China’s Step Forward to the World
Foundation part: Participation in
International Affairs

- What is the impact on China as it becomes a member of the World Trade Organization?
- Why does China desire to organize worldwide events and conferences?
- Why do some countries urge China “to understand the greater responsibilities borne by it in the international system”? 
China hosted the Summer Olympic Games for the first time in 2008 and topped the gold medal table.

The Liaoning, China’s first aircraft carrier, was successfully refitted and has completed several rounds of sea trials between 2011 and 2012.

China became the third country that has human spaceflight capability when Shenzhou 5 carried Yang Liwei, aged 38, into space on 15 October 2003.

In 2011, members of the China's International Rescue Team arrived at Japan’s earthquake stricken areas for humanitarian relief work, and assisting in rescue operations for the survivors as well as restoring communications equipment and power supplies.

The Shanghai World Expo was closed on 31 October 2010. Statistics showed that the Shanghai World Expo received more than 73 million visitors over the six-month period.
According to a speech by Wen Jiabao, Premier of the State Council, in a public interview in 2009, China has been actively developing measures for climate change and has signed the Kyoto Protocol with other countries around the world. It has also committed to reduce its carbon dioxide emissions per unit of gross domestic product by 40%-45% in 2020 from 2005 levels.

Source: Summarising the reports of various newspapers

China has experienced a period of rapid growth spanning three decades, and replaced Japan as the world’s second-largest economy in the second quarter of 2010, according to latest data.

The World Health Organization (WHO), the largest international public health organization, is a specialized agency of the United Nations. From 2007, Margaret Chan from Hong Kong, China has served as the Director-General of the WHO and become its chief technical and administrative officer.

China’s investment in African infrastructure projects lay a foundation for economic take-offs in African countries. These investments made up for the financial inadequacy in African countries and strengthened the mutually beneficial cooperation between Africa and China.
1. According to these reports, at what levels has China been linked up with the world in recent years?

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<th>Information</th>
<th>Levels</th>
<th>Manifestations of its alignment with the world</th>
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<tr>
<td>A, E, F</td>
<td>Culture</td>
<td>China held international events such as Olympic Games and World Expo. It also exports Chinese cultures such as Putonghua to foreign places for exchanges.</td>
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<td>G, J</td>
<td>Economy</td>
<td>China replaced Japan as the world’s second-largest economy in the second quarter of 2010. China has been involved in investments and constructions in different countries and places.</td>
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<td>B, C</td>
<td>Military and Technology</td>
<td>China’s first aircraft carrier was successfully refitted and persons were carried into space. These achievements show that China’s technology has reached the international level.</td>
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<td>I</td>
<td>Environmental Protection and Conservation</td>
<td>China has signed the Kyoto Protocol with other countries, and has committed to reduce its carbon dioxide emissions per unit of gross domestic product by 40%-45% in 2020 from 2005 levels for improving global climate and environment.</td>
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<tr>
<td>H, D</td>
<td>Hygiene and Humanitarian Aid</td>
<td>Dr. Margaret Chan from Hong Kong, China has been appointed as the Director-General of the WHO and becomes its chief technical and administrative officer. It shows that China is willing to play an important role in the world. China has been sending people and goods to different places and countries for international humanitarian relief work.</td>
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2. With reference to the above information and to your knowledge, what is the position of China on the international scene? Is China a developed country?

China is a developing country and there is room for improvement in many aspects. It is up-and-coming on the world stage and proactively participating in international affairs.

China is playing an important role in the world.

(Any reasonable and relevant answers are acceptable.)

Worksheet (1): Why does China have to enter the WTO?

Source 1: Background of China’s Accession to the WTO

China’s accession to the World Trade Organization (WTO) in 2001 has enabled its business cooperation with more than one hundred WTO members. In addition, China could speed up the implementation of its opening-up policy across the country, in particular the opening-up of coastal areas and inland cities.

Although China has to open up its internal markets, it can enjoy concessions provided by other WTO members and protection by trade rules following its accession to the WTO. As China becomes a member of the WTO as a developing country, it may enjoy concessions provided for developing countries. These concessions include “infant-industry” protection, flexible tariff system and export subsidy which ensure the development of China’s industries in competitions.

China’s accession to the WTO enables its exports of goods to foreign countries/places. Meanwhile, a fall in the price of imported raw materials has led to a lower cost of production. Following China’s accession to WTO, the opening-up of China’s systems and measures has been speeded up to attract foreign investment, which, in turn, helps enhance production skills.
European countries and the United States of America (U.S.A.) blamed China for the restrictions on the exports of nine types of raw materials that were widely-used in steel, aluminum and chemical industries. It was argued that as a result of the implementation of higher export duties, export quotas and strict export licensing requirement, the export prices of these raw materials became higher, giving unfair competitive advantages to Chinese manufacturers. The WTO ruled that China had violated international trade rules.

