CHAPTER 3

CHINA’S SECURITY STRATEGY AND ITS MULTILATERAL RELATIONS

The emergence of People’s Republic of China as a great power since 1990s is a significant feature of the post cold war international politics. China has gone from strength to strength to show its vigor and establish its reputation as a global power-centre. China joined World Trade Organization (WTO) in 2001 and now its share in world economy is about 13 per cent. It has surpassed Japan and became the second largest economy after the United States in the second quarter of 2010 and showed its capability to drive world economic growth through its robustness.1

Map 4– Political Map of People’s Republic of China2

1 ‘China No. 2 economy, pips Japan,’ The Times of India, Kolkata, August 17, 2010
2 http://www.zimbio.com/HONG+KONG/articles/DmZ2-Qh3SC0/map+of+hong+kong+china Accessed on July 1, 2011.
China has a 9,000 mile coastline with many good natural harbors and it is a land power and a sea power as well. China’s virtual reach extends from Central Asia, with its mineral and hydrocarbon wealth, to the main shipping lanes of the Pacific Ocean. For the last 30 years i.e. from 1980s, China’s Gross Domestic Product has been more than 10 per cent. China has the largest population in the world. China is a communist state based on a single party system which is governed by the Communist Party of China. China has become world’s fastest growing economy. It is a permanent member of the United Nations Security Council. Besides, it is also a member of some multilateral organizations such as World Trade Organization, Asia-Pacific Economic Cooperation, BRIC (Brazil, Russia, India, China), Shanghai Cooperation Organization and G-20. China is also a recognized nuclear power state. It has the world’s largest army and its defense budget is also the second largest in the world.

Therefore, it would be beneficial for our purpose to discuss China’s foreign, defense, economic and climate change policies and understand how it is trying to utilize its position to gain a great power status at global level.

FOREIGN POLICY OF PEOPLE’S REPUBLIC OF CHINA IN THE POST COLD WAR ERA

Basically and broadly, foreign policy of People’s Republic of China is based on following ‘Five Principles of Peaceful Coexistence’:

1. Each country should have the right to choose its own political, economic, and social system in line with its own circumstances.
2. All nations of the world, especially the big powers, should strictly abide by the principles of not interfering in other nations’ affairs.
3. All nations should respect and treat others equally, cherish mutually beneficial cooperation, exist in harmony, and seek common ground while resolving differences.
4. International conflicts should be resolved fairly through peaceful means, not through the use or threat of force.
5. Each country, no matter how big or small, strong or weak, should have the equal right to participate in consultations to settle world affairs.3

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On September 3, 1991, while meeting the British Prime Minister Mr. John Major, Chinese Premier Li Peng put forth three-point proposals for the establishment of a new international order. First, international affairs must be handled with the participation of all nations in the world so that peace and security of the world could be ensured. Second, the five principles of peaceful coexistence or similar principles provided the reasonable basis for the new international order. Third, the United Nations should play a greater role in international affairs.4

When the Gulf War of 1991 began, China expressed its concerns over the outcome of military aggression against Iraq and called for restraint on both sides to the conflict so that the international community could find a peaceful solution to the crisis. On January 18, 1991, the Chinese Foreign Ministry spokesman said that China has since the beginning of the crisis urged Iraq to pullout of Kuwait unconditionally so that the legitimate government of Kuwait as well as its independence, sovereignty and integrity could be restored and respected.5 Some days later, on February 12, 1991, China dispatched a special envoy, Chinese vice Foreign Minister, Yang Fuchang, on a trip to Syria, Turkey, Yugoslavia and Iran to discuss ways to end the Persian Gulf War.6

On September 23, 1992, the then Chinese Foreign Minister Qian Qichen addressed the 47th session of the United Nations General Assembly and talked about China’s vision of post cold war world order. His speech was in the backdrop of Iraq’s invasion of Kuwait and the United States use of force against Iraq to free Kuwait. He said,

“Since the last session of the UN General Assembly, profound changes have taken place in the world with events of major consequences occurring one after another, from east to west, from north to south. The international community has finally shaken off the old pattern featuring mainly the confrontation between the two military blocs and the world has henceforth entered a new historical phase of development towards multipolarity….

A genuine peace that the people of the world have longed for has not come with the end of the Cold War. On the contrary, the world remains intranquil with new problems added to the old ones and armed conflict erupting one after another as a result of disrupted equilibrium. Hegemonism and power politics continue to exist, the attempt to some big powers to control developing countries politically and economically has become more and more obvious….

4 ‘Li Peng Proposes New World Order,’ The Telegraph, Calcutta, September 4, 1991
5 ‘China calls for restraint,’ The Patriot, New Delhi, January 18, 1991
6 ‘China sends envoy on Gulf mission,’ The Hindustan Times, New Delhi, February 12, 1991

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In our view, force should not be used, even as a last resort, in the search for the settlement of a problem however complicated it may be. The fundamental solution lies in a reconciliation of various ethnic groups through dialogues on an equal footing and peaceful negotiations….”

In his speech, he supported the idea of United Nations taking effective efforts to solve global conflicts and settle disputes peacefully. He proposed about establishing a new international order based on the concept of peaceful coexistence and non-interference. He said,

“A new international order should be based on the universal observance of the five principles of mutual respect for sovereignty, and territorial integrity, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit and peaceful coexistence. This is in conformity with the purposes and principles of the UN charter. All countries, big or small, strong or weak, rich or poor, should have the right to choose a social system and a road to development suited to their actual conditions. Countries should respect each other, treat each other as equals and resolve their disputes through peaceful negotiations. Only when all countries undertake to observe these principles can there be genuine democracy in international relations. We are convinced that as the world moves towards multipolarity, an equitable and rational international order of peace and stability will come into being.”

China had realized the altered international political system and reiterated a number of times about its desire to see global order in a multipolar manner. For this purpose, China broadened and revamped the horizon of its relations with other nations. China’s ever changing strings with its long term ally Russia took a fresh turn in post cold war period when China and Russia prepared themselves to face the challenges posed by new international system where the United States remained sole super power turning world politics unipolar. The US victory over Iraq in Gulf war brought China and Russia closer and they vowed to cooperate to set up a new multi polar world. A joint communiqué issued by both China and Russia in May 1991, revealed their state-of-the-art plans to keep world order and balance of power in equal mode. This document narrated,

“A new international order should be based on universal principals governing state-to-state relations. Namely, mutual respect for sovereignty and territorial integrity mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence. …All countries, big or small, strong or weak, rich or poor, has equal rights in discussing and handling world affairs and international disputes, should be solved through peaceful negotiations. The formation of a new international order is a long and complicated process. Active participation by all member of the international community, respect for the UN charter and observance of the recognized norms of international law are the requirements for the set up of the new international order.”

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7 Quoted in Chinese Foreign Minister’s Address to UN General Assembly, China Report, Vol. 28, No. 4, October-December 1992, Sage Publications, New Delhi, pp.425-426
8 Quoted in ibid, p. 427
9 Quoted in ‘New World Order : Sino- Soviet Stand,’ The Hindu, Madras, May 20, 1991
Both sides emphasized in the document that no country should impose its will on other nation and force should not be used to threaten any state. They maintained that neither Russia nor China sought hegemony and also opposed any kind of hegemonism by any other country in world. Its clear from the above statement that as soon as cold war ended between the US and Soviet Union, China realized the altered status of international political situation and started working for a comprehensive multilateral world order to be based on equal rights of states.\(^{10}\)

The relations between China and Russia are going through several positive phases in the post cold war era. In the aftermath of cold war superpower rivalry, in December 1992, both countries decided to unleash a fresh air of friendly relations and started developing larger bilateral relationship. In September 1994 both sides reaffirmed to broaden their bondage, termed it as ‘constructive partnership’ and asserted to cooperate internationally. In 1996, both Moscow and Beijing moved further and gave it a shape of ‘strategic partnership.’ Both sides proclaimed to base their relations on mutual respect and equality to maintain a healthy bilateral relationship. They also agreed to remodel their security outlook, ease their tensions on border dispute and dissolve boundary issues through talks and negotiations. The third theme of their relationship is to cooperate in various fields such as trade, science and technology for the purpose of mutual benefit and joint development. Besides, both countries vowed to work jointly for a multipolar, just and rational international order where no country would seek hegemony on other states.\(^{11}\)

After the disintegration of Soviet Union, the United States has brought former Soviet Union States under NATO umbrella. The US president Bill Clinton antagonized giving any special right to Russia within commonwealth of Independent states (CIS) and supported those CIS states which had any dispute with Russia. Russia took it as an US effort to drive Russia out of Europe. The US such endeavor brought Russia closer to China. China also felt troubled because of US allegations against China on missile proliferation, Taiwan and human right issues. China perceived that Clinton Administration wanted to apply the policy of ‘westernization and fragmentation’ against China, so that it would also collapse similar to the

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\(^{10}\) ibid.

Soviet Union. Therefore, both countries felt vexed by the United States, decided to enhance their relationship to a strategic partnership level.\(^{12}\)

Later on, in July 2000, the Russian President, Mr. Vladimir Putin and the Chinese leader, Mr. Jiang Zemin met and they jointly warned of a growing threat to global security as Washington moved further towards the creation of a National Missile Defense shield over its territory. They warned that the global balance of security might be undermined if the U.S. project was implemented.\(^{13}\)

On July 18, 2000, Chinese President Jiang Zemin and his Russian counterpart Vladimir Putin signed a joint statement, extended their strategic partnership and supported their adherence to the Anti-Ballistic Missile (ABM) Treaty of 1972 and opposed the proposed United States’ National Missile Defense System (NMDS). The joint statement said that the NMDS was a serious threat to the ABM Treaty and it would lead to the emergence of new instability and give an excuse for the development of a new arms race and disrupt the disarmament process. In the joint statement, both sides described the ABM treaty as the ‘foundation for today’s balance of power and world stability.’\(^{14}\)

On January 25, 1992, China established diplomatic ties with Israel and sought to clear the way for Beijing to join in the West Asian peace talks. Further, China announced its plans to send a delegation to Moscow to join in next round of multilateral talks between Israel and Palestine to solve the Middle East conflict between the Arabs and Jews.\(^{15}\)

Opening a new chapter in relations following the handover of Hong Kong in 1997, China and Britain declared a comprehensive partnership on October 6, 1998. In a statement issued after talks between British Prime Minister Tony Blair and Chinese Premier Zhu Rongji, the two governments pledged to increase cooperation on a number of issues ranging from environmental protection to closer ties between their militaries. The joint statement to set up a comprehensive partnership promised increased political consultations including discussion of human rights and outlined cooperation in areas from employment training to crime-fighting.\(^{16}\)

\(^{12}\) ibid.

