

Working paper

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*In the Mood for Multilateralism?
China's Evolving Global View*

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Centre Asie Ifri



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IN THE MOOD FOR MULTILATERALISM? CHINA'S EVOLVING GLOBAL VIEW

Shen Wei

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The latest World Bank report has put China the second largest economies after the US according to the purchasing power. It is now hard to imagine a world without the presence of China and Chinese products, whether it is in the shelves of Carrefour or Wal-Mart. Indeed China's economic importance is now a central feature of the global economy. However, does China matter in other spheres of the world stage? Let us look at two other great nations, Japan and Russia. Despite its economic miracle in the post-war period, Japan's global impact in international politics is very limited, 'relatively muted' as phrased by the Foreign Policy Centre (Desai 2006). Even as the 3rd world economic power, and 2nd biggest contributor to the United Nations, Japan still does not have a permanent seat in the Security Council. Russia, on the other hand, has veto power in the Security Council, but limited significance in the global economy till recent booming oil and gas business.

Comparing to these two countries, it seems China gaining prominence in both directions. In recent years, we have witnessed new waves of Chinese diplomacy. China plays an important role in an array of global security issues, from the Six-Party talks on the Korean Peninsular to the diplomatic efforts on Iran and Sudan. We also see more Chinese faces holding on key or senior positions in international organisations, such as the United Nations, World Health Organisation, World Bank and World Trade Organisation. China's view on global affairs has certainly evolved from the inward looking and conservative attitude towards a more active, flexible and pragmatic manner. Hence, this presentation serves as an attempt to review recent changes of China's participation in key international organisations and process and understand the perspectives from within and outside China.

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From a “Divided World” to a “Harmonious World:” Three Stages of Chinese Foreign Diplomacy

Ideological foreign Policy (1950s-70s)

After the foundation of the People’s Republic of China in 1949, the early Chinese view on the international order was largely in line with conflicts between two opposite camps, the socialist camp led by the Soviet Union and the capitalist camp of the ‘Western countries’. Chinese leaders were deeply concerned with the conspiracy of imperialism and hegemonies (Yu 2004). China was insecure of its international position and Chinese diplomacy also naturally reflected this insecurity. The foreign policy was also mainly ideological, very inward looking and exercising extreme cautiousness. The defending of national pride was key in the government policy, sometimes at the costs of national interests.

During this period, from 1950s to the beginning of 1970s, China’s membership at various international organisations and participation in the multilateral system is very limited and weak, due to the political climate of the Cold War. For example, China attempted but failed to acquire its legal status at the United Nations. In addition, China’s applications for other intergovernmental organisations were also blocked, including World Health Organisation, World Meteorological Organisation, International Labour Office, IMF, World Bank among others.

UN membership as a catalyst (1970s)

The end of the Cultural Revolution gave the Chinese leaders a time to reflect the damage and lessons from the ideological fever and review China’s position on the world stage. With Deng Xiaoping, the new leader of the Communist Party, China started to open up gradually, same with the view of China on the outside world. The priority was to enter the United Nations. The external environment also helped China’s progressive integration to the multilateral system. The influx of newly independent countries from the developing world shifted the balance of the General Assembly which was prominently dominated by the Western countries. China’s entry to the United Nations consequently led to China’s successful admissions to other specialised agencies of the United Nations, such as UNDP, UNIDO, UNCTAD, UNESCO etc. China also established cooperation with other important intergovernmental bodies like the International Olympic Committee and the EEC.

However, as a newcomer to the multilateral system, China’s role and impact is very restricted. China adopted a more pragmatic way of foreign diplomacy under Deng’s leadership. China’s foreign policy, aiming to foster an atmosphere of peace and development in the world. Domestic economic development has moved to the top agenda for the Chinese government. China’s participation in the multilateral organisations was mainly passive and its foreign policy was characterised by subtle diplomacy (Yu 2004). Despite China’s membership with multilateral organisations jumped from 1 to 21 (before 1978), it is still far below other developed countries like USA, Western Europe and even developing country like India.

