

China's Globalization and its Policies: Focusing on Sino-American Relations

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Many studies have been taken on globalization and its impacts on China's politics, economy, security, society and foreign policy. Only a few scholars noticed what Chinese government perceives and defines the term of globalization.¹⁾ This paper provides a preliminary examination of what Chinese government says about globalization in the current discourse of Chinese leadership and tries to find some characteristics of globalization defined by Chinese government. The second part of the paper examines empirically Chinese government's policy of globalization, which includes China's participation in international institutions, its WTO access and implementation of related commitments in the first 5 year's membership, and China's role in the emerging East Asian regionalism. In each case, the author will focus on America's policy as more as possible. Finally, the author will summarize his observations and make his tentative conclusion.

I. China's Definition of Globalization

The first use of the term of globalization in Chinese official language appears in then-Foreign Minister Qian Qichen's speech in the United Nations General Assembly in 1996. He said that "world economic globalization presents a rare opportunity to both developed and developing countries."²⁾ One year later, in September 1997, then-President Jiang

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1) Thomas Moore, 'China and Globalization,' in Samuel S. Kim, ed., *East Asia and Globalization* (Lanham, Md.: Rowan and Littlefield, 2000), pp.111-118; Thomas G. Moore, 'Chinese Foreign Policy in the Age of Globalization', in Yong Deng and Fei-Ling Wang, eds., *China Rising: Power and Motivation in Chinese Foreign Policy*, New York: Rowman & Littlefield Publishers, INC., 2005, pp.121-158, p.123. Stuart Harris, 'China and the Pursuit of States Interests in a Globalizing World,' *Pacific Review* 13, No.1, February 2001, pp.15-29; Banning Garret, 'China faces, Debates, and Contradictions of Globalization,' *Asian Survey* 41, No.3, May/June 2001, pp.409-427.

2) Qian Qichen, Speech to UN General Assembly, September 25, 1996. It is Qian Qichen again who calls for studies by academics on globalization several years late. He listed some of the key issues in international ↗

Zeming referred the term globalization in his report to the 15th National Congress of the Chinese Communist Party, which is the most important political meeting in contemporary China. He said in the report, "Opening to the outside world is a long-term basic state policy. Confronted with the globalization trend in economic, scientific, and technological development, we should take an even more active stance in the world by improving the pattern of opening up in all directions, at all levels and in a wide range, developing an open economy, enhancing our international competitiveness, optimizing our economic structure and improving the quality of our national economy."³⁾ This is the first time to use this term to the domestic audience. After this, "economic globalization" appeared, for the first time, in the Communiqué of the 15th CPC Central Committee Plenum, in which it says "...at a time when China is facing a new situation, featured by intensifying economic globalization, swift and powerful scientific and technological revolutions, accelerated industrial restructuring, increasingly fierce international competition, and the arduous tasks of the country's modernization drive."⁴⁾

The above statements laid foundation for the further wide use of the term. American scholar Kim made a detailed comparison based on China's "State of the World Message" in the UN General Assembly's Grand Debates. He found that globalization is the term which is being using more and more and replacing the term "multipolarity". It appeared 3 times in 1996, 1 in 1997, 3 in 1998, 1 in 1999, 3 in 2000, 5 in 2001 and 2 in 2002 compared with 1 time of "multipolarity" in 1994, 3 in 1996, 1 in 1997, 1998, 2000 and 0 in 2001 and 2002. Similarly, he also noticed that "the annual frequency of the term 'multipolarity' in the *People's Daily* in 1990-2000 appears to be on the steady decline relative to the term 'globalization'."⁵⁾ That is to say, "globalization" has become a keyword in the discourse of Chinese leadership. Based on its usage in these documents, the author of this paper summarizes the following 3 characteristics:

First of all, globalization in Chinese policymakers' mind only refers to, or mainly

\relations research for China. After the "information society", the second was the question of globalization. Qian Qichen, "Dangqian guojiguanxi yanjiu zhong deruogan zhongdian wenti" [Several key issues in current research on international relations], *Shijie jingji yu zhengzhi* [World economics and politics], No. 9 (2000), pp.5-8.

3) Jiang Zemin, 'Holding High the Great Banner of Deng Xiaoping's theory, Carrying the Cause of Building Socialism with Chinese Characteristics to the 21st Century,' September 21, 1997. <http://www.china.org.cn/english/features/45607.htm>

4) *Communique of the 15th CPC Central Committee Plenum*, <http://www.china.org.cn/english/features/45280.htm>

5) Samuel S. Kim (2006) 'Chinese Foreign Policy Faces Globalization Challenges', in Alastair Iain Johnston and Robert Ross, eds., *New Directions in the Study of China's Foreign Policy*, Stanford University Press, pp.276-306, pp.282-283.

refers to the economic dimension. Specifically, it means “the scientific, technological and economic” globalization as defined by Jiang Zemin. The more detailed definition comes from an article on *People's Daily* written by then Director of Institute of World Economy and Politics, Chinese Social Sciences Academy. In the article, he defines globalization as “the free circulation and rational allocation of the key elements in production on a global scale and the gradual elimination of various kinds of barriers and obstructions, with a resulting continual strengthening of economic ties and interdependence between states. It is the inevitable result of development toward high levels in productive forces and international division of work.”⁶⁾

People's Daily's definition leads to the second point of globalization emphasized by Chinese government: it is a good opportunity for China to develop its economy. Or, put it in another way, it is a historical trend which no country could escape from it. Chinese leadership keeps talking about the globalization and emphasizes its good side for Chinese economic development. Even during and after the Asian Financial Crisis, which is “the first global financial crisis of the new era of globalization”⁷⁾, Chinese leaders are still advertising the positive side of globalization and its inevitability. In another speech in the UN General Assembly in September, 1997, although Qian Qichen warned of the “highly globalized” nature of international financial markets calling for international cooperation, he still offered support for globalization, characterizing as “good” the fact “economic links and mutual penetration among countries and regions are on the constant increase.”⁸⁾ A year later, when the ravages of the Asian Financial Crisis were more fully apparent, President Jiang still emphasized the inevitability and goodness of globalization for China. He said: “Economic globalization, being an objective tendency of the development of the world's economy, is independent of man's will and cannot be avoided by any country. The world today is an open world and no country can develop its own economy if isolated from the outside world. We must firmly implement the policy of opening up, keep in line with economic globalization, energetically take part in international economic cooperation and competition, and make full use of various favorable conditions and opportunities brought by economic globalization.”⁹⁾ Few days later, the new Foreign Minister Tang Jiaxuan resolutely declared that “the world of today is a world of interdependence... In today's

6) Gu Yuanyang, 'Economic Globalization and the "Rule of the Games",' *Renmin Ribao*, June 1998.

7) Thomas L. Friedman (2003) 'The World is Ten Years Old: the New Era of Globalization,' in Charles W. Kegley, Jr., Eugene R. Wittkopf, eds., *The Global Agenda: Issues and Perspectives*, Sixth Edition, Peking University Press, pp.297-306, p.298.

8) Qian Qichen, Speech to the UN General Assembly, September 24, 1997.

9) 'Jiang Zemin, Zhang Wanninan Meet Diplomats', *Xinhua*, August 28, 1998, from Thomas G. Moore, 'Chinese Foreign Policy in the Age of Globalization', p.149.

world, where the economy is increasingly globalized, countries must pursue an open policy in order to achieve economic growth... As a huge emerging market, China will strive to keep abreast of the trend of economic globalization and be even more active in opening up to the world.”¹⁰⁾

A month later, Long Yongtu, the Chinese chief negotiator for international economic affairs and WTO wrote an article titled “On Economic Globalization” which is worth quoting at length: “In the past, when the speed of enhancing production technology and upgrading products was comparatively slow, the developing countries, especially countries with relatively large domestic markets, could carry out nationalization under the protect of state policies, establish their own industrial systems, and catch up with the advanced world levels by importing advanced technology. In an era when new things in science and technology are appearing every day, ... we must develop these industries in an environment of opening up to the world, and the short cut is to use foreign investment and to cooperate with multinational companies that have ample capital and technology, to become the foreign production bases of these companies and a link in their global production line and a part of their international sales network. ... This is an opportunity that was not available to Japan and Korea in the 1960s and 1970s.”¹¹⁾

Two years later, then-Minister of Foreign Trade and Economic Cooperation, Shi Guangsheng, repeated that globalization is “an inevitable outcome of world economy development and scientific and technological progress.”¹²⁾ President Jiang Zemin echoes this idea again by saying that globalization is an “objective requirement and inevitable outcome of the development of social productive forces and science and technology.”¹³⁾

The third feature of Chinese government’s understanding of globalization is that it has no relations with the current international economic order. Some scholars noticed that after the Asian financial crisis, some Chinese officials recognized and started to discuss that globalization is a double-edged sword. Apparently, globalization could not completely escape from the blame of the outbreak of the financial crisis. Intentionally or unconsciously, however, the mainstream official position on globalization still maintains the thesis of globalization opportunity. Interestingly, the distinction between globalization, understood in terms of scientific and technological advances, the expansion of market forces and the arrival of a new industrial revolution, and the international economic system

10) Tang Jiaxuan, Speech to the UN General Assembly, September 23, 1998.

