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Editor’s Note:

This issue presents six articles on Chinese efforts to resolve internal conflicts, its endeavors to establish a positive image in international affairs, and its strong ties with the global community. The six authors are all professors of various disciplines in social sciences at American universities and many of them have done research on China and Chinese relations with other countries for decades.

As the most populous country in the whole world, China has long attracted attention from academic circles. Many scholars have already focused on its history and its recent rise as an Asian power to assess its role in world affairs. Joining this trend, the six professors have offered their new scholastic findings. From a unique angle, each of them offers insightful analysis by highlighting Chinese ways of resolving conflicts. Dr. Jieli Li proposes a theory called “a double-track sociolegality” through his investigation of the existing and changing legal systems in China. Through this perspective, Li underlines the nature of Chinese social control and legal regulations. Even though double-track sociolegality is still developing, Li’s assertion reveals Chinese attempts to avoid social and political discord. Dr. Xiaobing Li traces the path of Chinese military modernization in recent decades and argues that the People’s Liberation Army (PLA) has transformed from a manpower intensive army to an international operated force. From his study of China’s recent strategies, Li claims that it is possible for the PLA to avoid a major war for a long period of time. Dr. Patrick Fuliang Shan investigates conflict and reconciliation between Christianity and Chinese culture in the early 20th century. Shan analyzes the then complicated situation and argues that a changing official stance for granting religious freedom, foreign missionaries’ adoption of new strategies, and native believers’ endeavors for indigenizing Christianity all facilitated the booming Christian enterprise. Consequently, millions of Chinese were converted to that religion.

Dr. Yunqiu Zhang did research on the impact of globalization upon China’s labor law reform in the post-Mao years. According to Zhang, China is increasingly integrated into the world economic system. This new trend inevitably exposes China to international pressure. To resolve any existing and potential conflicts, China has reformed its traditional labor laws and started to follow internationally accepted legal practices on labor. Dr. Kheang Un surveys China’s investment in Cambodia and its implication in Cambodian economic development and political life. Un confirms that Chinese involvement has had positive effects on economic development, but he argues that its impact on Cambodian democratization is not as deterministic as some have imaged. Dr. Tricia Gray examines China’s relations with the South-South coalition. Gray traces the Chinese ties with the Third World ever since the Bandung Conference, and finds that China has increased its support to this coalition of the developing countries for international trade and global cooperation. Gray further argues that the South-South Coalition challenges the existing international status quo and may cause potential problems to the international order in the new century.

Such a parade of recent scholarship by a group of distinguished scholars offers in-depth interpretation of China’s position in global affairs and Chinese moves to build a new society at home. Having a quarter of all human beings living in that country and having attained a recent status as a rising economic power, China inevitably deserves more serious studies. With these six articles, the editor hopes that this issue at least offers a platform for the reader to view the Chinese position in the world, its efforts in remolding itself for globalization, and its potential impact upon mankind.

Guest editors: Shiping Hua and Patrick Fuliang Shan
China’s Evolving “Double-Track” Socio-Legal System in Conflict Resolution

Jieli Li

Abstract

Contemporary China’s sociolegal control system is built upon a unique organizational arrangement which differs not only from other countries in the world but also from its own past. The very core of this organizational arrangement is what I define as a “double-track” socio-legality with laws and codified regulation mainly concentrated on economic and commercial sectors with the ruling party focusing its administrative control on political and ideological sectors. This institutional context is critical to understanding the nature of social control mechanism in China. The fact is that with all the laws and regulations promulgated in recent years, the newly developed “legal space”, if examined carefully, only indicates a long-term strategic effort of the Chinese government to adjust rather than abandon its existing socio-legality of conflict mediation and resolution, making it more adaptable to the new social environment shaped by the forces of globalization.

Introduction

For any country in the world, regardless of its nature of political system, socio-legality is a cornerstone of law and order upon which conflict is mediated and resolved, and in this regard, China is no exception. Nonetheless, what has made the China case so interesting to scholars of socio-legal studies is the baffling changes brought about by a wide range of structural reform featuring “Chinese Socialist Characteristics.” Indeed, China’s socio-legal landscape has undergone a significant alteration under the impact of the profound economic reform and the opening to the world over the past thirty years, yet we are still in a quandary as to whether China is in a transition from “the rule by man” to “the rule by law” or to “the rule of law.” If there is a consensus on the definition of “the rule by man” as it is commonly referred to as a totalitarian or authoritarian legality of political system, then conceptual connotation of “the rule by law” and “the rule of law” is far from clear as far as it comes to China’s socio-legal development.

There seems to be no more debate nowadays on whether or not China is still in the state of “the rule by man”. The Mao era is gone forever, so is a “lawless society” where Mao’s words stood up as the ultimate legal authority surpassing all parts of the national constitution which existed in name only (Ladany, 1992). However, we are still debating whether China is on track to make a move toward “legal formalization” (Fa Zhi Hua) – we are still not sure if this “legal formalization” refers to “the rule by law” or “the rule of law.” Most research in China socio-legal studies literature has failed to clear up this terminological ambiguity but continues to use “the rule by law” interchangeably with formal legalization (Fa Zhi Hua). Therefore it is imperative that we clarify this conceptual
ambiguity before we can move forward to define the nature of current China’s socio-legalism. James V. Feinerman (1997, p.280) made an excellent distinction between the two concepts, pointing out that in the rule of law, law is an embodiment of an independent judiciary and civil liberties “as it is understood in the West”. but “[I]n the rule by law,’ law exists not to limit state power … but to serve as a mechanism for state power – which can also be exercised by other available means, such as party discipline or leadership fiat.” By this distinction, and in close examination of China’s socio-legal reform over the past three decades, we can see a clear pattern of transition toward “the rule by law” rather than “the rule of law” as there is no sign indicating that the ruling party is willing to relinquish its grip over the organizational power base of socio-legalism.

However, I would argue that the definition of “the rule by law” on its own is far from being sufficient to illuminate the real nature of contemporary China’s socio-legal system because formal laws are merely partial means of dispute settlement and there are other organizational means which are also critical to conflict mediation and resolution, particularly in grassroots society. In this sense, China’s new socio-legalism is unique in that it operates like what I call a “double-track” system that divides society into two realms of control: with one realm on economic and commercial activities and the other on political and ideological affairs.

Stages of Socio-legal Development: From a “Single-Track” to a “Double-Track”

In order to understand the evolution of China’s social legal development, we should address the following two questions in a historical and comparative context: (1) How did the socio-legalism before 1949 differ from after 1949? and (2) what characterizes the post-1949 socio-legalism over the last sixty years? First of all, China's socio-legal control mechanism as constructed after 1949 differed considerably from that in its traditional past in terms of its organizational arrangements. The difference lies in the power of the state to intervene in mediation and adjudication. Such power had never gone below the county level in traditional China in which most civil disputes in grassroots communities were resolved through the mediation of clan leaders or respected elders who played a dominating role in arbitration (Macauley,1998; Huang, 1996). But in post-1949 China the communist regime penetrated deep into the grassroots level of society including work units and residential neighborhoods in cities and villages, and the party’s local branch heads more often than not got involved in mediation and turned out to be the ultimate authority of arbitration. If we say that the grassroots social control in pre-1949 China relied largely upon the community autonomy and customary/folk mores, such old institutional mechanism has been altered and replaced by a new control mechanism emphasizing party-rule and community dependency in post-1949 China.

The post-1949 development can be divided into three stages of 1949-1978, 1978-1999, and 1999 – Present. The rationale for this division is based on three milestone events in contemporary Chinese history. By the end of 1949, the Chinese Communist Party became the ruler of China after defeating its arch-enemy Nationalist Party in the civil war and the People’s Republic of China (PRC) was founded as the result of this regime change.
By the end of 1978, after the death of Mao, the Third Plenary Session of the Eleventh Central Committee of Chinese Communist Party was held in Beijing in which a new policy of economic reform and opening to the world was declared, and from then on China started to embark on the fast track of modernization. The year of 1999 witnessed the Chinese government’s crackdown on Fa Lung Gong – a “Qi Gong” exercise organization or a “quasi-religious” organization as some termed it. As will be discussed later, the quick rise of Fa Lung Gong and the protest it made outside of the headquarters of the government turned out to a wake-up call as the Chinese government came to realize that it was losing its grassroots base to Fa Lung Gong which attracted millions of followers and posed a serious threat to the legitimacy of the central party authorities. Because of the Fa Lung Gong Question, the Chinese government made a policy change to aim at bringing back the grassroots society to its control. In the following, I will briefly discuss each of the three stages in China’s socio-legal development.

During the first period, from 1949 to 1978, the new foundation of people's mediation institution came into fruition. The main feature of this new institutional mechanism that differed markedly from the traditional past is that the ruling party took over the organizational control of grassroots communities and got directly involved in the mediation and arbitration process. Lubman (1967) gave an excellent account of Chinese communist mediation institution in terms of its organizational arrangements, and he correctly pointed out that it was through the organizational web that the party's authority over mediation process was distributed and wielded across the grassroots society. In a broader historical context, this institutional transformation was part of the then nationwide socialist movement that brought about people's communes in the rural region and the state's partial and later full ownership of private enterprises in the urban region. The radical "Cultural Revolution" initiated by Mao in the mid-1960s carried out the party-state control to the extreme over all various segments of society. Despite this institutional shift, however, the general cultural principle underlying community mediation remained unchanged: collectivism overriding individualism to serve the justice of mediation in dispute resolution.