Changing attitude: opening up and pragmatic diplomacy (1978-till now)

From 1978, under Deng's 'Open Door' policy, economic reform has rapidly transformed Chinese economy. China had unprecedented opportunities for Foreign Direct Investment and international trade. These increasing contacts with the outside world also further changed China's attitude towards international affairs to more open and flexible. China also participates more actively in not only global political and financial institutions like the UN, the World Bank, and the IMF, but also to other regional organisations, civil, security and military forums. Between 1979 to the beginning of 1990s, China successfully joined IFAD, WIPO, ADB, UNHRC and various conferences of UN Disarmament Affairs. This showed China's willingness to take responsibilities as a growing power with hope to promote a better global image. Nevertheless, China's participation and role is more limited to 'opinion giving' rather than 'agenda setting'.

In the past two decades, we saw new waves of Chinese diplomacy. There are both internal and external reasons. Internally speaking, the Chinese leadership has continuously embraced the idea of 'furthering opening up' of the economy, therefore peaceful external environment and good international image is vital for China. Being a responsible member in the international affairs is embedded in the mind of Chinese leaders. This is reflected and can be traced in the recent view of 'harmonious society' by the Chinese Government. There is an internal need and push for pursuing more active international diplomacy and participating in the various multilateral bodies. Secondly, there are increasing international agreements on business and environment standards. To fully exercise as an international economic player, China must comply with these new rules. One obvious example is the different criteria China had to fulfil for the WTO membership.

Comparing to the earlier period, China is now more actively promoting different levels of diplomacy, from bilateral to region and multilateral levels. The economic confidence of China and new security and energy developments also led China to initiate its own multilateral and regional bodies. The best example is the Shanghai Cooperation Organisation. Started as early as 1996, the Shanghai Five (Kazakhstan, the People's Republic of China, Kyrgyzstan, Russia and Tajikistan) signed Treaty on Deepening Military Trust in Border Regions. In 2001, these five countries plus Uzbekistan founded the SCO with hope for higher level of security cooperation. Now SCO has extended its area of competences from security to other issues such as economic and cultural dialogues. The creation of SCO shows the confidence of China in the global affairs, although it is often regarded as a counter power to the US and NATO, it at least again confirmed China's determination for a multi-polar world. China also modelled the World Economic Forum in Switzerland to the establishment of Boao Forum, a non-governmental organisation for business, government and academic leaders on a wide range of global issues with a focus on China and Asia. All these clearly reveal that China is not just a rule follower now, but constantly participate in the making of global agenda, China's participation in international organisations reaches new high. The only concern for China is the issue of Taiwan's independence and national sovereignty.

China at the United Nations

The UN is the pivot of the multilateral system. And for China, UN is the single most important multilateral organisation. There had been attempts since the 1950s by group of nations led by Albania to pass a resolution at the General Assembly of the United Nations to transfer the membership of UN from the Republic of China to the People Republic of China. However, it did not get through till one decade later because of the objection of the US. The demographical change of the General Assembly made it more and more possible for China to gain the admission towards the end of 1960s, and on 25 October 1971, Resolution 2758 was passed by the General Assembly, which gave the recognition of the PRC as the sole legitimate government of China. This was a major diplomatic victory for China and facilitated greatly China's consequent admission to a number of other international organisations.

