



The
CIIS Blue Book
on

International Situation and China's Foreign Affairs
(2013)

China Institute of International Studies

World Affairs Press



世界知识出版社

The
CIIS Blue Book
on
International Situation and China's Foreign Affairs
(2013)

China Institute of International Studies

World Affairs Press



图书在版编目 (CIP) 数据

国际形势和中国外交蓝皮书: 2013 = The CIIS Blue Book on International Situation and China's Foreign Affairs: 2013: 英文 / 中国国际问题研究所著. —北京: 世界知识出版社, 2013.5

ISBN 978-7-5012-4479-9

I. ①国… II. ①中… III. ①国际形势—白皮书—2013—英文 ②外交关系—白皮书—中国—2013—英文 IV. ①D5 ②D822

中国版本图书馆CIP数据核字 (2013) 第098647号

书 名

国际形势和中国外交蓝皮书 (2013)

The CIIS Blue Book on International Situation and China's Foreign Affairs (2013)

作 者

中国国际问题研究所 / 著

责任编辑

贾如梅

责任出版

赵 玥

责任校对

马莉娜

出版发行

世界知识出版社

地址邮编

北京市东城区干面胡同51号 (100010)

网 址

www.wap1934.com

经 销

新华书店

排 版

科鑫苑图文设计制作中心

印 刷

北京京科印刷有限公司

开本印张

787 × 1092毫米 1/16 35½印张

字 数

572千字

版次印次

2013年5月第一版 2013年5月第一次印刷

标准书号

ISBN 978-7-5012-4479-9

定 价

90.00元

版权所有 侵权必究

Name List of the Editorial Board

Chief Editor: Qu Xing

Executive Chief Editor: Ruan Zongze, Dong Manyuan

Members of the Editorial Board (In the order of the number of strokes of the surnames):

Yuan Jian, Shi Ze, Li Guofu, Chen Yurong, Zheng Ruixiang, Jiang Yuechun, Guo Xiangang, Cui Hongjian, Yu Shaohua, Teng Jianqun

Authors (In the order of the number of strokes of the surnames):

Wang Youming, Wang Hongyi, Wang Zhenyu, Qu Xing, Liu Feitao, Liu Youfa, Ruan Zongze, Sun Lixin, Su Xiaohui, Li Ziguo, Li Qingyan, Li Guofu, Song Junying, Chen Yurong, Chen Xulong, Zhang Yaohua, Zhang Weiwei, Jin Ling, Zhao Qinghai, Jiang Yuechun, Jia Xiudong, Xu Longdi, Xu Jianguo, Tang Qifang, Cui Lei, Cui Hongjian, Cheng Min, Yu Shaohua, Teng Jianqun, Wei Min

Translators (In the order of the number of strokes of the surnames):

Ding Ying, Yu Lintao, Bai Shi, Zhu Zhongbo, Liu Youfa, Liu Junbo, Su Xiaohui, Li Xiaoyu, Li Minjie, Zhang Weiwei, Zhao Zhen, Jia Xiudong, Xu Ting, Guo Jinyue, Tang Qifang, Gong Ting, Cui Lei

Four Features of the International Situation in 2012 (Preface)

The year 2012 is now over. When we look back at the year 2012, four features of the international situation can be discerned: first, the west Asian and north African region remained chaotic, with order yet to be established; second, the world economy continued to grow but has still not fully recovered; third, relations among the major powers were stable but still tinged with uncertainty; and fourth, there were tensions on China's periphery, but with no major disruptions occurred in international relations.

I. Lingering Chaos in West Asia and North Africa

The evolution of the situation in west Asia and north Africa unraveled in an unanticipated way. At the outset of the turbulence, many international observers believed that the overthrow of a dictator in some of these countries could usher in multi-party democracy on the Arab soil, that universal suffrage would effectively release the social pressures, and that relevant countries would soon become orderly again. However, more than two years since the unrest began, the so-called "Arab Spring" has not brought about the kind of change desired by the west, even despite ongoing political transformation in west Asian and north African countries. People feel that regional turmoil has

continued, that extremist forces are expanding, that terrorist activities are on the rise, that deep-seated contradictions continue to ferment, and that the economic situation is deteriorating. The Syrian crisis has dragged on, Islamic forces have emerged even further, Israel's security environment has deteriorated, and no real progress has been achieved with Iranian nuclear talks.