During the second period, from 1978 to 1999, China's modernization drive with its market-oriented economic reforms dramatically altered economic and social landscapes of the whole country. The reforms indeed substantially undermined the institutional foundation of sociolegality constructed in the earlier period. From the mid 1980s through the 1990s, the reform policy, which was intended to enliven the economy, ended up undercutting the role of the communist party branches in the daily administration of urban work units and rural villages, which greatly weakened the institutional foundation of party-dominated people's mediation mechanisms. By large measure, this period witnessed that the organized social control implemented earlier withered considerably and no long worked well in alleviating social tension. A good case in point was the rise of Falun Gong. It emerged in 1992 and quickly grew into a powerful mass organization. Before it was banned in 1999, it posed a strong organizational challenge to the ruling Community Party. As it turned out, this incident alarmed the party leadership, causing it to mount a systematic effort to regain the party's grassroots organizational control in the years to follow.

I wish to point out that it had never been an original intention of the Chinese government to loosen up its grassroots control in the first place, and all that happened later
seems to be an unintended consequence of a fast-paced economic reform. This was exactly the period of what late Chinese leader Deng Xiaoping called “wading across the river by searching for stepping stones”, which implies a prudent search for a suitable track for China’s modernization and development without jeopardizing the legitimacy and domination of the ruling party. Therefore, the changes that took place in China during this period can’t be simply explained in the same way as in the textbook cases of other developing countries exemplified in conventional modernization theories. As we have found, the 1989 “Tian An Men Square” incident only points to the fact that under no circumstance was the ruling party ever willing to give up its own establishment of sociolegality, but instead it has consistently tried to make an improvement on it to meet the new challenges.

During the third period of China's sociolegal development, from 1999 to the present, the Chinese government came to realize that regaining the organizational control over the grassroots society is crucial for its legitimacy and survival. Thus in this period the Chinese government has persistently searched for a better institutional foundation of legality for social control. The search for a better legality, however, does not involve restoring the old system as it was in Mao's time, but instead adopting the "double-track legality" as discussed earlier. Thus the government seeks to revitalize the informal people's mediation institution along with its renewed effort of consolidating the ruling party’s political control over grassroots communities. On the other hand, this revitalization entails strengthening the role of the party's affiliates, such as the workers' union, youth league, and women's association, in community mediation. The role of these party-sponsored organizations can by no means be underestimated as they often work closely with “people’s mediation committees”, “administrative mediation committees” and “public safety committees” currently established at various levels of society. All these seemingly non-party-affiliated organizations are in fact the close associates of the central party authorities, serving as a pliable organizational network to reinforce the party’s domination over the grassroots society.

“Double-Track” Socio-legality and Its New Development

In my earlier article (Li, 1996), I argued that China's political structure makes it unlikely for the western style of codified formal legality to work as a suitable social control option for China. It is not because Chinese people prefer informal community-based mediational resolution over Western-style formal court settlement. It is instead because China's judicial system is so deeply integrated into the political institutions that it can hardly function in nonpartisan and independent manner. Judicial settlements and decisions, in other words, are easily subject to the influence of state intervention, especially in those sensitive civil cases. I also argued in my article that China's legal development would most likely lead to a hybrid legality of conflict resolution--a double-track social control system with (1) legal formalization mostly for the commercial and economic sectors and (2) a top-down administrative control over the political and ideological sectors, both to ensure the political legitimacy of the ruling party and societal stability.
In the economic and commercial sectors, China’s codification achievement is very impressive. Before 1979, there were virtually no laws or codified regulations on economic and commercial activities regarding foreign investment and foreign companies (Chiu, 1993). The past thirty decades, however, witnessed a massive governmental effort to promulgate a series of laws to be in compatibility with the established legal practice and observance in the world market. This trend of codification compatibility has been reinforced by China’s active participation in almost all major regional as well as international economic cooperative and trade organizations such as Asia-Pacific Economic Cooperation (APEC), World Intellectual Property Organization (WIPO), and World Trade Organization (WTO). The “double-track” legality is more evident in the disparity of law-making with an overwhelming proportion of legislations concentrated on economic and administrative sectors. As of 1979, National People’s Congress of China passed more than 300 legislative acts and more than a third of them are in the areas of commerce, taxation, banking, labor, business contract, trade, property, bonds and securities, trust, accounting and auditing, and bankruptcy. Moreover, the weight of provincial legislation is tilted more toward the economic and commercial sectors. For example, out of all legislations enacted by People’s Congresses of Jiangsu Province and Anhui Province, business-related laws account for 54.7% and 55% respectively (Guo, 1998, p. 603). One distinctive development of “economic/commercial track of legality” is that legal culture and judicial behavior have become more consistent with international norms and practice, or to be precise, “Westernized” in terms of how disputes are mediated and resolved through the arena of the court (Potter, 2001). Yet on the political track of legality, judicial procedure of arbitration has still been very “Chinese” in the sense that the legitimacy and vital interest of party-rule can’t be challenged and undermined.

It also is worth noting that there has been an equally significant proportion of legislation on administrative management instituted in parallel development with economic laws, thereby making some long-standing administrative practice formalized in legal codes to bolster the governmental control (Guo, 1998, p. 603). However, what is clearly lacking in this whole codification process is an institution of civil legislations concerning the rights and liberties of individuals and communities in conflict resolution. For example, as the result of the speedy economic development, there has been in recent years a mounting caseload of disputes in land appropriation between individual/or community and the state/or developer, but so far hardly any legislative act to be enacted for the right issue to protect the disadvantaged groups – the area that is deemed politically sensitive because it involves the conflict of interest between the state and individuals in terms of property rights and compensation for appropriation. Therefore, with the court being unable to function due to the lack of codified guidelines, it is not uncommon to see that when individuals sue the government, cases are often smothered (see “When Chinese Sue the State, Cases are Often Smothered”, The New York Times, Dec. 28, 2005). Even in the judicial profession itself, there have hardly any laws to protect the right and tenure of judges in the court, thus making judicial autonomy virtually impossible when people on the bench fear for job loss and political retribution in their rulings on some sensitive cases.

As a real story goes in Luoyang, China, Judge Li Huijuan made a ruling on the case about local seed prices, and the ruling happened to run into conflict with some interested
groups in high-up governmental places. Li was accused of making “a serious political error” and was subsequently reprimanded. The case itself indicates that political correctness still carries much of weight in the legal system. As Judge Li commented on her own safety, “I am just a female judge who tried to protect the law, but who is going to protect my rights?” (see “A Judge Tests China’s Courts, Making History”, the New York Times, November 28, 2005). Chinese court system has always been in the subordinating status in relation to the ruling party bureaucracy. Not only are its operative functions supervised behind the scenes by the party-led Commission of Politics and Laws (Zheng Fa Wei) but the court’s rulings on cases are one way or another influenced by the state apparatus at various levels. For example, in the city of Harbin, the governmental intervention overruled the court’s three innocent verdicts and the angry presiding judges who disclosed this information to the media got censured (see “A Judge Tests China’s Courts, Making History”, the New York Times, November 28, 2005). As Lieberman (2007) correctly points out, the various legal reforms have been largely technical and are by no means designed to curb the governmental power over the courts.

There is another battle ground in the on-going construction of “double-track” socio- legality – a tug of war between the government and a growing power of lawyers. As of the mid 1990s, with China’ economic reform deepened, private law firms was reinstated in China. Yet this privatization of law firms doesn’t change much of the nature of the established socio-legality as these firms are closely under surveillance of the justice department of government, and more importantly, like other professional associations, All-China Bar Association is also government-controlled. In recent years, however, it has become apparent that Chinese private law firms are trying to step out of the shadow of government control and started to play more assertive role in conflict resolution, especially in areas considered politically sensitive. One obvious change is that lawyers as a newly rising political force have gained prominence in seeking independence and challenging the authorities by representing disadvantaged social groups and right activists. Among 190,000 lawyers, a group of what have been called activist lawyers has become very active in rights defense which involved sensitive cases like police brutality, ethnic minority discrimination, the rights of political dissidents, and forced eviction of people from their land and houses.

While the growth of independent lawyers is a clear sign of emerging civil society, yet the tolerance for such trend seems to be limited, and the punishment was tactically meted out in an attempt to restrict the “uncharted” development. According to a report, the justice department in Beijing stopped renewing the licenses of 53 lawyers for alleged failure in re-registration (see “China's Harassed Lawyers”, the New York Times, July 29, 2009). A close examination, however, discloses that by no coincidence all the disbarred lawyers have been in some way involved in sensitive cases challenging the central and local authorities. Bar association can turn into a handy tool of government to intimidate and penalize those dissident lawyers, and moreover, the disbarment makes lawyers more vulnerable to job loss as well as retaliation from the government. By most accounts, the continued reforms intended to raise the judicial quality is very much restricted in the realm of jurisprudence and there is no clear sign of Chinese party-state being willing to abandon its “double-track” legality of social control and tolerant of any move to undermine or deviate from the party-led administrative control of socio-legal institutions.
Resilience of party’s grassroots organizational control in mediation and arbitration

No strong evidence indicates that China’s massive campaign on legal formalization over the past decade has been working to dismantle the existing “double track” socio-legal control mechanism, but we only see the resilience of the party’s organizational control over mediation and conflict resolution in vast rural regions though this control is taking on different administrative forms. Here is a debate on how China’s current reform campaign can legalize the grassroots mediation institution called “people’s mediation.”