11) Long Yongtu, ‘On Economic Globalization’, *Guangming Ribao*, October 30, 1998.

12) Shi Guangsheng, ‘To Intensify China-Africa Cooperation for a Brilliant future,’ October 11, 2000, <http://www.fmprc.gov.cn/eng/5347.html>

13) Jiang Zemin, Speech at the 8th APEC Informal Leadership Meeting, November 16, 2000, <http://www.fmprc.gov.cn/eng/6004.html>

which was dominated by Western institutions and U.S. hegemony generally, were made clearly. Problems associated with globalization such as widening disparities in North-South wealth, asymmetries in vulnerabilities to financial shocks between industrialized and developing countries, and unequal access to technology, were all attributed to defects in the international economic system rather than to globalization.¹⁴⁾ Accompanying with this distinction, some new saying as “democratization of international relations” began to appear in Chinese official discourse.

China's official perception of globalization mentioned above continues. Taking the General Secretary of the Central Committee of the Communist Party of China (CPC), Chinese President Jiang Zemin and Hu Jintao's two reports as example, which they made respectively in the 16th and 17th National Congress of the Communist Party of China in 2002 and 2007. As we know, the General Secretary's report is the most important political documents for summarizing the past 5 years and planning for the future 5 years. In Jiang Zemin's Report at the 16th Party Congress, “globalization” appears 4 times. In the introduction, it says “The international situation is undergoing profound changes. The trends toward world multipolarization and economic globalization are developing amidst twists and turns. Science and technology are advancing rapidly.” The second time is in part IV of “Economic Development and Restructuring”, it says “Do a better job in opening up by ‘bringing in’ and ‘going out’”. In response to the new situation of economic globalization and China's entry into the WTO, we should take part in international economic and technological cooperation and competition on a broader scale, in more spheres and on a higher level, make the best use of both international and domestic markets, optimize the allocation of resources, expand the space for development and accelerate reform and development by opening up.” The last two times of using of this term are in part IX, “The International Situation and Our External Work”, in which it says “Peace and development remain the themes of our era. To preserve peace and promote development bears on the well-being of all nations and represents the common aspirations of all peoples. It is an irresistible trend of history. The growing trends toward world multipolarization and economic globalization have brought with them opportunities and favorable conditions for world peace and development.” “We will promote the development of economic globalization in a direction conducive to common prosperity, draw on its advantages and avoid its disadvantages so that all countries, particularly developing countries, can benefit from the process.” Notably, they are all “economic

14) Yong Deng and Thomas G. Moore, ‘China Views Globalization: Toward a New Great-Power Politics?’ *The Washington Quarterly*, 27 (3) pp.117-136.

globalization” .¹⁵⁾

Interestingly, globalization also appears 4 times in Hu Jintao’s report in 2007 and they are all “economic globalization” . First time is in the second part titled “The Great Historical Course of Reform and Opening Up” . It says “...pursuing independent development with taking part in economic globalization” . The second time appears in part three “Thoroughly Applying the Scientific Outlook on Development” as “We must... scientifically analyze the new opportunities and challenges arising from China’s full involvement in economic globalization.” There are two times in section of China’s foreign policy titled “Unswervingly Following the Path of Peaceful Development” . It says: “The world today is undergoing tremendous changes and adjustments. Peace and development remain the main themes of the present era, and pursuit of peace, development and cooperation has become an irresistible trend of the times. The progress toward a multipolar world is irreversible, economic globalization is developing in depth, and the scientific and technological revolution is gathering momentum. Global and regional cooperation is in full swing, and countries are increasingly interdependent.” “Economically, they [countries] should cooperate with each other; draw on each other’s strengths and work together to advance economic globalization in the direction of balanced development, shared benefits and win-win progress.”¹⁶⁾

Not only in the above highest level political meeting, but in other different occasions, many Chinese officials keep talking about globalization in the sense of what we analyzed above. Based on the all available 50 “important speeches” of “policies and activities” , from September 2006 to February 2007, on the website of Chinese Foreign Ministry, I made a search and summarized in Table 1.¹⁷⁾

Among these 50 important speeches mainly made by Chinese Chairman, Primer Minister, Foreign Minister etc., 22 of them used globalization, which include 43 “economic globalization” and 8 “globalization” . Among these 8 “globalization” , 3 are defined in the economic framework although without the direct adjective of “economic” . That is to say, among the 51 usages of “globalization” , 46 of them are talking about economic globalization.

15) Full Text of Jiang Zemin’s Report at 16th Party Congress, <http://www.china.org.cn/english/features/49007.htm>

16) Hu Jintao’s report delivered at the 17th National Congress of the Communist Party of China, <http://english.people.com.cn/90001/90776/90785/6290148.html>

17) I try to use the English version but found that they are not completely identical with Chinese since Chinese version is in full text and English sometimes are summaries. In addition, Speeches in English are more than Chinese. Finally, I decided to use the Chinese version rather than English. English version is at <http://www.fmprc.gov.cn/eng/wjdt/zyjh/default.htm>.

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Table 1: Usage of "globalization" by Chinese Leaders in their Speeches

| Speaker, speech title and time | Using Numbers |
|---|---|
| 1. Address by State Councillor Tang Jiaxuan at Opening Ceremony of CHINA NOW (2008-02-18) | 1 "globalization" 2 "economic globalization" |
| 2. Opening Remarks At the Third China-US Strategic Economic Dialogue, Wu Yi (2007-12-12) | 8 "economic globalization" |
| 3. Wu Yi, Quality-The Life of "Made in China" (2007/12/12) | 3 "economic globalization" |
| 4. Foreign Minister YangJiechi, Work Together to Build a Common Future (2007-12-05) | 3 "economic globalization" 2 "globalization" |
| 5. PM Wen Jiabao, Expand Cooperation for Mutual Benefit and Win-Win Progress (2007-11-20) | 1 "economic globalization" |
| 6. PM Wen Jiabao Delivers a Speech on China's Opening up Strategy in Singapore (2007-11-19) | 2 "economic globalization" |
| 7. State Councillor Tang Jiaxuan's speech on the international conference of "China's Peaceful Development and the Harmonious World" (2007/11/08) | 4 "economic globalization" |
| 8. Foreign Minister Yang Jiechi, address at the first Sino-France Talk on Development (2007/10/31) | 2 "economic globalization" |
| 9. Foreign Minister YangJiechi, address at the 1 st Sino-Africa FM talk on Politics (2007/09/26) | 1 "economic globalization" |
| 10. Jia qinglin's address at 9 th World Chinese Businessman Conference (2007/09/15) | 1 "economic globalization" |
| 11. Hu Jintao, Remarks at the 15th APEC Economic Leaders' Meeting (2007-09-08) | 1 "economic globalization" |
| 12. Hu Jintao, Enhance Good Neighborliness and Mutual Trust and Promote Peaceful Development (2007-08-16) | 2 "economic globalization" |
| 13. Address by Chinese Foreign Minister Yang Jiechi at The 14th ARF Foreign Ministers' Meeting (2007-08-02) | 1 "globalization" 1 "economic globalization" |
| 14. Address by Chinese Foreign Minister Yang Jiechi at ASEAN Plus Three Foreign Ministers Meeting (2007-07-31) | 1 "economic globalization" |
| 15. Hu Jintao, remarks at G8+5 (2007/06/08) | 4 "economic globalization" |
| 16. Hu Jintao, Enhance China-Africa Unity and Cooperation To Build a Harmonious World (2007-02-07) | 2 "economic globalization" |

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|--|---|
| 17. WU Yi Vice Premier of the State Council of the People's Republic of China "China's Development Road — Keynote Speech at the First China-US Strategic Economic Dialogue" 2006/12/14 | 1 "economic globalization" |
| 18. Hu Jintao Delivers an Important Speech at the APEC CEO Summit (2006-11-18) | 2 "economic globalization" |
| 19. Declaration of the Beijing Summit Of the Forum on China-Africa Cooperation (2006-11-05) | 2 "economic globalization" |
| 20. Address by State Councillor Tang Jiaxuan at Reception of China's 35 Years' at UN (2006/10/25) | 1 "economic globalization" |
| 21. State Councillor Tang Jiaxuan, Sino-africa Forum (2006/10/23) | 1 "economic globalization" |
| 22. Deepen Asia-Europe Cooperation to Jointly Meet Challenges (2006-09-11) | 1 "globalization" 1 "economic globalization" |

