic growth is crucial to the world's economic development. In recent

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40. World Bank, *World Development Report 2009: Reshaping Economic Geography* (Washington, D.C.: World Bank, 2009), pp. 340-42.
41. In 2003, China for the first time overtook the United States as the world's largest recipient/destination of FDI. While FDI into the United States declined to $40 billion in 2003 from $72 billion in 2002 and $167 billion 2001, FDI into China declined only slightly to $53 billion in 2003 from $55 billion in 2002. See Laurent Frost, "China Overtakes U.S. As Investment Target," Associated Press, June 28, 2004. For the 2004 figure, see *People's Daily Online*, January 25, 2005.
42. "China's Foreign-Exchange Reserves Surge, Exceeding $2 Trillion," *Bloomberg News*, July 16, 2009.

years, despite increasingly severe global economic fluctuations, China's economy has maintained a stable and relatively fast rate of growth, bringing hope and a new driving force to the world's economic development. Statistics released by the World Bank show that China's economic growth contributed, on average, 13 percent to world economic growth from 2000 to 2004. In 2004, the world economy reported the swiftest growth in thirty years, while China's economy grew by 9.5 percent and became a key driving force behind the global economic expansion. By the end of 2004, China had made use of U.S. $745.3 billion of paid-in foreign capital, and approved more than 500,000 foreign-funded enterprises. China's huge markets offer lucrative opportunities for international capital that investors around the world have enjoyed.[43]

Despite being enmeshed in the global economic matrix, China emerged relatively unscathed from the 1997-1998 Asian financial crisis and the 2008 global financial meltdown. China's relative immunity in 1997 and 1998 was due to the non-convertibility of its currency, substantial foreign-exchange reserves to defend against speculative attacks on the yuan, and a large inflow of FDI, only a small percentage of which was portfolio investment (which is more vulnerable than capital investment to quick withdrawal in a panic). In the wake of the 2008 financial downturn, while other countries experienced a considerable degree of economic slowdown, the Chinese economy remained relatively insulated from the crisis thanks to its strong liquidity and unexposed financial system.[44] China's economy is surging after Chinese banks doled out more than $1 trillion in loans in the first half of 2009, in addition to a nearly $600 billion government stimulus program. According to Citigroup, even in the midst of the worst international economic downturn, annual Chinese economic growth is estimated at 8.7 percent in 2009 (compared to -1.4 percent for world GDP) and 9.8 percent in

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43. See "China's Peaceful Development Road White Paper 2005."
44. Roger C. Altman, "Globalization in Retreat: Further Geopolitical Consequences of the Financial Crisis," *Foreign Affairs*, vol. 88, No. 4 (July-August, 2009), pp. 2-7.

2010 (compared to 2.7 percent for world GDP).[45]

Beijing's response to both financial crises shows that a variety of considerations are at work in shaping China's policy and behavior, including China's integration into the global community as a responsible great power, which seems to be the primary factor. China's policy elites seldom fail to cite Beijing's refusal to devalue the *renminbi* (RMB) as proof positive of its status as a responsible great power. Beijing's decision not to devalue is explained again in "grabbing with two hands" terms: On the one hand, the non-devaluation of the *renminbi* demonstrated to the world community China's formidable economic muscle. On the other hand, China has impressed its East Asian neighbors as a country that does not take advantage of others' misfortune or hit a person when he is down. It also shows that as a responsible great nation, China's leaders feel a sense of responsibility for the stability of the international system as well as the regional order in Asia.[46] Year 2008 served as a big turning point for China's global economic power status. If the United States and the West showed the world the way out during the 1997-1998 AFC, in the aftermath of the 2008 meltdown, the catalyst is coming from Asia, especially China for the first time. China is helping the financially precarious West recover from the deepest recession since World War II.[47] President Hu Jintao has made a pledge that China will provide credit support in the amount of $10 billion to the hard work of Shanghai Cooperation Organization member states in coping with the impact of the international financial crisis.[48] In the first half of 2009 alone, Chinese banks lent a record $1.1 trillion in new loans, setting off fears that the lending binge might create a bubble over the long term.