One prevailing assumption among China-based socio-legal scholars is that legal formalization (Fa Zhi Hua), while being extended to the grassroots society, would fundamentally set China on the path toward “the rule of law.” Di and Wu (2008) point out a new “developing trend” of socio-legal restructuring characterized by formalization of once informal mediation and resolution mechanism in grassroots society. Though the authors fail to distinguish “the rule by law” from “the rule of law”, they nonetheless observed three major changes brought about by the reform: (1) the traditional institution of people's mediation has lost its vigor and efficiency as the result of dramatic modernization and urbanization because the Chinese society is transforming itself from "an acquaintance society" to "a stranger society" in the city and “semi-acquaintance society” in the rural areas. (2) Therefore, the state is embarking on legal formalization, so that more people resort to the judicial approach to settle civil disputes -- an indication that China is in transition to the use of law for conflict resolution. But (3) as the court system gets overburdened with the caseload, and also vast rural areas are not yet accustomed to using the judicial approach, the state has recently implemented a campaign to "revitalize" the weakened traditional mediation institution in an attempt to make it "standardized and systematized" so as to serve as the first line of defense against social conflicts and negative mass incidents. Thus the authors conclude that through legal reforms the traditional people's mediation will eventually evolve into an auxiliary part of formal legality, which with the aid of modernization as well as democratization will transform China from "the rule by men" into "the rule of law."

I contend, however, that the driving force behind the Chinese government’s revitalization of people's mediation institution is to regain its organizational grip over grassroots society, which is consistent with its ongoing campaign to revitalize the party' role of political control over the larger Chinese society (Li, 2009). Viewed in this perspective, I see the nature of government-initiated reform as more of structural adjustment to the changing society rather than what Dai and Wu (2008) suggest a formalization movement intended to incorporate informal mechanisms of traditional mediation institution, because the grassroots mediation institution in post-1949 China has never been treated as an arena of legality alone, but also as a medium of educating and mobilizing the masses for political and ideological purposes. By large measure, the distinction of “double track” socio-legality is more evident when it comes to the structure of organizational mechanism in view of how disputes or conflict are mediated and resolved in vast grassroots communities. More laws and codified regulations do not necessarily
mean that the nature of China’s existing socio-legality has been altered and the rule by party gives way to the rule by law or the rule of law.

It is important that we understand the different organizational arrangements of social control mechanism in pre-1949 China versus post-1949 China as I have discussed in the preceding section. Otherwise, we could treat both traditional and contemporary institutions of people's mediation as the same entity conceptually. For example, Dai and Wu (2008) seems to get lost in defining what the tradition of people's mediation really is. Although the authors point out the difference between Confucianism and Maoism as separate cultural forces that dominated the way people carried out mediation in pe-1949 and post-1949 China, they never really follow up on such distinction to explore any functional difference that they made in people's mediation, because they generally treat both as the same variable of cultural tradition. Thus we are left wondering which cultural tradition of people's mediation has "waned" and needs to be "revitalized."

Such conceptual ambiguity can be cleared up if we examine the social control system from the institutional perspective. According to socio-legal theories, law, whether being manifest in its formal and informal means of conflict resolution, is not only a representation of society’s moral fabrication (in Durkheimian perspective), but more importantly as an instrument or expression of power (in Weberian perspective). Therefore, “law can be exercised in the name of law without being legitimated by it” (Epstein, 1994, p. 28). From Weberian perspective, the real power of social control is embedded in the legality built upon the network of power relations revolving around class, status groups, and party/polity, and through organizational arrangements, power resources such as coercion, rewards, and punishment can be effectively mobilized to serve the interests of the state (Collins, 1975). As such, the ultimate legality is the reality of institutional power (Turk, 1976), and law is nothing but governmental control (Black and Mileski, 1973).

Therefore, the key issue for distinction is that the way people choose to resolve conflict is not just the matter of what they believe as guided by their own community’s normative framework, but their choice can also be limited by institutional constraints. This is particularly true for post-1949 China. If we turn our attention to China’s socio-legal construction from 1949 to the mid-1970s, we notice a clear pattern of the ruling political party's gradual organizational penetration into the grassroots level of society, a situation that had never been seen before in Chinese history. If we say that in pre-1949 China people’s mediation institution was largely operated on the basis of community autonomy with very limited state intervention, such traditional mode gave way to the new mode of social action in post 1949 China characterized by extensive party-state intervention in conflict mediation and resolution. This institutional rearrangement of social control culminated in the "Cultural Revolutionary" period and then declined in the 1980s when China embarked on a massive economic reform and opened to the world.

It is clear that the current revitalization of the people's institution is not simply a return to what the authors vaguely define as "traditional people's mediation institution." The revitalization is actually part and parcel of China's ongoing socio-legal structural adjustment to institutionalize informal mediation mechanism with political control through grassroots organizational rearrangement. In other words, it is a structural “fit-in” process in the face of social changes resulting from the deepened economic reforms. As I mentioned
Previously, unlike its traditional past, the people's mediation institution of post-1949 China has been restructured to such an extent that it is not just seen as an informal mechanism of dispute resolution but also as a means of grassroots mobilization for political control. While this combined role of people's mediation was undermined by the economic reforms, a search for a new mode of organizational arrangement to restore it is what I see the current revitalization campaign is aimed at.

It is worth noting that in recent years the campaign of “strengthening” the party’s grassroots organizations has been in parallel development with that of “Fa Zhi Hua.” The party-led workers’ union which is officially called “The Chinese Federation of Trade Union” (ACFTU) has succeeded in getting its cells set up in more than 80% of the newly established enterprises and most of them are private companies. In some economically advanced coastal regions, the rate of unionization in private enterprises is as high as 90%. For example, by 2000 ACFTU with the aid of Shenzhen municipal government drove its cells into 3,000 enterprises with approximately 80,000 workers being recruited (Zhao, 1999, p. 5). There is also considerable evidence indicating the persistent party’s membership drive into new social and economic organizations that have emerged out of economic reform. For example, the central party committee claimed that by the end of 2007 its membership in private enterprises (or called “new economic organizations”) and non-government associations (or called “new societies”) reached up to four million (Liu, 2008).

Evidence also points to a persistent party-sponsored organizational infiltration into foreign-owned enterprises in China. According to China’s two official English language newspapers, China Daily and Shanghai Daily, by 2007 ACFTU has successfully set its footing in about 70% of foreign enterprises, and Wal-Mart became the most recent one that signed a pact with the union (see China Daily, January 5, 2007, and Shanghai Daily, September 17, 2008). It is therefore reasonable to assume that with the workers’ unions moving in, the Chinese government has gained an effective organizational niche of social control in those foreign multinational corporations on Chinese territory. On the other hand, in dealing with rising labor disputes as a result of the recent economic slowdown, what the Chinese government relies on is its organized control network through the direct involvement of labor union, women’s association, and youth league that are structurally integrated into factories and business companies to work out mediation and arbitration on their own. The court only plays a second fiddle in labor dispute resolution. This indicates that despite the repeated legalization reforms the judicial institution in China is nowhere near the center stage of social control, and as Xin Chunying, vice chairman of Legislative Affairs of the National People’s Congress of the NPC Standing Committee, once commented that the organized mediation through community itself is a more viable solution than going to the court to resolve labor disputes (see “China to Enact Law Dealing with Rising Number of Labor Disputes”. Xinhua, Aug. 26, 2009).

In another recent campaign drive to recapture the control of grassroots society the personnel and organizational department of the central government launched a new five-year program called “Constructing New Countryside” (2008-2012), and part of is program includes selecting 100,000 politically qualified new college graduates and dispatching them to rural communities across the country to serve at least a two or three year term as officials at local village councils. As an incentive, those whose performance are evaluated with
satisfaction at the end of term can be eligible for promotion to permanent position in government office or can also receive preferential consideration if they decide to go back to school for higher academic degrees. The campaign has proved to be very successful and by the end of 2008, the number of participants exceeded the original target of 100,000 and reached up to 130,000. According to new data, about 80% of counties nation-wide have instituted the personnel system of “College-Graduate-Official” (CGO) at the town and village level. For example, almost every village in the outskirt of Beijing has at least two CGOs.

Instead of seeing this new “sent-down” campaign as one of governmental strategies to reduce the pressure on the job market due to the economic slowdown as some scholars argued, I would perceive this campaign as another sign of the ruling party’s calculated smart move to regain the control of the grassroots communities which, as discussed, has been much weakened organizationally by the market-oriented economic reforms. By sending down the college graduates to be involved in the daily operations of village council, the central party authorities have inserted one more organizational cell into the control mechanism to either improve or reinforce its grip over the grassroots society. Indeed, as the survey indicates, the “sent-down” officials have become deeply integrated in the village youth league activities and turned out to be another source of community control to balance out the power of some local-based political forces.