\(^{13}\) ‘Russia, China unite against NMD,’ The Hindu, Chennai, July 6, 2000

\(^{14}\) ‘Zemin, Putin oppose NMD,’ The Times of India, New Delhi, July 19, 2000


\(^{16}\) ‘China and Britain Declare a comprehensive partnership,’ The Times of India, New Delhi, October 7, 1998
While addressing Inter-Parliamentary Conference on September 19, 1996, the then Chinese Premier Li Peng outlined main characteristics of China’s foreign policy. He said, “China has unswervingly pursued an independent foreign policy of peace. The basic objectives of the policy center on safeguarding national independence and state sovereignty, and creating an international environment favorable to its reform, opening and modernization efforts, as well as maintaining world peace and promoting common development.”\(^{17}\)

After the end of the cold war, China has been very much keen to play an active role in international organizations. It attempts to show its weight in international politics. Therefore, in October 2004, China proposed that the move to reform the United Nations should help accelerate the common development of the member states. Supporting the initiative for an expansion of the United Nations (UN) Security Council as part of an overall reform agenda, the Chinese Foreign Minister, Li Zhaoxing said the process should focus on development. At the UN General Assembly Mr. Li said that China was in favor of expanding the Security Council and giving priority to a greater representation of the developing countries. China’s position was being viewed against the backdrop of India and Japan making common cause for becoming permanent members of the Security Council. Mr. Li added that a stronger United Nations was indispensable for maintaining global peace and stability and promoting the common development of mankind.\(^{18}\)

During late 2003, Chinese political leaders started promoting the idea of ‘peaceful rise’ for China. They supported the notion of the development road and the strategic choice for China in the decades to come and argued that China would rise to international prominence as a responsible and peaceful power. They emphasized that it would not threaten either its Asian neighbors or the United States.\(^{19}\).


\(^{18}\) ‘China for UN Council Expansion’, *The Hindu*, Chennai, October 4, 2004

\(^{19}\) It is widely believed that the term ‘peaceful rise’ was coined by Zheng Bijian, former Vice President of Central Party School of the China Communist Party (CPC) who delivered a speech at the annual conference of Bo’ao Forum for Asia on November 3, 2003. In his speech, he said, “In the 25 years since the inception of its reforms and opening up, China has blazed a new strategic path that not only suits its national conditions but also conforms to the tide of the times. This new strategic path is China’s peaceful rise through independently building socialism with Chinese characteristics, while participating in rather than detaching from economic globalization.” Since then China’s peaceful rise has been widely debated worldwide at different platforms. (Zhang Guihong, ‘China’s Peaceful Rise and Sino-Indian Relations,’ *China Report*, Vol.41, No. 2, April-June 2005, Sage Publications, New Delhi, p.160)
After the end of the cold war, China reconsidered its relations with Middle Eastern countries and developed strong ties with Iran. In January 2010, Iran became China’s third largest supplier of crude oil. In fact, the need of continuous supply of oil from Middle East determines China’s relations with the countries of this region. China is Iran’s largest export partner and Iran also imports refined oil from it. China and Iran finalized a 25 year deal in 2004 to trade in liquid natural gas. China is always reluctant to criticize Iran on its alleged nuclear program and does not endorse the United Nations sanctions against it.

Although China had reduced the supply of arms and techniques in 1997 to Iran as a part of its non-proliferation policy commitments and in order to improve relationship with the United States as well, but still it continues to propose Iran scientific assistance, dual-use trade, technology transfer and sensitive arms and weapons. There are larger perspectives of developing relations between Iran and China for China itself and beside that, development of various kinds of weapons by Iran opens the possibility of changes in balance of power equations in Persian Gulf. Iran’s advancing might and its vital position in oil producing region attracts China’s attention.

Time to time Chinese leaders come up with their vision to tell the world regarding China’s policies. In the beginning of 2007, Chinese President Hu Jintao called for peaceful development and social harmony in his New Year address broadcast to domestic and overseas audiences via state TV and radio. In the address, Mr. Hu talked about economic and social development in 2007 and policies toward Hong Kong, Macao and Taiwan. He said that the year 2007 was an important year in building a socialist harmonious society under the guidance of the scientific development concept. Mr. Hu added that the Government would strive to give impetus to the shift in economic restructuring and in the mode of economic

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21 It appears that China wants to keep itself away from the political equations of Middle East and is contained by seeing the United States busy in this region politically. China’s interest may lie in enhancing economic cooperation with this region rather involving itself in complex political situation.
23 Beijing’s relation with Teheran is not a new phenomenon. During cold war period, when China- Soviet relations deteriorated in late 1950s, China perceived the Soviet Union as an advancing power in Middle East region and wanted to curtail its presence. Therefore, China supported the idea of Iran becoming strong with the US assistance. During Iran-Iraq war in 1980s, China helped Iran with arms. And in the same decade, when the Soviet Union invaded Afghanistan, it became more necessary for China to keep a trusted ally in that region. Such developments helped China- Iran ties flourish.
growth. He said the Government would make more efforts in addressing social problems and pursue energy efficiency and environmental protection. Internationally, Mr. Hu said that problems such as terrorism, trans-national crimes, environmental pollution, natural disasters and fatal infectious diseases have become more and more serious, regional conflicts have not ceased and the gap between the rich and the poor has deepened. He said the Chinese people were willing to join with peoples of all nations to promote multilateralism, advance the development of globalization towards common prosperity, advocate democracy in international relations and respect the diversity of the world. He emphasized that China would do its best to help developing countries and extended his support for the people suffering from war, poverty, illnesses and natural calamities in the world.  

China has been cautious regarding its policies towards Central Asian countries. Central Asia consists of five nations which were the part of former Soviet Union: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The influence of Turkey and Iran over Central Asian region has been a deep concern for China. China realizes that its relationship with this region will have crucial impact on security posture inside and outside China. Three of the five countries of this region Kazakhstan, Kyrgyzstan and Tajikistan share their border with Xinjiang region of China which is a Muslim populated area. This province is involved in ethnic separation campaign against the Chinese government. Xinjiang is a region which is one-sixth of China’s territory. Besides, it has natural resources necessary for China’s modernization program. Xinjiang extends China’s reach to the borders of the Middle East, and it serves as a security buffer to China. This region has low population where military exercises and nuclear testing can be conducted. In addition to that, Xinjiang contains natural resources and agricultural potential also. China’s petroleum reserves are in Xinjiang and this area’s rich mineral wealth also includes large deposits of gas, iron and coal. This is essential to provide fuel in order to continue China’s modernization programs and the key to avoid future dependence on Middle East petroleum. Xinjiang provides Beijing a unique opportunity to exercise its influence in Central Asia and in the Middle East. China’s regional authority is improved by its position as a Central Asian power and after the end of the cold war, Beijing

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saw the disintegration of the Soviet Union as an opportunity to enlarge China’s Central Asian leadership.\textsuperscript{25}

Since early 1992, China’s ties to Central Asia have expanded rapidly because a large volume of China’s Central Asian trade is going to Uzbekistan and Kazakhstan. In February 1992, the Prime Minister of Kazakhstan, Boris Terechtchenko, signed nine co-operation accords with China, the first between China and the new Central Asian states. By September 1992 Xinjiang had signed agreements for economic and technological co-operation on 18 projects with Central Asian states for a total investment of over US $40 million.\textsuperscript{26}

We can have a look over the map of Central Asia to understand its geopolitical significance.

Map 5 - Geographical status of Central Asia\textsuperscript{27}

\textsuperscript{26} ibid.
\textsuperscript{27} \url{http://www.google.com/imgres?imgurl=http://www.library.yale.edu/slavic/research/img_research/centralasian_g}
On April 23, 1997, China and Russia issued a joint statement on the current world situation. Later, the two joined hands with Kazakhstan, Kyrgyzstan and Tajikistan and agreed to de-militarise their common borders, over 7,000 km long, to bring peace and stability in the region. The security pact between the five was a logical step forward from the Shanghai Pact of April 1996 on security building measures along the border. The pact set limits on land forces, short range aviation and anti-aircraft defense deployed in the 100 km wide strip on the border and allowed for advance notification and full transparency of military activity.²⁸

The Shanghai Co-operation Organization (SCO) held its third annual meeting on May 28, 2003 in Moscow. At the meeting China’s Ambassador to Russia, Zhang Deguang was appointed as the organization’s first secretary general. China has always participated actively in the SCO, and its precursor, the ‘Shanghai Five’ forum. It indicates that China believes in its potential to gain ascendancy in its influence and prominence in the regional matter of Central Asia. The emergence of ‘Shanghai Five’ and its subsequent expansion into the SCO, is a significant development at international political platform because it groups the countries of China, Russia and Central Asia into a multilateral mechanism for regional security and economic co-operation.²⁹

China’s involvement in Central Asia has increased in the past few years. This participation is motivated by both the country’s political and economic ambitions and its energy requirements. China has become a major importer of oil and gas and the countries of Central Asia are striking potential targets in Beijing’s hunt to secure petroleum supplies. China already has invested in Kazakhstan and also hopes to provide further capital to develop resources in Central Asia and build long-distance pipelines running to and from the region. If these ambitious plans become reality, China’s political influence in Central Asia will increase subsequently.³⁰

China’s exploration for energy security has also strengthened its relations with Central Asian countries. After the Soviet Union’s collapse, Chinese leadership has searched for

alternative oil and gas supplies in Central Asia. In 1999, China National Petroleum Corporation (CNPC) purchased a 60 per cent stake in Kazakhstan’s Aktobemunaigaz. Later, Chinese Premier Li Peng signed $9.5 billion contracts for the oilfield in western and northern Kazakhstan in order to fund pipelines through to China and Iran. The idea was to extend a Russian, Siberian and Central Asian network of pipelines to reach China. Oil from CNPC’s main oilfield in western Kazakhstan is being relayed to the Caspian port of Atryau and sold abroad. On the whole, Chinese influence among the Central Asian republics has grown, in the area of trade and investment and they cooperate in counterterrorism agenda as well.31

From early 1990s, China is extending roads and rail communications into the three Eastern Central Asian Republics Uzbekistan, Kazakhstan and Kyrgyzstan from its own western most province of Sinkiang. It appeared that China was not worried by the possibility that the Ulgar population of Eastern Central Asia might spill over into Sinkiang, attracted by the vast open spaces and affinities with the Ulgar and other non-Han populations of that province. It was believed that China worked on an economic pre-emptive strategy. Beijing started developing industries in Sinkiang in such a fashion that this province might become the regional workshop for the raw materials of the three republics which could be a strong safeguard against any demographic imbalance by any Central Asian identities.32

On September 30, 2002, China pledged to contend for the establishment of a new, just and reasonable international political and economic order. Chinese Prime Minister, Zhu Rongji announced a broad policy initiative on the eve of the 53rd anniversary of the creation of the People’s Republic of China and reaffirmed Beijing’s commitment to combat hegemonism and power politics and oppose all forms of terrorism, too. He stressed that China’s long term foreign policy goal was based upon ‘five principles of peaceful existence’ along with ‘friendly exchanges among different states and common economic development of all countries.’ On Taiwan, he expected the policy of ‘one country, two system’ from the world community, which was already going on in Hong Kong and Macau.33

32 Pran Chopra, ‘Options in Central Asia,’ *The Hindu*, New Delhi April 11, 1993
33 P. S. Suryanarayana, ‘Zhu Rongji’s stress on a just economic order,’ *The Hindu*, Chennai, October 2, 2002
On December 22, 2005, China issued a White Paper titled ‘China’s Peaceful Development Road.’ The white paper for the first time completely and systematically clarifies the Chinese government’s theory and practice in this regard. The White Paper stated,

“To achieve peaceful development is a sincere hope and unremitting pursuit of the Chinese people. Since the policies of reform and opening-up were introduced at the end of the 1970s, China has successfully embarked on a road of peaceful development compatible with its national conditions and characteristics of the times.