By any reckoning, the World Trade Organization (WTO)

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45. Nelson D. Schwartz, "Asia's Recovery Highlights China's Ascendance," *New York Times*, August 24, 2008, pp. B1, B4. See also *Country Report: China* (London: Economist Intelligent Unit, September 2009), p. 6.
46. Chen and Liu, "China and the World amid Globalization."
47. Schwartz, "Asia's Recovery Highlights China's Ascendance."
48. Text of Hu Jintao's Speech at SCO Leaders' Meeting, *Xinhua*, June 16, 2009 in WNC, Dialogue File Number 985 Accession Number 282251363.

has become a lightning rod for anti-globalization protests. As protests against the WTO became frequent, China completed its protracted struggle to gain WTO entry. Despite significant opposition at home and major sovereignty-diluting preconditions imposed by the United States, China's leadership arrived at the conclusion that economic globalization was indeed irresistible and that China could either join the trend or be left behind. As explained by Jiang Zemin, "Joining the WTO is a strategic policy decision by the Chinese government under the situation of economic globalization; it is identical with China's objective of reform, opening up, and establishing a socialist market economic structure."[49]

After fourteen years of often difficult negotiations, in December 2001 China finally became a member of the WTO under terms that hewed to the longstanding Western demands not only for reducing tariff and non-tariff barriers but also for opening up long-closed sectors such as telecommunications, banking, and insurance. China was so determined to join the WTO that in a few important areas it assumed obligations that exceed normal WTO standards—the so-called WTO-plus commitments.[50] China's WTO accession was the biggest liberalization package, which mainly involved unilateral concessions by Beijing. The deal improved access to China's markets for foreign competition while not enhancing Chinese access to other markets. Moreover, China's WTO entry commitments left the country with the lowest protection of any developing country in the world. There is no denying that Beijing's determination to gain WTO entry at almost any price represents a big gamble in the checkered history of China's engagement with the global community. Why then did Beijing take some unprecedented sovereignty-diluting steps to gain WTO entry?

While there is no simple or single answer, China's WTO entry nonetheless underscores the extent to which the forces of

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49. "Seize Opportunity, Meet Challenge, and Participate in Economic Globalization," *Renmin ribao*, December 19, 2001, in FBIS-CHI-2001-1220.
50. Nicholas R. Lardy, *Integrating China into the Global Economy* (Washington, D.C.: Brookings Institution Press, 2002), p. 2.

globalization have blurred the traditional divide between the international and the domestic, confronting China's leadership with an "intermestic" challenge. As Joseph Fewsmith argues, what really convinced the Chinese leadership to proceed with the deal, despite or perhaps even because of the mounting domestic opposition, was the commitment of Jiang Zemin and Zhu Rongji, then the premier, to globalization and a fundamental restructuring of Chinese industry. Politically, failure to reach an agreement would have left Jiang in a passive position with his domestic adversaries, including Li Peng. Jiang would have faced a large and inefficient government-owned enterprise sector and no way to address its problems.[51]

Since it gained entry into the WTO in 2001, China has made revisions to nearly 3,000 internal legislations, regulations, and department rules, persistently improved its foreign-related economic legal system, and upgraded the accountability of national trade policies. At the same time it has continually reduced its customs tariffs, abolished most of its protective measures,[52] and increased its participation in regional economic cooperation. China successfully completed the negotiation of the China-ASEAN (Association of Southeast Asian Nations) Free Trade Area and has also initiated negotiations on other free trade areas, such as the China-Southern African Development Community, China-Gulf Cooperation Council, and China-New Zealand, China-Chile, China-Australia, and China-Pakistan. China is also as active and pragmatic a participant in the activities of Asia-Pacific Economic Cooperation (APEC), the Forum on China-Africa Cooperation, the Sino-Arab Cooperation Forum, Asia-Europe Meeting (ASEM), and the Greater Mekong Subregion Economic Cooperation Pro-

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51. Joseph Fewsmith, "The Politics of China's Accession to the WTO," *Current History*, vol. 99, No. 638 (September, 2000), p. 273. For a comprehensive and authoritative analysis of how international institutions and commitments can be used by domestic reformers to tie hands in order to force domestic change, see Daniel W. Drezner, ed., *Locating the Proper Authorities: The Interaction of Domestic and International Institutions* (Ann Arbor, Mich.: University of Michigan Press, 2003).
52. See "China's Peaceful Development Road White Paper 2005."

gram.[53] The not-so-subtle subtext of China's status drive is clear enough: "The rise in a country's economic status will bring about a corresponding rise in its political status."[54]

Globalized Security

What does it mean for the Chinese state and people to be or feel "secure" in an era of globalization? With the clarity, simplicity, and apparent stability of the cold war gone, the agency and the scope of "threat" as well as the sources and effects of security globalization have become more complex and diverse than ever. The most common characterization of the relationship between globalization and security is the "outside-in" premise—that is, globalization impinges upon the state from the outside and transforms the security environment within which it operates. However, security is also affected by the internal transformations of the state.[55] The new security environment is increasingly being shaped and defined by "intermestic" politics—the interconnection and interpenetration between the international and domestic spheres.