**Institutional Constraints of “Double-Track” Socio-legality**

There is a structurally inherent problem with China’s “double-track” socio-legality: whereas the legalization drive requires the increased role of the court in mediation and arbitration, the party-state’s organizational control mechanism keeps adjusting itself constantly to the change, yet still adhering to its sole aim as in the past to ensure the legitimacy and domination of the ruling party particularly in political and ideology sectors. Because of such institutional arrangement, frictions and constraints stemming from incompatibility become inevitable, and evidence indicated that the law-making and law-enforcing contradict each other in actual implementation and have become problematic. For example, in order to protect workers’ wellbeing, China’s national People’s Congress recently promulgated labor law which stipulates a series of formal arbitration procedures designed to resolve the labor-management disputes. However, while more workers indeed turned to labor-arbitration committees for assistance, only a small number of grievance cases were processed. Though legal provisions for workers’ minimum wages and healthcare and vacation benefits are proclaimed, most of labor-intensive industries nonetheless are rarely in compliance with these provisions in actuality. As a result, instead of reducing workers’ discontents, the enactment of labor law has achieved little but instead has intensified labor-management disputes as both sides have raised expectation in deal-making.

How dare enterprises challenge and defy the laws? I argue that what lies behind such defiance is based on the collective awareness that the government simply has no real leverage over those labor-intensive factories, mines and construction companies for the fear
of losing its tax revenues and on the other hand, most companies don’t believe that the court is capable of enforcing the law and settle the disputes. This situation reveals a typical phenomenon characterizing the structural constraints of “double-track” legality: while conflict are mostly resolved through mediated deals with the government offices with or without legal provisions, laws thus exist largely in name, not much in real practice. However, to make the matter more frustrating, workers’ strikes in China are often organized by disgruntled workers themselves in search for justice, rather than by labor unions which unlike in many other countries often side with the government and factory management. That perhaps is one of the reasons why the worker’s strikes more likely turn to violence and it may also help explain a perplexing phenomenon in recent years: as more laws are promulgated, more social riots mount. While formal laws lack a supportive infrastructure to be enforced, and while labor unions fail to mediate effectively on behalf of workers’ interest, such institutional constraints would limit the choice of mediation and conflict resolution, making violence very likely to occur as the last resort. Most illustrative is a case of labor riot that erupted in state-owned Tonghua Iron and Steel plant in Northeastern China in 2009, where angry workers, who resisted privatization of their plant and worried about anticipated massive job cut, beat to death an arrogant manager of private company moving in to take over Tonghua. Such tragedy could have been avoided if the labor union in that plant was able to play a more independent role in mediation and if workers had confidence in formal recourse to the court in conflict resolution.

Indeed, recent years witnessed growing social tension and conflict resulting from an enlarged gap of social inequality as well as increased disputes between the state and individuals over house property, land use, and other issues. Some scholars (Di and Wu, 2008) attribute the mounting tension to the overloaded court system being unable to handle too many disputant cases so that they see it as imperative to revitalize community mediation to serve as a supplementary institution to share the burden. As I discussed earlier, the rising social tension has little to do with a short supply of formal judicial assistance because the court is, to large extent, incapable of handling sensitive cases. People are unwilling to go to the court because they don’t trust the judicial system, and as He Weifang, a Chinese scholar specialized in constitutional studies, correctly points out that "[T]he public may be skeptical about judicial independence, given the quality of judges and judgments”, and he further added that it is a matter of accountability, and “…you can only have accountability if you have independence. Otherwise, it is never clear who made a decision” (see “A Judge Tests China's Courts, Making History”, the New York Times, November 28, 2005).

Cai and Yang (2005) pointed out through their research that for litigants, the resort to either petitions or lawsuits against state authorities to resolve disputes were generally ineffective or unsuccessful, and therefore many people chose not to go to court as they didn’t believe that the judicial adjudication would serve them the justice. According to another survey conducted recently in four Chinese cities, there are as high as 75% of litigants who reported that they found it difficult to use lawsuits in conflict resolution (Cai, 2008). Obviously such institutional restriction on litigation has caused social tension to escalate to such extent that rural mass riots increased in recent years to jeopardize social stability. Therefore, social pressure like that, among others, calls for urgency in reviving the
role of people’s mediation to serve as an intermediary, or a cushion, to absorb social tension that can hardly be resolved through formalized judicial procedures due to their inherent incapability.

Yu (2008) attempts to explore why people lack confidence in jurisprudence, pointing out two reasons: (1) they distrust the overall political system due to corruption and incompetence of government officials, and (2) they have a strong disdain for corrupted judges and don’t believe they can deliver justice and equity. It seems to me, however, that Yu’s explanation is quite superficial, failing to dig out the main culprit for the mounting grievance in China. I would argue that the root cause lies in the unavoidable structural friction between the party-rule and law-rule in “double-track” socio-legality. These are the two institutional forces that clash with each other while running on the same course. Such friction or clash is not obvious, however, in commercial and economic sectors where most cases are contract-related and the court’s rulings are mostly technical. Yet when in political sector or the areas where the cases are deemed sensitive, the laws become less effective in arbitration as the party-dominated administrative power can always dictate or over-rule the cases if they are considered to be a threat or danger to the national interest, and more importantly, the legitimacy of the party rule. After all, it is an institutional setup that is blurring the demarcation of rule by party and rule by law, but the current transition through legalization would only make the distinction between the two more blurry, which further reinforces the hybrid nature of “double-track” legality characteristic of “the rule by party-law”. It is out of this institutional arrangement that people’s skepticism about the judicial justice is derived.

Here is another case of institutional friction in the “double-track” system in which the role of governmental administrative organs and that of judicial organs in mediating and resolving the conflict are blurred to such a great extent that they tend to negate each other. For example, one arm of governmental control in handling populace grievance and disputes is through the state office of letters and visits (Guo Jia Xin Fang Ban) where instead of going to the court ordinary folks can make their complaints directly channeled to the relevant departments of central government. Yet such governmental role of arbitration and adjudication often overlaps and sometimes runs in clash with the role of judicial organs with the result that the court-ruled case could be still challenged by the state office, and similarly the court may not honor the adjudication made by the state office in charge. So such ambiguity and even confusion of institutional role boil down to one popular concern: “who is the final arbiter of law?” And further, “who serves whom – does government serve the law or law serve the government?” As such, a lot of social riots erupted out of such institutional role confusion which in turn creates hurdles for the quick delivery of justice and which also provides a loophole for bribery and corruption.

There has been a lot of discussion in recent years about the prospects of China’s electoral democracy at the village level. It is commonly believed that this on-going grassroots democratization would facilitate formalizing the institution of social control in its overall transition to the rule of law. However, the question that begs for answer is whether this budding democracy could survive the institutional impediment to progress. I would argue that given the nature of current “double-track” nature of social control system as discussed above, China’s grassroots democratization seems to have a long way to go as
its development has met a strong resistance from the established socio-legal infrastructure. Such institutional constraint is evident in election problems stemming from the party-state’s intervention, thus making it difficult, if not impossible, for community to develop democratic collegiality and empower itself for self-governance. On the other hand, democracy itself is a complex process and does not work under all circumstances. Procedural democracy as in the form of direct election will not necessarily lead to civil society if the procedure can be manipulated, and neither does legal formalization mean “the rule of law” if it has no reference to judicial independence (Markoff, 1996). Data indicate that the popular elections for village councils and people’s congresses at town and county levels were often directly or indirectly intervened by the party-state apparatuses, and because of this, the implemented democracy is far from prevailing in China’s grassroots politics (Ford, 2008; Kennedy, 2002). All the above evidence tells us that unless there is a substantial reform in Chinese political institutions, the on-going grassroots democratization will unlikely alter the fundamental base of socio-legality in which the ruling party dominates.

**Conclusion**

It is an undeniable fact China has made great strides in socio-legal reform, yet the above evidence shows that the change does not lead the Chinese government to adopt the Western-style formal legality, but to work out its own way to ensure its domination. Serious obstacles have remained to the formation of a rule of law system and progress has proven uneven. Recent data collected from the survey of litigants in Shanghai (Pei et al., 2009) are illuminating in terms of how companies and individuals react to the reformed socio-legality and how they feel about the court as well as its limited judicial power in conflict resolution. Out of 190 companies surveyed, in responding to the question of “Why did you choose a law suit as the way to resolve the issue” only 57 (30%) perceived the litigation as the effective way whereas 79 (42%) chose not to answer the question for unlisted reasons and such high non-response rate may indicate that companies chose not to respond because they were uncertain about any of listed answer choices. Out of 53 companies surveyed, in responding to the question of “What was the actual result of the court’s enforcement?” 11 (21%) responded by saying the court “completely enforced the terms of my request”. 10 (19%) chose the answer of “completely failed to meet the terms of my requested enforcement”. 15 (28%) said “it met less than 1/3 of the terms of my request”, 10 (19%) said “It met between 1/3 and 2/3 of the terms of my request”. and 7 (13%) said “it met 2/3 or more of the terms of my request.” The above data indicate that the majority of company litigants were not satisfied with the court experience.

Out of 214 individuals surveyed, in responding to the question of “What do you think the main factor was in losing your case?” only 3 (1%) responded by saying that “my argument did not have a legal basis”. and 40 (19%) thought that “the judge gave the other party favorable treatment” but 142 (66%) chose not to answer. This high no-response rate may indicate that the majority of individual litigants were not so happy about their court experience but probably just wanted to keep it to themselves rather than to disclose it in an
open survey. In addition, data from the survey on individuals are highly consistent with the one on companies in terms of their responding to similar questions: out of 214 individuals, 12 (6%) answered that “my argument did not have a legal basis” and 15 (8%) said that “the judge gave the other party favorable treatment” and 132 (70%) chose not to answer for unlisted reasons, and even after the data was adjusted to exclude those who won the cases the non-response rate remained consistently very high (see Pei et al., 2009).