1. Protracted Crisis in Syria

The unrest in Syria has lasted for more than a year, and Bashar al-Assad's ability to sustain his grip on power has outdone most expectations. European and American sanctions have rendered the Syrian economy unsustainable, public discontent is rising, the Prime Minister has departed from his position, and some security officials have been killed. But thus far, the mass mutiny of the army and defection of a large number of senior officials has not produced a "domino effect." Instead, government military forces have continued to enjoy an absolute advantage over the rebel forces. Western leaders tried on many occasions in a high-profile manner to force Bashar to step down and they overtly and covertly provided assistance to the Syrian rebels. But taking into consideration the lessons learned from the wars in Iraq and Libya, and amid concerns that al-Qaeda and Islamic extremist forces might, in disarray, grow in power, Western countries could not resolve to intervene in Syria via war. They were further constrained by the domestic election cycle in their home countries. Therefore, it will take some time for the opposition to topple Bashar through armed struggle.

Western efforts to "consolidate" the opposition forces have remained ineffective. The west stepped up efforts to integrate the Syrian opposition groups in order to help unite their political factions

and unify their armed forces. The United States openly abandoned the Syrian National Council (SNC), which was mainly composed of overseas exiles and previously was supported by the US. On October 31, 2012, Former US Secretary of State Hillary Clinton publicly stated that the US had “made it clear that the SNC can no longer be viewed as the visible leader of the opposition. They can be part of a larger opposition, but that opposition must include people from inside Syria and others who have a legitimate voice that needs to be heard. This can not be an opposition represented by people who have many good attributes but have, in many instances, not been in Syria for 20, 30, 40 years.” Hillary Clinton also warned that “there are disturbing reports of extremists going into Syria and attempting to take over what has been a legitimate revolution” and that “we also need an opposition that will be on record strongly resisting the efforts by extremists to hijack the Syrian revolution.” In Doha on November 11, a number of Syrian opposition groups, with support from the United States, announced the establishment of the National Coalition for Syrian Revolutionary and Opposition Forces, and the United States, Turkey and other countries as well as the Arab League, the Gulf Cooperation Council (GCC) and some other regional organizations immediately announced their recognition of the National Coalition. On January 28, 2013, France hosted an international conference in Paris that was attended by senior officials from more than 50 countries, regions and international organizations, all in support of the National Coalition. Thus far, the Syrian opposition has often appeared united but remained divided in actuality; the armed forces have yet to be consolidated, while the situation on the battlefield has not changed substantially.

An inclusive political dialogue has remained elusive. The international community has continued to promote a political settlement of the Syrian issue and attempted to avoid the greater humanitarian

disaster that would result from a foreign interventionist war. Following their veto of the UN Security Council resolution in October 2011, a resolution that could have led to foreign military intervention, Russia and China again used their veto at the Security Council in February and July 2012, thus offering the last chance for a political settlement of the Syrian issue. China put forward a six-point proposal for a political solution of the Syrian issue, sent a number of special envoys to the Middle East, and also contributed to the offices of Kofi Annan, the joint U.N.-Arab League special envoy to Syria, whose six-point plan largely borrowed from China's proposal. In June, the Action Group for Syria, established on Annan's initiative, convened a meeting in Geneva that was attended by the foreign ministers of the five permanent members of the UN Security Council, as well as by Turkey, Iraq, Qatar, the UN Secretary General, the Secretary-General of the League of Arab States, and the High Representative of the European Union for Foreign Affairs and Security Policy. At the meeting, Chinese Foreign Minister Yang Jiechi put forward a new proposal. The Group issued a statement after the meeting to support Annan's "six-point peace plan" and also agreed on a set of principles and guidelines for a Syrian-led transition, a plan that featured the establishment of a transitional governing body. However, the principles of the statement, though written on paper, have proven elusive due to different interpretations of the core issue of whether the transitional governing body should include Bashar al-Assad's government.

2. Further Islamic Revival

The Islamic Revival Movement benefited the most from the political unrest in west Asia and north Africa. The revival movement made its first breakthrough in Tunisia. Following the departure of

