

Globalization and Autonomy in China

Author(s): Yu Keping, Peking University, China

Preface

Professor Keping is Director of the Centre for Chinese Government Innovations at Peking University and the China Centre for Comparative Politics and Economics (CCCPE) in Beijing. This paper was presented at the Fourth MCRI Globalization and Autonomy Team Meeting at the Munk Centre for International Studies, University of Toronto, 23-25 September 2005.

Globalization Studies in China

China speaks a fascinating story about globalization and globalization studies, both when it comes to understanding the concept theoretically and how it involves the practice of globalization. On the theoretical plane, in the early half of the 1990s, the word "globalization" was so sensitive politically that scholars feared to mention it in articles and books, while now it has become so fashionable that almost everyone uses it, whether he or she accepts or rejects it. On the practical level, globalization had long been regarded to be synonymous with capitalist development ideologically. More recently, both in China and outside, the country is accepted widely to be one of the biggest winners of globalization in the world.

Chinese scholars scarcely used the concept of globalization before the mid-1990s because it was received ideologically as a synonym for capitalism. Even for those few advocates of globalization, the term was used strictly in its economic sense during the 1990s. In this period, a journal editor would routinely add the adjective "economic" to "globalization" when an author submitted an article on globalization. In 1998, Mr. Jiang Zeming, then President and General Secretary of the Communist Party of China (CPC), spoke for the first time about "economic globalization" as "an objective trend of world economic development." The top leader's recognition of globalization gave a great impetus to scholars and analysts engaged in studies of globalization, making it a hot issue among Chinese intellectuals. A number of essays on globalization have since been published and huge numbers of foreign books and essays on globalization have been translated into Chinese and published in China. I was very lucky to chair the first national conference specifically on globalization held in 1997 in Shengzhen, the most open Special Economic Zone, and to edit the first *Globalization Studies Series* in Chinese. It includes seven books published in 1998. The *Globalization Translation Series*, which I have also been organizing, has published over thirty books, all by the same publishing house — the Chinese Social Sciences and Documentation Publishing House.

At present, Chinese scholars have focused on several important dimensions of globalization: the concept of globalization; types of globalization (besides economic globalization); China's path towards globalization; the implications of globalization for China; and globalization's advantages and disadvantages. Is globalization a blessing or a disaster for China's modernization and development? In each of these areas, Chinese scholars' views on globalization can be summarized in six paradoxes that they have debated in relation to globalization.

First, is globalization a fact or just a fiction? Some people think that globalization is a fact — that it has an objective existence that deeply impacts human development. They see humankind as entering into a global age. To the contrary, others insist that globalization is simply a fiction promoted by Western scholars and perhaps even represents a conspiracy of new Imperialism. In their view, globalization has to be a myth if only because the diverse human politics, economies, and cultures can never be globalized.

Second, is globalization inherently capitalist or potentially socialist? Many Chinese intellectuals believe that globalization is a necessary result of capitalist productive development and an inherent thrust of capitalism. Globalization represents the extension of capitalist modes of production across the planet and signifies that capitalism has entered a new stage of its development. Therefore, globalization, to be exact, is global capitalism. In contrast, some scholars argue that globalization is ideologically neutral in spite of its origins in advanced capitalist countries. In its nature, globalization is neither capitalist nor socialist. Like the market economy, it can be combined with both capitalism and socialism.

Third, besides economic globalization, are there political or cultural forms of globalization? For many scholars, globalization is nothing but economic integration particularly increased integration on a planetary scale of capital, products, market, technology, production, and communication. They limit globalization strictly to economics and refuse to expand it to other domains of human experience. Many other scholars, however, believe that the concept of globalization extends beyond economics even though it originates in economic processes of integration. A process of political and cultural globalization, they argue, is underway at the same time as economic integration is going on. In their view, globalization has not only economic implications but also political and cultural ones. Thus, globalization is an overall process of social change, including economic, political, and cultural processes.

Fourth, is globalization, on balance, advantageous or harmful for developing countries? Some intellectuals find that developed countries dominate and control the process of globalization with their economic and political power. They suggest that developed, rather than developing countries are the true winners of globalization. Others argue that globalization is not a zero-sum game and all players can be winners. What matters here are the strategies that governments take. China is a good example of a country poised to win a lot from globalization, and thus one to which persons point when they make their case.

Fifth, is globalization nothing more than modernization, Westernization, or Americanization? Many people believe that globalization brings Westernization, and above all, Americanization for China. Such a development is equated with the loss of autonomy. In their eyes, the standards, regimes, and regulations that come to be adopted by countries in response to the processes of globalization are made by Western countries according to their own values and interests. Others disagree. They think that globalization is quite different from Westernization or Americanization. For these persons, globalization is a fundamental process of modernization in spite of the fact that this process originates in the West and the United States leads it.