While the majority of litigants are satisfied with legal resources they can use to resolve the dispute, they are generally unhappy about the court decision, and thought the judgment was biased. Interestingly enough, most respondents chose not to answer in order to conceal their real feeling or a sense of uncertainty. Almost half of the companies surveyed indicated that they would use whatever means it takes to bribe judges and influence their decisions before the trial starts. My interpretation of the overall data is a bit different from Pei and his collaborators in the Shanghai Academy of Social Sciences who conducted the survey. Despite a mixed reaction from both individual and corporate litigants, the data in general reveal a clear pattern of how litigants feel about the court behavior in a “double-track” socio-legality: there is more uncertainty than certainty and more doubt than trust whenever the case is ruled.

China’s socio-legality infrastructure is indeed in a critical transition. While economic legislation has continued apace with the demands of the international marketplace, the Chinese Communist Party seems not yet ready to embrace any radical legal reform that might prove detrimental to its authority. Instead, party central authorities have been taking cautious steps to restructure its legal system, making it more adaptable to the constantly changing environment. From the institutional point of view in the sociology of law, law represents a double legality as the technical apparatus for the exercise of state power on the one hand, and as a construct of political ideology on the other (Cotterrell, 1983). All evidence indicates that the “double-track” legality in China has continued with steady incremental development with no end in sight: while all new laws and regulations promulgated in recent years, if examined carefully, are still oriented in larger proportion toward economic and commercial areas, the on-going socio-legal reform in political arena aimed at revitalizing the party’s organizational grip over grassroots society only helps to re-energize rather than abandon the party-ruled institutions of social control.

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China’s Evolving


China’s Evolving

Military Modernization

Military Modernization and Peaceful Rising:
A Harmonious Transition of the PLA into the Future

Xiaobing Li

Abstract

This article seeks to elucidate the recent changes to the Chinese military by examining the new characteristics of the People’s Liberation Army (PLA) and its newly adopted approaches for modernization between 2003 and 2008. It includes diachronic discussions to explore various social and political factors for the changes, domestic and international constraints on the implementation of military modernization, and the outcomes of these endeavors. The main findings indicate that the Chinese military has changed its main feature as two important transitions have emerged: first, the PLA has been transformed from a manpower intensive army to a technology oriented force; and second, from a national security army to an internationally operated force. Consequently, the high command begins to consider the PLA as a part of the global military cooperation.

Introduction

In the recent years, the Chinese military has experienced a wave of growth and improvement in terms of organization, technology, and combat training. The on-going changes in the People’s Liberation Army (PLA, as China’s army, air, naval, and strategic missile services are collectively known) and the inevitable implication in Asia-Pacific security have attracted great academic attention in the West, especially in the United States. Mark A. Ryan, David M. Finkelstein, and Admiral Michael A. McDevitt suggest that as a growing field, research literature on Chinese military modernization began to “take off” in the 1990s (Ryan, Finkelstein, and McDevitt, 2003, p.3). Among the recent insightful assessment on the matter, David Shambaugh, Andrew Scobell, and several other Chinese military experts offer objective surveys and comprehensive interpretations through analyzing PLA strategy, doctrine, command and control, structure of forces, and security concerns (Shambaugh, 2002; Scobell, 2003).

This article seeks to elucidate the recent changes to the Chinese military by examining the PLA’s new characteristics and different approaches from 2003 to 2008. Although it is a military survey, it includes diachronic discussions to explore the social and political reasons for change, domestic and international constraints on the implementation of military modernization, and the outcomes of these efforts. Based upon the Chinese sources, up-to-date literature both in Chinese and English, and interviews with PLA officers, this work intends to answer these questions by analyzing the recent transition in the Chinese military as a political and social institution. The article looks into the relatively neglected inner life cycle of the Chinese armed forces, which has defined the PLA’s characteristics and changed it in many different ways. The stories of the rank and file
provide unique insights into those who have shaped the military and made unprecedented changes over the past decade. They put individual soldiers and officers in the context of Chinese society, culture, and tradition and view them through their personal experience and professional career.

As a newly modernized army, the PLA acts according to its own consistent inner logic in its military affairs. The main findings here indicate that the Chinese military has changed the main characteristic as the results of its two important transitions. First, the PLA has transferred from a manpower intensive army to a technology oriented force; and, second, from a national security army to an internationally operated force. The high command of the Chinese military begins to consider the PLA as part of the world military cooperation such as fighting the global terrorists, combating the pirates along the African coasts, keeping peace in the Middle East, and preparing a possible nuclear crisis in the Korean Peninsula. A PLA perspective offers a better understanding of Chinese strategic issues and operational behaviors. The article also identifies some general patterns of the new generation of the high command that faces new challenge.

“China Threat” vs. Peaceful Rising

Few areas in Chinese history pose more difficulties than the study of military history, due to a lack of readily available sources for Western researchers. The studies in this article are supported by primary and secondary sources made available in recent years. Since the late 1980s, significant progress towards the study of Chinese military history has occurred. The flowering of the “reform and opening” era in China resulted in a more flexible political and academic environment compared to the time of Mao Zedong, the first generation of the Chinese Communist Party (CCP) leadership and the founder of the People’s Republic of China (PRC), leading to a relaxation of the extremely rigid criteria for releasing party and military documents. Consequently, some fresh and meaningful historical materials, including papers of the former leaders, party and government documents and local archives, are now available to historians. Certainly, the Chinese government still has a long way to go before “free academic inquiry” becomes a reality, but the value of the opening of documentary materials for the study of military history cannot be underestimated.

Some of the noted experts in the field have employed the newly available Chinese sources, such as David Graff, Robin Higham, Hans van de Ven, and others military experts who addressed issues in PLA technology, budget and finance, defense industries and operations (Graff and Higham (eds.), 2002; Hans van de Ven, 2000). The combined efforts of these scholars laid solid groundwork for a better understanding of the Chinese military. Now the public interests and academic debates focus on the following questions: Why did Chinese military increase its defense budget by double digit every year? What kind changes have taken places in the PLA? How is the Chinese government balancing between its military modernization and peaceful rising promise? What does it mean to the United States and the international community?

The current research available both in the United States and in the West have engaged in academic debate on the “China threat”, dominating attention and dividing scholars. U.S.
Military Modernization

Military historians and experts are attempting to determine if China threatens America and security in the Pacific region and at what level the threat exists in the twenty-first century. According to the China threat researchers, their main argument is based on the assumption that China’s dramatic economic development will inevitably result in the “strengthening of its military power and its desire for expansion” (Karmel, 2000, pp. 3-5, p. 8; Babbin and Timperlake, 2006). Proponents of the interpretations argue that no country that rose to power in modern world history did so in a peaceful manner, citing examples such as Great Britain in the eighteenth century, Germany toward the end of the nineteenth century, Japan during the first half of the twentieth century and the Soviet Union after the end of World War II (WWII) (Chang, 2001; Getz, 2000; Bernstein and Munro, 1997). Conversely, they assert, any country that insists on the maintenance of peace will find it hard, if not impossible, to become a real power (Bernstein and Munro, 1997; Kristof and Wudunn, 1994). Furthermore, they argue, the lack of political democratization in China and the distinct possibility of a war between the mainland and Taiwan make the future of China uncertain, unpredictable and, therefore, extremely menacing (Kristof and Wudunn, 1994). Others may disagree and offer an entirely opposite view. Nevertheless, both sides of the argument pay their attention to the links between the military modernization and political democratization.

Like the China-threat debate, discussions over the topics such as the impending collapse, Chinese exceptionalism, China replacing Russia, or China replacing Japan also center the issue of China’s military modernization. Some of the American and Western military experts, however, have major restraints on their researches as they had very limited access to the seemingly impregnable Communist sources. Their conclusions have to draw from the publications in the West. Some have to depend on materials in English or other western languages because of the linguistic difficulties and cultural barriers. Some researchers still follow Cold War approach with ideological definitions viewing the PLA as a party-army or the party’s tool, and merely as a political institution. Others employ an American-centered methodology, over-emphasizing diplomatic efforts and international relations and viewing the PLA as an insignificant, passive spectator or lesser adjunct in world politics. Apparently, a broader interpretation is needed in order to render an objective study of the Chinese military.

In China, scholars are working on their research on the Chinese military through a social approach. Paying more attention to the links between military, politics, and society, recent research by military experts in China focuses on the soldier’s efforts to define his place within a socialist society. Moral issues, family values, individual concerns, a bureaucratic system, and educational factors are emphasized through the academic discussions during the reforming movement led by Deng Xiaoping, the second generation of the CCP leadership. Among the recent publications, the persistence of a military culture counter-posed to an official culture that promotes bureaucratic control and civil-military integration (He, 2001; Ge, 2000; Tan, 1992; Hu, 1992). For some political reasons, however, Chinese scholars still have a long way to go before objective, truthful, and scientific researches on the history of Chinese military can be published in their home country.
The Chinese intention can be best understood in the historical terms and in a context of their own time. Four elements were underlying their motivation and intent: a global political context formed to a large extent by the United States and the Soviet Union; domestic political and economic developments; an overall foreign policy of the PRC; and means and sources available at that moment. Though our analysis in this article, one can see that the Chinese leaders pursued their political goal of a full acceptance in the world community with limited alternatives.