Tunisian President Zine al-Abidine Ben Ali in March 2011, the Ennahda Movement (the Islamic Revival Movement Party of Tunisia) officially became registered as a legal political party. In October of the same year, the Ennahda Movement obtained 41 percent of the popular vote in the Constituent Assembly elections, becoming the largest party in the parliament. In December, the party succeeded in forming a cabinet and began to dominate national affairs. Almost at the same time, the Justice and Development Party in Morocco, a moderate Islamic party, won its first parliamentary elections. In January 2012, the party's general secretary, Abdelilah Benkirane, formed a new government and began to lead the country. In July 2012, Libya held its first parliamentary elections in 40 years. While the Justice and Construction Party, the political branch of the Libyan Muslim Brotherhood, failed to become the largest party in parliament, it had a tremendous impact on the direction of the elections. Prior to the elections, officials from the Libyan National Transitional Council repeatedly said that Sharia, a form of religious law, should be the main basis of Libyan legislation and should not become the subject of a referendum, and that "all the laws that run contrary to Sharia shall be null and void." Vigorous promotion of Sharia was a decisive factor for Libya's coalition of secular political parties to win elections. In January 2012, Egypt's Muslim Brotherhood was victorious in the parliamentary elections, and in June, the Freedom and Justice Party, a political wing of the Muslim Brotherhood, won the presidential election when its party chief Mohamed Morsi was elected president of Egypt. Throughout 2012, domestic political conflicts continued unceasingly, bringing about heavy casualties during street demonstrations in Egypt. The major reason for the turmoil was the jostling for power between the Muslim Brotherhood and secular forces.

Against the backdrop of an Islamic revival, there was increasingly intense public anger at the desecration of Islamic culture. In February

2012, US troops in Afghanistan burned a copy of the Quran in the trash, triggering a wave of protests in Afghanistan and beyond. The US embassy and key Afghan government agencies came under siege. The US embassy was forced to shut down, while NATO had to recall its entire staff in Afghanistan. Five days of protests caused more than 200 casualties, with four US soldiers falling victim to the violence. US President Barack Obama, Defense Secretary Leon Panetta, Secretary of State Hillary Clinton, and Commander of US and NATO troops in Afghanistan John R. Allen all offered a formal apology to Afghanistan, an act that only cooled the situation temporarily. In September, a movie insulting the Muslim prophet Mohammed was released in the United States, triggering waves of protests in more than twenty countries around the world, leaving hundreds of people killed or injured. The protests became even more forceful and violent in Libya, Egypt, Tunisia and Yemen, countries that are referred to as being in transition. On the anniversary of September 11, a day of great symbolic importance, the US Consulate General in Benghazi was attacked, and J. Christopher Stevenson, the American Ambassador to Libya, and three other embassy staff were killed on the spot. This was a rare incident in the history of US foreign relations. Secretary of State Hillary Clinton openly questioned: "How could this happen in a country we helped liberate, in a city we helped save from destruction?"

3. Israel's Deteriorating Security Environment

Israel's security is an important factor in the formation of Middle Eastern policy in the United States and Europe. The United States and Europe have been the driving forces behind the "Arab Spring." As a result, Israel should have cheered for the transformation of west Asia and north Africa. Instead, however, Israel has maintained a "strategic

silence” throughout the “Arab Spring,” clearly very concerned that the changes in the Arab world will lead to unrest in many areas surrounding Israel. In 2012, tensions were kindled in areas vital to Israel’s security, such as the Sinai Peninsula, the Gaza Strip, the Golan Heights and Lebanon.

The Sinai Peninsula’s role as a security buffer zone has been weakened, largely because unrest in Egypt has reduced the government’s control over the Sinai Peninsula. In August 2011, militants infiltrated the Israeli coastal city of Eilat through the Sinai Peninsula, killing eight Israelis. In August 2012, another group of militants attacked Egyptian border control facilities on the Sinai Peninsula. After killing 16 Egyptian border guards, they attempted to cross the border for attacks on Israel but were repelled by Israeli defense forces. Israel had to agree to the Egyptian government’s decision to increase troops on the Sinai Peninsula to strengthen the border defense of Egypt, but the deployment of tanks on the Sinai Peninsula by the Egyptian side has changed the nature of the Sinai Peninsula as a demilitarized zone.

Armed conflicts broke out again in Gaza. With the weakening of the Egyptian government’s control of the Sinai Peninsula, the Palestinian Islamic Resistance Movement (otherwise known as Hamas) in the Gaza Strip found more supplies of weapons, and the number of rockets fired into Israel from Gaza doubled. In November, Israel launched a military offensive against Gaza, dubbed “Operation Pillar of Defense.” Within eight days, Israeli forces carried out air strikes on 1,500 targets in Gaza, killing more than 130 Palestinians and injuring more than 1,100. Meanwhile, Hamas fired more than 1,500 rockets into Israel, but 420 of them were intercepted by Israel’s “Iron Dome” missile defense system. Still, five Israelis were killed and many others injured.