These intermestic concerns have transformed our conception of security. In the post-cold war globalization era, security is seen and defined more broadly and multidimensionally than ever before. The policy prescription that flows from the new perspective on the relationship between globalization and security is that China should pay more attention to the economic, social, and political aspects of security. Hence global human rights and environmental thinking and practices have become part of Chinese thinking on "security globalization." Indeed, China's grand strategy for the new millennium is now said to require placing a higher priority on economic and internal security, broadly defined, than on external and military security as

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53. Ibid.
54. *Jingji ribao* (Economic Daily), "The World Trade Organization Needs China, China Needs the World Trade Organization," in FBIS-CHI-2000-0121.
55. Clark, *Globalization and International Relations Theory*, pp. 107-26.

conventionally defined.[56] As a result of China's growing global interdependence, economic and social security have come to enjoy a preferred position in Chinese security thinking.

Military security is still important but is progressively downplayed in favor of non-military security. Although the People's Liberation Army has been involved in nine wars and armed conflicts—fought for ideological reasons and for the protection of national sovereignty and territorial integrity—most of these actions were taken in the 1950s and 1960s. No war involving China has taken place in the post-cold war era. This reflects the peaceful settlement of territorial disputes with Russia, Mongolia, the Central Asian republics, Burma, Pakistan, and Vietnam, as well as the demise of the ideological basis for war.[57]

To focus on "war" is perhaps to miss the larger picture of Chinese conflict behavior and crisis management. Yet Johnston's empirical analysis of China's militarized interstate dispute behavior from 1949 to 1992 concludes that "China will be more likely to resort to force—and relatively high levels of force—when disputes involve territory and occur in periods where the perceived gap between desired and ascribed status is growing or larger."[58] Thus, the growth seen in Chinese power is not likely per se to translate into a more aggressive use of that power. In fact, China may be less involved in conflicts, as long as its territorial integrity and international status is afforded proper respect. The combined interactive effects of several factors in Chinese foreign relations augur well for the peace and stability of the East Asia region and beyond: the costs of the use of force, which are sharply increased by economic globalization; the successful

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56. Wang, "Mianxiang ershi shiji de Zhongguo waijiao."
57. For a list of territorial disputes peacefully resolved in the 1990s, see *Defense White Paper 2000* in FBIS-CHI-2000-1016, October 16, 2000. See also M. Taylor Fravel, "Regime Insecurity and International Cooperation: Explaining China's Compromises in Territorial Disputes," *International Security*, vol. 30, No. 2 (Fall, 2005), pp. 46-83.
58. Alastair Iain Johnston, "China's Militarized Interstate Dispute Behaviour 1949-1992: A First Cut at the Data," *China Quarterly*, No. 153 (March, 1998), p. 29.

settlement of territorial disputes with most of China's neighbors, with the corresponding sense of enhanced state sovereignty; the demise of ideological conflict; and the substantial accomplishment of China's quest for great-power status.

With the rise of the new security concept in 1997, Chinese foreign policy has been steadily shifting toward a direction of greater multilateral cooperative security. The post-Mao era witnessed the acceleration and intensification of Sino-UN linkages and interactions. China's membership and participation in UN-related regimes increased steadily, as did Chinese accession to UN-sponsored multilateral treaties. This growing and widening engagement with the UN-centered global community has produced some nontrivial feedback and spillover effects, facilitating certain adjustments and shifts in Chinese multilateral diplomacy and also in the policy making and policy reviewing processes and institutions within China.[59]

China's growing security globalization is made evident in the sensitive domain of arms control and disarmament (ACD). As Swaine and Johnston point out, the Chinese perspective shifted significantly over the post-Mao years, especially in the 1990s, from a view of ACD as largely irrelevant to its national security concerns to a broader conception of security that recognizes the benefits to be derived from more active cooperative participation. Whereas Beijing had signed about 10 to 20 percent of all ACD agreements it was eligible to sign in 1970, by 1996 this figure had jumped to 85 to 90 percent. Much of this cooperative behavior had to do with China's determined status drive to be seen as a responsible great power.[60] China has also stayed true

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59. Samuel S. Kim, "China and the United Nations," Elizabeth Economy and Michel Oksenberg, eds., *China Joins the World: Progress and Prospects* (New York: Council on Foreign Relations Press, 1999), pp. 42-89.