<http://www.fmprc.gov.cn/chn/wjdt/zyjh/default.htm>

In conclusion, globalization, specifically the economic globalization has become a keyword in Chinese official language since 1996 when it first appeared at Qian Qichen's remarks at the UN. Although recognizing the double-sword effect of globalization, Chinese leadership still insists and even more clearly uses "economic" globalization to differentiate it from its negative impacts and advertise its inevitability for China. After Chinese President Hu Jintao's speech at the opening ceremony of the 2005 Fortune Global Forum on 16 May 2005, an observer commented that "while many nations are increasingly wary of globalization, China's President Hu Jintao has a very different perspective. As he lays out in this Globalist Document, China sees globalization as the key to economic development and securing a better future for its 1.3 billion people."¹⁸⁾

From the above speeches made by Chinese foreign policy-makers, we also find that there appeared some slight changes in their perception of globalization, as Hu Jintao calls for to "scientifically analyze the new opportunities and challenges arising from China's full involvement in economic globalization." However, their basic attitudes towards globalization keeps the three basic features we mentioned above. First, it is economic, although it is recognized that globalization could be multi-facet, they only talk about "economic globalization" in most cases. Second, although they recognize the possible negative impacts on China, they insist that it is unavoidable. President Hu calls for

18) 'Why China Loves Globalization', <http://www.theglobalist.com/DBWeb/printStoryId.aspx?StoryId=4606>.
The full text of Hu's speech, please see http://english.people.com.cn/200505/17/eng20050517_185302.html

“scientific” analysis, but he emphasizes and acknowledges the fact of “China’s full involvement in economic globalization.”¹⁹⁾ Third, still proclaiming as a developing countries, China could not ignore and abandon its long-held doctrine that the current international political and economic system is not fair for developing countries. But on the other hand, China did benefit from economic globalization. The easy way is to separate the current international economic system and economic globalization. To catch up the opportunity of economic globalization is one thing, to establish a fair and new international political and economic order is another thing.

II . China’s Globalization Policy

It is not difficult to understand why globalization quickly becomes a keyword and a banner in Chinese foreign policy. First of all, globalization is a basic theme in world politics in the past several decades. Although there are some debates on its definition, contents, direction and impacts, it is agreed that it is a reality especially in the field of science, technology and economy.²⁰⁾ In this case, the inevitability of globalization is not a myth. Second, globalization fits China’s basic judgment of the international situation, “peace and development.” They also match with its basic policy of “opening up and reform” from the end of 1970s. To a large extent, globalization equals opening. It provides the justification for convincing and mobilizing domestic resources to follow up the strategy of “opening up and reform” especially when telling that the globalization is an inevitable world trend, illustrated by President Jiang Zeming’s famous quotation from Sun Yat-sen’s “the tide of world events is mighty. Those who follow it prosper, whereas those who resist it perish”. Last but not least, real benefits from globalization and economic opening up to the outside world in the past several decades strengthened Chinese leadership’s perception that globalization is an rare opportunity for China’s economic development. Some scholars argue that there is a “global logic” when Chinese government launched the openness policy in the late 1970s.²¹⁾

19) Hu Jintao’s report delivered at the 17th National Congress of the Communist Party of China, <http://english.peopledaily.com.cn/90001/90776/90785/6290148.html>

20) A comprehensive research on globalization, see David Held, A. McGrew & J. Perraton (1999) *Global Transformation: Politics, Economy and Culture*, Stanford University Press. Globalist view see Thomas L. Friedman (1999) *The Lexus and the Oliver Tree: Understanding Globalization*, New York, K. Ohmae (1995) *The End of Nation State*, New York, Skeptics of globalization see Paul Hirst and G. Thompson (1996) *Globalization in Question: the International Economy and the Possibilities of Governance*, Cambridge: Polity Press, Niall Ferguson (2005 March/April) ‘Sinking Globalization’, *Foreign Affairs*, pp.64-77.

21) Thomas G. Moore (1996 Summer) ‘China as Latercomer: Toward a Global Logic of the Open Policy,’ *Journal of Contemporary China* 5, No.12, pp.187-208.

Thus, although the term first appeared in Chinese official language in the mid-1990s, Chinese government applied the idea much early from the beginning of “Openness and Reform” in late 1970s. Economic development has become the first priority of government policy since the late 1970s. Overall Chinese foreign policy and Chinese society experienced a sea change since then. Generally speaking, it changed from the “interdependence and self-reliance” during the 1950s-1970s to openness to and integration with the outside world from 1980s. As for the foreign policy, it “has been evolving from one of an inward-looking, reactive and system-challenging nature to one of an increasingly outward-looking, pro-active and system-identifying character.”²²⁾

From the late 1970s, China’s support for globalization has never wavered, even in the wake of the Asian financial crisis and through a variety of subsequent foreign policy tests including international economic sanctions and isolation following the political events in 1989, deterioration of Sino-American relations in the 1990s, U.S. bombing of the Chinese embassy in Serbia in 1999 during the Kosovo crisis. These reflect a strategic choice by China’s leaders to deepen the country’s participation in the world economy as the best means available to pursue economic modernization as its first priority. As being said above, Chinese leaders characterize globalization as an irreversible tide that no country can or should resist while emphasizing the need to manage the process proactively to maximize benefits and minimize harms. From the mid-1990s, under the banner of globalization, Chinese policy including its foreign policy continues experiencing a sea change. In this part, we will take 3 important cases to illustrate these changes: China’s participation in international institutions, WTO accession and its commitments implementation, and the emerging East Asian regionalism.

China’s Participation in International Institutions

Before 1970s, China was almost completely isolated from the international society except some international membership in the Soviet block. The sea changes took place from the beginning of 1970s with China’s return to the United Nations. After the launching of opening up policy to develop its economy, China accelerates its relations with international especially international economic institutions. Some scholars found that from the 1980s, “Beijing became more interested in what U.N. system could do for China’s modernization and less interested in what China could do to reform the United Nations.”²³⁾

22) Jia Qiongguo provides an excellent sketch on China’s foreign policy change. See Jia Qingguo, ‘From Self-imposed Isolation to Global Cooperation: the Evolution of Chinese Foreign Policy Since the 1980s’, <http://irchina.org/en/xueren/china/view.sap?id=662>

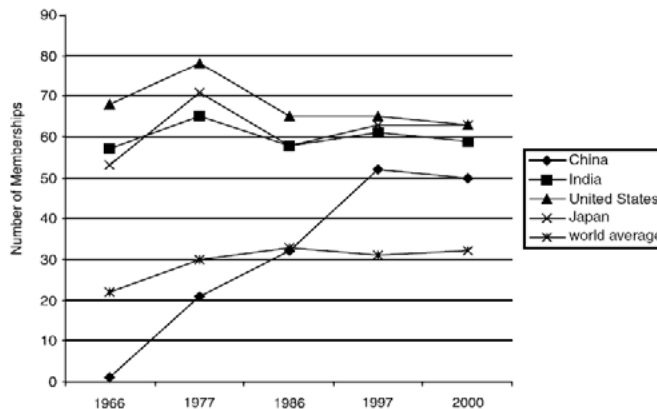
23) Samuel S. Kim (1999) ‘China and the United Nations,’ in Elizabeth Economy and Michel Oksenberg, eds., *China Joins the World: Progress and Prospects*, New York: Council of Foreign Relations, p.46.

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By one count, the PRC's membership in formal, international governmental organizations more than doubled between 1977 and 1997 (from 21 to 52), while its membership in international nongovernmental organizations soared during the same period from 71 to 1,163.²⁴⁾

For answering the question whether China is a status quo power or not, Johnston made an impressive study on China's participation in international institutions. He compared the relative number of cross-region international governmental organizations in which China belongs across time with some industrialized countries and India. It shows that "from the mid-1960s to the mid-1990s, China moved from virtual isolation from international organizations to membership numbers approaching about 80 percent of the comparison states" in figure 1.²⁵⁾

Figure 1. China's International Organization Memberships in Comparative Perspective.