The Golan Heights came under attack for the first time in nearly 40 years, largely due to the instability that the Syrian civil war has unleashed in the region. In November 2012, artillery fire from Syria twice hit an Israeli army outpost in the Golan Heights, and Israeli forces fired warning shots against the Syrian artillery positions. The conflict, though small in scale and leading to no casualties, marked the first time that Syrian and Israeli armies exchanged fire in the Golan Heights in more than 40 years. The Syrian opposition forces intend to overthrow the Bashar government, but at the same time they decided to warn Israel “not to intervene in the Syrian civil war.”

In 2012, it also became more likely for Lebanon's Hezbollah to acquire sophisticated weapon technologies. In February 2012, Israeli diplomatic missions and personnel in India, Georgia, and Thailand were the victims of bombing attacks. In July, dozens of Israeli tourists were killed or injured in a bus explosion in Bulgaria, and the Israeli government has accused Hezbollah of involvement in the attack. Following the August attacks on Mount Sinai, Hezbollah's leaders said that Israel is a threat to regional security and stability. In October, Hezbollah's Iranian-made unmanned aircraft penetrated Israeli airspace and was shot down by the Israeli army. Hezbollah's leaders said that “if Israel attacks Lebanon, there will be thousands of rockets fired upon Tel Aviv and other Israeli cities.” There has thus been a sudden exacerbation of the already tense relationship between Israel and Hezbollah. In January 2013, the Israeli intelligence agency found that Hezbollah personnel were being trained in a chemical weapons research center in Syria, and also that a convoy of trucks was delivering Russian-made missiles to Lebanon. The nightmare that Syria's state-of-the-art weapons might flow to Hezbollah was thus becoming a reality. In response to this fear, on January 30, Israeli military aircraft flew into Syrian territory and destroyed the research

center and convoy. Israeli Deputy Prime Minister and Defense Minister Ehud Barak stated publicly at the Davos World Economic Forum that Israel would not tolerate the proliferation of weapons of mass destruction in Lebanon.

4. No Substantial Progress with Iranian Nuclear Talks

The talks between Iran and the Permanent 5+1^① on Iran's nuclear program have been stalled since January 2011, and the United States and Europe have continued to tighten sanctions against Iran in the period. The United States National Defense Authorization Act of 2012 stipulates that foreign financial institutions that engage in transactions with the Central Bank of Iran for oil trading will be expelled from the US market. The EU announced a complete cessation of oil imports from Iran starting on July 1, 2012. European and American sanctions have had a serious impact on the Iranian economy, with Iran's oil exports plunging 40% in the first half of 2012.

The Iran and P5+1 talks have been unstable and irregular. In April 2012, the talks resumed in Istanbul, and the United States said that this would be "the last chance for a peaceful solution to the Iranian nuclear issue." In May and June, two rounds of talks were held in Baghdad and Moscow. The Istanbul talks brought about a reset of the diplomatic efforts over the Iranian nuclear issue while the Baghdad talks saw both sides put forward specific proposals. In Moscow, the group decided to set up an expert group to review the proposals of all parties. The atmosphere of the talks has been good, and public opinion has become quite optimistic. However, after three rounds of talks, the parties have found that their differences still remain. The United States and Europe

① The five United Nations Security Council permanent members plus Germany.

continue to demand that Iran completely stop its twenty-percent uranium enrichment activities, close down its Fordo underground nuclear facilities, and ship its nearly 200 kilograms of twenty-percent enriched uranium out of the country. Iran reiterated that it did not have any intention to engage in nuclear weapons development, instead insisting on its right to the peaceful use of nuclear energy. It requested that the international community ensure that the needs of Iran for twenty-percent enriched uranium be met in order for the country to stop production of the same kind of uranium and so that the West can lift its sanctions against Iran. Upon the completion of yet another round of talks, it was discovered that negotiations essentially had returned to square one. After June, the concerned parties could not even agree on where the next round of talks would be held. The Iranian nuclear talks stalled again in the second half of 2012.

II. An Illusive World Economic Recovery

1. Overall World Economic Downturn

On December 18, 2012, The United Nations Department of Economic and Social Affairs released its report entitled *World Economic Situation and Prospects 2013*. The report projected that the growth of world gross product (WGP) was expected to reach only 2.2 percent in 2012, less than the 2.7 percent growth rate that it reached in 2011 and well below the 4.0 percent rate that it attained in 2010. On January 15, 2013, the World Bank released its *Global Economic Prospects* (GEP) report and it featured a summary of world economic growth, trade and investment in 2012. The report declared that the global economy remains fragile, as high-income countries continue to suffer from volatility and slow growth, sovereign debt-ridden

countries slip into deeper recession, and developing countries and transitioning economies grow at a markedly slower pace. World trade growth continued to decline in 2012, down from 12.6 percent in 2010 to 6.4 percent in 2011, reaching 3.2 percent in 2012. Private capital flows to developing countries and transitioning economies declined from \$525 billion in 2010 to \$425 billion in 2011, and further down to \$206 billion in 2012, altogether marking a year-on-year decrease of more than 50 percent. Data from authoritative international institutions shows that although the world economy is still recovering from the financial crisis, the distinctive features of the world economy in 2012 include a lack of resilience, weak growth momentum, and local recessions.