Striving for a peaceful international environment to develop itself, and promoting world peace through its own development;

China has made contributions to world economic development. In recent years, despite increasingly severe global economic fluctuations, China’s economy has maintained a stable and relatively fast growth, bringing hope and a new driving force to world economic development….

Building a harmonious world of sustained peace and common prosperity is a common wish of the people throughout the world as well as the lofty goal of China in taking the road of peaceful development.

China holds that the harmonious world should be democratic, harmonious, just, and tolerant…..”34

In the first decade of the new millennium, one significant development in international relations was trilateral cooperation between India, China and Russia. Since the start of the 21st century, changes in the relations between these countries have attracted attention from the international community. The horizon of their mutually beneficial cooperation has expanded and strengthened. Their cooperation seeks to strengthen their friendly relationships, encourage their common development and ensure peace and stability in their region and beyond. The three countries have taken an active approach in their dialogue and cooperation mechanism. On July 17, 2006, Chinese President Hu Jintao, Russian President Vladimir Putin and Indian Prime Minister Manmohan Singh had a meeting in St. Petersburg, Russia. They exchanged views on the issues of strengthening cooperation between the three countries, the situation in Asia-Pacific region, cooperation in combating terrorism and transnational crimes and reached consensus on the objective of cooperation between the three countries. They decided to develop in-depth and pragmatic cooperation in various areas. Later, on February 14, 2007, the foreign ministers of the three countries met in New Delhi and they discussed the international political, security and economic situation. They decided to give proper importance to cooperate in international affairs. Their common position and

mental picture on some major international issues has been of great importance to the development of regional and international situation.\textsuperscript{35}

On October 24, 2007, the Foreign Ministers of three countries met again in Harbin, China and issued a joint communiqué. The three Foreign Ministers positively assessed the important role played by the Foreign Ministers’ meeting mechanism in enhancing mutual trust and understanding and increasing trilateral exchanges and cooperation. They showed their belief that trilateral cooperation had excellent prospects for development. They also reaffirmed that trilateral cooperation was not targeted against any other country or organization and was intended to promote international harmony and mutual understanding and seeks to broaden common ground amidst divergent interests. They exchanged views on the international situation and emphasized that they would continue to promote democratization of international relations and evolution of a more just and rational international order.\textsuperscript{36}

They expressed their belief that the development of China, India and Russia has been a major contribution to peace and development of the region and world and is beneficial to the process of global multipolarity. They hoped that further steps to enhance multilateral cooperation in conducting dialogue among civilizations would be useful in order to safeguard the diversity of world civilization. They also emphasized that globalization had brought about closer interrelation and interdependence among all nations, and that multilateralism and collective action should be promoted in addressing urgent issues and meeting new challenges and threats. They underlined that the United Nations has been the most representative and authoritative international organization. Therefore, for the purpose of dealing with various problems and challenges faced by the international community more effectively, they emphasized to strengthen the role of the United Nations, improve its efficiency and conduct comprehensive reforms of this institution. They also said that the three countries attached great importance to the issues of climate change and reiterated to


adhere to the principles and provisions of the United Nations Framework Convention on Climate Change and its Kyoto Protocol.37

**DEFENSE POLICY OF PEOPLE’S REPUBLIC OF CHINA IN THE POST COLD WAR ERA**

While unveiling China’s nuclear energy policy, on September 17, 1991, the Head of the delegate to the 35th session of the International Atomic Energy Agency, Jiang Xinsiong said that China would work for peaceful uses of nuclear energy, international cooperation in this field and opposition to nuclear weapons proliferation. He said that nuclear power generation constituted an important aspect of the peaceful use of nuclear technology. He added that the world community should strengthen international exchanges and cooperation in the development of nuclear power generation and seek to develop and spread safe and efficient atomic reactors.38

China agreed to abide by the global non proliferation regimes and guidelines after June 4, 1989 Tiananmen Square incident because of its fear of isolation from world community. In the year of 1989 itself, China concluded safeguard agreements with International Atomic Energy Agency (IAEA). Later in 1992, China decided to accept the 1987 Missile Technology Control Regime (MTCR) guidelines. The biggest step taken by China towards non-proliferation was signing Nuclear Non-Proliferation Treaty (NPT) in March 1992. In the same sequence, China became the signatory of Chemical Weapons Convention (CWC) in 1993. In July1993, China decided to report IAEA about its all nuclear trade and transfer of nuclear materials, technology and equipments to other nations. China took some more effective steps towards arms control when it declared its three principles which would guide its nuclear exports. These principles were,

► all nuclear exports are for peaceful purposes only;
► all recipients must accept IAEA safeguards on their nuclear imports from China; and
► recipients may not re-transfer nuclear items imported from China to a third country without prior Chinese approval.39

37 ibid.
38 ‘China for peaceful uses of N-energy,’ The Indian Express, New Delhi, September 18, 1991
Such of Chinese moves reaffirmed its commitments towards global arms control efforts. But before accepting the NPT, China provided a document to the United Nations talking about its stand regarding nuclear arms and disarmament. This document stated clearly,

“Chinese opposition to an arms race together with a call for complete disarmament and prohibition, and thorough destruction, of nuclear weapons;
No first use, on the part of China, of nuclear arms and respect by China of nuclear-weapon-free zones and states, including a promise not to use or to threaten use of nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones;
A call for nuclear disarmament with three provisos: (a) complete disarmament and prohibition of nuclear weapons, (b) special responsibility for the United States and the (then) Soviet Union to halt the arms race and to reduce their weapon stockpiles, followed by a conference of all nuclear-weapon states to discuss further developments, and (c) an undertaking by all nuclear-weapon states as to no first use in any circumstances, leading to a convention banning the use of nuclear weapons. 40

At the time of signing the NPT, the Chinese Foreign Ministry reiterated China’s emphasis on the complete prohibition and thorough destruction of nuclear arms. China also reiterated to follow a policy of “not advocating, encouraging or engaging in the proliferation of nuclear weapons, nor helping other countries to develop nuclear weapons.” At the same time, it showed its interest in the promotion of international co-operation in the peaceful use of nuclear energy, claiming that this objective was related to nuclear disarmament. But, China’s such claims have created doubts in the mind of other nations which see China’s exports of missiles and arms sales to Iran, Pakistan, Myanmar and African countries with suspicion. 41

After the Gulf war of 1991 and the US active participation in Iraq-Kuwait issue, China realized the importance of technology and information warfare in military doctrine and decided to follow the path of ‘Revolution in Military Affairs’ (RMA). Therefore, in 2002, China revised the national defense strategy of 1993 and transformed it from ‘fighting a regional war under hi-tech conditions’ to ‘conditions of informationisation.’ This new strategy emphasized the need to bring a revolutionary change in Chinese military affairs because of the emerging military competition around the world. In 2006, China issued Defense White Paper which stated that it wanted to pursue a ‘military revolution with

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41 Ibid
Chinese character’ because of the new trends in the global revolution and development in military affairs.\textsuperscript{42}

The following process is seen as an effort to modernize Chinese military sector. In Chinese Army, priority is being given to build army aviation, light mechanized and information countermeasure units. The main aim is to transform from a ‘regional defense to trans-regional mobility’ troop, improving air-ground integrated operations, long-distance maneuvers, assault and special operations capabilities. For Navy, The aim is to build a modern force of operation, combining both nuclear and conventional capabilities. Gradual and systematic extension of the strategic depth for offshore defensive operations and enhancing its capabilities in integrated maritime operations and nuclear counter attacks remain the thrust. For the Air force, the main emphasis is on reducing the number of combat aircraft, moving away from territorial air defense to offensive and defensive operations, increasing its capabilities ‘in the areas of air strike, air and missile defense, early warning and reconnaissance, and strategic projection’. Besides, The Chinese military is determined to build a streamlined and effective strategic force with both nuclear and conventional missiles, raising capabilities in strategic deterrence and conventional strike.\textsuperscript{43}

Meanwhile, China also increased its defense budget in 1991 for the fiscal year of 1991-1992. The budget proposal submitted by the Finance Minister Wang Bingqian in the last week of March 1991, stated that China would spend 32.51 billion Yuan (approximately $6.25 billion). This represented a 12 per cent increase over the previous year. The Finance Minister Wang said that the hike was needed to keep abreast of the complex and volatile international situation, to cooperate with unexpected possibilities and to protect national security and development. He said that the increased budget would be used mainly to modernize the Chinese Army’s weapons and equipments.\textsuperscript{44}

After the end of the cold war, China has been very much interested to modernize its army. In 1992, China purchased 26 SU-27 fighter jets from Russia. Besides, it concluded deal with Russia to buy MiG-31 fighters as well. China also obtained air refueling technology from Iran and Pakistan.