60. Michael D. Swaine and Alastair Iain Johnston, "China and Arms Control Institutions," in Elizabeth Economy and Michel Oksenberg, eds., *China Joins the World: Progress and Prospects* (New York: Council on Foreign Relations Press, 1999), p. 101. For a more detailed analysis and explanation see Alastair Iain Johnston, *Social States: China in International Institutions, 1980-2000* (Princeton, N.J.: Princeton University Press, 2008).

to its promise that it "will not be the first to use nuclear weapons at any time and in any circumstances." China has ratified or agreed to relevant ACD treaties, including the Treaty on the Nonproliferation of Nuclear Weapons, the Chemical Weapons Convention, the basic tenets of the Missile Technology Control Regime, and the Comprehensive Nuclear Test Ban Treaty.[61]

China's participation in the UN Security Council (UNSC), the cockpit of global security politics, provides a solid empirical basis for assessing the extent to which the security effects of globalization are translated into certain behavioral tendencies of China's global policy. China's position on UN peacekeeping operations (UNPKOs) has evolved over the years in a dialectical situation-specific way, as China has balanced its realpolitik interests with concerns for its international reputation as the champion of Third World causes. During the pre-entry period as a whole (1949-1971), both ideology (in the form of the Maoist theory of just war) and experience (the trauma of the UN intervention in the Korean War) conditioned China's negative attitude toward UN peacekeeping activities.

Once on the Security Council, China's position shifted and metamorphosed through three discernible stages: principled opposition with nonparticipation (1971-1980); support with non-participation (1981-1989); and support with incremental and situation-specific participation (1990-present). In December 1981, China voted for the first time for the extension of a UN peace-keeping force (UNFICYP, in Cyprus). In November 1989, in another shift, the Chinese government decided to dispatch five Chinese military observers to serve in the United Nations Truce Supervision Organization (UNTSO) in the Middle East and twenty Chinese civilians to serve as members of the UN Transitional Assistance Group (UNTAG) to help monitor the indepen-

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61. See Evan S. Medeiros and M. Taylor Fravel, "China's New Diplomacy," *Foreign Affairs*, vol. 82, No. 6 (November-December, 2008), pp. 22-35 and China's 2008 Defense White Paper in "PRC Information Office Carries 'Full Text' of 2008 Defense White Paper," January 22, 2009, WNC, Dialog File Number 985 Accession Number 275000109 (hereafter cited as "China's 2008 Defense White Paper").

dence process in Namibia.[62]

Chinese multilateral diplomacy shows an increased willingness to evaluate UNPKOs according to their contributions to the "conditions of peace and stability." With the lesson of Kosovo (where China experienced a dire outcome) fresh in Chinese minds, Beijing opted for a more flexible conflict management approach in East Timor, where China contributed its civilian police to a UN peacekeeping operation and took a peacemaking role for the first time. One indicator of Beijing's growing multilateralism with respect to UNPKOs has been the establishment and expansion of training programs for peacekeepers in China through the Office of Peacekeeping in China, located under the General Staff Headquarters of the People's Liberation Army (PLA).[63] Another indicator of Beijing's greater commitment to UNPKOs was the 1997 decision to take part, in principle, in the UN's standby arrangements for UNPKOs. In 2002, Beijing formally joined the Class-A standby arrangements system.

As if to showcase Beijing's growing interest and willingness to expand its influence beyond the "home region," China announced in February 2003 that it would send 218 "peacekeepers"—175 engineers and forty-three medical personnel—from the PLA to the Democratic Republic of the Congo in support of the United Nations Peacekeeping Mission (MONUC), thereby more than doubling the number of its peacekeepers from 137 to 355. In an apparent victory for the ministry of foreign affairs and more progressive elements in the PLA, Beijing was demonstrating its desire and willingness to boost its international role and reputation as a responsible great power, at a time when the United States was pressuring the UN—without success—to demonstrate its "relevance" by legitimizing America's preemptive war against Iraq.

In the past decade, China has dramatically expanded its

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62. Liu Enzhao, "Lianheguo weichi heping xingdong" (UN Peacekeeping Forces), *Guoji wenti yanji* (Journal of International Studies), vol. 2 (1989), pp. 53-61.
63. Bates Gill and James Reilly, "Sovereignty, Intervention and Peacekeeping: The View from Beijing," *Survival*, vol. 42, No. 2 (2000), pp. 41-59.