Changing Characteristics

After taking over the office, Hu Jintao, as the fourth generation of the CCP leadership, stated that the PLA should resort to different warfighting means in future conflicts, including a high-tech approach to circumvent enemy strengths and confront it in ways it would not be able to match in kind. Thus, for at least next ten years by 2012, China will “not be intimidated by a military superpower”. and China’s foreign policy will “not be constrained by its military weakness” (Hu, 2000, p.1). According to Hu Jintao and his new high command, the PLA should make a “leap-over” transition from an army with mechanical and semi-mechanical equipment to an army equipped with digital facilities. General Zhang Zhen, Vice Chairman of the CCP’s Central Military Commission (CMC), anchored in the “leap-over” idea when he spoke at a joint warfare seminar. Zhang believed that the next war will take place in an urban area, or even in one of the major cities, where China centers its technology (Yu, 1998, p.2). The new high command gave its priority to the new technological development in the navy, air force, and strategic forces, “in order to strengthen the capabilities for winning both command of the sea and command of the air, and conducting strategic counter-strikes” (Information Bureau, 2005, p.645).

To deal with the problems left behind by Jiang Zemin, the third generation of the CCP leadership, Hu Jintao had made certain important changes in the military regulations. In December 2003, the new “Regulations on the Political Work of the PLA” was revised and promulgated. It maintains that political work is the fundamental guarantee of the Party’s absolute leadership over the armed forces and assurance for its accomplishment of the missions (Information Bureau, 2005, p.654). In February 2004, the CMC released the “Provisions on Strengthening the Education and Management of High- and Middle-Ranking Officers of the PLA” which established and refined the systems for officers at the regimental level and above to do self-study and review, to receive thematic education. On March 14, the new leaders revised the PRC Constitution at the Second Plenary Session of the Tenth National People’s Congress. In April, the CMC promulgated the “Regulations on the Work of the CCP Armed Force Committees.” The new regulations further defined the duties and responsibilities of the Party committees and further improved the decision-making procedures of the PLA (Li, 2007, pp.292-293).

Then, Hu Jintao remove some of the old-guard generals and improved the chain of command by announcing a reduction of 200,000 troops by 2006 and rebalance the ratio between officers and men. By streamlining structure, he reduced the number of officers in deputy positions, filled officers’ posts with NCOs (Non-commissioned Officers), and
adopted a system of civilian employees. By 2006, the PLA reduced 15 percent of its staff officers at the group army level and above (Information Bureau, 2005, p.644). The high turnover rate of the PLA elites reflects an effective institutional mechanism by which the top civilian leaders prevent the emergence of military strongman and possible stagnation of the military establishment.

The PLA also set up the new or lower maximum age limits for peacetime active service. According to the 2004 White Papers of China’s National Defense, active officers who have reached 40 years of age at the battalion command level, 45 at the regimental level, 50 at the division, and 55 at the army, should be discharged from active service in the combat troops (Information Bureau, 2005). The retirement ages for officers in the non-combat troops are 40 at the battalion command level, 50 at the regiment, 55 at the division, and 60 at the army (Information Bureau, 2005, pp.668-670). After Hu’s streamlining, the average age of the PLA top officers has significantly decreased after the large-scale military leadership turnover (Li, 2001, p.58). In 2008, Hu approved regulations on the duty of PLA soldier committees. The PLA’s soldier committee is a self-governing mass organization, responsible for carrying out grass-root activities, promoting military democracy, and assisting party branch in each company. The new regulations are aimed to ensure harmony and purity among soldiers’ inner relationships and promote the army’s scientific development (PLA Daily, June 6, 2008, p.6).

With the completion of reducing 200,000 ground forces in 2004-2006, the PLA has a significant increase in its navy, air force, and strategic forces. Of the total of 2.4 million troops, the PLA Navy and Air Force have raised 3.8 percent, and the Second Artillery Corps (China’s strategic and tactical missile force) has increased 4.2 percent (Information Bureau, 2006, pp.17-18). David J. Kay at the U.S. Army’s Institute of Land Warfare believes that the “reduction of the PLA end-strength is intended to free up more resources for modernization and professionalization of the force, and is wholly consistent with China’s improved security environment and growing national interest” (Kay, 2008, p.4). He continues that “With regard to internal threats, China mainly relies on the 660,000-strong People’s Armed Police for such contingencies as the recent unrest in Tibet” (Kay, 2008, p.4). Meanwhile, a large number of college graduates, master and Ph.D. degree holders, and returning students from overseas have been recruited among the services (Li, 2007, pp.2-3, pp.293-294).

From 2006-2008, the Party Center has sped up legal reform to achieve their goal of making the rule of law “the principle tool to govern the country.” New legislation has been adopted on a wide range of issues such as soldier’s duties and rights, the military administration, access to public records, and the handling of emergencies. These reforms have had a strong impact on the military system. Because of a societal environment increasingly supportive of legal reform, more and more officers and soldiers have become aware and conscious of their rights as citizen soldiers. The concept of using legal means to protect these rights has made significant progress. This development has had a very important impact on the Chinese military modernization.

In the past years, the military legislative system has been improved step by step, and some achievements have been made in military legislation. Two interesting, but somewhat contradictory trends can be observed: first, the separation of the army from the Party; and
second, keeping the military to reinforce the new rule of law. The former restrains the Party’s power while the latter presses the government to use its power to pursue justice. Both trends, however, appear to serve the purpose of promoting constitutional rights over the state itself. According to the 2008 White Papers of China’s National Defense, by October 2008, the National People’s Congress and its Standing Committee had made 15 laws and law-related decisions concerning national defense and armed forces building. The PRC’s State Council and CCP’s CMC had jointly formulated 94 military administrative regulations. The CMC had formulated 215 military regulations. In the meantime, the general headquarters and departments, Navy, Air Force, Second Artillery Force, military area commands, had enacted more than 3,000 military rules and regulations (Information Bureau, 2008, pp.5-7). The PLA began to govern the forces in accordance with the law, and improves the mechanism for making decisions and providing guidance in accordance with the law in an effort to institutionalize and regularize military, political, logistical, and equipment work.

New Personality, New Technology

After the 17th CCP Congress, the high command continues to promote the revolution of military affairs (RMA) with Chinese characteristics. Obviously, in the past year, the modernization efforts have focused on the task of mechanization while keeping pace with the building of an information-age force. The PLA reaffirms its modernization with an emphasis of special needs to transform its semi-mechanical equipment to an army equipped with modern technology and digital facilities—an information-age force. As General Xiong Guangkai, deputy chief of the PLA General Staff, explained that the PLA was still at the state of “semi-mechanization” (Xiong, 2003, p.4). In other words, the task of PLA mechanization had not yet been completed. Xiong believed that the mechanization efforts would try to keep pace with the building of an information-age force, which in turn would be boosted by mechanization. “We shall promote both processes to eventually succeed in fulfilling the dual tasks of mechanization and informationization” (Xiong, 2003, pp. 182-183). Xiong said. “No distinct line should be drawn between the two and we should never depart from our country’s actual situation and the realities of our armed forces” (Xiong, 2003, pp.182-183). To reach its goal, the PLA has to reform virtually all aspects of its gigantic institution in order to prepare for the “new era of information warfare.” On March 21, 2008, Hu Jintao visited the Academy of Military Sciences, China’s primary military think tank, on its 50th anniversary. He showed great interest in a demonstration at the academy’s lab, which is known as the Research and Experimental Center for Joint War Action (Hu, 2008, p.1). The top leader praised the academy’s comprehensive method of studying major practical issues. He urged the academy to drive forward the innovation of military theory and develop military sciences, so as to meet the requirements of the 17th CCP National Congress and new conditions.

In the past years, with an annual growth rate of 7-8 percent, the Chinese government was able to double its defense budget, purchasing new weaponry and importing high tech from Russia and the West to narrow down the technology gap between the PLA and the major Western armed forces. With an eclectic attitude toward the Western technology, the
Chinese military made changes in those imported weapon systems and tried to fit those into whatever they needed, making the best use of imported technology and letting all things serve their purpose. Their ways such as “third party purchase”, “copy and learn” and “leaping over” can be defined as the problem-solving and unique characteristics of Chinese military modernization for many years to come. Thus, the Chinese military reform is an outcome of both social and economic changes that are not only interrelated, but also interdependent. China’s foremost task in its drive toward military modernizations should be the successful completion of market economy reforms. To build a modern army, it must build an industrial and sustained economy.

In a keynote speech at the 17th National Congress of the CCP in October 2007, Hu Jintao said, “China is to speed up the pace of modernizing its armed forces in the next five years and more, for self-defense and maintaining world peace” (Hu, 2007, p.12-13). The General Secretary of the CCP Central Committee and the Chairman of the CMC promised the party that “We must implement the military strategy for the new period, accelerate the revolution in military affairs with Chinese characteristics, ensure military preparedness, and enhance the military’s capability to respond to various security threats and accomplish diverse military tasks” (Hu, 2007, p.15). To attain the strategic objective of building computerized armed forces and winning IT-based warfare, Hu said China would accelerate the composite development of mechanization and computerization, carry out military training under IT-based conditions, intensify their efforts to train a new type of high-caliber military personnel in large numbers and change the mode of generating combat capabilities. China will establish sound systems of weapons and equipment research and manufacturing, military personnel training and logistics that integrate military with civilian purposes and combine military efforts with civilian support, build the armed forces through diligence and thrift, and blaze a path of development with Chinese characteristics featuring military and civilian integration (Hu, 2007, pp.18-19).