\textsuperscript{43}Ibid.
\textsuperscript{44}‘12 p.c. rise in Chinese defense budget,’ \textit{The Patriot}, New Delhi, March 27, 1991.
also. For making its army modern and advanced, it wishes to have aircraft carrier, too. Chinese aspiration to acquire an aircraft exhibits its ambition to grow a blue-water navy of ocean-going vessels.\footnote{Nicholas D Kristof, ‘The Rise of China,’ Foreign Affairs, Vol. 72, No.5, November-December 1993, Council on Foreign Relations, New York, pp.59-74}

Russia is also interested to wrap up some defense deals with China. Both countries have negotiated to finalize airborne radar sell to China. Besides, China is also keen to have access to both civilian and military use of Russian Glonass global navigation system. Both countries also want to strike a deal regarding natural gas pipeline project from Russia to east coast of China which will supply oil and oil products to China from Russia.\footnote{Rai Singh, ‘Chinese Foreign Policy Directions in Regard to Russia,’ India Quarterly, Vol. LVII, No.1, January-March 2001, Indian Council of World Affairs, New Delhi, pp.161-170}

Beijing resumed purchasing of arms and military equipments from Russia after the end of the cold war. In 1992, it purchased Su-27 jet fighters from Moscow and later Mig-29s and Su-24s fighter planes as well. Besides, in the same year, Beijing also agreed to purchase fifty T-72 tanks. In October 1992, China purchased Russian S-300 Surface to Air Missile. The PRC has been cautious in actually signing deals to purchase military hardware. Rather buying costly equipment off-the-shelf, Beijing prefers to acquire technology and production rights. This strategy enables Beijing to modernize its defense industry.\footnote{Dennis van Vranken Hickey and Christopher Craig Harmel, ‘United States and China’s Military Ties with the Russian Republics,’ Asian Affairs, Vol. 20, No. 4, Winter, 1994, Routledge, London, pp. 241-254}

On November 8, 1994, the Prime Ministers of China and Canada, Mr. Li Peng and Mr. Jean Chretien respectively, signed two accords on nuclear and development cooperation following talks on bilateral trade ties and also touched on the issues of human rights. On this occasion, Canadian Prime Minister hailed the signing of the nuclear cooperation on agreement as opening the way for bilateral trade in nuclear material and equipment for peaceful purposes.\footnote{‘China And Canada Sign Two Accords,’ The Statesman, Calcutta, November 8, 1994}

On July 12, 1996, China and Canada signed a major agreement on the financing of a nuclear power project in eastern China where Canada agreed to supply two 700 Megawatt heavy water reactors. Under an agreement signed between China National Nuclear Cooperation and Atomic Energy of Canada Limited, it was decided that Canada would supply the reactors for the third phase of the Qinshan plant near Shanghai.\footnote{‘China, Canada sign major pact on nuclear power plant,’ The Economic Times, New Delhi, July 15, 1996.}
In May 1998, China announced that it had successfully tested an indigenous supersonic pilotless plane and obtained other military achievements at its secret nuclear missile base in the Gobi desert. China is said to be the second country in the world after the United States to have such aircraft.\(^\text{50}\)

But, after Indian nuclear tests on May 11 and May 13, 1998, China reacted strongly and on May 14, 1998, the Chinese foreign ministry spokesman Zhu Bangzao said the Chinese government was deeply shocked by this and expressed its strong condemnation. He said that such act by India was an outrageous contempt for the common will of the international community for the comprehensive ban on nuclear tests and a hard blow on the international effort to prevent nuclear weapon proliferation. He said that it would entail serious consequences to the peace and stability in South Asia and the world at large. He appealed to the international community to adopt a common position and strongly demand India to immediately stop the development of nuclear weapons. He rejected Indian claim of China posing nuclear threat to India and called it groundless. He reminded that ever since China possessed nuclear weapons, it had advocated the complete prohibition and thorough destruction of nuclear weapons and had unilaterally and unconditionally undertaken not to use or threaten to use nuclear weapons against non-nuclear weapon states and nuclear free zones.\(^\text{51}\)

In the same month, when Pakistan also conducted nuclear tests on May 28, 1998, China again expressed deep regret over Pakistan’s tests and Chinese Foreign Ministry Spokesman Zhu Bangzao reiterated that China had always advocated the complete prohibition and thorough destruction of nuclear weapons and it always opposed nuclear weapon proliferation. He said that China was concerned about the nuclear race in South Asia. However, on June 5, 1998, Chinese Foreign Minister Tang Jiaxuan said that China would not clamp any sanctions on India and Pakistan to punish them for their nuclear tests. He said, “As an integrated stance of the Chinese foreign policy, we cannot approve countries imposing sanctions at any time on any countries. Sanctions would hurt people of the countries in the end.”\(^\text{52}\)

\(^{50}\) ‘China builds supersonic pilotless palne in secret base,’ The Economic Times, New Delhi, May 12, 1998.


\(^{52}\) Quoted in ibid, p.226
In March 1999, China, expressed its concerned about the US efforts to deploy Theatre Missile Defense System in Asia, proposed the re-establishment of an ad hoc committee under the United Nations to prevent an arms race in outer space. Chinese Ambassador Li Changhe, in a speech to the UN conference on Disarmament in Geneva, said the creation of the ad hoc committee was required to negotiate and conclude an international legal instrument to prevent an arms race in outer space. He said that the committee should negotiate and conclude an international legal protocol banning the test, deployment and use of any weapons, weapons system, and their components in outer space, with a view to prevent the weaponisation of outer space.53

Chinese military delegations are also visiting African countries frequently to finalize defense deals. In 2000, Chinese military teams visited 18 countries in Africa. The purpose has been to provide training programs, military equipments and arms. Besides, China is sending its troops on peacekeeping missions to African countries. By the end of July 2004, Beijing had sent 1,401 peacekeepers to participate in nine United Nations missions in Africa. China’s activeness in Africa is a sign of Beijing’s efforts to gather strategic support, insistence on ‘one-China policy’, strengthen trade ties and get access to African oil resources for its increasing energy demands.54

The People’s Liberation Army (PLA) has been concerned about the changing nature of warfare and the concept of limited war under high tech conditions, mentioned earlier, was formulated as a lesson learnt from the Gulf War II of 2003. The Defense White Paper released in 2004, by the Chinese government states,

“The PLA, aiming at building an informationalised force and winning an information war, deepens its reforms, dedicates itself to innovation, improves its quality and actively pushes forward the RMA with Chinese characteristics with informationalisation at its core.” 55

Although the term ‘informationalisation’ has not been defined by Chinese government, but it is widely understood to include intelligence-based weaponry besides all elements of command, control, computer, communications, intelligence, surveillance and reconnaissance and traditional components of information warfare. For the purpose of strengthening its

53 ‘China calls for ban on arms race in space,’ The Hindustan Times, New Delhi, March 13, 1999
information based military capability, China has established one million kilometer of optical fiber line and communication infrastructure called ‘Eight Horizontal Grids and Eight Vertical Grids’ supported by satellite, ground mobile receiving stations and ground to air data links’. The PLA has also obtained and deployed different kinds of air, sea and land-based intelligence, surveillance and reconnaissance systems to enhance its ability to detect, monitor and target military activities in Asia and West Pacific Ocean. The Chinese Navy has several ships and several trawlers for various electronic warfare missions. Some ships monitor space activities and can collect and monitor missile and satellite telemetry data and communications. The military is also developing electronic intelligence and signals intelligence reconnaissance satellites. These digital data systems can transmit directly to ground sites and China may be developing a system of data relay satellites to support global coverage.  

On December 3, 2003, Beijing released a White Paper on China’s non-proliferation policy and measures. This Paper discussed about China’s basic stand on Non-Proliferation and its international non-proliferation efforts. The White Paper stated,

“China has always taken a responsible attitude toward international affairs, stood for the complete prohibition and thorough destruction of all kinds of WMD, including nuclear, biological and chemical weapons, and resolutely opposed the proliferation of such weapons and their means of delivery. China does not support, encourage or assist any country to develop WMD and their means of delivery.

Over the years, China has participated extensively in the construction of the multilateral non-proliferation mechanism and actively promoted its constant improvement and development. China has signed all international treaties related to non-proliferation, and joined most of the relevant international organizations.”

In October 2006, China issued a White Paper on its Space Programme which highlighted its policies, measures, aims and development in space field. The White Paper stated,

“The aims of China’s space activities are: to explore outer space, and enhance understanding of the Earth and the cosmos; to utilize outer space for peaceful purposes, promote human civilization and social progress, and benefit the whole of mankind; to meet the demands of economic construction, scientific and technological development, national security and social progress; and to raise the scientific quality of the Chinese people, protect China's national interests and rights, and build up the comprehensive national strength.”

56 ibid, pp. 781-797
On April 21, 2009, France and China Atomic Energy Authority Chairman Mr. Chen Qiufa and France CEA Chairman Mr. B. Bigot signed the 10th Protocol for Cooperation in Peaceful Use of Nuclear Energy. The Protocol stated that since the first protocol on cooperation in peaceful use of nuclear energy signed in 22 November, 1982; both sides had efficiently cooperated in peaceful use of nuclear energy. Since both sides were satisfied with their cooperation and its implementation, they agreed to continue the cooperation. Both sides signed the 10th Protocol, which had six parts: cooperation principle, scope and special agreement, cooperation pattern and budget, confidentiality and industrial property protection, language, and validity period. Both sides agreed to strengthen cooperation in nuclear reactor, radioactive waste management, back end of nuclear fuel cycle, controlled fusion, education of nuclear experts.59

During the period of April 22 and April 29, 2009, International Ministerial Conference on ‘Nuclear Energy in the 21st Century’ was held in Beijing. Chinese Vice Premier Mr. Zhang Dejiang addressed the Opening Ceremony and outlined China’s stand on arms control and non-proliferation. He said,

“As a responsible and peace-loving country, China consistently advocates complete prohibition and thorough destruction of nuclear weapon, and is sternly against any form of proliferation of nuclear weapons, and engaging in active international cooperation in non-proliferation. Through the years, in addition to its efforts in nuclear energy development, the Chinese Government has been actively participating in international non-proliferation cooperation. China has joined all the major international non-proliferation mechanisms and established a complete domestic nuclear safeguards, nuclear material management and nuclear export control system, making notable contribution for maintaining and promoting global and regional peace and stability, and ensuring peaceful use of nuclear energy…. China has strengthened cooperation with the IAEA and conducted fruitful cooperation in nuclear technology, nuclear safety, nuclear safeguards, and enhanced the overall capability of China’s nuclear energy development. The Chinese Government will as always support the IAEA and would like to continue to enhance and expand cooperation in various fields.”60

China is becoming world’s major shipbuilder because of booming overseas trade, massive state investment and low-cost labor. It will expand China’s maritime reach to regional and global level. For China, shipbuilding is more than just a catalyst for China’s industrial modernization and job creation because it is also a key factor in China’s bid to become a major maritime power. The Chinese leadership has identified advanced

shipbuilding along with vibrant foreign trade, a big merchant fleet and a powerful blue-water navy as the formula to expand China’s global reach.61