Following on this fifth paradox, is there a Chinese model or way towards modernization in the global age? Some say "yes," there is a Chinese model for development with its own special characteristics and some of them even would like to accept the idea of a "Beijing Consensus" raised by American scholar, Joshua Cooper Ramo. Others, however, reject this argument firmly and argue that there is no specifically Chinese way to modernization, only a capitalist way or following a path towards

adopting more of capitalism. For a few of this latter group, the Chinese model for globalization is based on the so-called "Washington Consensus," rather than a "Beijing Consensus."

Given such debates, it is not surprising that intellectuals in China, much as those abroad, divide themselves in two camps. Some are advocates of globalization while others are opponents of it. The former see globalization as a blessing and warmly welcome globalization. The latter resist globalization, viewing it as a disaster. Some Chinese scholars see globalization as the pathway to a Chinese renaissance; China's future, including democracy and economic prosperity, depends largely on its taking advantage of globalization. Other people, however, see globalization to be a trap and regard supporters of globalization as traitors to a modern China.

Preserving Autonomy Under Globalization Pressures

Many people believe that China is one of the biggest winners from globalization. From 1978 to 2003, the Chinese gross national product increased from 362.4 billion yuan in RMB (US\$44.2 billion) to 11,690 billion yuan in RMB (US\$1,425.6 billion). In constant RMB (and dollars), it has increased 8.4 times with an average yearly growth rate of over 9 percent. This growth rate is much higher than the 2.5 percent average GNP growth rate of the developed countries, the 5 percent growth rate of developing countries, and the 3 percent average world growth rate during the same period. In this period, China has registered the fastest economic growth in the world. High-speed economic growth has been accompanied by a 22-fold expansion in the scale of foreign trade over the past twenty-two years. At the same time, China successfully protected itself from the shocks of the Asian financial crisis in the 1990s, and has realized its goal of entering the World Trade Organization (WTO) after ten years of assiduous effort.

A primary reason China has become one of the biggest winners from globalization is the policy strategy that the Chinese government has followed in addressing the challenges of globalization. This basic policy has two pillars: actively opening up to the world while straining every nerve to protect the country's autonomy.

The key measures and stances that the Chinese government has adopted in actively joining into the processes of globalization include:

1. *An independent globalization strategy.* With a good understanding and anticipation of the processes of globalization, China has adopted an active and independent globalization strategy. China is a country where its politics are highly influenced by ideology; but ideological considerations have been consciously put aside in the pursuit of globalization. While many Chinese scholars were debating on globalization, Chinese leaders made their own judgments about the nature, advantages, and disadvantages of globalization; adopted an active strategy; and took appropriate actions in order to take full advantage of globalization. For example, China made tireless efforts to join the WTO, expanded international cooperation and exchange, actively participated in global governance and global actions to counter international terrorism, established the Shanghai Cooperation Organization, pushed forward negotiations to eliminate nuclear weapons in the Korean Peninsula, and proposed a strategy of "peaceful development."
2. *Leadership development.* China has worked assiduously to improve the qualifications of government officials; to select and promote for leadership positions, knowledge elites who are globalization-oriented; and to train officials in the knowledge economy and problems of globalization. Currently there are 672,531 officials above the county level, and 90 percent of

them have academic degrees equal to or above the associate college level, up from 16 percent in 1981. According to the training plan of the central government, 25,000 officials above the rank of county or division will be trained from 2001 to 2005, among these, 2,000 officials at the province and ministry level. This new group of leaders is strongly professionally competent and they are increasingly skilled at conducting international cooperation and exchange activities. In short, these officials are set to become the pivotal force of the Chinese government in dealing with the process of globalization.

3. *Adaptive capability and flexibility.* The Chinese government has developed a flexible system and set of mechanisms with strong adaptive capability. Participation in the global game means abiding by global regimes, but global regimes conflict with domestic regimes in a number of areas. How to deal with the relationships and potential conflicts between domestic and international regimes is an issue that the Chinese government has had to face. After careful assessment of the advantages and disadvantages of globalization, Chinese government leaders made a painful but correct choice. They decided to adapt Chinese domestic regimes to international ones, and to revise domestic regimes that are not consistent with international regimes. Consequently, the government bypassed traditional forbidden zones and signed a series of international treaties covering a wide range of issues from political rights, to international security, international trade, and environmental protection. It also revised relevant domestic laws in accordance with related international treaties. In the process of negotiating terms for WTO membership, and subsequent to joining the WTO, the State Council required up to thirty ministries and departments in 2002 to clean up nearly 2,300 relevant laws and regulations. About half of the laws and regulations were eliminated or revised as a result. Local laws and regulations revised or eliminated by various provinces and autonomous regions amount to more than a hundred thousand.
4. *Peaceful development.* The Chinese government has been striving for international cooperation and creation of a favorable international environment. China needs a peaceful international environment in order to focus on development, a need that is especially important in an era of globalization. In adapting to the challenges of globalization, the Chinese government proposed an international strategy of "peaceful development." The main elements of this strategy are to insist on the diplomatic principles of independence, self-reliance, and peaceful co-existence; to abide by the guiding ideology of "being peaceful and different"; and to strive for a new notion of security with "mutual trust, mutual benefits, equality, and cooperation." With these as the core principles, the government promotes global democratic governance. It strives to engage in international cooperation more actively in all spheres, and pursues reciprocal benefits in peaceful co-existence and cooperation.