He provided another perspective to compare the change in Chinese participation rates, in which it uses level of development as a predictor of membership in international organizations for all states in the international system. It shows that China under-involved prior to the 1990s but over-involved during the 1990s in international organizations for its level of development as showing in figure 2.²⁶⁾ China not only participates more and more international institutions, they also show more degree of compliance with international norms since "the rules for accession to these organizations were set by institutions themselves and their members, and the accession process was largely a matter of China's

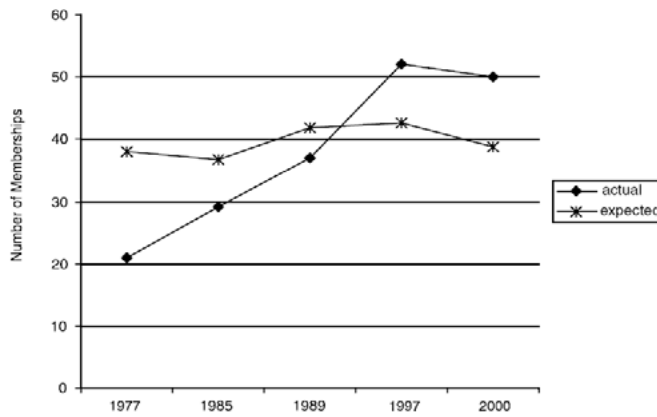
24) David M. Lampton (2001) *Same Bed, Different Dreams: Managing U.S.-China Relations, 1989-2000*, Berkeley: University of California Press, p.163.

25) Alastair Iain Johnston (2003 Spring) 'Is China a Status Quo Power,' *International Security*, Vol. 27, No. 4, pp.5-56, p.13.

26) Johnston, 'Is china a Status Quo Power,' p.14.

willingness to abide by standards set by existing members.”²⁷⁾ After studying five major international normative regimes including sovereignty, free trade, nonproliferation and arms control, national self-determination, and human rights, Johnston concludes that “China appears to be conforming more with an extant international community, such as it is, than it has in the past.”²⁸⁾

Figure 2. China's Actual and Expected Memberships in International Organizations (based on ordinary least squares regression of gross domestic product per capita as a predictor of memberships).



With participating in international economic organizations, China also becomes member of other institutions. According to the data in the Yearbook of International Organizations 2000/2001, in the early 1970s, China had only signed 10-20% of the international arms control agreements that it was eligible to join. By the mid-1990s it had signed 80 percent of such treaties. It shows that “the willingness of China’s leaders to participate in international institutions.”²⁹⁾ From 1990, China joins more international organizations and is now a member of most of the important international institutions. In addition, it has also become more active in its participation and develops its own proposals on related issues.³⁰⁾

Participating in international institutions is the logic result of embracing globalization. On one hand, the clear policy orientation to embrace globalization paved the way for China to join more and more international organizations. On the other hand, benefits brought by

27) Margaret M. Pearson (2001) ‘The Case of China’s Accession to GATT/WTO’, in David M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Reform Era*, Stanford University Press, pp.337-370, p.353.

28) Johnston, ‘Is china a Status Quo Power,’ p.22.

29) Alastair Iain Johnston, ‘Is china a Status Quo Power,’ p.12.

30) Jia Qingguo, ‘From Self-imposed Isolation to Global Cooperation: the Evolution of Chinese foreign Policy Since the 1980s’.

participating pay back and strengthen China's decision to join more international organizations. Although many Americans criticize that China's approach to international regimes is the "maxi-mini principle" – maximization of rights and minimization of responsibilities. "In essence, the PRC is interested only in 'free rides' and in gaining access to technical expertise, foreign aid, and information in order to further its goal of economic development."³¹⁾ Others point out China's "incremental and conditional" approach. "Most Chinese observers and policymakers conceive of globalization in state-centric or state-empowering terms."³²⁾ But they have to recognize that "its formerly unyielding skepticism about formal modes of international cooperation has dissipated significantly."³³⁾ China's approach to multilateralism is still developing, More observers are optimistic to the final consequences of China's participation in international institutions, since participation and norm change are mutually reinforcing mechanisms, "the more deeply embedded China becomes in the web of regional and global institutions, the more the beliefs and expectations of its leaders will come to conform to the emerging universal consensus that those institutions embody."³⁴⁾ Thus, globalization policy and China's participation in international institutions mutually reinforce and greatly promote China's globalization policy to a higher level.

WTO accession and its implementation

The case clearest demonstrating China's globalization policy is China's WTO accession and its impressive implementation of related commitments during the first 5 years from 2001-2006. As one of the basic pillars of the post-WWII international economic system, General Agreement on Tariffs and Trade (GATT) and its successor World Trade Organization (WTO) is a symbol of the contemporary international economic order. Membership of GATT and WTO, especially for China, a non-capitalist country which was excluded out of, is a sign to show opening their economy to the outside world and embracing globalization and multilateralism.

China made a great effort for joining GATT/TWO and experienced a long process of

31) Elizabeth Economy (2001) 'The Impact of International Regimes on Chinese Foreign Policy-Making: Broadening Perspectives and Policies ... But Only to a Point', in David M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Reform Era*, Stanford University Press, pp.191-229, p.232.

32) Samuel S. Kim, 'Chinese Foreign Policy Faces Globalization Challenges', p.283.

33) Samuel S. Kim (2003) 'China's Path to Great Power Status in the Globalization Era,' *Asian Perspective* 27, No.1, p.69.

34) Aaron L. Friedberg (2005 Fall) 'The Future of U.S.-China Relations: Is Conflict Inevitable?' *International Security*, Vol. 30, No. 2, pp.7-45, p.36.

15 years from 1986 with efforts to accede to the GATT and then in 1995 to join WTO. During this period while experiencing the ups and downs of its domestic and international situation changes, but joining GATT/WTO as a basic policy maintained and finally prevailed. Joining GATT/WTO, from beginning of the 1990s, China chose to unilaterally liberalize its economy, including cutting and eliminating import tariffs, broadening trading rights, liberalizing its FDI regime, launching a major effort to restructure state-owned manufacturing industries prior to WTO accession. Although they are the necessary measures for its economic structure reform, they consist of a significant portion of efforts for accessing WTO.³⁵⁾ Although the negotiation process involved WTO organization in Geneva and other important members and trading partners including Japan, Europe Union, Australia, etc, the bilateral negotiation with the U.S. proves the most important and decisive one. Obviously, the United States is the biggest market in the world, and it has the most important role in WTO and other international institutions as the only super power in the world since the end of the Cold War.

China did have some contacts with the US at the end of 1980s for GATT accession, but formal Sino-American bilateral agreement negotiated on market access and Intellectual Property Rights (IPR) started in 1992.³⁶⁾ Unfortunately, 1990s is a decade when Sino-American relations became more complicated and fragile, partly because of the changes of the international system, partly because of globalization itself. On one hand, the end of the Cold War destroyed the Soviet-United States-Chinese strategic triangle that had underpinned American strategic support for China during the 1980s.³⁷⁾ On the other hand, the in-depth development of comprehensive especially the economic relations made the bilateral relations be a part of domestic politics and became more complicated than before. The student political movement in 1989 aroused strong anti-Chinese sentiment in the US and became a trigger. From then, Sino-US relations gradually entangled with American domestic politics especially election politics. So, “the years of negotiation leading up to the signing of the bilateral agreement with the US in November

35) Lee Branstetter and Nicholas Lardy, 'China's Embrace of Globalization,' *NBER Working Paper No. 12373*, July 2006, JEL No. O53, O19, F43, F14. p.20.

36) Sino-American negotiation went very difficult. One interesting example, as Wu Yi's retirement, a recent highly circulated news about her is that the bilateral negotiation in 1992 started with American side beginning with “we are negotiating with thieves” and Wu Yi's response of “We are negotiating with burglars. Go back to check your museum and see how many items were robbed from China.” http://news.xinhuanet.com/politics/2008-03/12/content_7772008.htm

37) John W. Garver (2005) 'China's U.S. Policy', in Yong Deng and Fei-Ling Wang, eds., *China Rising: Power and Motivation in Chinese Foreign Policy*, New York: Rowman & Littlefield Publishers, INC., pp.201-243, p.203.