China has engaged itself with Antarctica in recent years. Since 2005, the Chinese government has increased its spending on dealing with Antarctica. In 2005, Chinese Antarctic scientists successfully reached ‘Dome A’ which has been believed as the last unexplored territory of Antarctica. In the year of 2008–09 a Chinese construction team started to establish a new base there, while other teams were involved in upgrading China’s other two Antarctic stations. In the same period, China also set up a new Antarctic research and logistic bases in Shanghai. Antarctica has precious resources, governed by not a single country. Thus it is a place where there is a possibility of politics to flourish. For the past 50 years, Antarctica has been governed through the Antarctic Treaty System (ATS). The Antarctic Treaty was a product of the Cold War. In the beginning, China was kept outside of this treaty because of political reasons and it could not join until 1983. China’s recent activities in Antarctica indicate China’s clear cut political aim. Beijing wants to play the leadership role in Antarctic issues and wants to alter the current status and order in Antarctica. Antarctica is full of resources which include minerals, meteorites, intellectual property of Antarctic bio prospecting, locations for scientific bases and marine living resources. China is believed to be on the way of ‘rise’ globally. China’s activities in Antarctica are part of this ‘rise strategy’ and reflect the country’s growing economic and political power. 62

On April 3, 2006, Australia and China concluded two agreements to increase nuclear cooperation. The agreements appeared to pave the way for Canberra to help supply Beijing’s expanding nuclear power industry. Australian Foreign Minister Alexander Downer and Chinese Foreign Minster Li Zhaoxing signed the agreements, including relevant safeguards, governing the transfer of nuclear material from Australia to China, as well as cooperation on peaceful uses of nuclear energy. Beijing mines its own uranium but has been trying to secure access to additional supplies as it seeks to increase its nuclear power-generating capacity to

cope with increases in energy demand. According to the nuclear material supply agreement, China pledged not to use Australian nuclear material for direct military applications such as fissile material for nuclear weapons or fuel for nuclear reactors used for powering naval ships or submarines.\footnote{Paul Kerr, ‘Australia, China Conclude Nuclear Deal,’ \textit{Arms Control Today}, Vol.36, No.5, May 2006, Arms Control Association, Washington DC, pp.34-35}

**ECONOMIC POLICIES OF PEOPLE’S REPUBLIC OF CHINA**

After the end of the cold war, China perceived that economic policies of Soviet Union were responsible for its disintegration. Therefore, Chinese government decided to develop domestic economy in order to maintain socialist communist kind of system in its country. Such perception led to opening of Chinese economy for globalization and market reforms. During Mao era, Chinese economy was based on Soviet style.\footnote{In this kind of economy, government keeps control on all kind of socio economic resources and distributes them into agricultural and industrial sectors according to their requirements. Such policy is known as centrally controlled system.} But later when Chinese economy developed, government found it difficult to maintain this system and could not fulfill the expanding demands of economy and society. Therefore, it switched to market economy as a mainstream economic policy.\footnote{Jialin Zhang, ‘Guiding China’s Market Economy,’ \textit{Current History}, Vol. 93, No. 584, September 1994, Current History, Philadelphia, pp. 276-280}

In fact, the opening of Chinese market for foreign companies and investors started in 1979, when on July 1, 1979; National People’s Congress passed the “law of the People’s Republic of China on Chinese-Foreign Contracted Joint Ventures”. Earlier, the process was slow and only after 1984, the market oriented policies started transforming into real gains. During the period of 1984-1992, Chinese government passed more than 200 rules, regulations and laws related to Foreign Direct Investment (FDI).\footnote{Foreign Direct Investment (FDI) allows a country to gain control over resources, access to technology and information about the happenings beyond its territory. FDI has played a major role in the economic growth of China. Now China is the largest FDI recipient among all developing countries and second in the world after the United States. China’s economic development started in December 1978 when the Third Plenary Session of the 11th Central Committee of the Communist Party of China initiated reforms and opening up of Chinese economy. The open door policy includes a series of policies adopted by the Chinese government regarding foreign trade, foreign investment and foreign exchange. It first started in the coastal area in southern China. Then it was extended along}
government focused on developing coastal areas and creating Special Economic Zones. In August 1980, the Chinese State Council declared the four cities of Shenzhen, Zhuhai, Xiamen and Shantou as Special Economic Zones. After, 1992, China opened its service, finance and commerce sectors for the outside world. At that time, the governments’ slogan was ‘exchange market for technologies.’ The purpose of the government was to open its market for the rest of the world and utilize western technologies and knowledge for China’s societal and economic growth.

The architect of these revolutionary economic policies was the supreme leader of China Deng Xiao Ping. Deng’s policies opened the Chinese economy to foreign trade and investment. Under his guidance, China moved swiftly to join those institutions that managed the rapid development of global economy. Deng’s economic policies are seen as a process of building a ‘socialist economy with Chinese characteristics.’ The result of Deng’s policies was departure from a planned economy to a market economy which resulted in the rapid development of non-state-owned enterprises. The state-owned enterprises were not privatized and were retained by the government so that China’s economy can be termed a ‘socialist market economy.’

During the period of December 25 and December 30 1990, the Seventh Plenary Session of the 13th Central Committee of the Communist Party of China took place. The Session adopted the 10-year Program (1991-2000) and the Eighth Five-Year plan (1991-1994) for National and Social Development. The meeting proposed the basic tasks, principles and policies for China’s economic and social development in the last decade of the 19th Century. This Session praised China’s development in 1980s and said that the first-step strategic objective of modernization was achieved and China’s economic ability increased. The Session pointed out that because of market reforms, socialist system improved and political stability were established which set up a sound foundations for country’s development in the

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coming years. The Session also expressed hope that the next decade would be vital for China’s modernization and any planning and decision would have impact on socialist system. The Session called upon the political leadership to grasp the opportunities offered by history, meet the challenges and work hard to attain the second-step strategic objective of modernization, thus raising the quality of the national economy as a whole to a new level.  

The Session considered the following as the key points in economic construction during the coming decade and the Eighth Five –Year plan: strengthening agriculture, enhancing the basic industries and infrastructure, and reorganizing and transforming the processing industry and strengthening educational, scientific and technological undertakings. The Session directed the government to improve economic distribution in accordance with the principle of ‘overall planning, rational division of work, supplementing each other’s advantages, and coordinated development.’ The Session also instructed to modernize the defense field along with the economic development and told to abide by the basic principles for the implementation of the 10-year program and the Five-year plan. The Session issued some guidelines also. It said to follow the road of ‘developing socialism with Chinese characteristics’ and firmly rush forward reform and opening to the outside world. The Session maintained that reform in China was a process by which the socialist system improves and develops which aims to promote the growth of the productive forces and all-round social progress, and giving full play to the superiority of the socialist system. The Session expressed its affirmation on deepening the reform and open still wider to the outside world on the basis of summing up the experience in the reform and opening in the nineties and in line with the requirements of the development of the productive forces. The Session also asked for the necessity of the structural reforms in the fields of enterprises, circulation, prices, finance, taxation, planning, banking, investment and labor and wages in order to establish a new economic system. It also asked to keep the stability and continuity of the open policy, maintain the special economic zones and deepening the economic and structural reform to push forward the political structural reform and expand socialist democracy with

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Chinese character. It also directed to use the foreign capital and technology to develop China’s economy and enhance its ability of self-reliance.\textsuperscript{70}

The Chinese government has encouraged technological updates and adopted the policy of ‘two resources, two markets’ which meant the use of both domestic and international markets to strengthen the economy. The western companies started to establish production and assembly plants in China, taking advantage of the low cost labor and land; local manufacturers benefited from technological diffusion.\textsuperscript{71}

In 1991, China finalized agreements with foreign investors worth $17.8 billion. One of these deals included IBM’s decision to set up a plant in Beijing. While Motorola pledged to establish biggest centre in Tianjin, the General Motors Company decided to raise a factory which would produce trucks for commercial purpose. China decided to make Shanghai, Tianjin and Shenzhen as Special Economic Zones to develop these regions industrially. In October 1991, China decided to open some of the ports of Yangtze river to foreign ships. Besides, Chinese government also allowed foreign banks to establish their branches in different cities. Therefore, after the immediate demise of the Soviet Union, China invited the foreign investors for the fast growth of its economy.\textsuperscript{72}

In January 1992, while explaining China’s reform strategy, China’s supreme leader Deng Xiao ping said,

\par “The reform policies and regulations at the present stage in our country ensure that foreign investors can reap profits; and at the same time, the state can also achieve large amounts of tax revenue, and the workers can earn wages. We can also learn technology and management skills and further expand our market. Therefore, the advantages will outweigh the disadvantages when the three types of foreign-funded enterprises are subject to political and economic constraints. The demarcation line between planning and market is not the substantial difference between socialism and capitalism, and this does not have any inherent link with the choice between socialism and capitalism. The planned economy is not equal to socialism, as capitalism involves planning as well. On the other hand, the market economy is not equal to

\begin{flushleft}
\textsuperscript{70} Ibid.
\end{flushleft}
socialism either, as socialism has market too. Both planning and market are economic means. With the liberation of productive forces as its intrinsic nature, socialism will ultimately reach common prosperity.\textsuperscript{73}

In 1992, China revised its constitution to accommodate market oriented economic policies. This revision was kept in the 14\textsuperscript{th} National Congress of the Communist Party. The revised version of the introduction to the constitution stated that ‘the present system which hinders the development of productive forces should be altered so as to establish a socialist market economy.’ The revised constitution said that the aim was to quadruple the 1980 gross national product by the year 2000 and to have China reach the development level of medium-developed nations by the middle of the next century. The amendment deleted the portion of the constitution which referred to global proletarian solidarity and the ultimate triumph of the international communist movement. While introducing the new provisions in the constitution, the Chinese Communist Party urged its members to import the Western capital and technology.\textsuperscript{74}

In November 1993, Chine decided to put country on a fully market-oriented economy when the Central committee of the Chinese Communist Party adopted a document which formulated long term goals of Chinese government’s economic policy. After the end of the meeting, the Party issued a communiqué. The communiqué stated that the document was to serve as an overall plan for establishing a socialist market economic system in China and would exert a major and far-reaching impact on China’s reform, opening and socialist modernization drive. The 10 sections of the document described the management mechanisms of China’s state-owned enterprises, an expansion of the market system, establishment of macro economic controls and the development of a sound income distribution and social security system.\textsuperscript{75}

China has become a major participant in international capital markets. It has borrowed money from various multilateral lending institutions such as the World Bank and the Asian Development Bank, from national development banks such as the Japanese Overseas Economic Co-operation Fund; from national export-import banks such as the United States Export Import Bank; and from commercial banks. In addition China has floated both debt


\textsuperscript{74} ‘China adopting all aspects of capitalism,’ \textit{The Hindu}, Madras, October 22, 1992

\textsuperscript{75} ‘China adopts document on economy,’ \textit{The Hindu}, Madras, November 16, 1993.
and equity issues on international capital markets. Besides, China has become a major recipient of foreign direct investment also. The increase in foreign direct investment in the first half of the 1990s appear to be caused by four factors. First, the flow of the amount of foreign direct investment to developing countries increased significantly in the 1990s. Secondly, China political stability combined with the growth of the domestic economy after 1992, led to an agreement among foreign firms about China’s economic and investment potential. China appeared to have a less risky political and economic environment. Thirdly, China systematically liberalized its foreign investment regime. Some of the special provisions to attract foreign direct investment, which were applicable only in four special economic zones in South China during 1980s, were made more widely available.Fourthly, foreign direct investment increased because of the phenomena of recycled capital of Chinese origin also. In order to take advantage of the special tax and other incentives provided to foreign invested enterprises, Chinese firms moved money from China and then resend it back to China in the form of foreign investment.  