UNPKO deployments. Chinese peacekeeping deployment increased twenty-fold from 2000 to 2008. Compared to 2000, when China's contribution was less than one hundred peacekeepers, by November 2008 1,949 military peacekeeping personnel from China were serving in nine UN mission areas and the UN Department of Peacekeeping Operations. As a result, in 2008, China became the fourteenth-largest contributor to UN peacekeeping operations, ahead of three other permanent members of the UN Security Council. Most of China's UNPKO missions are taking place in Africa, the Democratic Republic of the Congo, Liberia, and Sudan. With its increasing engagement in UNPKOs, China aims not only to bolster its reputation as a responsible great power, but also to safeguard global security and stability, to project a more "harmonious" and "peaceful" image to the international community as it engages, and to "softly" balance against the hegemonic behavior of the United States. In pursuing the image of a "peaceful" world power, China has chosen to provide medical teams, engineers, civilian police, and military observers rather than combat troops.[64]

Globalized security has also meant a reshaping of the Chinese military in the face of nontraditional threats. In the globalized information era, the threat of a computer attack has become as serious as the threat of conventional attacks, and this has prompted many states to build up their cyberwar capabilities. In the United States, nearly every military unit or headquarters has been ordered to analyze the risk of cyberattacks so that they can be trained to counter them. West Point holds annual cyberwar games,[65] while American intelligence tried to use cyberattack

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64. Toward the end of 2008, 88 military observers and staff officers, 175 engineering troops, and forty-three medical PLA personnel were deployed in the Democratic Republic of the Congo (UNMONUC) while 275 engineering troops, 240 transportation troops and forty-three medical personnel were in Liberia (UNMIL). 275 engineering troops, 100 transportation troops and sixty medical personnel were in the Sudan (UNMIS), while 315 engineering troops were under the African Union/United Nations Hybrid Operation in Darfur (UNAMID). See "China's 2008 Defense White Paper."
65. Corey Kilgannon and Noam Cohen, "Cadets Trade the Trenches for

methods against the Iraqi financial system prior to the U.S. invasion of Iraq in 2003.[66] In this new context of global technological security and information-based threats, China has pursued the strategic goal of "informationizing" its military by promoting the composite development of mechanization and informationization, vigorous military training in conditions of informationization, and innovation in military theory, technology, organization and management. It has also conducted training in complex electromagnetic environments, focusing on specialized information warfare, especially electronic warfare.[67]

Globalized Soft Power[68]

How has globalization affected China's longstanding obsession with power? Globalization has greatly influenced not only the dynamics of power on the world stage but also the very meaning of national power.[69] "There is a near-pathological obsession in China" according to Pang Zhongying, "with the question of what defines a 'rising power' (*da guo jue qi*)."[70] In the United States, the rise-of-China thesis is often conflated with the "China threat theory" that focuses exclusively on China's hard power. But meanwhile Chinese strategies have shifted dramatically from coercion and revolutionary normative appeals toward approaches that rely on forms of soft or ideational power.[71] One Chinese

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Firewalls," *New York Times*, May 11, 2009.

66. John Markoff and Thom Shanker, "Halted '03 Iraq Plan Illustrates U.S. Fear of Cyberwar Risk," *New York Times*, August 2, 2009.

67. China's 2008 Defense White Paper.

68. As is widely known and discussed, especially in China, the term "soft power" was first coined and elaborated by Joseph S. Nye in two books: *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990) and *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004).

69. See Samuel S. Kim, "China's Path to Great Power Status in the Globalization Era," *Asian Perspective*, vol. 27, No. 1 (2003), pp. 35-75.

70. Pang Zhongying, "The Dragon and the Elephant," *The National Interest* (May-June, 2007), pp. 47-48.

71. Lampton, *The Three Faces of Chinese Power*, p. 10.

scholar describes an evolving process: "The first generation [Mao Zedong] paid more attention to military power; the second generation [Deng Xiaoping] placed more emphasis on comprehensive national strength. The third generation [Jiang Zemin], in the late 1990s, began to pay more attention to soft power."[72]

Chinese soft power rests on the tripod of traditional culture, a developmental model (the Beijing Consensus), and peaceful and harmonious foreign policy. Indeed, these three factors are increasingly recognized as essential components of China's status as a responsible great power. As noted earlier, China's much-touted economic progress has been developing in tandem with the notion of China as a responsible great power in the global community. While Jiang Zemin began to pay more attention to soft power and practiced China's soft-power diplomacy in a globalizing world, especially in Southeast Asia, it was Hu Jintao, at the 2005 UN Summit, who officially incorporated soft power as an integral part of his vision and strategy of building a "harmonious world." Indeed, the first decade of the new millennium witnessed a growing recognition and acceptance that in order for China to become a true global power, it needs soft power as well as hard power. China's new appreciation of soft power has given its government new means of exercising soft-power diplomacy abroad.

