



“一带一路”

战略构想与国际社会

“THE BELT AND ROAD”
INITIATIVE AND
INTERNATIONAL SOCIETY

戴长征 / 主编 王宏禹 / 副主编

Dai Changzheng Wang Hongyu



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Preface

Dai Changzheng

China is said to be the winner of globalization; to some extent, it's true. China's economy has been rapidly striding forward in the past three decades after the launching of reform and opening up policy. As a result, China's comprehensive national strength has been greatly enhanced. Generally speaking, China's rise is welcomed in the international society, however, some cautious comments and debates in the meantime, have also been put forward. This is of course somewhat logic. As a nation physically so big of 1.3 billion population, with so many uncertainties and flexibilities, its great changes naturally would attract curiosities and interests, and even worries from the international society.

Discussions about China and its relations with the rest world mainly focus on whether China's revival would follow a peaceful way and in what way China would use its power. Considering another scenario appearing so differently from that of China with economic recession as the main symptom in the West after 2008 economic crisis, the worry and anxiety of some people in Japan, the USA and Europe are understandable. Because in the long history, China has acted as the pupil of learning modernization and been used to looking up to the existant powers, it's hard for those countries which are regarded as models of modern time world to make objective assessment of China's achievement, and it's even harder for them to adapt to the changing situation resulted from China's rising.

On the one hand, China has also been at the crossroad of transition. Even if we only take into consideration the economy in China, problems, difficulties and even predicments are easily found. Increasement slow-down, strcutural imbalance, defective efficiency, high enviromental cost, resource and energy defficiency are a few factors among which trap its further development. On the other hand, China is holding an overcapacity of production hard to be digested in the traditional way, very contrary to the status quo of its most neighbouring countries which are suffering from lack of basic impetus of development due to the scarce infrastructure and productivity. In this regard, both sides of China and the neighbouring countries are in need of each other. Even countries beyond the region, because of their developmental stages, and because of the

diverties of production, consumption and markets, common interests and chances of cooperation are still abundant, and need to be found and activated.

Drawing from the past experiences, practically China is clear of it's own effective strategy of reform and openning up, and the need of utilizing both the domestic and foreign markets. On the other hand, China has deep understanding of the globalization strength and the significance of international cooperation. Further, with the enlightenment of its traditional wisdom, China never judges its achievement on the erroneous basis of Chauvinism and big power's superiority. But rather, China has increasingly realized that a peaceful and properous world, and a mutually dependent relationships with other nations are foremost significant to its own interests. In President Xi's words, building community of common fates surely comforms to the interests of both China and the rest of the world.

Against this background, OBOR initiative was proposed. Great interest and heated debates were attracted after the initiative was announced, not just because it was a so grand plan and so many countries would be involved in, but also because it was publicized right at the time that the West world was increasingly sensitive of China's economic success and political influence. It is even true regarding that Japan, the USA and West Europe were still wrestling with economic stagnation and recession, and the geopolitical situation was more prone to the Chinese side.

It's reasonable for those countries, especially the existant big powers to show their precautions on the issue, however, on the Chinese side, it's so clear that OBOR initiative is neither a Marshel Plan ready for the Cold War, nor an instrument for geopolitical competition. It is a programme and platform for international cooperation and economic revitalization. The Belt and Road countries could link more closely with China's development and share the opportunities of globalization, and China could also take advantages of the openning business, trade and markets of those countries. In other words, OBOR initiative is not a zero-sum game, but a win-win scheme.

In light of this, and to more degree for their national interests, some of the countries in the West already have expressed their high appraisal and enthusiasm, and even have taken practical actions to join in. For example, the UK, Germany, France and Italy have alreay become the members of AIIB, and Canada expressed its willingness of the membership of AIIB at the eve of G20 Summit held at the city of Hangzhou recently. It is reasonable to estimate that more conntries would become interested in and participate in the initiative based on thieir rational calculation and national necessity, regarding that more mutual interaction, understanding and trust will be

strengthened between China and the rest World.

Included in the proceeding to be published are papers whose authors are from more than 10 countries of both China and foreign ones dedicated to the international conference with the title of “The fourth International Summer Forum at UIBE—‘The Belt and Road’ Initiative and International Society” held at the University of International Business and Economics, Beijing, China on July 19th, 2015. More than 30 scholars both domestic and abroad tried to extend their learning and understanding of China’s OBOR initiative, and hoped to further touch upon the profound meanings, ways of implementation, means of cooperation, and effects likely to be created of OBOR. Varities of relevant issues and nearly all demensions concerned were put into hot discussions and debates. Reasonably, exclusive agreement could not be achieved because of the authors’ diversified stances, viewpoints of values, perspectives of observation, and methods of research, however, all the papers collected here have demonstrated a kind of professional spirit, academic pursuit, and scientific graveness. In this sense, though the collection may hold some preliminary and premature reflections on the initiative, it is still of great value and worth being publicized, so that it could not only be an affirmation of the efforts of the conference and the hard work of the authors, but also be great help to the readers who are keeping great interest and curiosity in the fantastic OBOR initiative.