2. Developed Countries in Recession

In October 2012, the IMF released a report lowering its global economic growth prospects in 2012 from 3.5 percent to 3.3 percent, its lowest level since 2009. According to a January 2013 World Bank report, the average growth rate of developed economies in 2012 was only 1.1 percent. The US economy grew by 2 percent in the first quarter of 2012, a quarter-on-quarter decline of 1 percent; it grew by 1.3 percent in the second quarter, down 0.7 percent compared with the same quarter in 2011. In response to the third round of quantitative easing, economic growth rebounded to 2.7 percent in the third quarter, a quarter-on-quarter increase of 1.4 percent. Throughout the year, the US economy fluctuated at a low level of growth with insufficient resilience. The year-on-year growth rate was about 2.1 percent in 2012, while the outlook for 2013 was 1.7 percent. The Eurozone's growth remained basically stable in the first quarter but turned downward for three consecutive quarters during the second, third and fourth

quarters, suggesting the second recession in four years, with a year-on-year growth of -0.5 percent. New EU member states only achieved a growth rate of 1.2 percent. Meanwhile, the Japanese economy grew by 1.3 percent in the first quarter, and then contracted by 0.1 percent in the second quarter and 0.9% in the third quarter. It improved slightly in the fourth quarter ending the year with a total annual growth rate of 1.5%, but the outlook for 2013 has fallen to 0.6%.

3. Worsened Structural Problems in Three Major Western Economies

After hitting Greece and other countries, the European debt crisis has continued to make inroads into the core areas of Europe: the sovereign debts of France, Italy and Spain have all suffered credit downgrades. To cope with their challenges, developed countries chose to “drink poison to quench thirst” by introducing a variety of “quantitative easing” measures. According to a Morgan Stanley study, 70 percent of the developed economies took quantitative easing measures in 2012, breaking the bottom line of quantitative easing in advanced economies. According to estimates made by the OECD, the average ratio of sovereign debt to GDP of its member states amounted to 107.6% by the end of 2012, and it will continue to rise for many years to come. Following the injection of 1 trillion euros in late 2011 and early 2012, the European Central Bank launched the “Outright Monetary Transactions Scheme” on September 6, with the ECB committed to “unlimited, sterilized bond-buying” from its member states.

The American and Japanese economies rebounded slightly in the fourth quarter due in part to the short-term effects of their quantitative easing measures. After introducing an open-ended round of Quantitative Easing (QE3) with no ceiling on September 13, the

US launched its fourth round of quantitative easing on December 12, expanding the existing scale of asset purchases. The American sovereign debt ratio now exceeds 110 %. In Japan, just one month after the scale of asset purchases expanded to 10 trillion yen, it was further expanded by 11 trillion yen on October 30. According to information disclosed by the international ratings agency the Fitch Group, Japan's debt ratio ran up to 240% of its GDP. Developed countries competed to announce quantitative easing measures in 2012, not only worsening their own structural economic problems but also posing a huge potential risk to the world economy.

4. Simultaneous Slowdowns in Emerging Economies

The quantitative easing measures taken by the US, Europe and Japan have caused rising commodity prices and declining foreign trade, and as a result emerging economies suffered disproportionately because of their generally high dependence on foreign trade. Compared with developed countries, emerging economies continued to enjoy high growth, but the actual growth rate year-on-year declined. According to data released by the United Nations in early 2013, China's economic growth rate dropped from 9.2 percent in 2011 to 7.7 percent in 2012; Russia's economic growth fell to 3.7 percent from 4.3 percent in 2011; the Brazilian economy grew by 1.3 percent compared with 2.7 percent the previous year; the growth rate of the Indian economy was down to 5.5 percent from 6.9 percent; and the South Africa saw its economy grow by only 2.7 percent, down from 4.5 percent. As for the economic performance of the BRICS countries in 2012, China experienced its fourth consecutive year of economic slowdown, while Brazil, India and South Africa have all been through three years of decline. Russia's economy grew at the same rate in both 2011 and 2010, but it declined