

China and the G20

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****What general observations, insights, proposals, and innovative ideas arise out of that national experience that may be relevant for improved G20 summitry practice in the future? What are the lessons learned?**

G20 Becoming the Global Steering Committee: China needs to be further convinced

Based on an analysis of hundreds of news report and academic articles about China and G20 within the Chinese linguistic context and interviews with China's officials and influential intellectuals, it is quite clear that *China takes a positive but also cautious view about the G20*. Whether the G20 will truly become the global steering committee for the world economy is still a question in the Chinese mindset, and China is not anxious to work out anything but rather waiting to see. Thus, this year's two G20 summits will be crucial in convincing China and perhaps other skeptics that the G20 will achieve the goals it has set for itself. To this end, the member countries are instrumental in constructing this new platform.

There are several key reasons for China's current positive view toward the G20. The emergence of the G20 as the primary forum for international economic cooperation reflects the fundamental change in the world economic situation, namely the rising importance of developing nations such as China on the world stage. Along with China's increasing participation in the global economy, there is also a need for China to partake in its management. Therefore, the replacement of the G7/8 with the G20 as the center of global economic governance has certainly been beneficial for China in that it provides a platform for China to take part in global governance. However, as discussed below, China currently lacks a global vision and is likely to continue to follow the west in the coming decades in dealing with global issues.

As much as China has accepted the G20, it has nevertheless taken a cautious view toward the institution for many reasons. Firstly, the G20 summit was born in the turbulent days of the global financial crisis and was created based on the consensus that the G20 countries would work together to save the world economy. During the last three summits, although the West had certainly made some concessions to the emerging powers, such as the reform of the IMF and the WB, whether or not these promises will be implemented is still uncertain at the moment. Secondly, the legitimacy issue and the implementation issue are two key obstacles of

the G20 in becoming an effective global steering committee. In a speech a few days ago, Mr. Zhu Min, the newly nominated special adviser to the Managing Director of the IMF, argued that 'G20 is an organization without any legitimacy and it is nothing but a platform, without implementation capacity and legal basis, and it faces great challenges'. Thirdly, there are clearly perceived differences between the US and Europe about how to build up a new world economic order. If these two great economic powers cannot cooperate with each other within the new G20 framework, the G20 will be unlikely to work as the supposed global steering committee.

Furthermore, another important point that deserves mention is China's current understanding of the US global leadership. Within the Chinese context, the US is still the global hegemon despite the frequent portrayal of the world order becoming more and more multi-polar, particularly after the global financial crisis. Several key writings by influential intellectuals depicting the US as the dominant power in the world imply that in the Chinese understanding, the US is still the key designer of the new global economic order. An article published by CICIR, China's leading think tank in the field of international relations, argues that in the coming years, China should continue to cooperate with the G1, the US. Meanwhile, the fear of the depreciation of the US dollar and even the collapse of the US currency regime is also growing in China.

Based on what has been said above, there are several suggestions for improving the G20 summitry practice in the future:

1. This year's two summits are extremely crucial. They must provide *hope* to the G20 countries, particularly the emerging powers like China, as well as the rest of the world that the G20 summits will succeed in becoming the global steering committee for the world economy. The essential point is that voices from the emerging powers should be respected and G20 countries can truly treat each other as equal partners to deal with global issues together. Meanwhile, the leadership issue is also important. Hopefully, the US can play this role properly as a true smart power.
2. The promised reform of IMF and World Bank must be put into practice.
3. One of China's cooperative principles, namely 'seek common ground while reserving differences', may be helpful in guiding the first phase of the G20 construction. Specifically, for this year's two summits, agenda setting is crucial. In order to build up trust among the member countries, perhaps issues that are not politically charged should be discussed and put into practice first before the discussion of more sensitive issues.
4. The G20 should gradually establish a global moral standard to serve as a guide for managing world affairs. The self-interest and multi-benefit oriented principle is not enough. Collective or public spirit should be promoted in contemporary world. A shared global concern among nations is essential to deal with global problems.

****What are the weaknesses in individual leadership performance or systemic relations or political constraints that can be addressed and remedied?**

In China, the weaknesses of individual leadership are rarely discussed in the public sphere because of its political system. In fact, in the post-Deng era, political leaders are only members of a larger collective decision-making body. Their performances, particularly their performances on the international front, mainly reflect the attitudes of the party-state rather than the individual. Thus, in order to understand China's foreign policy in general and China's attitude toward the G20 in particular, structural constraints and challenges are more fundamental than individual leaders. Here, I want to highlight three key constraints for China to play a more positive role in the G20 construction.