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Sept. 10th, 2016, on the 32nd Teachers’ Day of China

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Crisis and Opportunity: the
Intergovernmental Cooperation of
Asia in the 21st Century

“The Belt and Road”: Opportunities and Challenges





Crisis and Opportunity: the Intergovernmental Cooperation of Asia in the 21st Century

Dai Changzheng^①

Abstract: In a region glutted with different kinds of potential conflicts, tackling these conflicts is a mission of Asian state leaders to live up to the expectation of the Asian people. Therefore intergovernmental cooperation in different forms has been underway. In this article, we will take a look at the extensive cooperation that has been done between Asian countries, showing its limitation and collecting experience which can be helpful for future expansion of the intergovernmental cooperation in Asia.

Keywords: Intergovernmental Cooperation; Political Mutual Trust; Economy Integration; Public Diplomacy; Common Challenge

The two World Wars and the Cold War are already history. The only thing that can remind us of the past is those veterans living in our communities. Most of the Western countries have abandoned the use of force as a means to meet their strategic goals except the United States. Western leaders are very cautious in dealing with potential conflicts. Even when the use of force becomes inevitable, casualties must be avoided or minimized. They put people first and believe that nothing in the world is more important than human lives. So wars can be reduced, the history wars. Everyone will become equal and so will the members of the international community. There would be no reason to pick up weapons. However, this kind of optimism is not popular in Asia after the Cold War. In other words, it seems that Asia is still in the 20th century. The

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struggle for power is still going on, obvious and brutal. Here you can find almost all the potential conflicts in the world. From the Sea of Japan to the Indian Ocean, confrontation exists. Arms race is underway. If there would ever be a Third World War, many would bet that it would happen in Asia. If that happened, it could be the end of human civilization due to the advancement and destructive power of the military technologies.

Long-term animosity has made it hard for countries to trust each other. The shifting power structure in Asia poses new challenges on peace and stability. Some are wary that declining powers would go back to militarist expansion and fire the first shot to gain an advantage over their competitors. Rising powers would want more and may change the status quo to match their growing strength. Small states fear that they might become vassal states of the powerful neighbor and they are concerned about the possibility that the regional power would resort to force to solve the pending conflicts between them. The prolonged hostility and complex alliances add to the possibility that regional skirmishes would escalate into major armed conflicts.

However, there is still hope. People in Asia could learn lessons from the past and avoid the wars and conflicts. The Asians do have drawn on the experience of the West and made significant progress in improving their relations. Intergovernmental cooperation is the best way to upgrade the international relations. People-to-people exchange can be of great help but nothing can be done without the recognition and support of the governments. Moreover, intergovernmental cooperation can be in different forms, including the cooperation between small states (such as the “ASEAN Way” which has been upheld by the Southeast Asian countries), big powers (such as the cooperation between China and Japan, China and India), one big power and small states (like the cooperation between China and its neighboring countries). This article mainly focuses on the last form of cooperation. Asian countries have been exploring new ways of intergovernmental cooperation. The cooperation between China and ASEAN countries serves as a fantastic example to demonstrate this special type of relationship between a big power and small states.

Gradually Building up Mutual Political Trust

Most people in ASEAN countries learn about China through overseas Chinese living in their countries. Given the social and economic significance of the overseas Chinese in their communities, people in ASEAN countries are worried that China may

manipulate their internal affairs through overseas Chinese. Thus in the early days after the founding of the People's Republic of China, premier Zhou Enlai promised that China would never interfere with other countries' internal affairs through Chinese living abroad. He also encouraged overseas Chinese to be involved in the development of local communities. His commitment was then well received by the ASEAN countries and constituted the first step for China to build up mutual trust with its Southeast Asian neighbors. China kept its promise and the overseas Chinese in ASEAN countries did not become an obstacle between China and its neighbors. It was equally important for China to reiterate this commitment in the end of the 20th century when China rose and became an influential power in Asia. For example, the anti-Chinese riots broke out in Indonesia in 1998, which stirred up anger among all the Chinese home and abroad. However, the Chinese government exercised restraint and did not overreact. Despite the huge pressure and criticism that the government had encountered, the response of the Chinese government was very helpful in dispelling misgivings and reassuring its neighbors.

