

## FEATURE

# China and the World

## An Expert Speaks on the Country's Changing Role

Interview by Bhumika Ghimire with Dr. Sheng-Wei Wang

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Wang discusses the Nepal-China relationship and how India's growing influence in Asia and beyond could affect China's position:

**(Bhumika Ghimire):**  
**Recently in Nepal, the Maoists won a majority in Constituent Assembly elections and will probably lead the new government. How do you think this will affect the China-Nepal relationship?**

(Dr. Sheng-Wei Wang): China's Nepal policy is based on 1) mutual respect, 2) equality, and 3) good neighborliness, in order to achieve a strong momentum of growth and to develop Nepal as a transit corridor for Indo-China trade, and trade between China and South Asia. The bilateral economic and trade relations between the two countries have kept a healthy developmental momentum. The total trade volume in 2006 reached US\$268 million, with 36.5 percent increase over the previous year even before the Maoists took power.

The Sino-Nepal relationship would most likely continue to flourish with the new Nepal Maoist government. There is no apparent reason against this prediction. In addition, bear in mind that China is the driving force behind the world economy (China contributed an average of 14 percent to the world annual economic growth since 1978; in 2007, it reached 17 percent,



surpassing the US for the first time). The increased economic integration between Nepal and China is not an isolated phenomenon.

The Sino-India trade volume increased even more impressively by six-fold within 4 years from US\$3 billion in 2001 to US\$18 billion in 2005. With China's non-interference policy towards other countries' internal affairs, such integration will continue as long as China can keep its own economic momentum irrespective of Nepal's internal political transformation.

**Is having a Maoist lead government in Nepal going to bring the country closer to Beijing, considering that for the past couple of years China is pushing more towards a more liberal and open economic and social system?**

China's success has served as a role model for many developing and under-developed countries in Africa, South America, Asia, etc., whether these countries have democratic or communist systems. I believe that the new Maoist-led Nepalese government would also be interested in the Chinese model, as it has proved quite successful in countries other than China, for example Vietnam. The Chinese model is summarized by Western scholars and politicians as the Beijing Consensus, which has no bearing on Maoism or communism.

China has “groped for stones to cross the river” instead of dramatic change through potentially dangerous “shock therapy.” The Beijing Consensus is a homemade open and liberal recipe which has enabled China to pursue its own course to develop a rapidly growing economy. The success of the Beijing Consensus lies in:

- 1) a strong willingness to innovate as a path to prosperity for poor countries;
- 2) a strong belief in sovereignty and multilateralism as a determination to find its own route; and
- 3) a desire to accumulate the tools of “asymmetric power projection” to balance world powers to be in charge of the Chinese national destiny.

The Beijing consensus has led China not only to survival, but also along a path to success.

**About Tibet, your observation of the international media reaction. What is your reaction to the way Nepal is handling anti-China protests and the fact that the country is home to thousands of Tibetan refugees.**

Most Western media like CNN and BBC made biased negative reports on China’s handling of the Tibet unrest. Beijing has gone on the offensive against Western critics of its handling of the riots in Tibet. Lau Nai-keung, a member of the Hong Kong Basic Law Committee of the National People’s Congress Standing Committee, and also a member of the Commission on Strategic Development, lashed out his anger in an article, “Chinese will rally to defend the nation” ([www.scmp.com](http://www.scmp.com), April 26, 2008), in which he writes “Western politicians and the media are beginning to realize their grave mistake in supporting the Tibetan independence mob, distorting reporting and analysis, and using protests to bully the Chinese government. Beijing has not budged on its principles on Tibet, despite having agreed to meet with the Dalai Lama’s private representative in the coming days.”

Nepal says that it cannot allow Tibetans to demonstrate because it recognizes Tibet as an integral part of China, and the protest is aimed at sabotaging the Beijing Olympics. I think the Nepalese government has properly handled the Tibetan issue. The solution rests with China and the Tibetans to work out their differences.

I suggest that the Dalai Lama and the Tibetan protesters and refugees in Nepal not seek “autonomy,” but “integration” within China. Autonomy means “segregation” and “isolation,” which would make Tibet more backward and marginalized. It would also violate the United Nations 3068 Resolution that specifically forbids racial segregation. China has invested a lot in Tibet to improve Tibetan life.

**India and China are competing for wider influence in Asia and beyond. From the Chinese perspective, how is India’s growing influence in world affairs and its improving relationship with USA going to affect China’s position in Asia and worldwide?**

From the Chinese perspective, China and India need not view their growth as competitive against each other, since as Asia grows, all Asian countries, including China and India, will share bigger influences in world affairs. China’s GDP per capita at the time of the 1962 border war was less than half of India’s, but now it is 3 times India’s. The gap is increasingly larger. If improving the US-India relationship is aimed at containing China, it may both be a serious miscalculation and an ineffective strategy.

China and India are the world’s two most populous nations; as developing countries they also face similar challenges of poverty, corruption and potential unrest. Apart from the brief 1962 border war, the two countries were not historical rivals. The border issue can be shelved by signing a peace treaty maintaining the status quo for 50 to 100 years and resolving the outstanding issues at a later date.