It was argued by China that relevant restrictions on exports were imposed to protect the environment. The new judgment would have an impact on China’s export of bauxite, coke, fluorspar, magnesium, manganese, silicon carbide, silicon metal, yellow phosphorus and zinc. The WTO stated that China had to immediately reduce the export duties and lift the export quotas to meet its obligation as a WTO member.

Source: Summarising the reports of various newspapers (2011)

1. According to Source 1 and your knowledge, what are the advantages to the economic development of China when it has become a member of the World Trade Organization?

中国可以与其他WTO成员国进行贸易，并享受为发展中国家提供的优惠，包括“幼稚工业”保护、灵活关税系统和出口补贴。这些优惠促进了中国的出口，并保护了中国工业的发展，以应对日益激烈的竞争。开放市场的举措也会使中国对外国投资者更具吸引力，并促进其基础设施、经济和贸易发展。
2. According to Source 2 and your knowledge, what is the impact on China when it gives up some of its rights in formulating policies on international trade in order to join the WTO.

According to the Free Trade Agreement (FTA), China must abolish all kinds of trade barriers to allow free exports of goods and services to China to compete with domestic goods and services. The development of domestic industries would be affected. Workers who engaged in these industries may be affected and become unemployed. On the other hand, there may be positive effects as consumers may have more choices and access to better goods and services.

3. Based on the above analysis, should China become a member of the WTO?

Yes. China can have access to overseas markets and promote its economic and trade development as it becomes a member of the WTO. When trading with the rest of the world, China has to link up with the world at different levels such as legal system and environmental protection and these efforts would help promote its overall development.

No. In view of the competition worldwide as China becomes a member of the WTO, harmful effects may be caused to sectors with low competitiveness. These industries may be squeezed out by overseas industries and workers may become unemployed which results in lower quality of life.

(Any reasonable and relevant answers are acceptable.)
**To Know More: Tariff and import quota**

**Tariff** is a tax levied by a country on imported goods. When a tariff has been imposed on imported goods, the cost of these goods will increase and their prices in the local market will rise. As a result, local people will be less willing to buy these goods and these imported goods will be less competitive in the local market. Finally, local industries will be protected.

**Import Quota** is a tool for imposing quantity restrictions on the imports to a country or region. For the exporting countries, it is a right to export goods to the importing country or region. Generally, the amount of quota is determined by trade negotiation between countries. The amount of quota will be allocated by an importing country based on quota utilization of the manufacturers of the exporting country during the year before. Greater amount of quota will be given to an exporting country whose manufacturers have used more quotas in the year before. Moreover, manufacturers may transfer their quota between each other where the quota price will be decided by the market on demand and supply.

**Worksheet (2): Why does China bid to host worldwide events and conferences?**

**Source 1: Background of China’s Bid to Host Summer Olympic Games**

At the 112th plenary session of the International Olympic Committee (IOC) held in Moscow on 13th July 2001, Beijing was voted to be the host city for the 2008 Olympic Games. As announced by IOC president Juan Antonio Samaranch, Beijing won the bid and it had defeated rival bids from Istanbul, Osaka, Paris, and Toronto. It showed that countries around the world had accepted China’s attempt to organize the Beijing Olympic Games.
The official motto for the Beijing Olympic Games was “One World, One Dream” (「同一個世界，同一個夢想」), which expressed the Olympic spirit of “mutual understanding with a spirit of friendship, solidarity and fair play”. In addition, the official logo, which was titled “Chinese Seal - Dancing Beijing”, featured a Chinese seal, a stylised calligraphic character jīng (京, meaning capital), referring to the host city. The image represents the bond between Beijing and the Olympic Games. The open arms of the figure also symbolised the message of “Beijing welcomes you”.

The success of the Beijing Olympic Games has been regarded as one of the achievements in the past three decades of reform and opening-up. The Beijing Olympics won worldwide acclaim for the arrangements of schedule as well as its opening and closing ceremonies. China succeeded in handling problems of security, transportation and air pollution and finished the Games with 100 medals including 51 gold medals.

The Beijing Olympic Games marked another step of China’s step forward to the world. It provided an opportunity for China to integrate with the world. Through cultural exchange via the Beijing Olympics, countries around the world could have a better understanding of China. The Beijing Olympics also succeeded in encouraging national spirit and enhancing national self-confidence.