But properly dealing with the issue of overseas Chinese was not the only reason. The Cold War also acted as a strong drive for China and its neighbors to build trust. Just like China, most Asian countries won independence in the early time of the Cold War. The fight against hegemony provided a common ground to bring China and its neighbors closer. They wanted to stay away from the confrontation between the Soviet Union and the U.S. and act as an independent force to play their roles in the international arena. Due to this common stance, the mutual trust between China and the Southeast Asian countries was boosted, which was best exemplified by the Bandung Conference held in 1955.

In the 1960s, the Vietnam War made the situation in Southeast Asia more complex. The political trust that had been established during the 1950s was undermined by the war because of the different positions held by different Asian countries toward the American invasion. At this critical point, ASEAN was founded as an approach for Southeast Asian countries to solve the problems they had with each other and deal with other regional powers with one voice. Despite the unfriendliness of ASEAN back then, China has been very supportive and wished to see ASEAN countries solve their conflicts in a peaceful manner and speak with one voice in the international community since the founding of the organization. Actually, “Divide and Rule” used to be frequently adopted as a strategy for big powers in dealing with its neighbors when the minnows formed alliances against it. But China did not do that. It did not provoke

conflicts or place a wedge between its neighbors. Therefore the political trust was generally maintained.

The Vietnam War to some extent directed everyone's attention from other disagreements to itself. But when the war ended in the 1970s, all these potential conflicts became obvious when the U.S. Army left and the tension in the region was eased. More skirmishes occurred between China, Vietnam and the Philippines over the territory issue. China and ASEAN countries were not well prepared for the change of the regional situation after the Cold War ended. In order to properly deal with the territory issue, China came up with the principle of “Shelving Difference and Seeking Joint Development” and eased the tension caused by the territorial disputes.

At the end of the 20th century, China's rise as a big power in the region caught the attention of the whole world. The political trust, which had been boosted by economic ties and cultural exchanges, again faced serious challenge because some other Asian countries were concerned that a rising China would attempt to secure its hegemony in the region and resume the old tributary system. However, China did not do that. It exercised restraints instead of being aggressive. This gesture was not only a response to the concern of “the threat posed by China”, but also an important move showing that China had abandoned the obsolete power politics and was willing to treat its neighbors as equal. Consultations at different levels between the Chinese government and its neighbors were held, including summits (like the ASEAN + 3), ministerial conferences and other negotiations over specific issues.

Negotiation and consultation over territorial disputes (such as the disputes over the South China Sea) has been institutionalized. Both sides agree that negotiation is the single most effective way to solve the conflicts. In 2002, state leaders of China and ASEAN countries signed the *Declaration on the Conduct of Parties in South China Sea*, emphasizing on the principle to solve the dispute over the South China Sea through peaceful means, namely friendly consultation and negotiation. All parties committed that they would exercise control and restraints to avoid future expansion and complication of the disputes. The *Declaration* reduced the possibility of future conflicts between China and ASEAN countries over the territorial disputes. It will continue to act as a guarantee to maintain the overall friendly relationship between China and its ASEAN neighbors despite the domestic disagreements over the principle of “Shelving Differences and Seeking Common Ground” in China. Though “shelving differences” seemed to be an expedient that China used to maintain peace when it was weak, it is now more like a commitment for China to restrain itself in current conflicts. Actually it

was not an expedient. It was wrong that some thought Deng Xiaoping proposed this idea to make time for China to develop and it will take its territory back when it gets stronger. As a pragmatist, Deng Xiaoping was clearly aware that some problems could not be solved but transformed. Haste can only make things worse. Those who expect the territorial disputes to be solved soon are just as crazy as those who want the Judgment Day to come early.

Only extreme optimists would expect all the problems to be transformed into other issues as time goes by. Some of the territorial disputes still require timely and proper solutions, such as the disputes over the territory which conceals huge amount of natural resources between China, Japan, Vietnam and the Philippines. China rarely resorts to force in dealing with its international relations. Although there is a strong voice within China saying that China should punish those bad neighbors as a warning to others, the government does not buy it. China is still in favor of peaceful means to solve the disputes. The use of force is becoming less and less popular among Asian countries. ASEAN countries are all small states and they can get nothing they want from wars if they could not get it from negotiation. As for China, restraint and self-control can also be wise choices which would be helpful to ease the anxiety among its neighbors when dealing with a stronger China.

Besides, China does not want to see more American troops in this region. If ASEAN countries feel more and more pressure imposed by China's rise, they would be more likely to bring the American force into this region to balance China's influence. For developing countries like China and those in ASEAN, the focus of governments should be put on economic development and the improvement of people's livelihood rather than on territorial expansion. It is in everyone's interest to maintain peace in the region. Fortunately, most countries in the region including China are all aware of this. Most of them put economy first as one of the most important functions of governments and boosted economic cooperation within the region.