After the CCP’s 17th National Congress, the PLA is one of extreme intricacy and one of great consequence. The year after the 17th Congress is more effectual than ever before in terms of military modernization, civil-military integration, and international cooperation in a new domestic and international environment. Among the services, the Navy has a lion share of the annual defense budget in the recent years. There are more than 30 new submarines became commissioned into the Navy, which is also developing four indigenous classes of submarines. It has focused on the anti-ship cruise missiles (ASCMs) system, including formidable Sizzler and Sunburn missiles. Some of these ballistic missiles will be able to carry nuclear warhead, and provide the nuclear deterrence against any offshore threat or naval engagement (Goldstein, 2008, p.4; Getz, 2008, p.1). The Navy began the construction of the large Sanya naval base on Hainan Island. This southward base in the middle of the South China Sea and protecting the Gulf of Tonkin provides the PLA Navy a powerful position to deploy its gunships and submarines into deep waters (Harding, 2008, p.2).

The other area that continues to improve is in the Second Artillery Corps, responsible for establishing China’s “minimal nuclear deterrent.” According to the U.S. Secretary of Defense’s 2008 Annual Report to Congress, the Second Artillery Corps has more than 300 nuclear warheads with 20 inter-continental ballistic missiles (ICBMs) and one ballistic
missile submarine (SSBN) (U.S. Department of Defense, 2008, p.9). The Second Artillery Corps is preparing to field a new solid-fuel and road-mobile Dong Feng 31A ICBM system in order to increase the survivability of its nuclear deterrent. The new ICBNs will be combat ready faster than the liquid-fueled missile, and more quickly launched and easier to hide. Moreover, the Second Artillery Corps has more than 1,300 Dong Feng 11 and 15 short-range ballistic missiles along the coastal areas. It is expected to continue to expand its ICBM capabilities and improve upon its land attack cruise missile and anti-ship missile arsenals (Minnick, 2008, p.2). It is interesting to notice that China states for the time in its 2008 White Papers of China’s National Defense that “China holds that all nuclear-weapon state should make an unequivocal commitment to the thorough destruction of nuclear weapons, undertake to stop research into and development of new types of nuclear weapons, and reduce the role of nuclear weapons in their national security policy” (Information Bureau, 2008, pp.12-13).

The PLA has worked on other programs such as space programs, cyber warfare projects, and information and electronic warfare operations. Its successful test of the anti-satellite weapons (ASATs) can be used against enemy satellites. ASATs can also be used to increase the survivability of the Chinese nuclear deterrent by knocking out enemy instruments to detect and destroy Chinese delivery system (Kay, 2008, p.5). On September 27, 2008, the spacewalk performed by Chinese aeronaut marked another breakthrough in China’s space program. When congratulating the trio taikonauts, Hu encouraged the Chinese aerospace scientists and experts to continue their efforts for a complete success (Hu, 2008, p.1). But he stressed the country early this year that China still faced a large gap with the world’s advanced levels in the science and technology development. In a speech at the joint inaugural ceremony of both of the 14th Congress of the Chinese Academy of Sciences (CAS) and the Ninth Congress of the Chinese Academy of Engineering (CAE) on June 23, 2008, Hu admitted that there is “still a large gap” with the world’s most advanced (Hu, 2008, p.2). U.S. Department of Defense’s 2008 Annual Report to Congress also concludes that “The U.S. Intelligence Community estimates China will take until the end of this decade or longer to produce a modern force capable of defeating a moderate-size adversary. China will not be able to project and sustain small military units far beyond China before 2015, and will not be able to project and sustain large force in combat operations far from China until well into the following decade” (U.S. Department of Defense, 2008, p.12).

New Image with Legacy

The PLA has played a positive role in emergency rescue and disaster relief operations. In the past two years, the PLA have dispatched a total of 600,000 troops, employed 630,000 vehicles or machines of various types, flown over 6,500 sorties, participated in over 130 disaster relief operations in cases of floods, earthquakes, snowstorms, typhoons, and fires. In January 2008, large areas of southern China were stricken by a savage spell of freeing weather, sleet and snowstorms. The PLA sent 224,000 troops and 1 million reservists to undertake urgent tasks. On May 12, an earthquake rocked
Wenchuan County, Sichuan Province. In response, the PLA deployed 146,000 troops, mobilized 75,000 reservists, flew over 4,700 sorties and employed 533,000 vehicles in the relief effort. They rescued 3,338 survivors, evacuated 1.4 million local residents, and transported 1.6 million tons of relief materials. The PLA was tested by massive rescue, disaster release, and joint forces expeditionary capabilities (Information Bureau, 2008, p.14).

During the 2008 Beijing Olympic Games, the main responsibilities of the PLA were to ensure the air security of venues in and outside Beijing; take part in the handling of terrorist incidents such as NBC (nuclear, biological, and chemical) terrorist attacks; provide intelligence support; organize emergency rescue, medical aid; and strengthen border administration and control during the Olympics. The PLA contributed 46,000 troops, 98 fixed-wing aircraft, 60 helicopters, 63 warships, and some ground-to-air missiles and radar, and engineering support equipment. The PAPF contributed 85,000 troops to Olympic security work and handled 300 incidents which might have endangered guarded targets.

The PLA has created a new situation in military diplomacy which is practical and dynamic. China has established military ties with over 150 countries, and has military attach offices in 109 countries. A total of 98 countries have military attach offices in China. In the past two years, senior PLA delegations have visited more than 40 countries, and defense ministers and chiefs of the general staff from more than 60 countries have visited China. Practical cooperation between the military forces of China and several neighboring countries, including Russia, has continued to develop in depth. In recent years, China has intensified bilateral and multilateral strategic consultation and dialogues with countries concerned in security and defense fields which contributed to better mutual trust and mutual exchange and cooperation. Beijing pursues a foreign policy of building a good-neighbor relationship and partnership with its neighbors, trying to create an amicable, secure, and prosperous neighborhood in the Asia-Pacific region. The PLA has consistently supported and actively participated in the peacekeeping operations that are consistent with the spirit of the UN Charter. Since its first dispatch of military observers to the UN peacekeeping operations in 1990, the PLA has sent 11,063 military personnel to participate in 18 UN peacekeeping operations. As of the end of November 2008, China had 1,949 military peacekeeping personnel serving in nine UN mission areas and the UN Department of Peacekeeping Operations. Since 2000, China has sent 1,379 peacekeeping policemen to seven mission areas (Information Bureau, 2008, pp.17-18).

And Hu has to face tremendous difficulties in China’s economic and political reforms in the midst of continuous social transition. Even though Hu and Jiang had many disputes over specific issues, they have reached a consensus on the key objective: China’s economic growth and social stability. In the first decade of the new century, however, Chinese analysts worry about the country’s macro-economic instability and potential problems. At a recent conference, the strategic researchers pointed out that macro-economic instability has successfully been contained through the government control of the right policy levels. The current economic and social liberalization, however, drastically undermined the authority’s role and old-style administrative edicts. In the near future, the new problems in Chinese economy may not be solved in the old way through the failing system and decentralized control.
The new leadership in Beijing will not abandon the deliberate approach its previous generation had employed with success for the military reforms. Yet this importation/adoption approach may keep the PLA forever behind the Western armed forces, and make its modernization totally dependent on economic success. Any economic recession will slow down or stop China’s military modernization. Chinese analysts worry about the country’s macro-economy instability and some problems such as unemployment, limited natural resources, energy cost and price hikes, a weak financial system, state-owned enterprises, and a decline of foreign investment. Even though these serious challenges will not occur simultaneously, occurrence of some of the problems is certain and will cause serious troubles in the country’s economy. Some Western analysts concern that these problems may lead to a more aggressive foreign policy or even military expansionism.

To keep the military under control, a continuing coalition between the PLA and the CCP is necessary for Beijing. At the National People’s Congress in 2005, Hu Jintao’s vision for “harmony and innovation” became government policy for China’s further development. To achieve a harmonious China in a new time, it is important to build on its long and rich traditions and preserve them in innovative ways. The PLA needs to follow the fundamental principle and system of absolute Party leadership over the armed forces. In other words, the PLA should support the Hu administration by showing their loyalty to the Party Center. The ranks and files should value the social harmony, share ideas, and live with them as social norms. The high command needs to contribute to various forms of rationale to promote social harmony. In this socio-economic climate, the concept of harmony is becoming increasingly valuable and pertinent to the Chinese society as well as the rest of the world.

The PLA still belongs to the Party since the latter controls the resources and personnel management for military budget and professional career under the current leadership. The Party Center can channel the military elite interests and individual consciousness, prejudice, and conflict of the rank and file through the existing strong political institution. Since the state has adapted well to economic and social changes and effectively responded to the rising demands and expectations with the PLA, its political institutions may be able to manage some of the discontent or different opinion of the PLA in the near future (Shambaugh, 2005, p.11). These activities are still within the boundaries of the Party Center’s preference and control. In the meantime, the PLA should also provide new military capabilities for the policy since there are serious disharmonious factors and unstable elements in China and in the world. As we know, in the past two decades, disparity in wealth, unsettled social political infrastructure, and international conflicts have resulted in a new set of uncertainties and challenges for China’s sustained development.