In 1995, the State Statistical Bureau of China issued a communiqué on National Economic and Social Development of the year 1994, which echoed the primary goal of China in economic and political field. The communiqué said that China’s target was to take hold of the opportunity, deepening reforms, opening wider to the outside world, encouraging development and maintaining stability.

In 1998, newly elected Prime Minister, Zhu Rongji announced a bold reform program for Chinese economy which was supposed to accelerate economic growth. These reforms included the steps related to reform state owned enterprises, privatization of public housing, enhancement of private sector, and increase the efforts to enter WTO and improve relations with foreign investors. But the revolutionary kind of steps were not welcomed in the society and amid strong protests among rural and urban class, the government had to slow down the reform process.

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During the decade of 1990, China gave more emphasis on reforming and modernizing Information Technology and Communications sector. Under the Premiership of Zhu Rongji, Beijing made it principal target to turn and transform China into world’s major political and economic power and IT sector was supposed to be instrumental in achieving this goal. While addressing the 10th National People’s Congress in 2003, Zhu called upon political leadership of Chinese government to utilize IT applications and accelerate industrialization in order to make a ‘well-off Chinese society’. During the first decade of 21st century also, this endeavor continued in order to fulfill Chinese Communist Party’s central goal-to transform China from a communist to a market economy state. In the year of 2001, Chinese government decided to decentralize telecom sector and China Telecom was divided into three parts- China Telecom for landline phones, China Mobile and China Satellite and Telecommunications for the purpose and satellite communications and use of internet.

While disclosing its economic policy, Chinese government maintains that international economic system should be restructured in such a way that all countries get equal opportunities for development. China also wants that poorer and underdeveloped countries should be given more importance in world economic agencies so that the gap between the developed countries and developing countries can be made less. In 2002, Chinese Foreign Minister Tang Jiaxuan said that the developing countries faced challenges and difficulties in the age of globalization. He said “The developed countries ought to lend them a helping hand in such areas as finance, trade, technology transfer and development aid and make good on their debt relief promises.”

China believes that multilateral relation and cooperation are necessary to maintain peace and development. Chinese Foreign Minister Tang Jiaxuan put forward China’s views on this issue,

“It would not be in the interest of a sound world economy if the laws of the marketplace were given a free rein to dominate globalization. The international community needs to reform the current rules in the world economy, strengthen guidance and management of the globalization process, take account of fairness and reduce risks while seeking efficiency, and steer globalization in an ‘all-win’ direction of coexistence.”

81 Quoted in ibid. p.496
China maintains that it follows an economic policy of socialism with Chinese characteristics. Pursuing the same, Chinese President Hu Jin Tao delivered a speech on December 18, 2008 and unveiled China’s future economic policies. He declared that Chinese Communist Party (CCP) would boost its ability to guard against changes to a capitalist system and to withstand risks. He stated that Beijing would never copy the political system and model of the West. One reason for Chinese political leadership doing away with Western model is to avoid any kind of social unrest caused by any possible global recession. In his speech, President Hu reminded that stability was China’s overriding task, because nothing could accomplished without stability.\textsuperscript{82}

Internet has developed in China rapidly. It has not only opened Chinese economy for rapid development but it has been a major tool for the Chinese government for the ‘comprehensive informationization’ in order to maintain China’s growth and international competitiveness. Chinese government developed infrastructure for the spread of internet during the decade of 1990. In 1994, it adopted ‘Three Golden’ project. Golden Bridge was meant to establish networked economic information, Golden Customs would connect China with international trade information and activities and Golden Card would adjoin financial and banking information. Chinese government decided to keep control over the developing network field and infrastructure of internet. Therefore, Internet Service Providers are under Chinese government hand and online information and activities are carefully watched, guided, controlled and restricted by government organs. The government wants to utilize the growth of network for the enhancement of national defense and for the reform of Chinese international commitments and competitiveness.\textsuperscript{83}

Chinese political leadership has realized the importance of networking and linking China with rest of the world through internet. They believe that Internet is instrumental in accessing market information. It also provides huge foreign investment and enhancement of capital and currency for the economy. The online trading, e-commerce and tourism industry are flourishing because of Chinese government’s decision to develop internet. China’s IT sector is growing faster than any other industry. Government is utilizing internet for the purpose of


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keeping rest of the world updated about Chinese policies, plans and programs alongwith the
growth, modernization and progress of nation who wants to be seen as an ‘advanced and
modern state.’ For this purpose, several departments of the government have opened their
websites and portals to give information about China and attract investment. Government has
encouraged state-owned telecom operators such as China Unicom, China Mobile, China
Netcom, JiTong to set up their own networks and provide internet facilities to the people
and connect them with the government. In 2000, government started an ambitious ‘Enterprise
On-Line’ initiative to bring more than seven million Chinese businesses on web by 2002.84

December 11, 2001 was a historic day for China, when it joined World Trade
organization (WTO) and adhered itself with the norms and regulations of world economic
body. With this decision, China decided to bring changes into its institutional framework and
transform its economy into free trade, free enterprises from clutches of the state and make a
move for the purpose of protection of private property. By becoming the member of the
WTO, China exhibited to the world about its commitment towards global institutional
regimes and its seriousness towards opening its economy for international trade. Accession to
the WTO engaged and associated Chinese domestic market with international trade.85

When China entered the WTO, the accession terms allowed foreign banks to open
branches in China and to receive national treatment after five years. The Chinese agreed with
the European Union to permit foreign non-banks to provide consumer credit in China for
motor vehicle purchases management. China has imposed competitive restrictions on foreign
asset management companies in order to protect the domestic players. Foreign players would
be allowed to hold one-third equity interests in securities companies in China after a three-
year wait from the time of accession to WTO. Recent years have seen steady growth in
China’s foreign trade volume. Since its entry in WTO, China has been an active player in the
multilateral trade regime. China also tops the world with its dependence on foreign trade
standing at 80 per cent.86

Relations, New York, pp.118-133
85 Han Donglin, ‘Why Has China’s Agriculture Survived WTO Accession?’, Asian Survey, Vol.XLV, No.6,
University Press, Cambridge, pp.610-629
China had developed strategic and economic relations with African countries as well since the period of cold war.\textsuperscript{87} After the end of the cold war, Chinese-African ties took more economic turn. In 2000, a conference on Sino–Africa trade cooperation was organized in Beijing. China declared it a Forum for ‘the construction of an international political and economic and explore new Sino-African cooperation.’ More than 40 African countries representatives were present in the conference. The forum adopted two important documents: The Beijing Declaration and the Program for China- Africa Co-operation in Economics and Social Development. These documents discussed about the Chinese investment in Africa, financial cooperation between African continent and China, agricultural cooperation and debt relief.\textsuperscript{88}

For China, African countries are major resources of oil, investment by Chinese companies, and export of Chinese commodities in African market. On the other hand, African countries also export goods and oil to China and gain profit. Trade between China and Africa was approximately $10 billion in 2000 which increased up to $28 billion in 2005. Africa has 8 per cent of world total oil reserves and 11 per cent of total world oil production which means a lot for China for its continuous energy needs. China imports oil from Algeria, Angola, Chad, Sudan and Nigeria and exports textiles, electronic goods and arms. Near about 86 per cent of African textile requirements are fulfilled by Chinese exports. Besides, the Africans are also very much interested in cheap Chinese electronic goods. In addition to this, Chinese arms are also in good demand in African countries. Between the periods of 1996 to 2003, Chinese arms transfer to Africa was 10 per cent of its total arms sale. China sold its arms during Ethiopian-Eritrean war in 1998 to both sides worth US $1 billion. In 2000, China sold weapons and helicopters to Sudan which was used in Darfur against civilians by the Sudanese government and in 2004, China delivered 12 fighter jets to Zimbabwe.\textsuperscript{89} China and African country Guinea have decided to cooperate in oil sector. Both countries have negotiated to sell the right of oil exploring endeavor in Guinea by Chinese companies. It includes whole coastal water area. China’s trade with Africa has increased by more than ten

\textsuperscript{87} During cold war period, China-Africa ties were mainly based on geo strategic interests because of super powers rivalry. China was also a developing country and thus shared common interests with African countries.
\textsuperscript{89} Ibid.

**Figure 2– China- Africa trade**

China has increased its political and financial participation in African countries in order to get access to their natural resources. China’s energy and oil requirements have played important role in its engagement with Africa. China is involved in construction and infrastructure building sector of African countries such as Tanzania and Zambia, which provide it an opportunity to establish strong relations with them. China has availed this opportunity for commercial purpose and African markets are now filled with cheap Chinese

Beijing’s search for resources takes Chinese officials to oil-rich Africa which has major oil producers including Nigeria, Sudan, Angola and Gabon. China already imports 28 percent of its oil and gas from sub-Saharan Africa and it has made sizable copper purchases in Zambia, Congo and other states. And from Zimbabwe, China imports platinum. China provides aids to support infrastructure creation. In 2002, China gave $1.8 billion in development aid to its African allies. China has also used debt relief to assist African nations, effectively turning loans into grants. Since 2000, China has taken significant steps to cancel the debt of 31 African countries. In 2000, China cancelled $1.2 billion African debt and in 2003, it wrote off another $750 million. China wants to increase its soft power also in African countries. China is promoting cultural and language studies in Africa. Beijing seeks to establish Confucius Institutes in African countries to spread Chinese language among Africans.\footnote{Joshua Eisenman and Joshua Kurlantzick, ‘China’s Africa Strategy,’ \textit{Current History}, Vol. 105, No. 691, May 2006, Current History, Philadelphia, pp. 219-224}

In addition to increased aid, China wants to boost its trade with African countries. Beijing has encouraged greater Chinese investment in Africa. China uses summits and informal meetings to reach out to African business leaders. The first China-African business conference was held in Ethiopia in December 2003. It resulted in agreements on 20 projects with a total value of $680 billion. Besides, China views Africa as a center for military to military cooperation also. Today Chinese firms rank among the top supplier of conventional arms in Africa. In April 2005, Zimbabwe’s air force received six jet aircraft for low intensity military operations and earlier in June 2004, Zimbabwe had purchased 12 jet fighters and 100 military vehicles, worth $240 million. China has become largest arms supplier to Sudan. During the armed conflict between Ethiopia and Eritrea from 1998 to 2000, China sold arms and weapons worth $1 billion to both nations during their armed conflict.\footnote{ibid.}

On January 12, 2006, China issued a White Paper on China-Africa relationship. This White Paper stated,
“Enhancing solidarity and cooperation with African countries has always been an important component of China’s independent foreign policy of peace. China will unswervingly carry forward the tradition of China-Africa friendship. Proceeding from the fundamental interests of both the Chinese and African peoples, China will establish and develop a new type of strategic partnership with Africa which features political equality and mutual trust, economic win-win cooperation and cultural exchange...”