Driving at Economic Integration

China and major ASEAN countries only focused on political ties when dealing with each other before the 1970s, which were affected by both the international situation and domestic events of each country. The economic contact was quite limited. However, China took the lead in domestic reform in the late 1970s and the focus of the government work was repositioned on economic development. ASEAN countries

followed similar approaches around that time. Since then the intergovernmental cooperation between China and ASEAN countries was shifted from political interaction to economic exchanges. Increasing exchanges in business and trade makes it possible for ordinary people to be involved in the international cooperation. And it has been proven that relationship built upon business ties can be much stronger than pure political partnership.

China made effort to explore ways of economic cooperation with Myanmar and Vietnam in the early 1990s. Indo-China peninsular is endowed with abundant natural recourses and a great economic potential. Each country has its own competitive advantages. Common economic development is possible due to the complementarities between regional economies. In 1992, thanks to the push given by the Asian Development Bank, countries including China, Vietnam and Thailand decided to establish a regional economic organization which was officially named as “Great Mekong Sub-region Cooperation” (GMS). Since then, China’s investment and trade in and with Myanmar, Laos and Cambodia increased year by year. GMS, the most effective mechanism in this region, significantly boosted the economy along the Mekong River.

Actually, the cooperation between China and ASEAN countries is not limited among the countries that share borders with China. Sino-ASEAN Expo is a good example showing that China is trying its best to expand economic ties with other ASEAN countries. This expo, held in Nanning every year since 2004, has become one of the most influential business forums in this region. It has promoted the exchange of goods and information, boosted trade and helped ASEAN countries to expand business in Chinese market. In addition, Sino-ASEAN Expo is not only about business. It is also a political and cultural event. Every year the Expo is paralleled by meetings between governments and cultural activities. Therefore it is a big event in boosting the comprehensive ties between China and ASEAN.

The latest achievement that China and ASEAN have made in economic cooperation is the establishment of the Free Trade Zone. It is not something new. Free Trade Zones, such as the European Union and North America Free Trade Area (NAFTA) have played a crucial role not only in improving the labor division and sales of products within the region, but also in protecting their own economies by raising tariffs as barriers for the outsiders. ASEAN used to be in a disadvantageous position in the international trade compared with other regions where such trade zones had already been established. So it was reasonable and urgent for ASEAN to set up its own free

trade zone with other countries. After 10 years of planning and negotiation, the establishment of China-ASEAN Free Trade Area was announced and hugely boosted the trade between China and ASEAN. Since 2011, China has overtaken Japan and the EU as the largest trading partner for ASEAN.

Economic goals cannot be achieved without proper public service and administration, some of which cannot be provided by any government on its own. So cross-border cooperation in this area has become an important part in the intergovernmental cooperation. That is what China and ASEAN have been working on. Mekong River Commission, which is in charge of managing the Mekong River, a very important international waterway, was set up in 1995. China joined this committee soon after its establishment. Countries work together to ensure the security of the waterway and guarantee fishing and the electricity generation along the river. Several Chinese sailors were killed on the Mekong River in October, 2011. As a wake-up call, this made China determined to deepen its cooperation with other countries like Thailand to secure the safety and security of this waterway by deploying joint patrols along the river. The Malacca Strait is of increasing importance to China as its economy grows and 80% of China's oil import is shipped through it. So China has worked with Indonesia and Malaysia to crack down pirates there in recent years.

Apart from economic partnership, China and ASEAN also launched cooperation mechanisms on other specific issues such as the fight against drug trafficking. Drug use becomes rampant as China's economy grows. Southeastern Asia, especially the Golden Triangle, is the main source of drugs in China. According to *China's Report on Drug Control 2011*, 50% of the drug consumed in China came from this region. It is in the common interest of China, Myanmar, Thailand and the Laos to crack down drug smuggling. The cooperation in this area has been an important part of the intergovernmental cooperation between China and the Indo-China Peninsular countries. The cooperation covers many things, including the fight against drug trafficking and drug smuggling, and the cooperation with countries like Myanmar in supporting the restructuring of the local agriculture to reduce the cultivation of opium. Only by doing that can we cut off the root of drug production. But there is a long way to go before we completely eradicate drug problems which are intertwined with economic issues and issues of religions and ethnic groups. Any greater achievements on the fight against drugs cannot be made without sincere and comprehensive cooperation among regional players.

Economic ties and the cooperation in other areas have brought China and ASEAN