Source: Summarising the reports of various newspapers (September 2008)
1. According to Source 1, how did the Beijing 2008 29th Olympic Games show China’s step forward to the world?

Olympics Games is a worldwide sports event. Beijing won the bid for organizing the Olympic Games by defeating rival bids from Istanbul, Osaka, Paris, and Toronto. It showed China’s competitiveness and its worldwide acceptance and recognition.

2. According to Source 1, what are the messages to the world by China in its participation in international events as reflected in the official motto and the official logo for the Beijing Olympics Games?

The official motto and logo symbolize an open invitation for visitors worldwide to join this peaceful and joyful event and “dance” for humankind’s dreams. Another message reflected is that China hopes countries around the world will support its path of peaceful development. It shows its willingness to develop friendly relations with other countries and promote exchanges with them.
3. Will the following people support Beijing Olympic Games? Why?

Any reasonable and relevant answers are acceptable.

A construction worker in China

I [support] / oppose Beijing Olympics Games. It is because the construction of a number of stadiums, hotels and supporting facilities for the Beijing Olympic Games could bring more job opportunities to construction workers.

Manager of a hotel in Beijing

I [support] / oppose Beijing Olympics Games. It is because the Beijing Olympic Games could attract many tourists to Beijing, foster the development of hotel industry and bring more revenue to us.

An athlete in China

I [support] / oppose Beijing Olympics Games. It is because more stadiums will be built for the Beijing Olympic Games. People’s awareness of sport activities and overall sports level of China could be enhanced.
I support / oppose Beijing Olympic Games. It is because the Beijing Olympic Games could demonstrate China’s contribution and participation in the development of international sports events. It could also enhance China’s status in the world.

An official of China

I support / oppose Beijing Olympic Games. It is because (Pros) it can promote the development of tourism industry and the economy of Beijing; (Cons) construction of stadiums and facilities is a large-scale project that could destroy the environment. Visitors to Beijing would make the city more crowded during the Olympic Games.

A local resident in Beijing
Some people think that “hosting large-scale international events often leads to a big waste of resources and should not be encouraged.” Do you think China should bid to host other large-scale international events in the future?

Yes. China could enhance its status in the world by hosting these international events. It could help China play an important role in the world. Meanwhile, the Government could develop environmental policies to address the problem of waste of resources.

No. Substantial resources will be required for international events. Examples of waste of resources could be vacant stadiums after the events with some of them need to be demolished. In contrast, China should deploy resources in ways that are more suitable.

Opportunities and challenges brought by our country’s participation in international affairs, foreign investment, and strategies of cultural exchange and dissemination with reference to foreign relations

China has been proactively participating in international affairs. At political level, China is a permanent member of the UN Security Council that has veto power. At economic level, China is a member of the WTO, G20, Asia-Pacific Economic Cooperation, Boao Forum for Asia, etc. At cultural level, China brings its traditional values to the world through the establishment of Confucius Institutes overseas for promotion of Chinese culture and cultural exchanges. Accordingly, China plays an important role in the world at different levels in terms of politics, economy and culture.

Opportunities and challenges brought by China’s Step Forward to the World

China has enlarged the scale of economic growth and sped up its step forward to a moderately
prosperous society and modernization through its participation in international affairs and investment in overseas markets, etc. Ranking second in the world in terms of the total value of import and export, China's economic growth becomes a driver of the global economic growth. Meanwhile, China attracts overseas investors to enhance the competitiveness of the domestic industries and bring opportunities for China’s prosperous development. At cultural level, China can bring its values to the world and strengthen exchanges with the world so that countries around the world may have better understanding of Chinese culture, which could strengthen its soft power.

For Chinese people, the economic growth brought by China’s step forward to the world could increase job opportunities and salary, which could help improve their livelihood. China’s step forward to the world can also enhance its status in the world and make its people proud of the development of their country. However, China has to face competition worldwide following its step forward to the world. Certain weak industries may be squeezed out by overseas rivals. China becomes the world’s factory also leads to the problem of environmental pollution. Therefore, China’s step forward to the world means opportunities and challenges to both the country and its people.

**Positioning China on the international scene today**

Positioning on the international scene means the identity, role, status and function that a country plays in the world. It reflects the relationship between a country and the other countries. China is positioned as a developing country in the international scene. However, China is an important member of the world as it is among the leaders in the world in terms of Gross Domestic Product (GDP), population, geography and military power.