Despite China's entry to the UN and its veto power as a permanent member in the Security Council, China has played mainly a passive role within the UN. As long as the issues do not conflict with China's national interests, most notably the sovereignty (Taiwan in many cases), China rarely uses its veto power (only 5 times since China's admission). Yet the veto power makes Chinese feel safe and comfortable (Yu 2004), but China does not want to offend other countries by making strong positions in many controversial matters in the UN. However, the impact of UN and Security Council is under criticism, there have been various calls for reform of the UN. China now began to change its attitude on the UN, because of UN's strategic position in offering China, US, Russia, UK and France the equal level of recognition and status in key global affairs, at least in theory. Like other Security Council members like France and Russia, China also view UN as a way to promote multi-polar global order rather than US's unilateral operations. China is now paying more attention to the UN (for example, China regularly sent military and civil teams to UN's Peacekeeping Forces, in 1999, China sent a team of civil police to East Timor and no-combat military force for Democratic Republic of the Congo). It has been more than three decades since the official return of the People's Republic of China to the United Nations. China is now also actively engaged in UN's reform strategy to reinforce its influence and equal status with the US. For China, the Security Council's permanent seat is not just a status symbol or safeguarding mechanism for national sovereignty. China has move more progressively in using its diplomatic power to create manoeuvre space for a multi-polar geo-politics.

China with G8/G13/G20

More than three decades ago, as early as 1975, an informal forum was initiated by the French President (Valery Giscard d'Estaing) to discuss important global issues (at the time, mainly on the oil crisis) with other like-minded leaders from Germany, US, Japan, Britain and Italy. This club of six nations was joined by Canada the next year, making it the G7. This informal meeting of industrialised democracies did not expand its membership till 1998, when Russia made its accession to the group, which resulted its current composition (G8).

These 8 countries represent more than half of the world's economy as well as military power. As China's economic strengthen becomes more and more obvious in the global economy, there has been increasing debates on whether China should join the G8. Is China

a missing member at the G8 table this year in Japan? Jeffrey Garten of Yale University said it is 'ludicrous for China to be on the periphery of the insider's club' arguing that 'there is no major global economic issue that will not involve the Middle Kingdom or require its cooperation'. He is right about China's influence, as often called the 'world's factory', China is not only producing from computers to toys, but also in high demand for natural resources. China has become a vital component of the international commodity chain, trade in good, international finance, and already outperformed existing G8 members like Italy and Canada. The influence and impact of Chinese are also reflected on the international geopolitics which the Group of 8 is now actively engaged with. Even before the accession of Russia, G7 already began to notice the economic development in China. The importance of China in the regional and international economy was clearer when China impressed the world during the handling of the Asia Financial Crisis in 1997. At the request of Germany, the G8 Presidency of 1999, China was invited to its Annual Summit. Since then, there the membership dialogue between China and the G8 took place via different channels.

Should China Join G8?

It seems all logical China should have a chair at the G8 roundtable. Many people regarded President Hu's participation in the Evian Summit in 2003 as a breakthrough (China Daily 2006) in the relationship between China and G8. Under the leadership of President Hu, China there has been a perceptible change towards the G8 and welcome more positively G8's invitations (Desai 2006). Nevertheless, there is still no sign of China joining the club officially in the near future. From the Chinese perspective, G8 is a club of rich industrialised nations, joining the G8 will formally indicate China's transition to a developed country. Chinese leaders do not think China is yet ready to fully claim this status because of national interests. The in-between transitional status between a developing country and industrialised economy gives China certain advantages in some international negotiations and standards. For example, Desai (2006) pointed out that some Chinese officials believe China's current position could provide leeway on the matters like undervalued currency, weak intellectual property rights and relatively lax environmental standards.

China also learn the lesson from Russia's participation in the G8 process. China Institute of International Studies (2006) observed that although Russia has been a member of G8 for a decade, it had long resented a rather humble position in G8 or even 'second-class' membership. As the origin of G8 is built by and on the idea of 'democracy nations', Russia is yet to be fully accepted by the other members as an equal power (Russia tried to use the Annual Summit in St Petersburg in 2006 to boost its image and position). Should China join the G8, it will certainly change the power balance of the group and play a decisive role because of China's muscles in the world economy. Will China's democratic credentials be an obstacle in China's membership? This argument has been used by some members including Japan and European countries for their objection on China's membership. Of course there are other considerations by these members, such as the rivalry of power and decision making in the G8, with the inclusion of giant economic power.