There is a much broader basis for the two countries to collaborate than the nuclear accord

signed between India and the US. Not surprisingly, the Economic Survey just reported that for the year 2007-2008, China has emerged as India's largest trade partner, a position that was monopolized by the US before. Over six years ago, the trade volume between India and China was barely 1/4 of that between the US and India.

The new trend underlines the strong urge to do business and the sustained political patronage of the leaderships of the two countries. China has a strong infrastructure development and India has leading software and information technology industries. They can learn from each other and become the two pillars of the Asian economic development. Instead of competing for resources or influence, they can cooperate to jointly acquire energy resources, develop new technologies, set up disease prevention hubs and share knowledge through governmental and non-governmental exchanges. The two economies are complementary and are drawn to each other's huge markets.

Internationally, India needs China's support to become a permanent member of the United Nations Security Council and the effectiveness of Indian diplomacy in South Asia is dependent, to a large degree, on its relationship with China. China, for example, has become the largest trading partner of Bangladesh and also has deep political and military relationships with both Pakistan and Myanmar (Burma). China, on the other hand, needs India's cooperation to protect the safe shipping of oil across the Indian Ocean.

Both countries share the common interest of integrating Asia after realizing that Asia is now growing out of its past shadowy history of Western oppression, in order to shift the global balance from the West to the East and towards serving Asia's own interests. Both China and India are predicted to become new leading world powers in less than 20 years. Neither can afford to envy the success of the other.

**In your book *China's Ascendancy*, you talk about China's growth over the years and about relationship with the USA. In the South**

**Asian context, how do you analyze the relationship between China and the US and its effect in the region and China's rapid growth?**

China cooperates with South Asian countries via the Association of Southeast Asian Nations (ASEAN). In 1992 ASEAN initiated the ASEAN Free Trade Area (AFTA) and its members hold the ASEAN Summit with the official theme of "one vision, one identity, one community." The ASEAN+6 countries held their first East Asia Summit on December 14, 2005, in Kuala Lumpur. The 16 nations cover half of the world population and their total GDP exceeds US\$8,000 billion. Chinese premier Wen Jiabao gave a speech at the summit and indicated that China would not seek a dominant role at the East Asia Summit, but wanted to welcome the participation of Russia, the US, and other countries that wish to establish ties with East Asia. The Kuala Lumpur Declaration clearly indicates that the Asian Summit will serve as a forum for dialogue on military strategies, and political and economic issues.

China does not want to become hegemonic or a superpower; its aim at forming an economic partnership with ASEAN countries has shown great success in exhibiting a softer power in South-East Asia. China-ASEAN trade surged 28.2 percent in just the first two months of 2006 relative to 2005. Taking advantage of geographical proximity, the ASEAN enterprises have already established longstanding economic relations with their counterparts in southern China.

**What would you say to those who say that China's rise is a threat to current global structure, especially regarding the economy and the environment?**

My first reaction would be to ask them to first examine the existing structure for its suitability and fairness in today's world. The current global economic and political structure was created after World War II (WWII) mainly by the US and its Western allies and Japan. After more than 60 years, there has been a substantial

shift of world economic and political weights from the Atlantic Ocean to the Pacific Ocean, so that the Asia factor can no longer be ignored. The rapid growth of Asia in economic, political, and demographic perspectives has awakened the Asians to become more actively involved in world affairs. Among them, in particular, China has integrated itself into the current global structure and created conditions for a peaceful transition towards geopolitical equilibrium rather than conflict.

China's participation has contributed an average of 14 percent to world economic growth since 1978 and lifted 400 million people out of poverty without seeking much help from the rest of the world. The "Made in China" products have reduced global inflation, provided loaned money to the US government to sustain its operation, increased American household income and enabled the African poor to afford bicycles.

My next reaction is to ask, should the global order stay unchanged as time moves on? Were the world order following a rigid paradigm, Europe would still be under the control of the Roman Empire. China's ascendancy has been peaceful and the Chinese political philosophy has always focused on building a harmonious society and harmonious world. The great threat to the current global structure is in fact not China, but the United States.

Economically, the US is now exporting its problems to the rest of the world by letting its currency depreciate precipitously and by its failure in the sub-prime mortgage lending. The oil price also escalated from US\$25 before the Iraq War in 2003 to over US\$120 in May 2008. The whole world is suffering from this consequence, except for the oil companies and the US weapons industries supplying the Iraq war over oil.

With respect to the environmental issue, the US is the only developed country that has not ratified the Kyoto Protocol to the international Framework Convention on Climate Change with the objective of reducing greenhouse gases that cause climate change (175 parties have ratified

the protocol). China ratified it but along with other developing countries have no obligation beyond monitoring and reporting emissions.

China aims to reduce energy consumption per unit of GDP by 20 percent by 2010 and to increase the share of renewable energy to some 10 percent, as well as to cover roughly 20 percent of the nation's land with forest.

But it stressed that technology and costs are major barriers to achieving energy efficiency in China, and that it will be hard to alter the nation's dependency on coal in the short term. What China needs is international cooperation in helping China move toward a low-carbon economy.

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