In deciding whether China could be regarded as a great country in the world, an analysis of China’s hard power and soft power can be made with reference to the theory suggested by Professor Joseph S. Nye. Hard power means the economic or military might that a country may apply to exert influence on other countries. Soft power means the culture or values that a country possesses which may be turned to influence on other countries through persuasion and inspiration. An analysis of China’s status in the world can then be made by using the two ideas. On one hand, some comments suggest that China has strong economic and military might that enables it to play an important role in stabilizing global economy and maintaining global order. On the other hand, China is on the receiving end in the world on issues of environmental protection, human rights and rule of law. Its governance model is also being challenged. All these factors have impacted on China’s status in the international society.
Our Annual Report indicated that “developments in China’s aircraft carrier, advanced fighter aircraft, space, and missile programs signal the potential for the PLA to threaten U.S. forces operating in the western Pacific”. Also, it was indicated that “the volume of (cyber) exploitation attempts yielded enough successful breaches to make China the most threatening actor in cyberspace”.

The rapid economic growth in China following its opening-up has strengthened the purchasing power of its people and brought more Chinese consumers to the world. On the other hand, an increasing demand from China for imported goods represents more business opportunities for overseas companies. Therefore, a mutually beneficial relationship has been established.

The low production cost in China has been attracting many multinational corporations to establish their production lines in China. However, many Chinese merchants simply ignore intellectual property rights. They copy our designs illegally, manufacture goods with raw materials in poor quality and dump those goods to other countries at low prices. As a result, incomes for designers are greatly affected.
1. With reference to Source 1, what are the two main perceptions held by some major countries and regions about China’s step forward to the world? What are their concerns?

The first perception deems the development of China as a threat to the rest of the world, and the concerns include threats in terms of military power and economic power which threatens job opportunities for workers in the rest of the world. The second perception suggests that opening-up of China represents business opportunities for overseas investors and mutually beneficial relationship between China and other countries.
2. Some people believe that “China boosts its development through participation in international affairs and opening-up policy. Therefore, China should bear greater responsibilities in the world.” Based on the above source and your knowledge, what responsibilities should be borne by China? Why?

   China should help countries facing financial difficulties (e.g., North Korea and some African countries) and provide financial assistance to them so that the people may live a better life.

   China should also participate in humanitarian relief operations through different ways such as donating goods or sending rescue teams to these countries in events of serious natural disasters.

   **Source 2**: Response by an official in China

   Military and economic developments are essential and vital to protect our people and let them live a better life. Meanwhile, the development of China cannot be delinked from the rest of the world. Therefore, we have to maintain fair and interactive economic and trade relationships with countries around the world. It should be noted that our country is developing in a peaceful and gradual manner. While raising our national strength, we will not engage in conflicts with other countries but will strive to maintain peaceful and friendly relations with them.
1. Based on Source 2, what are the attitude and position of China today on its development and step forward to the world?

China is developing in a peaceful and gradual manner. While raising its national strength, it will not engage in conflicts with other countries but will strive to maintain peaceful and friendly relations with them. At economic level, China will focus on establishing fair and interactive economic and trade relations with other countries. It will develop its military power solely for the purpose of protecting its people.

2. Some people suggest that other countries may feel threatened by China's development, while some other people suggest that China’s development could bring mutual benefits to the world. Which side will you take between the two views? Explain.

(Any reasonable and relevant answers are acceptable.)

Perception of China’s step forward to the world by some major countries and regions

There have been different perceptions of China’s step forward to the world by some major countries and regions regarding China’s rapid development and frequent participation in international affairs. The main perceptions include the “China Threat Theory” and the “China Responsibility Theory”, China’s response is the “Peaceful Development Theory”.

“China Threat Theory”

Supporters of “China Threat Theory” think that China’s rapid development in economic and military strength as an economic powerhouse with offensive strike capability presents material impact to developed countries and the Asia-Pacific region. For example, China as the world's second-largest country in terms of GDP* and oil consumption, becomes the driver of global economic growth and has made significant impact on global economic development. In addition, a double-digit increase in annual military spending makes China, a country with nuclear weapons and missiles which can reach the U.S.A., among the top five countries with the highest military spending. These hardware facilities have raised worldwide concern about the impact on international economic development and political stability brought by China’s development.
“China Responsibility Theory”
Supporters of “China Responsibility Theory” accept China’s rapid development and its proactive participation in international affairs. However, they urge China to play its role in bearing its responsibilities in the world. For example, China should adopt economic policies based on the principle of free and open market to allow free floating of prices and exchange rates on the open market, open up different industries and strengthen the protection of intellectual property. At political level, China should value the ideas of freedom and democracy to allow free expressions of different views and to be more accountable to the people. At military level, it should join the international fight against terrorism and provide assistance in establishing global order. At environmental level, China should protect the environment by eliminating waste of energy and resources and the harm to the environment caused by extensive development.