China's rapid economic development in recent decades has generated suspicion and concern that a stronger China will be more assertive and aggressive. To calm such anxieties and make the country's rise more acceptable to others, China has increased the transparency of its foreign policy to convince others that its intentions are benign and peaceful. Every Chinese white paper is now available on the web site of the State Council Information Office, while the ministry of foreign affairs offers detailed descriptions of its positions on regional and global issues and transcripts of press conferences and key speeches.[73] China also has refrained from being called a "leader state" but refers to

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72. Cited ibid., pp. 10-11.
73. Medeiros and Fravel, "China's New Diplomacy," p. 31.

itself as a "responsible big power" out of fear that the term "leader state" might conjure up an image of China as a bully to other nations.[74]

China's soft-power diplomacy is increasingly manifest in the global south (the new Third World) as well as in regional and global multilateral institutions. China's good image as an aid donor is coupled with the attractiveness of its development model, allowing the new "responsible power" to exert soft power via its newly refurbished Third World policy. Following the 2008 international financial crisis, China's apparent immunity, which stood in stark contrast to the shaky Western economies, further contributed to the international attractiveness of the Beijing Consensus in contrast with the Washington Consensus.[75] China's use of soft power in Southeast Asia—relying on such nonmilitary inducements as culture, foreign aid, trade, and investment—has gone a long way in allaying Southeast Asian concerns that a rising China poses a military or economic threat.

China's activities in Africa have expanded dramatically. Visits of political and business leaders along with investment, aid, and debt relief have occurred in exchange for access to Africa's natural resources, considered essential for Chinese development. China insists that it aims to forge African relationships of "mutual benefit" and not to "plunder" the continent, but some non-Chinese analysts concur that Chinese attentions are creating a major transition in the African strategic landscape. The $1.3 billion of debt relief has gone a long way toward establishing good will in Africa toward the Chinese.[76]

China's "charm offensive"[77] is intended to present a kinder

74. Yee, ""Towards a Harmonious World," pp. 103-104.

75. Schwartz, "Asia's Recovery Highlights China's Ascendance."

76. Sheng Ding, "To Build a 'Harmonious World': China's Soft Power Wielding in the Global South," *Journal of Chinese Political Science*, vol. 13, No. 2 (2008), pp. 199-202 and China's Peaceful Development Road White Paper 2005. See also Edward Friedman, "How Economic Superpower China Could Transform Africa," *Journal of Chinese Political Science*, vol. 14, No. 1 (March, 2009), pp. 1-20.

77. See Joshua Kurlantzick, "China's Charm Offensive in Southeast Asia," *Current History*, vol. 105, No. 692 (September, 2006), pp. 270-76.

and gentler image to the outside world. This "Charm Offensive-cum-Good Neighbor" policy is manifest in its willingness to make compromises to settle most of the twenty-three territorial disputes with its neighboring countries. In most cases, China has made substantial concessions by receiving less than fifty percent of the contested land. In the case of the long-standing dispute with Tajikistan over the Pamir Mountains, China accepted only 1,000 of the contested 28,000 square kilometers.[78] China has made a shift from being an aid recipient to a generous aid donor, having provided assistance to more than 110 countries and regional organizations for over 2,000 projects.[79]

China's "go-global strategy" has recently taken on a new form, as Beijing began actively to promote Chinese culture under the "harmonious world" banner. This soft-power cultural policy manifested itself in the establishment of over 300 Confucius Institutes across the world, with seed funding and material support from the Office of Chinese Language Council International. The main function of these institutes is to improve the understanding of Chinese culture through improved language training facilities and immersion in the teachings of Confucius and thus promote greater mutual understanding, as articulated in the idea of a new and harmonious world order. The China National Office for Teaching Chinese as a Foreign Language is using its $200-million budget to launch a language-promotion network that aims to quadruple the number of foreigners studying Chinese to 100 million by 2010.[80]

With its emerging influence in soft power, China's relationships with the rest of the world have undergone historic changes.