China is a close partner of Iran because Beijing has valuable economic interests with Teheran. China invests very much in Iran’s energy sector and thus it fills the gaps left by western companies because of international sanctions. In 2009, China was Iran’s major trade partner and their bilateral trade was worth $21.2 billion against 14.4 billion dollars three years earlier. Iran was the third-largest crude supplier to China in 2009. The Western countries always demands China to support sanctions against Iran over its controversial nuclear program. But China has its own interest in Iran’s energy sector. New sanctions can jeopardize China’s emerging economic ties with the Iran so Beijing emphasizes that diplomacy is the best way to end the controversy with Iran.96

96 http://www.spacedaily.com/reports/China_takes_over_from_West_as_Irans_main_economic_partner_999.html Accessed on July 24 2011
The multinational companies from different parts of the world are attracted towards China for the purpose of investment in several sectors. There are certain reasons behind it. China has shown its interest in reforms and opening of its economy for foreign investors for the purpose of modernization. The social and economic conditions in China are advantageous for foreign investors. Cheap labor is available. Besides, stable political situation and economic growth, market oriented reforms combined with upheld and persistently maintained development ensures the continuous flow of foreign investment in various projects and fields such as telecommunications, energy, pharmaceuticals, petrochemicals and electronics. More than 100 Research and Development laboratories have been set up by the

Figure 3- China-Iran Trade Chart

companies like Microsoft, Motorola, Samsung, IBM, Nokia and General Motors in the field of electronics and automobiles for technological developments.\textsuperscript{98}

In August 2002, China and Australia signed a contract through which Australia pledged to supply at least 3 million tones of Liquefied-Natural-Gas (LNG) per year starting from 2005 to China’s first dedicated LNG terminal, near Shenzhen in Guangdong province. The contract was signed for 25 years and worth $12-billion. The contract confirmed China’s position as one of the fastest-growing large energy markets in the world.\textsuperscript{99}

The Third Plenum of Chinese Communist Party was held in October 2003 and then Chinese legislators proposed some amendments to the state constitution. One of the important proposals was to give protection for private property rights. It was also agreed to give emphasis on some aspects of government economic policy which was intended to reduce unemployment. It was also decided to rebalancing income distribution between urban and rural regions. They also affirmed to maintain economic growth while protecting the environment and improve social equity also. The National People’s Congress approved the amendments in March 2004. Later, the Fifth Plenum of the Communist Party was held in October 2005 and it approved the 11th Five-Year Economic Program. The 11\textsuperscript{th} Plan intended to build a harmonious society through more balanced wealth distribution and improved medical care and social security.\textsuperscript{100}

China has set forth some policies and targets for energy efficiency for the coming years. It is believed that since so much of China’s energy is derived from coal, efficiency measures that reduce coal combustion will help to reduce greenhouse gas emissions. China’s 11\textsuperscript{th} Five-Year Plan (2006-2010) called for a 20 per cent reduction in energy intensity by 2010. By improving thermal efficiency, Beijing estimated that it could reduce China’s carbon dioxide emissions by a total of 110 million tons by 2010. The Chinese government issued its first fuel efficiency standards for passenger cars in 2005. China also has implemented vehicle excise taxes so that the purchase of a car with a big engine requires a much higher tax payment than

\textsuperscript{100} \url{http://www.state.gov/r/pa/ei/bgn/18902.htm} Accessed on July 26, 2011
does the purchase of a car with a small and energy efficient engine. Besides, Beijing has
adopted strong efficiency standards for appliances as well. It is estimated that these standards
reduced carbon dioxide emissions in China by 40 million tons by the end of 2010. The
Chinese government has also promoted low-carbon energy supply options, especially
renewable energy, hydropower and nuclear energy.  

The Fifth Plenary Session of the 14th CPC Central Committee adopted the Proposal on
the Ninth Five-Year Plan (1996-2000) on National Economy and Social Development and
Long-Range Objectives to the Year 2010 on September 28, 1995. The major objectives of the
Plan included controlling the population within 1.3 billion through the year 2000,
quadrupling the 1980 per capita gross national product, eliminate poverty and bringing about
a fairly comfortable life for the people, expediting the formation of a modern enterprise
system and preliminary establish a socialist market economic structure. The plan had set long
term target as well. The long term objective was to double the 2000 Gross National Product
and control the population within 1.4 billion and enable people to lead an even more
comfortable life and ensure that a relatively ideal socialist market economic structure was in
place. The Plan said that as part of an effort to meet the needs of socialist economic
development during the period of 1996 to 2000, a unified and standard economic system
would be initially established in accordance with international economic conventions. The
domestic market would be gradually opened in line with the requirement of reform and
development. The proposed Plan also said that endeavors would be made to expand the
opening of infrastructure sectors such as energy and communications and the service sector
such as banking, insurance and commercial and foreign trade.  

China is well prepared to develop its rail network. In the beginning of the 21st century,
Chinese government decided to add 7,000 kilometres of new track to 68,000-kilometre rail
network by 2005. The government plans to have the newest railway technology operating
alongside the oldest showed the Chinese leadership’s determination to broaden its economic

102 Outlines of the Ninth Five-Year Plan for National Economic and Social Development and the Long-term Targets
489-495
growth by developing infrastructure sector. The majority of Chinese manufacturers are located in eastern China while most of the Chinese natural resources are situated in western China. The government plans to link the eastern part of China with the western part through the rail network. It will help to connect the undeveloped northern and western interior with the more prosperous eastern seaboard. Although, the railways have been one of the most tightly controlled areas of the Chinese planned economy. But since China became member of the World Trade Organization, the foreign companies are also allowed to take a minority stake in transport sector. The foreign investors are also getting attracted towards the rail sector to build high speed rail links between major Chinese cities.  

European Union (EU)-China trade relations has improved considerably in recent years. China has become EU’s second trading partner and the EU’s largest source of imports as well. Likewise, the EU has also become China’s biggest trading ally. The EU’s open market is a source of China’s growth in export sector. The EU has also profited from the expansion of the Chinese market and the EU is determined to open trading relations with China. But the EU wants to make sure that Chinese trade gives proper importance to intellectual property rights and also fulfills its WTO obligations. EU normally imports industrial goods from China which include machinery and transport equipment and miscellaneous manufactured articles. Besides, EU exports other industrial products to China such as machinery and transport equipment, miscellaneous manufactured goods and chemicals. The EU has always been a supporter of China’s entry to the WTO and had argued that without China, the WTO was not a universal institution. When China became the member of the WTO in 2001, it made commitment to ensure improved access for EU firms to the market of China. Besides, it also reduced import tariffs and other non-tariff barriers.  

On April 8, 2009, during his state visit to China, the Venezuelan President Hugo Chavez told his Chinese counterpart Hu Jintao that world’s centre of gravity has moved to Beijing. He said that during the financial crisis of 2008-2009, China’s actions have been highly positive for the world. He added that China was the biggest motor driving the world amidst  

the crisis of international capitalism. Mr. Chavez said he planned to review with Chinese leaders a goal of boosting exports of Venezuelan oil to China from 3,80,000 barrels of 2008 to 1 million barrels by 2013. It had been part of Venezuela’s strategy of diversifying oil sales away from the United States, which bought about half the South American nation’s heavy crude despite political tensions. The strategy included the plans for China and Venezuela to build four oil tankers and three refineries in China capable of processing Venezuela’s crude. China and Venezuela have also invested in a $12-billion fund to finance joint development projects in areas including oil production, infrastructure and agriculture.105

On June 29, 2011 Chinese Foreign Minister Yang Jiechi said that Chinese Premier Wen Jiabao’s visit to Hungary, Britain and Germany has played an important role to improve China’s relations with the three countries. He said that since the current international situation was complex and uncertainties and instability prevailed about the world economic recovery, therefore China and Europe both faced common challenges and shared same kind of responsibility to handle it. Yang appreciated the regular interactions of high-level visits between China and Germany over some years. He also hailed both countries’ mutual understanding and cooperation in tackling the international financial crisis. He said that bilateral relations of China and Germany have new possibility for growth. In this visit, the Chinese Premier Wen Jiabao met German Chancellor Angela Merkel and German President Christian Wulff during the first round of intergovernmental consultations between China and Germany, which was earlier set up to move forward their strategic partnership. Discussing Wen’s remarks during the consultation, Yang said that both China and Germany planned to boost collaboration, cooperation and exchanges in a range of fields to an advanced level through this mechanism. He added that it was in the primary interests of both countries and would make a constructive impact on the world.106

During this session, both sides agreed to increase trade and investment intending to achieve the aim of 280 billion US dollars in trade volume by 2015. Both nations also decided to create a strategic partnership in the field of electric vehicle and increase cooperation in new energy, energy conservation, environmental protection and energy efficiency. Both

105 ‘China is new power centre: Chavez’, The Hindu, April 9, 2009, New Delhi
nations also agreed up on a five-year agricultural cooperation plan and decided to establish a modernization and support platform in some fields such as life science. The two sides finalized a number of cooperative measures and economic agreements worth over $15 billion. Chinese Premier also delivered a speech at the Sixth Chinese-German Forum for Economic and Technological Cooperation and presented a series of proposals to advance and expand trade and two-way investment and strengthen technological cooperation. He also proposed to cooperate in the field of new energy, energy conservation and environmental protection.\textsuperscript{107}

The EU and China organized the third High Level Economic and Trade Dialogue between both nations on December 20 and 21, 2010 in Beijing. The Session discussed how the EU and China could tackle challenges and craft opportunities through open economies and cooperation in other fields. In the meeting both sides discussed issues such as international economy and how to promote both nations’ economies; competition issues; trade and investment; innovation; and customs cooperation. The EU and China showed their determination to implement the Action Plan adopted at the G20 summit in Seoul in order to promote strong, sustainable and balanced economic growth, including through the adoption of indicative guidelines which intended to address global imbalances. They stressed and reiterated the commitments to undertake macroeconomic policies to make certain the ongoing recovery and sustainable growth and improve the sustainability of financial markets.\textsuperscript{108}