The first constraint is China's political economy. High speed economic growth and huge foreign exchange reserve are only a part of the so-called 'Chinese miracle', if there is one. In fact, currently, China faces serious domestic social and economic problems, including the widespread heavy corruption, economic inequality and regional disparity, social injustice, and environmental degradation etc. The group of leaders who are responsible for China's foreign policy is exactly the same group who must also deal with these domestic problems. Consequently, the leaders' ambition and capacity to do more on the global front is largely limited. That is why, after the London summit, China's former ambassador to Britain and the current deputy Minister of Foreign Affairs, Ms. Fu Ying argued that 'the main job of China's diplomacy is to create a peaceful and cooperative external environment in order to deal with domestic problems smoothly'. Mr. Wu Jianmin, China's former ambassador to France, added that to 'keep a low profile' on the global level, as a principle set by Deng Xiaoping for China's diplomacy, should be kept for at least *one hundred years*.

The second constraint is China's world view. Perhaps this is largely caused by its domestic difficulties since the starting point of its modernization process. China lacks a consistent 'global vision'. In other words, China's ruling elites understands that they should secure China's national security and sovereignty and promote China's development, but there is no consensus on how this can be accomplished in a global context.

Thirdly, from a historical perspective, China is quite familiar with and good at bilateral diplomacy rather than multilateral diplomacy. Once the G20 becomes the premier forum for international economic development and the global steering committee, it will take time for China to learn how to work within this multilateral

mechanism. Comparing with the US and the European powers, China is still a new comer for multilateral cooperation.

****What are the strong elements in leadership, press relations, communications, articulation and action that can be highlighted and built upon for generating still better results in future summits or by other leaders, their governments or their press corps?**

****Are there any specific innovations that could better link G20 Summit leaders to their parliaments to strengthen follow-up and implementation?**

Different from most of the other G20 countries, China's current social-political system is not western-style liberal democracy. Therefore, China's parliament, the National People's Congress, and the mass media do not play significant roles in China's foreign policy making. But, it is also widely believed that following the development of the market economy, the voices of the civil society will become more and more powerful in China. In fact, in recent years, the Chinese government has begun to take 'public opinion' into consideration when making foreign policy and negotiating with other governments on certain issues.

When government, parliament and media relations are concerned, however, at the moment, the real challenge for China is that becoming an important member of G20 may accelerate China's democratization process. In other words, following China's entry into the WTO, being a member of the G20 may become the other big external impact for China's political development. Once the G20 as the global steering committee comes into being and China begins to play a more important role on this platform, the concepts of representation, democracy, the rule of law, responsibility, accountability and so on will be injected into China's political discourse much more smoothly than before. With the external impact, these key modern political values may even be institutionalized in China gradually.

It seems until this moment China's elite group has not perceived such an opportunity or risk when China's role in the G20 is considered. This further means two contradictory things. Firstly, the forces within China's elite group that want to promote China's political development will support G20 and China's active involvement in it. Secondly, the forces which take a cautious and conservative view about China's political development will be suspicious about the G20 and China's role in it.

****Are leaders using summits to deliberately articulate the domestic political dimensions of their summit engagement and/or to project international leadership as part of their strategic and international policy? Or are they passively part of the proceedings, the photo ops and the**

conclusions, but not taking initiatives or asserting themselves within the leadership group or vis a vis their national publics at home? Is passive participation shrewd or is it missing opportunities for political benefits?

As indicated above, the biggest dilemma for contemporary China is that it is a rising power but it lacks a global vision and a clear international strategy. If there is one, perhaps the only label we can use is 'isolationism'. In most circumstances, we may only perceive China's international strategy through analyzing its domestic situations and national development strategy.

Generally speaking, from a local perspective, the main reason for Chinese government taking a positive view toward the G20 is that being a member of the G20 strengthens the legitimacy of the government domestically. Within the domestic political discourse, China has long portrayed itself as the weak within the international system. Thus, the legitimacy of the government mainly comes from the promise that under its leadership, China will develop well domestically and become stronger internationally. China's performance within the global financial crisis in general and being an important member within the G20 in particular clearly show to the public that China has certainly become stronger than before. Thus, Chinese government certainly benefit from the G20 summit politically.

From an international perspective, China also benefits from the G20 summit politically. On the international level, China has long portrayed itself as the representative of developing countries. That perhaps was one main reason that China was reluctant to join in the G7, which was often viewed as a club of the wealthy. The G20 is not an enlarged G7 but a new platform for both advanced and emerging economies to manage world development together. For China, being a member of the G20 is like killing two birds with one stone. On one side, China can work with developed world to manage the world economy; on the other side, China can still keep its identity as a developing country.

Comment:

I welcome Yanbing Zhang's frank and fulsome discussion on China's position on the G20. However, I wonder if China is really willing and able to take just a wait-and-see attitude. Despite what people like Amb. Wu Jianmin says, China's "taoguang yanghui" (to keep a low profile and cultivate strength, so as not to attract unnecessary scrutiny) came to a close around 2004, as far as I can see.