“Peaceful Development Theory”
China responds to other countries’ different perceptions with the “Peaceful Development Theory”. China believes that it is developing in a peaceful manner. While raising its national strength, it is developing and maintaining world peace. Meanwhile, the development of China cannot be delinked from the rest of the world. Therefore, China has to maintain fair and interactive economic and trade relationships with countries around the world. China does not intend to be the leader of the world through development. Its development is in line with the value of “seeking harmony but not uniformity” in traditional Chinese culture.

China’s position in participating in the international society regarding other countries’ perceptions of China’s step forward to the world
The Chinese Government has already proposed the Five Principles of Peaceful Coexistence as the basis of China’s foreign policy in the early days of the PRC. These principles are: “mutual respect of sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence”. In response to worldwide concern about China’s intention to seek hegemony, China comes up with the following statements on these principles: “China will never threaten others, engage in expansion or seek hegemony.” Accordingly, while China has a significant influence in the world at economic and political levels, it will not take the initiative to do any provocative or offensive action against other countries.

*China is not among the leaders in the world in terms of GDP per capita as it has a large population.
Worksheet (4): Opportunities and challenges brought by our country’s participation in international affairs, foreign investment, and strategies of cultural exchange and dissemination with reference to foreign relations

**Shanghai Expo showed quality of Chinese people**

Shanghai Expo came to an end in 2010. The successful completion of the Shanghai Expo in China has won it positive international image and showed that the “hardware” of China reached international level. However, many reports revealed the poor quality of some of the Chinese people. We could see in TV news reports that some Chinese visitors did not queue up and some others had scolded the staff. Reports on some parents letting their kids pee next to rubbish bin when the toilets were close at hand could be found in newspapers.

**Google withdrew from the search market in China**

Google, which has the largest share of the search market in the world, announced its decision that it no longer intended to conform to the censorship in China and would consider leaving the market entirely. Accordingly, Google announced in its official blog in January 2010 a change in its business strategy in China to redirect simplified Chinese search to Hong Kong from the mainland. As a result of rigid internet censorship in China, services provided by Google such as YouTube and Blogger are blocked and cannot be used on the mainland.

**Obama voiced concern about human rights situation in China**

During a meeting with senior officials of China in Washington, D.C., U.S. President Barack Obama voiced his concern about China’s latest suppression of human rights and democratic activists. It was pointed out that China’s stepping up of suppression of human rights and democratic activists would threaten the long-term stability of Sino-U.S. relations as stable relations had to be built on the respect for human rights. Recently, Chinese authorities had arrested a number of lawyers, reporters, bloggers and human rights activists. These actions were widely regarded as measures adopted by the Chinese authorities to suppress democratic protest activities within China.

**Fakes became a trend in China**

“Fake Apple Store in China” became a hot topic in the media. While it was not unusual that people were peddling fake Apple products on the streets in China, the existence of complete fake Apple stores revealed that the infringement of intellectual property rights was worsening in China. When the stores came to light, two of them were ordered to close as they could not produce official business licences. However, Chinese officials did not order the closure of another three, claiming that they did not sell fake apple phones. The news showed that the infringement of intellectual property rights remained a very serious problem in China.

Source: Summarising the reports of various newspapers
1. According to Source 1, what are the difficulties and challenges brought by China’s participation in international affairs?

   The quality of Chinese people needs to be improved, for example, people scrambling for a vintage point during Shanghai Expo would cause impact on its international image. The control of circulation of information and limits on people’s free access to worldwide information in China are of concern to foreign countries and businesses. The human rights situation in China has raised worldwide concern and caused impact on its relationship with other countries. China’s performance in protecting intellectual property rights remains unsatisfactory and foreign investors are less willing to invest in China.

2. If China wants to host other large-scale international events and conferences in the future, what can it do to improve its international image so that it can receive more acceptance from other countries and attract them to join events and conferences in China?

   China can improve its international image at different levels to link up with the world and enhance its international image, including the protection of intellectual property rights, labour rights, human rights, press freedom and the environment, etc.

   (Any reasonable and relevant answers are acceptable.)
Concept map of China’s step forward to the world

China’s step forward to the world

China’s position on the international scene

Perception of China’s step forward to the world by other countries

Five Principles of Peaceful coexistence

Different perceptions of China’s step forward to the world

China Threat Theory

China Responsibility Theory

Opportunities and challenges brought by China’s step forward to the world

Enhancement of hard power and soft power

Opportunities

Attracting foreign investment; economic development; frequent cultural exchanges

Challenges

Free and open Economy; affected by external shocks; threat to cultural heritages