On July 1, 2011, Hu Jintao, General Secretary of Communist Party of China, delivered a keynote speech at the rally held at Great Hall of the People in Beijing on the occasion of 90\textsuperscript{th} anniversary of CPC. He said,

\begin{quote}
“The path of socialism with Chinese characteristics is the only way for China to achieve socialist modernization and create decent lives for its people. In taking the path of socialism with Chinese characteristics, we should, under the leadership of the CPC and bearing China's basic national conditions in mind, pursue economic development as the central task, uphold the Four Cardinal Principles, be committed to the reform and opening up policy, free and develop the productive forces, strengthen and improve the socialist system, promote the socialist market economy, socialist democracy, an advanced socialist culture,
\end{quote}

\textsuperscript{107} ibid
and a harmonious socialist society, and make China a prosperous, strong, democratic, culturally advanced and harmonious modern socialist country.”\textsuperscript{109}

On June 28, 2011 Chinese President Wen Jiabao discussed about his vision of future China at the Royal Society, London. He said,

“Tomorrow’s China will be an economically advanced country with its people enjoying prosperity. To pursue economic development and improve people’s lives has always been the top priority of the Chinese government…. Tomorrow’s China will be a country committed to peaceful development and ready to shoulder its responsibilities…. China has become an engine driving global economic growth, having contributed to over 20% of world economic growth each year in the past five years…. The 21st century should be a century of cooperation rather than conflict and rivalry. China is committed to upholding world peace. We have consistently called for settling international disputes by peaceful means and opposed the use of force. China will work with the rest of the international community to undertake responsibilities, meet challenges and make the international system more equitable, just and inclusive.”\textsuperscript{110}

China’s growing economy requires more infrastructure facilities and power resources. Therefore, China is looking for other sources of energy. The Chinese government aims to increase the share of natural gas as a fuel from 3 per cent to about 7 per cent by 2015. It is currently building liquified-patrolium-gas terminals on the east coast to handle imported gas and a 4,000 kilometer long natural gas pipeline to bring fuel from the western province of Xinjiang to Shanghai. Besides, in 2003, China announced to build an $8 billion nuclear power plant in the southern province of Guangdong. This plant is expected to generate six gigawatt of power.\textsuperscript{111} In addition to that, four planned hydroelectric power stations being built on the Jinsha River will be capable of producing twice as much power as the Three Gorges Dam, which is currently the world’s largest-capacity hydroelectric power plant. The China Three Gorges Corporation says the four new plants on the river, which is part of the boundary between Yunnan and Sichuan provinces, will be able to pump out 43 million kilowatts. The power stations will be named Xiluodu, Xiangjiaba, Wudongde and Baihetan. Construction of the Xiluodu hydropower station started in 2005 and is scheduled to be completed in 2013. It will have an installed capacity of 13.86 million kilowatts, making it the

\textsuperscript{110}Quoted in http://www.fmprc.gov.cn/eng/wldt/zyj/836549.htm Accessed on July 31, 2011
second-largest hydropower station in China. Work on the Xiangjiaba station started in 2006 and it will be put into operation in 2012. The other two facilities are still in the design stage.\textsuperscript{112}

**CHINA'S CLIMATE CHANGE POLICY IN THE POST COLD WAR ERA**

In November 1999, China highlighted its commitment to help solving global environmental problems by hosting the Eleventh Meeting of the Parties to the Montreal Protocol and the Fifth Meeting of the Parties to the Vienna Convention. This cost China about US$2.2 million. In a speech to top officials at the meeting, President Jiang Zemin announced that China would continue to work hard on ozone layer protection. In a welcoming speech, Xie Zhenhua, the Minister of State Environmental Protection Administration (SEPA), indicated that China hosted the meetings to demonstrate to the international community what China has achieved in addressing environmental problems, both domestic and international, particularly since the time when the policy of reform and opening to the outside world was adopted.\textsuperscript{113}

On June 4, 2007, China released its first national plan on climate change and declared to follow a new path to industrialization. But, at the same time, it refused to accept binding targets for emissions and it said that developed nations must take most of the responsibility for the problem. China said the program was intended to increase efficiency, make greater use of renewable energy and enhance forest cover. On the issue of greenhouse gas emissions, China undertook to accomplish significant achievements but made no commitment as such to a quantifiable goal. The report acknowledged that dependency on coal would not change largely for a long-term period in the future in spite of efforts to develop domain of renewable energy, establish nuclear plants and accelerate the utilization of coal bed methane. It can be recalled that China has come under increasing pressure to act when it argued during Kyoto Protocol talks that developing countries should be exempted from mandatory cuts because


they required more time and space to grow and were less to blame for global warming. Most of the Chinese rivers are hazardously polluted and the air quality in dozens of cities is dangerous for human health China has planned to improve energy efficiency upto 20% by 2010 and double the use of renewable energy by 2020.\textsuperscript{114}

In October 2008, China issued a White Paper titled ‘China’s policies and actions for addressing climate change’. The White Paper discussed about China’s policies in this field. The White Paper stated,

“To address climate change, China adheres to the following guidelines: To give full effect to the Scientific Outlook on Development, adhere to the fundamental state policy of resources conservation and environmental protection, control greenhouse gas emissions and enhance the country's capacity for sustainable development, center on securing economic development and accelerate the transformation of the pattern of economic development, focus on conserving energy, optimizing the energy structure and strengthening eco-preservation and construction, and rely on the advancement of science and technology, increase international cooperation, constantly enhance the capability in coping with climate change, and make new contribution in protecting the world environment.

To address climate change within the framework of sustainable development. Climate change arises out of development, and should thus be solved along with development. It is necessary to promote sustainable development amidst efforts to address climate change, and strive to achieve the goal of win-win in both.”\textsuperscript{115}

In May 2009, China urged western countries to cut their Carbon Dioxide (CO2) emissions by 25-40 percent by 2020. China also promised to support for a new global climate change agreement that negotiators were working on and supposed to get it ratified by the end of 2010. China has become world’s biggest emitter of CO2 which is the main greenhouse gas from human activity. It has been estimated that China emitted 1.8 billion tones of carbon from burning fossil fuels in 2007 while the United States emitted 1.6 billion tones. China has ratified the Kyoto Protocol which is the supported by the United Nations that determines states’ duties in combating climate change. Since China is a developing country, Beijing is not required by the Protocol to set binding targets to control greenhouse gas emissions. But the United States and other countries have said China should set more specific goals in the successor to Kyoto from 2013. China has not set any specific domestic targets to control greenhouse gas emissions. But it has set energy efficiency goals that show Beijing’s commitment to tackle CO2 emissions. China has said many times that global warming has


\textsuperscript{115} Quoted in http://www.gov.cn/english/2008-10/29/content_1134544_5.htm Accessed on July 29, 2011
been caused by the greenhouse gas emissions of developed nations’ economies, so they should take the lead in cutting emissions and give developing countries space to develop and expand emissions in coming decades. China says developed nations should transfer much more green technology to poorer nations as part of a new climate change pact. It has urged rich nations to commit one percent of their economic worth to help poor nations fight global warming.116

On May 20, 2009, China described its position on the Copenhagen Climate Change Conference. It said,

“climate change is one of the most serious challenges to humanity in the 21st century and a matter of human survival and the development of all countries, which requires cooperation and joint efforts by the international community. Fully aware of the seriousness and urgency of climate change and with a deep sense of responsibility for the long-term development of mankind, China is firmly committed to sustainable development and has formulated and implemented its National Climate Change Programme, taking a series of strong policies, measures and actions and making unremitting efforts and commendable contribution to addressing climate change. China will continue such policies, measures and actions. In the face of international financial crisis, China remains determined to take unrelenting efforts to address climate change.

As a Party to the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol, China is always committed to have the UNFCCC and its Kyoto Protocol implemented and very serious about honoring commitments on its part. International negotiations are underway to give effect to the Bali Roadmap to enable the full, effective and sustained implementation of the UNFCCC and its Kyoto Protocol, aiming at reaching a positive outcome at the UN climate change conference in Copenhagen at the end of this year. China will continue to play an active and constructive role in such negotiations and hereby presents its position on the Copenhagen Climate Conference implementing the Bali Roadmap.”117

On January 29, 2010, Premier Wen Jiabao said that China positively supported the Copenhagen Accord which resulted from the UN climate change conference. He wrote letters to Danish Prime Minister Lars Loekke Rasmussen and UN Secretary-General Ban Ki-moon and pointed out that the Copenhagen Accord reflected the political will of all parties to tackle climate change. He reiterated the principle of ‘common but differentiated responsibilities’ and supported the dual-track negotiating mechanism of the UN Framework Convention on Climate Change and its Kyoto Protocol. Wen reaffirmed China would take positive measures and do its best to honor its commitments on climate change. He said that China would reduce carbon dioxide emission intensity per unit of GDP by 40 to 45 percent by 2020 against 2005 levels, an increase to 15 percent of non-fossil fuels in the country's total primary

energy mix by 2020, and an increase of 40 million hectares of forest and 1.3 billion cubic meters of forest volume by 2020 from 2005 levels. Wen said China would continue to play an active and constructive role and work closely with the international community for a meaningful conclusion of the Bali Roadmap negotiations at the Mexico climate talks with a comprehensive, effective and binding outcome that would reinforce the implementation of the convention and the protocol in order to contribute to tackle climate change.\textsuperscript{118}

China’s policy has become more pragmatic in the post cold war era. Now it is based more on international political realities rather on ideology. Multilateralism has become part and parcel of Chinese foreign policy. During last twenty years, China has given emphasis on greater cooperation with other nations. Multilateral and cooperative nature of its foreign policy has become an active strategic tool to achieve China’s policy interests in international arena. China has become more active in international issues and puts its own weight on international political situations.

China seems to be working on maximin strategy. It means that China wants to maximize its power and opportunities and minimize its responsibilities at global level. China wants to employ the policy of cooperation to enhance its global access and reach. China’s perception of becoming a powerful nation lies in its belief to be economically strong. China believes that through its economic strength, it can become a military might and an a world player. China appears to be an emerging power which desires to play an active and powerful role in international political theatre. China’s theory of peaceful rise provides it a proper, due and sufficient place at global level.

The next chapter exclusively describes the cooperative and competitive nature of relationship shared by China and the United States in post cold war period.

\textsuperscript{118} \url{http://www.china-embassy.org/eng/gyzg/t655884.htm} Accessed on July 31, 2011