1999 were repeatedly buffeted by the overall cyclical nature of Sino-US relations”³⁸⁾ Thus, China's accession GATT/WTO proves to be a long and draining process. It met pressures from American domestic politics including the linkage of human rights issues with the most-favored-nation treatment status. It met concerted and unified pressures from the US and Europe on the accession standard especially since 1995. Actually, “after at least mid-1997 the USTR [U.S. Trade Representative] coordinated informally with Canada, Australia, and the EU to share the offers being made to them by China and to be sure their responses to China were consistent.”³⁹⁾

Under these pressures, there appeared great debates and disagreements in Chinese decision makers. After an extensive interview with a large mount of Chinese researchers and officials in China in 2000, an American scholar found that domestic pressure to pull back not only from cooperation with the U.S. but also from the general globalization process was intense. He even worried China's future policy choices. However, China's globalization policy finally prevailed. For joining WTO, China made a great effort to win the US. “In its key final bilateral negotiations with the United States in 1999 China agreed to additional market opening commitments that were incorporated into China's final WTO accession package. In this process China agreed to a set of conditions that were far more stringent than the terms under which other developing countries had acceded. Indeed, in certain respects China's liberalization commitments exceed those of advanced industrial countries.”⁴⁰⁾ China's efforts even won the former U.S. Trade Representative Charlene Barshefsky. She described China's commitment to liberalize its distribution system as “broader actually than any World Trade Organization member has made.”⁴¹⁾

Even though, the bilateral negotiation with the US did not go smoothly. In April 1999, Chinese Premier Zhu Rongji personally went to Washington and offered a package of concessions which even surprised the US. It is not clear why Washington ignored Zhu's offer and his trip ended with nothing. But even after Washington mistakenly walking away from Chinese offer and US bombing of the Chinese Embassy in Belgrade in May 1999, China still positively reacted to US President Bill Clinton's calling and agreed to resume the talk. American delegation arrived Beijing and the final deal was quickly reached.⁴²⁾

Why China's leadership agreed to risk and make such huge “sacrifice” for signing the

38) Margaret M. Pearson (2001) ‘The Case of China's Accession to GATT/WTO’ , in David M. Lampton, ed., *The Making of Chinese Foreign and Security Policy in the Reform Era*, Stanford University Press, pp.337-370, p.339.

39) Margaret M. Pearson, ‘The Case of China's Accession to GATT/WTO’ , p.356.

40) Lee Branstetter and Nicholas Lardy, ‘China's Embrace of Globalization,’ p.20.

41) Charlene Barshefsky, ‘U.S. Trade Policy in China,’ Hearings before the Senate Finance Committee on the Status of China's Application to Join the World Trade Organization, April 13, 1999, <http://www.fnsg.com>.

42) Margaret M. Pearson, ‘The Case of China's Accession to GATT/WTO’ .

bilateral agreement with the US which paved the way for joining the WTO? Some observers point out the key factor in overcoming the “mounting domestic opposition” was “the commitment of Jiang Zemin and Zhu Rongji to globalization and a fundamental restructuring of Chinese industry.”⁴³⁾ Others conclude that “China has no viable alternative to participation in the globalization process if it is to achieve its economic modernization objectives. Moreover, Chinese leaders have concluded that success in meeting the challenge of globalization is a necessary condition for solving China’s multitude of other, non-economic problems, including Taiwan and that, if China fails in the face of globalization, it will experience economic decline and social turbulence, which will greatly weaken its ability to head off Taiwan independence.”⁴⁴⁾ Scholars’ explanations are reasonable, but the most plausible answer and convincing evidences come from the decision maker’s statements. Long Yongtu, China’s chief WTO negotiator, provides a helpful answer when he says “China’s accession in WTO will create a better international environment for opening up and reform and economic construction, push China to promote further its investment environment consistent with international rules, help to speed up domestic industrial adjustment to promote their competitiveness, to participate the making of new international rules. Thus, China’s accession WTO is China’s solemn commitment to abide international institutions and opening its market to the whole world and is the important preparation for even more active participation in economic globalization... Countries with planned economies have never been part of economic globalization. China’s economy must become a market economy in order to become part of the global economic system, as well as the economic globalization process.”⁴⁵⁾ Chinese then-Premier Zhu Rongji’s statement conveys the same information. When he visited the United States in April 1999, he openly expressed the view that China’s membership in the WTO was an essential element of his reform strategy. In his joint press conference with President Clinton, he stated “the competition arising [from WTO membership] will also promote a more rapid and healthier development of China’s national economy.” In his strategy, globalization becomes a policy tool to deepen China’s domestic reform.⁴⁶⁾

43) Samuel S. Kim, ‘China’s Path to Great Power Status in the Globalization Era,’ p.65.

44) Banning Garrett, ‘China Faces, Debates, the Contradictions of Globalization.’

45) Long Yongtu, ‘PRC Trade Official Long Yongtu on China, Economic Globalization , WTO Entry,’ *People’s Daily*, July 10, 2000.

46) The White House, Office of the Press Secretary, ‘Joint Press Conference of the President and Premier Zhu Rongji of the People’s Republic of China,’ April 8, 1999. Interestingly, Zhu Rongji’s idea was echoed by Samuel R. Berger, a former Clinton administration national security adviser, who advocates China’s entry WTO though with very different intention. “To enter the WTO, China must speed the demise of the state-run economy through which the Communist Party has wielded much of its power. . . . Just as NAFTA [North American Free Trade Agreement] membership eroded the economic base of one party rule in Mexico, WTO ↗

China's Globalization and its Policies

If joining WTO showed Chinese government's attitude and policy to embrace globalization, its performance in WTO for fulfilling its commitments in its first 5 years from 2001 to 2005 even more clearly show its determination to implement and apply the globalization policy. In the matter of fact, China's performance in WTO was highly recognized by international society. When visiting Beijing in 2004, Supachai Panitchpakdi, then Director-General of the WTO, positively appraised that China's performance since its WTO accession is outstanding and "give China's performance a top score."⁴⁷⁾ Pascal Lamy, the current WTO Director-General, praised China's fulfillment of its WTO pledges and gave China's performance "an A-plus".⁴⁸⁾ After a detailed study on China's performance in its first 5 years in WTO, two American scholars, Lee Branstetter and Nicholas Lardy, concluded that "the combination of China's pre-WTO and post-WTO reforms is making it arguably the most open large developing economy... China's FDI regime is one of the most open and welcoming of any country in the world, and China has made liberalization commitments in all of the service industries covered by the WTO General Agreement on Trade in Services. Only a handful of members come close to meeting this standard."⁴⁹⁾

Their founding was shared by William H. Overholt, Director of Center for Asia Pacific Policy, the RAND Corporation. He declared in the testimony at the U.S-China Economic and Security Review Commission on May 19, 2005 that "China has transformed itself from the world's greatest opponent of globalization, and greatest disrupter of the global institutions we created, into a committed member of those institutions and advocate of globalization. It is now a far more open economy than Japan and it is globalizing its institutions to a degree not seen in a big country since Meiji Japan... China has come to believe in globalization more than most third countries and many first world countries. China's successes have all coincided with 'reform and opening,' that is, with globalization." "Few books are written about global depression that never happened, but it is quite possible that China's globalization saved us from beginning the new century with a drastic global economic squeeze."⁵⁰⁾

\ membership . . . can help do the same in China." Samuel R. Berger (2000 November/December) 'A Foreign Policy for the Global Age,' *Foreign Affairs*, Vol. 79, No. 6, pp.28-29.

47) (WTO performance called "outstanding"), *China Daily*, November 17, 2004. from <http://english.sohu.com/20041117/n223027970.shtml>.

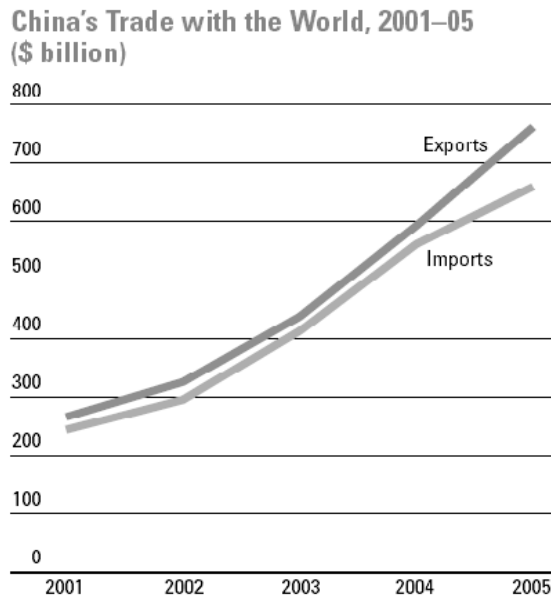
48) 'Appraisal of China's WTO performance cover global media', <http://english1.mofcom.gov.cn/aarticle/newsrelease/commonnews/200612/20061204018703.html>.

49) Lee Branstetter and Nicholas Lardy, 'China's Embrace of Globalization,' p.30.

50) William H. Overholt, 'China and Globalization', CT-244, May 2005, Testimony presented to the U.S.-China Economic and Security Review Commission on May 19, 2005. <http://www.rand.org/pubs/testimonies/CT244/index.html>.

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China's accession not only saved the world, but also amazingly speeded up its own economy. According to related figures as in the following, both of China's exports and imports almost tripled during the 5 years.⁵¹⁾



China and the East Asian Regionalism

There exist debates on the relationship between globalization and regionalization as whether the latter is a stepping stone or stumbling block for the former.⁵²⁾ But an important and the most interesting spectacular landscape in world politics and economy from the end of last century is that the two processes of globalization and regionalization are developing within the same larger process of global structural transformation. American Political scientist Kupchan challenged the “conventional wisdom” that regionalization is detrimental to globalization and suggests “regionalism should take precedence over global multilateralism. Economic and political integration at the regional

51) PRC General Administration of Customs, *China's Customs Statistics*; PRC Ministry of Commerce. from 'China Data: Trade and Investment since 2001', <http://www.chinabusinessreview.com>.