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78. Medeiros and Fravel, "China's New Diplomacy," p. 26; Fravel, "Regime Insecurity and International Cooperation," p. 46.
79. Bates Gill and Yanzhong Huang, "Sources and Limits of Chinese 'Soft Power,'" *Survival*, vol. 48, No. 2 (Summer, 2006), p. 23; Joshua Kurlantzick, "The Decline of American Soft Power," *Current History*, vol. 104, No. 686 (December, 2005), pp. 422-23.
80. Young Nam Cho and Jong Ho Jeong, "China's Soft Power: Discussions, Resources, and Prospects," *Asian Survey*, vol. 48, No. 3 (May-June, 2008), pp. 471-72; Wang and Lu, "The Conception of Soft Power and Its Implications," pp. 439-40.

There is no doubt that China is challenging U.S. soft power, as active Chinese participation in regional and global multilateral institutions represents a growing recognition that the U.S. unilateral, hegemonic world order can be "democratized" through the soft forces of globalization and multilateralism.[81] Increased involvement in global governance institutions precisely addresses Beijing's "soft balancing" strategy. "Soft balancing" is a distinctively post-cold war concept. Since the end of the cold war, second-tier major powers such as China, France, Germany, India, and Russia have mostly abandoned traditional "hard balancing" based on countervailing alliances and arms buildups. Instead "they have been pursuing limited, tacit, or indirect balancing strategies largely through coalition building, and diplomatic bargaining within international institutions, short of formal bilateral and multilateral military alliances. These institutional and diplomatic strategies, which are intended to constrain U.S. power, constitute forms of soft balancing."[82]

Conclusions

China's integration into the global community in the post-cold war era, aided and abetted by the forces of globalization, has occurred in two different forms with paradoxical effects that simultaneously confirm and constrain Chinese sovereignty. On the one hand, integration was spurred by China's own initiative and largely evolved at its own gradual, measured pace. The confluence of domestic and external forces was used effectively by China's post-Mao leadership to accelerate the nation's reform and opening to the outside world in order to modernize its economy, enhance its international reputation, and ultimately increase its national strength. As a result, China's *external sovereignty* is more secure in the global arena today than ever before.

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81. Deng and Moore, "China Views Globalization," p. 118.
82. T. V. Paul, "Soft Balancing in the Age of U.S. Primacy," *International Security*, vol. 30, No. 1 (Summer, 2005), p. 58.

On the other hand, post-Mao leadership has allowed the camel's nose of globalization to enter the once-fortified tent of Chinese state sovereignty, constraining and shackling the nation with myriad sovereignty-diluting norms and regulations. The seemingly irresistible forces of globalization have eroded China's *internal sovereignty*, releasing the enormous entrepreneurial energies of sovereignty-free "intermestic" actors that have transformed the direction, logic, and pace of social and economic development. Thanks in part to globalization, the Chinese "totalitarian" party-state is no longer the almighty Leviathan of yore.

While sovereignty remains central to Chinese foreign-policy rhetoric, its underlying premises have been progressively softened and chipped away by the functional and normative requirements of China's integration into the global economy and community. Unless directly challenged, Beijing has been remarkably willing to compromise or shelve sovereignty-bound issues in the pursuit of its "national/global" interests. With the growing globalization of the Chinese political economy, the devolution of power at home, and the fragmentation of authority and decision-making structures, the center has made a series of decentralizing decisions, "enabling" the central planners to maintain the appearance that they still control the economic reforms and opening to the outside world.

The sound and fury of a sovereignty-based international order has been receding in Chinese foreign-policy pronouncements in recent years, highlighting a new global reality that almost everywhere today state sovereignty is in voluntary or forced retreat or in a highly perforated condition. Even powerful states command only shared or compromised sovereignty in a system of multiple power centers and overlapping spheres of authority. Even the United States, the lone world superpower, has had to form coalitions with non-state and intergovernmental organizations in order to leverage scarce resources and work multilaterally with numerous actors simultaneously.[83]

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83. Strobe Talbott, "Globalization and Diplomacy: A Practitioner's Perspective," *Foreign Policy* (Fall, 1997), p. 79.

That said, however, China faces at least three major challenges in the coming years, each of which will entail a decision on how best to cope with the multiple dangers and opportunities of globalization. More specifically, Chinese leaders will have to consider how best to deal with the twin pressures of globalization from above and without and localization/fragmentation from below and within. First, a silent revolution of global information and transparency is under way in China, even in the remote hinterlands. The Chinese state seems to have lost its hegemonic power to fully control the flow of information. China's leaders have yet to resolve the tension between their relatively newfound belief that they have much to gain from globalization and their traditional fear that external pressures will undermine the security of the state and their capacity to govern and maintain social cohesion and stability. Few would argue that China has benefited significantly from its open-door policy in the context of globalization, yet globalization has also contributed to destabilization and fragmentation of the Chinese society.