In following this strategic approach, the Chinese government rose above ideological differences and developed bilateral and multilateral relations with various countries and regions in the areas of politics, economy, and culture. Within just five years, from 1998 to 2002, it signed more than 1,056 bilateral and multilateral treaties. At the same time, the Chinese government has encouraged foreign exchange and cooperation activities conducted by local governments, individuals, and civil society groups. In 2002, the number of foreign citizens entering China was close to 13.5 million, while 16.3 million Chinese left China to visit other countries. In the past five years, the number of entries and departures increased more than 10 percent per year on average. As of 2002, 296 Chinese cities had established friendship and partnership relationships with 847 foreign cities.

At the same time as China has participated extensively in globalization, it has taken several important steps to protect its autonomy.

1. *Remaining aware of globalization's negative effects.* Generally speaking, the negative effects of globalization for China are three-fold. First, globalization threatens domestic economic security. Foreign corporate control of major company shares and gaining a monopoly on crucial technologies threatens adjustment and the upgrading of the country's industrial structure. Excessive foreign debt may bring potentially enormous risks and increased reliance on foreign capital and trade may weaken China's capacity to protect its economy and its citizens from fluctuations in the world economy. The large-scale opening of financial markets may also greatly increase financial risks. Second, globalization weakens state sovereignty. One of the basic conditions for participating in globalization is to abide by existing international rules, international treaties, and agreements. Most of these international regimes have been established in accordance with the interests and standards of advanced Western countries. In order to gain the economic benefits brought by globalization, developing countries usually have to make some concessions in administrative jurisdiction, thus weakening their sovereignty. Third, globalization threatens domestic political values and culture, leading to possible loss of control of the social order, and increased risks to domestic governance. With advanced Western countries controlling the course of globalization and constructing global regimes, it is inevitable that they will seek also to export their world views and value systems along with their capital, technology, and products. These world views and value systems may clash with Chinese cultural traditions and political order, creating a potential for social and political instability.
2. *Prevention of foreign capital control in key sectors.* On the one hand, China does everything possible to attract foreign investment. Such investment is usually encouraged by favourable policies on taxes, lands, and license permits. On the other hand, foreign investments are greeted with considerable caution when it comes to the most important economic sectors such as energy, communications, finance, education, and mass media.
3. *Controlling the speed of change.* The Chinese government has efficiently met its agenda of entering into the world economy. At the same time, it has taken many measures to prevent the country from entering too quickly into the process of globalization, thereby destabilizing political and social order.
4. *Retaining dominance of economic development for core national interests.* China has not given up its dominance of economic development for core national interests, even at the cost of slowing down overall economic growth. For example, China has made her own decision on devaluation of Chinese currency regardless of high pressure from the United States and other developed countries.
5. *Emphasis on national sovereignty.* Unlike some Western political leaders who downplay state sovereignty in the global age, Chinese leaders make sovereignty the basis upon which all political and economic activities take place, including economic globalization.
6. *Advocating national cultural values.* Since the period of reform began, the government has also encouraged a revival of traditional Chinese values. In this respect an opening up to the world is complemented by unprecedented promotion of long-standing cultural forms. Traditional clothing, cuisine, festivals, operas, and arts are becoming newly fashionable at the same time as McDonald's, the Internet, Mickey Mouse and the NBA are gaining popularity.
7. *Vigilance against Westernization and Americanization.* In the view of many Chinese, there is a real risk that globalization will lead to Americanization or Westernization. Thus the government has developed many strategies to prevent globalization from inserting Americanization or Westernization in politics, the economy, and culture. For instance, Chinese leaders do not wish to imitate a capitalist economic model; they refuse to adopt Western political systems and core political values.

In conclusion, China is no different than most Western countries in engaging in a set of deep debates and discussion of the advantages and disadvantages of globalization. Some believe that the disadvantages outweigh the advantages. Others, including the government, have come to believe that the advantages are potentially much more significant than the disadvantages. In acting on this belief, the government has entered into a wide range of international and regional cooperation arrangements, including becoming a member of the WTO. It has developed a conscious strategy to draw maximum advantage from globalization by improving the education and skills of its officials and promoting its own research and development policies. All the while that China has engaged fully with globalization, it has thought strategically about how best to preserve its autonomy economically, politically, and culturally. It protects core economic sectors, it retains a political system that fits its needs and society well, and it counters cultural globalization by promoting the revival of long-standing ideas, values, and cultural practices.