52) Christopher Sheil, ed., *Globalisation: Australian Impacts*, University of New South Wales Press, Sydney, 2001. especially on Kevin Rudd's chapter on globalisation and regional governance.

S. J. Wei and J., Frankel (1996) 'Can Regional Trade Blocs be a Stepping Stone to Global Free Trade?' *International Review of Economics and Finance*, 5 (4), pp.339–347.

level are essential building blocks of global integration. Global multilateralism is therefore desirable only if it does not come at the expense of regional integration and the construction of stable regional orders.”⁵³⁾ The author agrees with Kupchan. Logically speaking, globalization is not an overnight game. It is rather the product consisting of gradual accumulation of different regional “small globalizations”. As reality of the world politics after the Cold War demonstrated, globalization has served as a powerful impetus for institutionalized multilateralism at both of the regional and global levels. Following this logic, this paper regards China's active participation in East Asian (Southeast Asian plus Northeast Asian) regionalism and especially East Asian economic regionalism as an important part of its globalization strategy and process.

China's active participating and promoting the East Asian regionalization began in the later 1990s in the context of East Asian financial crisis. Although Japan developed closed economic relations with Southeast Asian countries from 1960s, demonstrated by the famous “flying goose” model, their relations did not develop to an institutionalized regional framework. More important, with Japanese economy recession from late 1980s, East Asian regionalism was far behind the regionalizing movements if compared with North America and West Europe. The Southeast Asian financial crisis pushes the development of EA regionalism as an important catalyst. Previously, there is one trans-regional APEC and sub-regional ASEAN in East Asia. However, the financial crisis shows the weakness of APEC and ASEAN on one hand and the reality of economic interdependence in the region on the other hand. In this context, there rises the ASEAN plus three. A scholar vividly refers Southeast Asian financial crisis made one funeral and two weddings, that is the decline of APEC and ASEAN and the rise of APT.⁵⁴⁾

The current EA regionalism exists many different and overlapping mechanism. The most symbolic and important among them is ASEAN plus China, Korea and Japan (10+3), which include 3 “10+1”, ASEAN plus China, ASEAN plus Japan and ASEAN plus Korea. This paper focuses on China's role in EA regionalism. The author argues that the real working mechanism of current EA regionalism is 10+3 and the three 10+1. China plays an important role as the new engine for the contemporary EA regionalism.

First of all, China's opening up policy and steady economic growth for the past 30 decades provide the basic foundation for the economic interdependence among the East Asian countries. From the late 1970s, China's foreign trade volume jumped from 20.6 billion US dollars in 1978 to 1760.69 billion US dollars in 2006 and the foreign trade

53) Charles A. Kupchan (1998 Autumn) ‘After Pax Americana: Benign Power, Regional Integration, and the Sources of a Stable Multipolarity’, *International Security*, Vol. 23, No. 2. pp.40-79, p.74.

54) Webber, Douglas (2001) ‘Two Funerals and a Wedding: The Ups and Downs of Regionalism in East Asia and Asia-Pacific after the Asian Crisis’, *The Pacific Review*, Vol. 14, No.3.

dependence rose from 9.8% in 1978 to 70% in 2004 and 67% in 2006.⁵⁵⁾ The ultimate consequences of such high foreign trade for China's economic future is open to discuss, but this figure, at least provides a perspective to show China's economic openness to the outside world. The first beneficial winner from China's economic openness are its neighboring countries including Japan, Korea and ASEAN countries which they are climbing to the top in the ranking of China's trading partners. Based on these facts, some scholars even conclude that the rise of EA regionalism equals to the expanding of Chinese economy to the world. "Much of what appears to be a stronger Asian regionalism reflects the emergence of China as an economic power. That emergence has affected nations all around the world, not just those in East Asian... When China is left out of analysis, the rising tendency for East Asian intraregional trade is much milder." "Much of the evidence of rising intraregional trade is due to the reintegration of China into the global economy – a phenomenon that has affected the whole world and not just the region."⁵⁶⁾ As a result, two American policy analysts found that "The tone of popular commentary in the Asian business press had shifted markedly from a depiction of China as a 'threat' to praise of a booming Chinese economy as an engine of growth for all of Asia."⁵⁷⁾

Second, China not only provides an objective condition, but also actively participates and pushes for the EA regionalization process. During the Southeast Asian financial crisis, China insisted not to devalue its currency and made an impressive contribution for stopping the vicious expanding of the crisis. Clearly, China's policy also helped other countries to recover from the crisis. Accordingly, China won the trust and confidence from its neighbors. From then, China actively launched its "good neighbor" policy. Especially in economic field, the most significant move came with the bold and shocking declaration of China and ASEAN to establish an ASEAN-China FTA in 10 years in 2001. They quickly moved on the substantial way to complement this great plan. In 2002, they signed the Framework Agreement on Comprehensive Economic Co-Operation. In 2003, the Protocol to Amend the Framework Agreement was signed and the "Early Harvest" program was launched. In 2004, they reached the Agreement on Trade in Goods of the Framework Agreement and the tariff cut process started from 2005. Under this framework agreement and the aim of ASEAN-China FTA, China and ASEAN's trade volume reached USD 130.37 billion in 2005, which was 105.88 billion in 2004 78.25 billion in 2003. It is expected that the trade volume will leap to 200 billion this year. The beneficial economic relations greatly

55) There exists disagreement as to the specific data of China's foreign trade dependence as from 60% to 80%. However, 65% is the average I think. See 'China tops world with 80% foreign trade dependence', *People's Daily Online*, http://english.peopledaily.com.cn/200509/12/eng20050912_208112.html

56) Edward J. Lincoln (2004) *East Asian Economic Regionalism*, New York, pp.69-70; pp.251-252.

57) Lee Branstetter and Nicholas Lardy, 'China's Embrace of Globalization,' p.46.

encouraged China to strengthen the collaborations in other fields such as security, politics and society with other neighboring countries. In security area, China has jointly declared the "Conduct of Behavior" on the issue of South China Sea. In Northeast Asia, China has been active in facilitating the Six Party Talks on the Korean Peninsular nuclear crisis, showing itself as a responsible regional power. In cultural aspects, Chinese movies and TV products have become more and more popular in Southeast Asian countries, and there are increasing cultural exchanges between China and other East Asian countries. For instance, students from South Korea now account for 40% of all foreign students studying in China.⁵⁸⁾ Now China is a member of ASEAN Regional Forum. China acceded to the Treaty of Amity and Cooperation in Southeast Asia (TAC), which demonstrated that the political trust between the two sides notably enhanced.⁵⁹⁾

Third, the rapid promotion of China-ASEAN relations is exerting strong pressures on Japan and South Korea on the issue of their relations with ASEAN in particular and East Asian regional efforts in general. These two countries especially Japan was reluctant to have an institutionalized regionalism with ASEAN and other East Asian countries although it has extensive and substantial economic relations with them. However, China-ASEAN's move changed the whole landscape in East Asia. I'd like to address it as the wave of the "competitive regionalism" in East Asia. As some observers noted that the mission of Prime Minister Hashimoto to 5 of the ASEAN member states in early 1997, eagerly proposing intensified political and commercial contacts between Japan and Southeast Asia, reflects this context.⁶⁰⁾ Partly following China's example, Japan signed the Framework for Comprehensive Economic Partnership between ASEAN and Japan, joined the Treaty of Amity and Cooperation in Southeast Asia and promoted its relationship with ASEAN from "cooperative partnership" to "strategic partnership". South Korea did same as China and Japan, it joined TAC and signed the Framework Agreement on Comprehensive Economic Cooperation with ASEAN. As for the East Asian regional efforts in general, both Japan and South Korea are becoming more active than before. Different initiatives have been proposed such as East Asian Community, East Asian FTA and Northeast Asian FTA and the like. Thus there comes the strong wave of regionalism in East Asia. Of course, the final consequences of the "competitive regionalism" to the regional future need to be more

58) Zhang Tiejun, 'China and East Asian Community'. Some scholars points out that this China's soft power, see Joshua Kurlantzick (2006 June) 'China's Charm: Implications of Chinese Soft Power', Carnegie Endowment, Policy Brief, 47. http://www.carnegieendowment.org/files/PB_47_FINAL.pdf.

59) Zhang Zhenjiang (2007) 'ASEAN-China Relations and the Development of East Asian Regionalism', in *Harmony and Development: ASEAN-China Relations*, eds. by Lai Hongyi & Lim Tin Seng, World Scientific, pp.92-97.