This silent revolution reflects and affects the globalization of increasingly intertwined political, economic, social, and normative pressures, even as it fosters the rapid mobilization of people's needs, demands, frustration, and intolerance-indeed, the second "revolution of people power." Although its full impact is difficult to assess, especially if the Chinese economy continues to grow at eight percent or higher, this silent revolution nonetheless undergirds the critical social forces for change in emerging Chinese civil society. This type of fragmentation from within could emerge from the growing economic gaps between the regions and also through the eruption of ethnonational identity conflicts in Tibet and Xinjiang. In this new environment, the discrepancies between people's material and cultural demands and expectations and Chinese state's limited capacities breed a potential source of instability.

Second, the fact that China has come to interact with the global community in more ways, with more depth and complexity, and on more fronts than ever before has some unsettling consequences for the Chinese decision-making process. As China's

integration continues apace, different intermestic actors, with different interests, will seek to "participate" in the making and implementation (or nonimplementation) of foreign-policy goals with their own agendas and interests. The conduct of Chinese foreign policy can no longer be contained within a state-to-state bilateral straitjacket. Like it or not, globalization requires fast responses at a time when China's foreign policy decision-making process is becoming diffuse because of its multilevel bargaining across multiple issue areas both at home and abroad. China thus faces the daunting challenge of establishing a fruitful congruence between domestic and foreign policies amid the changing functional requirements of globalization.

Third, coping with the twin pressures of globalization and localization is likely to remain a central challenge for Chinese leadership. The primal force behind often nationalistic posturing, especially in the early post-Tiananmen years, was not any clear and present military threat from without but the leadership's resolve to project China's national identity as an up-and-coming great power—and more recently as a responsible great power—in the Asia-Pacific region and beyond, so as to make up for domestic legitimation and security deficits. Indeed, the main threat to China's security comes from within, not from without. Hence the antinomies between globalization from above and without and fragmentation (deglobalization) from below and within can be seen as entering full force into China's multiple and competing role conceptions. There are significant implications here for matching the means and ends of foreign policy as well as for establishing a stable and harmonious domestic order.

In the coming years, the way Beijing manages its economic reforms, rising unemployment and social unrest, rampant corruption, widening inequality, and ethnonational pressures from below and within may be decisive factors that will shape China's future as a complete and responsible great power. A weak and fragmenting China would be the worst of all possible scenarios, a disaster not only for China but also for peace and stability in East Asia and beyond.

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CONTRIBUTORS

Gaye Christoffersen is an Associate Professor at Soka University of America in Aliso Viejo, California. She has taught at universities in China, Russia, and Turkish Cyprus as well as elsewhere in the United States. Her articles have appeared in *China Eurasia Forum Quarterly, Asian Survey, China Quarterly, China Information, Pacific Affairs, Pacific Review, Asian Perspective*, and *Rossiya i ATR*. (E-mail: gchristoffersen@soka.edu)

Samuel S. Kim is Senior Research Scholar at Columbia University's Weatherhead East Asian Institute and editor-in-chief of the "Asia in World Politics" series of Rowman & Littlefield Publishers. He is the author or editor of twenty-three books on East Asian international relations and peace and world order studies, including *China, the United Nations and World Order* (Princeton University Press, 1979); *The Quest for a Just World Order* (Westview, 1984); *China and the World* (Westview, 4th ed., 1998); *East Asia and Globalization* (editor; Rowman & Littlefield, 2000); *The International Relations of Northeast Asia* (editor; Rowman & Littlefield, 2004); and *The Two Koreas and the Great Powers* (Cambridge University Press, 2006). (E-mail: ssk12@columbia.edu)

Yasumasa Komori is Assistant Professor of International Relations at James Madison College, Michigan State University. He received his Ph.D. in Public and International Affairs from the University of Pittsburgh and his master's degree in International Affairs from American University. His research interests include Asian regionalism, Sino-Japanese relations, Japanese foreign policy toward Southeast Asia, and environmental cooperation in Northeast Asia. (E-mail: komoriy@msu.edu)

Kun Young Park is Professor of International Relations at the Catholic University of Korea in Seoul. He was a CNAPS Korea fellow at the Brookings Institution (2004-2005) and served as