So the chance of joining G8 is slim. Like many organisations, G8 is also facing the stage of reform or perish. As its informal nature, G8 does not bring the same level of international prestige to China like the membership of the UN. While G8 is expanding its discussion topics

to other pertinent global issues like security and environment, it is also facing growing criticism, many from the anti-globalization movement as we can see from the protests in Evian, Gleneagles and Heiligendamm. For China, there is no lack of other regional or subject specific forums to discuss global agenda.

Are G13 (G8+5) or G20 the answers?

Thus, both economic and political credentials are important factors for China's distance from the formal membership with the G8. On one hand, China would like to engage with G8 more, but on the other hand China would neither like to sacrifice its duality status in the foreseeable future nor to be lectured individually or collectively by G8 members for its vulnerabilities in some economic and political issues. Therefore the informal groupings of G13 (G8+5 Brazil, China, India, Mexico and South Africa) seems to be an ideal platform for fulfil China's needs. The idea of G13 is to build a 'new paradigm for international cooperation' as noted in their joint statement in the G8+5 meeting in Scotland hosted by Tony Blair in 2005. After the Summit in Germany, the 'Heiligendamm Process' was initiative with the hope to institutionalize high level dialogue formally between the G8 countries and the five emerging economies, which also include a G8+5 platform at the OECD. As a strong supporter of this initiative, in 2007, French President Sarkozy stressed the urgency to include these five countries into G8: 'The G8 can't meet for two days and the G13 for just two hours.... That doesn't seem fitting, given the power of these five emerging countries'.

Another larger informal mechanism was founded in 1999 in a Finance Ministers meeting of 20 major economies in the world, comprising both industrialised and emerging countries. The G20 together represents two-thirds of the world's population, 90% of gross domestic product and more than 80% of world trade. If the origin of G8 is a response to the oil market shock and Bretton Woods crisis, the creation of G20 is partly due to the damages of financial crisis in the late 90s. To include developing countries in the discussion on global economy is also a sign of recognition for their countries' economic achievement and impact on the stability of global financial market. G20 also aims to provide informal venue to discuss policies to promote 'high and sustainable growth' especially with regards to the financial systems.

Both G13 and G20 are more representative than G8. The inclusion of developing countries also fit China's own positioning in the world better. Hence China has welcomed both processes from the beginning - its attitude has been positive and participation has been also active. Yu Yong Ding (Institute of World Economics and Politics / CASS 2004) even went on and call them as a timely gift for China. In China's view, the idea of combining views of G8 and other developing countries give more legitimacy for the outcomes of the discussion. By having more members, G13 and G20 will also not be dominated by US and EU countries as in the case of G8, and at the same time, it provides a more effective and wider consultation on global issues. But more members also means more diverse opinions and different national interests on various issues, comparing to G8, creating higher level of difficulty for reaching consensus. Nevertheless, G20 is a good way to exchange opinion informally and China is realistic about its role as China has learned from its participation in the Asia Pacific Economic Cooperation (APEC).

Conclusions: From a passive player to an active support of multilateral diplomacy

As we can see in the cases of China's participation in the UN and relationship with G8, G13 and G20, China has shifted gradually its global view and diplomacy from isolation towards multilateralism. The shadow of humiliation from late 19th century to the first half of the 20th century had strong impact on China's attitude on the external world. One lesson from the national humiliation was the idea China should not depend on others and must rely on itself to protect national pride and interest. It can explain why China was sceptical about participating in the regional and multilateral organisations. Under the climate of the Cold War, Chinese diplomacy was driven by the ideology of self-defence and protects its own safety from the western conspiracy of imperialism and hegemony of power. Sovereignty and national pride are very important and China prefers to deal matters one by one with other sovereignty countries on a bilateral level.