60) H. Kreft (1996) 'Japan's Links with East and Southeast Asia', in *Aussenpolitik*, Vol. 47, No.1, pp.71-81.

observed and are open to discuss. However, the author argues that at least at the short run, it is good for deepening and promoting the regionalization process.⁶¹⁾ In the matter of fact, the East Asian “competitive regionalism” stimulated by ASEAN-China relations has already spilled over to a wider geographical region. The launching of the East Asian Summit is a good example since Australia, New Zealand and India, which are not the East Asian countries geographically at least, are joining the process of regional cooperation in East Asia. Because more and more countries inside and outside of region of East Asia are interested in and active to participate the regional efforts, the current East Asian regionalism are showing a variety of regional mechanism which include ASEAN 10, North East Asian 3, three 10+1s, 10+3 and 10+6. These related and overlapping sub-regional efforts will eventually contribute the whole regional cooperation in East Asia.

Last but not least, recognizing some problems existing in Sino-Japanese relations, China did not pursue the leadership in East Asian regionalism while actively pushing and initiating the process. In addition, China, and also Japan, consciously supports ASEAN’s leadership in the regionalization process. This also greatly benefits the EA regionalism. As the former Deputy Foreign Minister Wang Yi says, ASEAN’s leadership in EA regionalism “is not only the unique characteristic of EA regional cooperation, but also meets the needs of concerned parties.”⁶²⁾

The “competitive regionalism” started by China’s efforts produced new effects in the region. Notably, during the annual APEC informal leader’s summit in late 2006, American President George W. Bush proposed that the APEC forum “seriously consider” the creation of a Free Trade Area of the Asia Pacific (FTAAP) “which would embed the Asia-only trade initiatives in a broader framework that included the United States itself and would thereby avoid (or at least sharply limit) any new discrimination against it”. A policy analyst immediately pointed out that this is a “more comprehensive US response”⁶³⁾ FTAAP was proposed several years ago, however, American support strengthened its prospects. His proposal was positively responded by other members. It was discussed in 2007 annual meeting and APEC Member Economies agreeing that a free trade area of the Asia-Pacific as a long-term goal. Actually, it has been put on the first agenda in APEC work program on “Economic Reform and Trade Facilitation” for the next three years.⁶⁴⁾

61) Zhang Zhenjiang (2004) ‘Development of East Asian Regionalism and China’s Role’, *Yatai Jingji [Asia-Pacific Economy]*, vol.3.

62) Wang Yi, ‘Asian Regional Cooperation in the Process of Globalization’, speech delivered in the seminar on ‘East Asian Community’, China College of Foreign Affairs, April 21, 2004.

63) C. Fred Bergsten, ‘Toward a Free Trade Area of the Asia Pacific’, Policy Briefs in International Economics 07-2, Washington: Peterson Institute for International Economics, February 2007. <http://www.iie.com/publications/pb/pb07-2.pdf>.

64) ‘Outcomes of APEC 2007’, http://www.apec.org/apec/enewsletter/jan_vol15/onlinenewsc.html.

Looking back America's attitude towards EA regionalism, one American policy analyst found that "There have already been a series of skirmishes between the United States and Asian countries over the budding initiatives toward East Asian regionalism." He lists several skirmishes. First is American very sharp opposition to Japan's initial proposal for an Asian Monetary Fund in 1997. Second, United States wants the Ching Mai Initiative lending to be linked to IMF programs and their conditionality which is what some Asians want to escape. The third is US response to counter the intra-Asian network of FTAs with bilateral FTAs of its own with Singapore, Thailand, South Korea etc. The fourth is America's support for the creation of FTAAP. The final Asia-US skirmish, "minor to date but potentially of greater magnitude over time, has arisen over participation in the annual East Asia summits."⁶⁵⁾ This scholar might forget another earlier skirmish, which is America's opposition to Malaysian Prime Minister Mahathir Mohamed's proposed East Asian Economic Caucus in 1990.

There is too much "realism" in Bergsten's logic. America is not at the confrontational position with EA. In fact, from its very beginning as a global power, America plays a very important role in the region. Especially during the Cold War, it established solid and comprehensive bilateral relationship with various EA countries. However, as for its policy towards EA regionalism after the Cold War, due to its domestic and international changes, it has rather ambivalent and negative views regarding the EA regionalism and its implications.⁶⁶⁾ This was the case when the former Australian Prime Minister Keating initiated a head of government meeting amongst the major powers of the Asia Pacific, American president George Bush declined to be the leader, said "I believe the most effective means of moving your suggestion forward at the proper time would be for Australia to take the lead. Too prominent a US role could be counterproductive." As for the new President Bill Clinton, he "was only prepared to entertain it if it had the look and feel of a trade body". This is why the final regional body APEC only covers the trade issues.⁶⁷⁾

65) C. Fred Bergsten, 'China and Economic Integration in East Asia: Implications for the United States', <http://www.iie.com/publications/pb/pb07-3.pdf>.

66) Norman D. Palmer (1991) *The New Regionalism in Asia and the Pacific*, Lexington, Massachusetts: Lexington Books, p.158. It is worth to note that the making of NAFTA, to some extent, is a reaction to the Asian and European new regionalism from the 1980s. After a detailed study of the formation of NAFTA, Marchand left us a significant question "to what extent regionalizing process are emerging articulations of competing forms of capitalism - Japanese/East Asian, Rhineland/Continental European, and Anglo-American?" Marianne H. Marchand (2001) 'North American Regionalisms and Regionalization in the 1990s', in Michael Schulz, Frederic Soderbaum and Joakim Ojendal, eds., *Regionalization in a Globalizing World: A Comparative Perspective on forms, Actors and Processes*, London: ZED Books, pp.198-210.

67) Paul Keating's address to the Evatt Foundation at the Seymour Centre in Sydney on Thursday 23 August 2007, "APEC: Australia's biggest seat at its biggest table", <http://evatt.org.au/publications/papers/197.html>.

However, America's one attitude is very clear, that is America opposes any EA regional effort which does not include the US. This policy was clearly shown in the first APEC summit in 1993 when President Clinton warned that any Asia-Pacific regional initiatives excluding the U.S. will enable it abandon its security responsibilities in East Asia when he emphasized that American should play a role in East Asian regionalism.⁶⁸⁾ Largely due to China's role in the "competitive regionalism", American government starts to pay more and more attention to EA. Roughly speaking, there exist two opposing and extreme attitudes towards EA regionalism in America. One regards it as a myth and America needs to nothing. As one researcher notes that "the fundamental conclusion is that far less movement toward a regional bloc is occurring than rhetoric would suggest." "...the trend toward regional trade and investment is by no means as strong as commonly perceived." "This benign conclusion regarding a narrow East Asian form of dialogue hinges on the lack of substantial movement towards a tight economic bloc."⁶⁹⁾ On the contrary, another kind of attitude over-exaggerates the challenge of East Asian regional efforts, its exclusion of the US and the combination of China threat with East Asian regionalism. As one scholar "estimated that the United States could immediately lose as much as \$25 billion of annual exports as a result of the initial static effects of the tariff discrimination that would result from truly free trade in East Asia (on the "10+ 3" model)." He declared, "The systemic issue is the potential clash between a China-led Asia and a US-led 'West' for leadership of the global economy."⁷⁰⁾ Another scholar went even further. He regarded the quick promotion of China-ASEAN relations as "China's ASEAN invasion", "it is clear that China's Southeast Asian ambitions exist at the expense of current and future American strategic influence." Thus, he called for "American needs to become, once again, a Southeast Asian leader, not just a global one."⁷¹⁾

These two attitudes all relate to China. The former regards the rise of EA regionalism is just a by-product, and not important one, of the rise of Chinese economy. The latter sees the EA regionalism as a regional or even global confrontation between China and America. This is a question open to discuss. However, the fact is China's role aroused American's attention, that is to say, the "competitive regionalism" effects are now working on the US. FTAAP is a good example. In fact, dozen of scholars and policy analysts kept calling for America to participate and even guide the EA regionalism for a

68) Zhu Feng (2007) *Guoji Guanxi Lilun yu Dongya Anquan [International Relations theory and East Asian Security]*, Renmin University of China Press, p.409.

69) Edward J. Lincoln, *East Asian Economic Regionalism*, p.3, p.41, p.253.

70) C. Fred Bergsten, 'China and Economic Integration in East Asia: Implications for the United States' .

