

A6 OPINION

China: EU's strategic partner, not likely threat

Wu Jiayin

CHINA's rapid development at an unprecedented rate is attracting the attention of the world.

Not only the United States, but also European countries are extremely concerned about China's rise, or to be more exact, China's revival.

Dai Bingran, Vice-chairman and secretary general of the Chinese Society for EU Studies said: "Because of China's economic growth, any of its moves causes concern and is under scrutiny. In international affairs, it is often expected to play a role beyond its scope or for which it is not prepared.

"And due to leftover Cold War thinking, many of its political intentions are still considered suspicious by many and it is looked upon by some as an actual or potential foe."

At the Second World Forum on China Studies held in Shanghai last week, several European scholars expressed to Shanghai Daily their confidence in China's development, although not without some reservations.

"I am broadly positive about China's development and its relations with the EU at the moment," said David Kerr, lecturer on China's international relations and research associate in the Center for Contemporary Chinese Studies at the University of Durham, UK.

However, he also pointed out: "I

think it's a bit vague (the concept of China's peaceful rise). I think many Chinese scholars themselves are not sure how to use this term. When they discuss it, they say it can mean lots of things. It doesn't mean solely development, or economic rise, or what they've got to do with international politics in East Asia.

"So at the moment, it's an idea nearly everybody can agree with. But there needs to be a lot more discussions about what it should mean in practice."

According to Kerr, there is a big difference in European scholars' approach to China's rapid development.

"Most of those who are involved in doing Europe-China relations are positive. But there are some European scholars who are concerned about specific aspects of China's policy," he said. "For example, the policy towards Taiwan (Province). This is an area of concern for many European scholars."

But he said the relationship between Europe and China is quite positive because it is straight forward.

Thomas Meyer, professor of Political Science at the University of Dortmund, Germany, is supportive of China's peaceful rise.

He quoted Helmut Schmidt, the former German chancellor, in a recently published book on China ties, titled "China, Our Neighbor."

"The main thesis is that China is altogether on the right track in its de-



China and EU: Good neighbors

Illustration by Zhou Tao/Shanghai Daily

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velopment. It simply doesn't make any sense to comment the development from outside," he said.

"The only prudent response by people who really understand what's going on is to explain the development in China against the backdrop of Chinese history."

Holistic view needed

In Meyer's view, China is a country in the middle of an open transition process — the finality of this transition is still unclear. And in this respect, China shares this feature with the EU, whose future development is also unknown, he said.

Yang Yuanhua, a research fellow, at the Xinhua Center for World Affairs Studies, said that with China developing quickly in recent years, the confrontations and frictions over certain issues between China and the

EU have inevitably increased.

"Some Europeans feel that China is developing so quickly that it might become a threat to the EU's position in the world. Others feel quite uncertain about the future development of China," said Yang.

In the eyes of many Europeans, China is no longer a developing country, but already a big power.

However, this is far from the truth.

On one hand, China has such international metropolitan cities as Shanghai, which is as modern as many cities in developed countries.

On the other hand, many parts of west and central China are still poverty-stricken.

Foreigners visiting only the large cities may form a distorted picture that China is already developed and rich.

In Dai Bingran's opinion, China should also try to present the world a

balanced picture of herself. "While presenting the world with our successes during our reform and opening up process, we should never cover up our weaknesses."

Dai especially pointed out that in Europe, he could hardly find any books by Chinese scholars introducing an accurate picture of China to foreigners.

"The world is entering an era of transformation in which everything is changing profoundly. Both Europeans and Chinese people should learn to view each other through the lens of development," said Yang Yuanhua. "Besides, both parties should promote the relationship between China and the EU on the basis of mutual trust and understanding."

It would be beneficial to both parties if EU regards China as a strategic partner, not a potential threat.

China uses dispute settlement system with prudence

Andrew L. Stoler

NEARLY five years have passed since China joined the World Trade Organization and the Doha talks were launched.

The Doha Round negotiations are in serious trouble and may ultimately fail after numerous setbacks since mid-2003.

Total failure of the talks could undermine the WTO that China worked so hard to join.

China's export-led development is "insured" by its membership in the WTO and as such, China's own future is intertwined with that of the multilateral system.

Under these circumstances, this seems to be an appropriate point at which to review China's participation in the system since joining.

Has China been aggressive in Geneva as many people worried she would be?

Have other WTO members gained from Chinese WTO membership?

I will examine these key questions to assess China's role in the WTO and



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the Doha Round.

In its 2003 report on the first two years of Chinese membership of the WTO, the US noted that China had become the third largest trading partner of the US and the sixth largest market for American exports.

In those first two years, US exports to China had grown by 66 percent at a time when US exports to the rest of the world had fallen by 10 percent.

American business representatives

“China is behaving well in dispute settlement and is generally playing the role of a good WTO citizen.”

testifying at hearings held in connection with the report's preparation generally said that business with China was good and getting better all the time.

On the positive side, China had taken steps to correct systemic problems in tariff rate quota administration applied to bulk agricultural products, reduced capitalization requirements in a number of financial services sectors and liberalized financing of automobile purchases.

On the negative side, China was criticized for falling short of the expected implementation of some of its commitments.

The biggest problems were those relating to trade in agricultural products, services, enforcement of intellectual property rights and transparency of trade regulation.

China has undergone the first of what will be its periodic Trade Policy Review (TPR) under the WTO Trade Policy Review Mechanism (TPRM).

In the course of the February 2006 TPR, China was generally commended for economic reforms that had reduced poverty in the country, stimulated growth and foreign investment and made China a central player in the global economy.

For example, the American delegation noted that US companies and workers had become more competitive by virtue of their increased access to Chinese-produced inputs.

Like the US, the Europeans said China was expected to play a positive role in the Doha Round of negotiations, which are in some trouble.

Four and a half years into China's membership in the WTO, the April 2006 TPR of China seemed to show that China was increasingly accepted and recognized as a constructive member of the WTO.

More than anything else, the WTO dispute settlement system sets the organization apart from other global institutions.

China is behaving well in dispute settlement and is generally playing the role of a good WTO citizen.

Certainly China will stand up for its rights. China is doing this in the WTO but its approach is notably conservative. China appears to be a constructive user of the WTO dispute settlement system.

(The author is former Deputy Director-General of the WTO and now executive director of Institute for International Trade, the University of Adelaide, Australia. The article is adapted from his speech at the Second World Forum on China Studies held by the Shanghai Academy of Social Sciences last week.)