From the beginning of 1980s, as the Chinese market was opening up for foreign investors under Deng Xiao-Ping's 'Open Door Policy', Chinese policy makers were also turning to the world for exchange of ideas and views. Its diplomacy style shifted to a more pragmatic way of judging international relations, from 'black – white' analysis to look at each matter's own complexity and merit. China's double-digit economic growth has put China in the heart of world economy. As an indispensable economic power, China has now more confidence in engaging multilateral organisations. As long as the discussion does not infringe China's national sovereignty, China is willing to engage meaningful dialogues. China and its leaders are also fully aware of the inevitable negative effects of China's rising power, from the worries of job loss to the growing military expenditure.

Having witnessed the rise and fall of other dominating powers in different periods of our history, China is very self-conscious of its own image. It does not want to portray itself as a threat for global order and constantly work to promote its soft-power on the world stage. China's changing attitude from a passive player to an active support of multilateral diplomacy is a good example of such a gesture. By participating in multilateral organisations such as the UN, China can not only protect its own interests but also construct a positive reputation as a 'responsible power' (Shirk 2004).

For China, the United Nations is still the most important stage for multilateral diplomacy because its unique status of sovereignty countries and legitimacy. Meanwhile, China still takes a more modest, non-aggressive stance on some critical issues at the UN in order to not to provoke other major players, as shown in China's limited use of the veto power in the Security Council. Nevertheless, China has also shown more confidence in handling tactic issues such as the North Korea Nuclear Crisis, Iran and Sudan, as well as affirmed its commitment to multilateral action in solving these matters. China also paid more attention to the people factors at the UN, by nominating and supporting senior ethnic Chinese officials at various UN institutions to improve visual representation at these organisations such as UN, WHO and World Bank. And on the lower hierarchy, Chinese Government also sent Chinese troops and civilian forces for UN peacekeeping missions. But still Chinese nationals are underrepresented in international organisations, since personal charisma and impact can be critical in multilateral negotiations, this may be an area of improvement for the Chinese Government.

Outside the UN, China has taken a more active role on global economic governance and regional processes. China's participation at the G8 and later G13 and G20, shows while China is willing to take a higher level of responsibility in various global issues, it does not yet intend to give up certain privileges as a developing economies because of its specific economic and political circumstances. China view G8 and G13, G20 complements to each other and improves the decision making process on economic and other matters, but does not see it as a replacement to the existing multilateral institutions like the UN, World Bank and IMF. One interesting feature is on China's cautious shift from a reactive and defensive player in the regional cooperation mechanism. China has been enthusiastically participated in APEC, ASEAN + 3, and even initiated home born Shanghai Cooperation Organisation. This progressive move is aimed to promote regional peace and prosperity which China desperately needs. It also helps China to assure its neighbours about China's peaceful rise and gain credentials as a responsible regional player.

China's modernisation programme has profound impact on the global political and economic relations. The timing of China's modernisation also has effects on its move towards multilateralism. For example, nowadays, respecting environmental standards and protecting intellectual properties are no longer an option for a country, but are expected for every country, no matter you are in the developed block or developing world. If China wishes to rise peacefully as it tries to portray, Chinese Government must adhere on these international norms and standards. Therefore it gives China more incentives for being not only a rule follower but increasing involving in settling the agenda by using its own economic and diplomatic leverages.

In this New Millennium, opportunities and challenges are lying ahead of China's modernisation, as nations are more and more bounded to each other because of economic dependence. The current economic slowdown and complex global affairs have put China under spotlight. Chinese Ambassador to the UK recently said: 'The world has waited for China to join it, now China has to have the patience to wait for the world to understand China'. China has become an intriguing phenomenon for globalization and now attracts global attention, both positive and negative. Chinese diplomacy is also undertaking an evolution of transformation to adjust to the changing political and economic climates. One obvious observation is China's global view on a multi-polar world. In 2005, President Hu made a speech on building a harmonious world at the UN's 60th Anniversary Summit. As a relatively new player, China is still learning to play the game. The focus of Chinese diplomacy is to strengthen its neighbourhood ties, exploring new regions of collaboration and pursuing balance among major powers. Will this harmonious be only wishful thinking? Only time can tell.