71) John Lee (2007 May/June) 'China's ASEAN Invasion', *The National Interest*, Number 89, pp.40-46, p.40, p.46.

long time. As strategist scholar Kupchan cited above suggested in 1998 that “the United States needs to give regionalism precedence over global multilateralism – even at the expense of global trade flows – and pays greater heed to the geopolitical implications of regional integration.”⁷²⁾ Lincoln reminds that East Asian is not going to an economic bloc, but American government needs to guide it and puts it in the general framework in Asia-Pacific, which include “to modify the Bogor goals, to adopt APEC International Assessment Network recommendation to put more emphasis on nontariff barriers, trade facilitation, to involve APEC in negotiating members’ bilateral and sub-regional free trade arrangements, to endorse more fully the ‘ecotech’ agenda of APEC and to engage in regional finance.”⁷³⁾ After Bush’s proposal of FTAAP, Bergsten, Director of the Institute for International Economics, the former Assistant Secretary of the Treasury for International Affairs and Assistant for International Economic Affairs to the National Security Council, immediately planned an American strategy which includes three components: “acceptance and indeed support of the basic concept; insistence that the Asian agreements be embedded in broader Asia-Pacific arrangements; and strengthening of both the substantive capabilities and political legitimacy of the global economic institutions, especially the WTO and IMF, to minimize the need for (and appeal of) new Asia-only regional compacts.”⁷⁴⁾

American policy toward East Asian regionalism is still evolving and remains to be seen. What is worth to note is that it started to pay more attention to EA regionalism as FTAAP shows. To a large extent, this is the beginning for America to deal with China’s role in EA regionalism and China’s globalization policy.

III. Analysis and Comments

First, whether being an ideology, a perception, a historical trend or the reality in contemporary world politics, “the contemporary era represents a historically unique confluence or clustering of patterns of globalization in the domains of politics, law and governance, military affairs, cultural linkages and human migrations, in all dimensions of economic activity and in shared global environmental threats. Moreover, this era has experienced extraordinary innovations in the infrastructures of transport and communication, and an unparalleled density of institutions of global governance and

72) Kupchan, ‘After Pax Americana’, p.78.

73) Lincoln, *East Asian Economic Regionalism*, p.3, pp.265-267.

74) C. Fred Bergsten, ‘China and Economic Integration in East Asia: Implications for the United States’. Also see Myron Brilliant, ‘A Free Trade Area of the Asia-Pacific: An Idea with Merit, but Is It Feasible?’ The Brookings Institution, http://www.brookings.edu/opinions/2007/09northeastasia_brilliant.aspx?p=1.

regulations. Paradoxically, this explosion of global flows and networks has occurred at a time when the sovereign territorial state, with fixed and demarcated borders, has become the near universal form of human political organization and political rule.”⁷⁵⁾ Whether being purposely or unconsciously, Chinese government’s definition of globalization as economic globalization is not only incomplete, but also easily leading to some neglectable consequences.

Second, economic globalization perfectly matches with China’s basic state policy of “opening up and reform” from the late 1970s. Thus it quickly becomes a keyword in the discourse of Chinese policy makers and a banner to advertise its foreign policy and mobilize domestic resources to support the economic construction and development. This was clearly shown by Zhu Rongji’s strategy of using WTO entry to reconstruct the domestic state-run enterprises. To a large extent, it could conclude that Chinese government’s definition and its implementation of economic globalization is remarkably successful as someone concludes that “China clearly is a big winner in the (economic) globalization game.”⁷⁶⁾ It is also worth to cite two other American policy analysts’ conclusion. “China’s embrace of globalization has increased the degree of competition in her product markets, raised the productivity of factor accumulation, enhanced consumer welfare in China, and benefited consumers around the world. Some of China’s key leaders pursued this embrace with a commendable mixture of pragmatism and courage, for which future generations will owe them thanks. It is difficult to forecast with confidence the full impact of China’s opening of its service sector to foreign direct investment, in part because there is so little precedent for a developing country to offer such a degree of market access. The possibility of greater participation by the world’s leading service firms holds out the promise of preventing the development in China of the kind of dual economy seen in Japan and Korea. The extent to which this promise will be realized remains to be seen, but we anticipate that the Chinese consumer and the overall economy will benefit from this opening, which appears to be taking place in line with China’s obligations under its accession agreement.”⁷⁷⁾

Third, just because of its one-dimensional definition of globalization, Chinese globalization policy, even in the economic field, might lead to some potential problems and challenges. One example is the unpredictable ultimate consequences of China’s too much commitments of opening its service industry as a developing economy as pointed out by two American policy analysts. Another example is the rising foreign trade dependence and

75) Held, et al., *Global Transformations*, p.425.

76) Samuel S. Kim, ‘Chinese Foreign Policy Faces Globalization Challenges’,

77) Lee Branstetter and Nicholas Lardy, ‘China’s Embrace of Globalization,’ pp54-55.

related debates. Too simplistic one-dimensional focus might lead to ignore globalization's impacts in other fields as politics, security and culture since globalization is a multi-dimensional and multi-facet phenomenon.

Fourth, being the biggest economy and the only super power in contemporary world, America plays a critical role for China's globalization policy. Globalization makes Sino-American relations more comprehensive and complicated than before. Its impacts extend to EA regional and even the whole world situation. Thus it needs the delicate tactics patience and long term strategy vision of both the American and Chinese leadership. From the past decade, American role in China's globalization policy is double-sided. On one hand, as shown in China's WTO accession process, American did ask more stringent conditions from China which the ultimate consequences are not clear yet. On the other hand, it is obvious that America did play a positive role generally. One American scholar contributes the reason of China's success of its globalization policy to American "goodwill". "The key point here is that the willingness of the US government to open markets to China was a major factor allowing China's exports to grow so rapidly in the twenty-four years between 1978 and 2002. Conversely, were that goodwill to be replaced by ill will, China's exports could collapse."⁷⁸⁾

Fifth, as for America's role in EA regionalism, it is on the right track as FTAAP proposal shown. The author insists that every party should take a dialectical attitude. On one hand, as one American scholar objectively points out that "East Asian governments have legitimate political reasons to engage in dialogue with their nearest neighbors – whether to prove their ability to manage their relations with neighbors or to reassure parochial domestic political constituencies that the government is not beholden to the United States or the International Monetary Fund."⁷⁹⁾ American government does not need to be over sensitive and fastidious to EA regional efforts. As the East Asian countries not joining the NAFTA, America does not need to join every EA regional institution even for its global stretch. On the other hand, East Asian countries should welcome America's presence in its regional efforts. Reasons are clear. First of all, America has its legitimate and historical interests in the region. Second, America is a global power and wherever regional efforts need its supports or at least not opposition. This is one of the new regionalism's characteristics in the globalization era which is different from the old regionalism during the Cold War. Last but not least, EA Regionalism is not the ends but

78) John W. Garver, 'China's U.S. Policy', p.207. Garver is not wrong, but obviously his description of the facts between China and America seems too much one-dimensional. He exaggerates American "goodwill" and undervalues America's interests from China's economy and the economic interdependence between the two countries.

79) Lincoln, *East Asian Economic Regionalism*, p.252.

means to peace and prosperity for the whole region. If America actively involves in it, EA regionalism will be a quick and solid stepping stone for a globalization begun here.

Last, as for China's globalization policy in future, the author has an attitude of moderate optimism as Long Tongtu expressed that China's WTO accession is just a preparation "for more actively participating economic globalization". As for the future of Sino-American relations, author is prudently optimistic. Some evidence show that Sino-American relations are moving on the right track. The China-US Strategic Economic Dialogue is a good example. It was held at the end of 2006 for the first time with focus on the Development Road and Economic Development Strategy of China and the United States. The second Dialogue discussed key issues concerning China-US business relations. Not coincidentally, the theme of the third one is "Seizing the Opportunities of Economic Globalization and Dealing with the Challenges of Economic Globalization". As Chinese President's Special Representative and Vice Premier of the State Council Wu Yi said at the opening ceremony, this theme "is of both strategic and practical significance. It echoes the trend of the current global economic development, addresses key issues of concern to both China and the United States, and demonstrates our shared desire to resolve difficulties and problems that have occurred in the course of the rapid growth of bilateral business ties and deepen China-US cooperation."⁸⁰⁾ Although there appear very different voices regarding to the Dialogue⁸¹⁾, this paper believes that this is the right and a must way to construct a stable Sino-American relations, open East Asian regionalism, and the peace and prosperity of the whole world.

80) Wu Yi, 'Opening Remarks At the Third China-US Strategic Economic Dialogue', December 12, 2007, <http://www.fmprc.gov.cn/eng/wjdt/zyjh/t389102.htm>

81) One American scholar, for example, not only declares "a dangerous failure" of the third SED, but also calls for that the next one "would be best if it were cancelled, so work could be focused instead on meeting the challenge China poses to the United States as both an economic and geopolitical rival." see William R. Hawkins, 'Third Strategic Economic Dialogue with China a Dangerous Failure,' December 16, 2007. http://www.americaneconomicalert.com/view_art.asp?Prod_ID=2906.