Thus, social problems and domestic difficulties will slow China’s ascendancy in the military reform and global politics to some extent. To build a modern army, it must build a confident and democratic society, and this will not be possible without drastically improving its political system. The task will be both costly and complex to execute. Few countries in history have successfully achieved such tumultuous transformation under uncertain circumstances China is currently facing. Unlike Japan’s Meiji Restoration in the mid-nineteenth century, China is being forced to undergo wholesale reforms to great extent led by the elite and citizens who have become much more knowledgeable about the world.
community and vocal for their wishes and desires. The new leadership can hardly afford any illusion that the Chinese public will allow them a leisurely reform drive. The Chinese people, like most global villagers today, demand instant satisfaction. To meet the public’s growing, impatient expectations while maintaining the basic political structure acceptable to the old ideological leadership will require very creative politics.

Nevertheless, our historical overview shows the changing characteristics of the PLA in the recent years. The analysis includes three elements of the process by which the Chinese military moved from a peasant army to a professional one. The first facet includes human resources available for military revolution and reforms. Our stories about peasant soldiers help to better understand how their values, duties and concerns affected the military as an institution. The organization was firmly entrenched in Chinese tradition and society. The PLA was one of the few entities in the PRC that enjoyed some praise and recognition of the past. It takes time for a major transition and significant changes. The second element indicates the pressure on reform and their limits, including backward technology, poor living standard, lack of education and professional training, and authoritarian government within the society. The third is the way the military compromised for difficult changes while shaping both Chinese attitude and international view toward the PLA and China. The objective of this analysis process is to effectively present national interests, security concerns, perceived threats, and international conditions.

U.S.-China Military Relations

Now China stands as one of the most important states in the world. As a “responsible stakeholder”, China is being asked to contribute its support to strengthening the international order. As two of the most important members of the international community, the United States and China are both affected by some of the same threats—terrorism, the proliferation of weapons of mass destruction, the energy crisis and the financial crisis. The cooperation and coordinated action to effectively combat these problems will be mostly welcome. In the past year, there have been several positive developments in U.S.-China military relations. For example, on April 10, 2008, the U.S. and China installed an emergency hotline between the U.S. Department of Defense and the Chinese Ministry of National Defense (MND). This hotline was subsequently used for the first time shortly after the devastating May 12 earthquake relief efforts. Since then, U.S. military aircraft have flown in millions of dollars worth of supplies and the U.S. military has provided Chinese authorities with imagery from military satellites of areas affected by the earthquake. In preparation for the Beijing Olympics the U.S. government has provided Chinese authorities with security training, equipment, and personnel to help make the event incident-free (Kay, 2008, p.8). The two militaries have also formally launched military archive cooperation on information relating to U.S. military personnel missing in action around the period of the Korean War.

Despite these positive advancements, however, the overall picture of U.S.-China military cooperation is considerably bleak. According to the Department of Defense’s 2008 Annual Report to Congress, “Much uncertainty surrounds China’s future course, in
particular in the area of its expanding military power and how that power might be used” (U.S. Department of Defense, 2008, p.1).

The lack of transparency in the Chinese military and national security apparatus is a major hindrance to more productive U.S.-China military/security relations. Where the United States annually releases various reports detailing its national security strategy and military procurements, China does no such thing. Instead, China regularly denies and obscures the intention and its annual defense budget. For the second year, China has sent its annual military expenditures to the United Nations Military Budget Transparency Mechanism in early September 2008. The 2007 report said defense spending rose 17.6 percent to $57.2 billion. The report said China’s defense budget accounted for 1.4 percent of its GDP and 7.2 percent of its overall budget last year (Minnick, 2008, p.2).

Government-controlled media was quick to say that spending was “moderate” compared with the U.S. defense budget of $700 billion. The 2008 U.S. Department of Defense report on China’s military said Beijing significantly under-reported its defense expenditures, which could be between $97 billion and $139 billion (U.S. Department of Defense, 2008, p.11). The report says the published figures do not include “large categories of expenditure, such as expenses for strategic forces, foreign acquisitions, military-related research and development, and China’s paramilitary forces” (U.S. Department of Defense, 2008, p.14).

In addition to its lack of transparency, some of China’s behavior toward the United States would give the impression that it is not interested in friendly relations. In August 2006, a powerful ground-based laser blinded a U.S. surveillance satellite. Shortly thereafter, in November 2007, China denied safe harbor in the midst of dangerous weather to two small U.S. Navy minesweepers, the USS Patriot and the USS Guardian. Later that month, in the Kitty Hawk Incident, China scuttled a long-planned port visit by an American aircraft carrier to Hong Kong, where the U.S. sailors aboard would disembark to meet their families, who had traveled halfway around the world (Kay, 2008, p.9). In January 2007 China launched an ASAT to destroy one of its obsolete weather satellites, littering space with debris that threatens all satellites and persons traveling in space. Also, according to Immigration and Customs Enforcement and Department of Defense, China is the greatest source of both cyber attacks and espionage on U.S. military and government targets. Kay agrees with some U.S. officials that “Rather than building trust between the United States and China, the reckless actions of the Chinese government give a distinct impression that China views the United States as an enemy and is seeking every opportunity to exploit an advantage no matter the consequences” (Kay, 2008, p.10). Some of Chinese actions seem supporting this kind of the concerns, such as when a Chinese submarine surfaced near the USS Kitty Hawk in November 2006, increase not only misunderstanding between both sides, but also the likelihood of an accidental conflict. Also, with regard to military exchanges and site visits China is generally anxious to visit U.S. military sites and meet American personnel but is extremely cautious when it comes to U.S. entreaties to do the same.

On March 8, 2009, the U.S. Naval survey vessel Impeccable was confronted by five Chinese naval ships. The incident occurred about 75 miles off Hainan Island, south of the Chinese mainland. The Chinese ships surrounded and harassed the USS Impeccable, which conducted surveillance in an area Beijing claimed jurisdiction over but other countries
consider international waters, according to the American account. The Chinese ships tried to block the ship and snag its cables with hooks. The Americans used a fire hose to spray water at the Chinese. The chief American intelligence officer called the “most serious” military incident with China since 2001. On March 12, when U.S. President Obama met China’s foreign minister, Yang Jiechi, President Obama told the Chinese foreign minister that the two countries need to raise “the level and frequency” of military dialogue “in order to avoid future incidents” like the high seas confrontation (quoted in Baker, 2009, p.1). The president pledged to work closely with China on stabilizing the global economy and pressing North Korea to give up nuclear weapons (Baker, 2009, p.1).

China’s continuous efforts in military modernization show that the standard image in the West concerning Chinese military reforms during the first decade of the twenty-first century as a period of aggressive and self-centered. Yet the new leadership in Beijing seeks a growing role on the global political stage while assuring the international community that China does not pursue a policy of military and political hegemony in a conventional sense. The world community may be willing to accept China as a counterbalance to the United States or Japan. However, while China is repositioning itself by creating new gravity and critical mass in the Asia-Pacific region, there are potential problems for its new demands and needs. A possible source of crisis may come from the highly sensitive and increasingly dangerous issue of Taiwan’s independence. In a broader and historical perspective, China’s Taiwan policy will be driven or directed not necessarily by the communist ideology, but by Chinese nationalism that has been in the making since the late nineteenth century, when Taiwan was ceded to Japan after the Sino-Japanese War (1894-95). The PLA needs to develop its own theory and tactics of modern warfare to deal with a possible crisis. The new theory and tactics should be based upon a new international environment and China’s needs for its development.

Thus, perhaps the most important among them, and the most effective for the long-term, is the significant improvement in China’s international standing related primarily, but not only to a reduction in global and regional threats of conflict. The Chinese strategic analysts and military experts have an optimistic view of the current national security and opportunity in the near future. While factors of insecurity and instability remain, they enjoy a favorable surrounding security environment, something seldom seen since the founding of the PRC. It seems possible for the PLA to avoid a major war for a fairly long period of time. The relaxation is still the general trend in the international security situation. In general, the way things are going, there are more opportunities and challenges, and more hopes and difficulties ahead for the PLA.

References

Military Modernization

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Triumph after Catastrophe

Triumph after Catastrophe: Church, State and Society in Post-Boxer China, 1900-1937

Patrick Fuliang Shan

Abstract
The Boxer Rebellion of 1900, originally a regional anti-Christian and anti-foreign movement in Western Shandong, turned to be a sensational international event, prompting eight great powers to dispatch a large number of troops for its suppression. Ironically, soon after the catastrophe, Christianity entered into a golden age as the number of Chinese converts skyrocketed while the religion enjoyed an unprecedented growth. It was only temporarily halted by the Japanese invasion in 1937. This paper probes the complicated relationship among church, state and society during this historical era. It tries to figure out factors leading to the booming enterprise as it argues that a number of reasons had contributed to the new phenomenon, such as governmental preferential policies, liberal political and social milieu, missionaries’ new strategies, indigenous Christian efforts, and tenacious accommodations by Chinese believers.

Introduction
The historical setting for Christianity in China in 1900 was a desperate one, as a regional anti-Christian uprising in Shandong known as the Boxer Rebellion spread out to engulf northern China targeting the religion, and prompting eight great powers to dispatch an expeditionary force for its suppression. During the conflict, two hundred or more Western missionaries were killed, their facilities destroyed, and many more left the country. Thousands upon thousands Chinese believers were ruthlessly slaughtered. W.A.P. Martin, a missionary in China for decades, besieged in Beijing in 1900, lamented that “our life long service had been so little valued” (Covell, 1978, p.237). Many foreigners predicted that China would never prove to be fertile soil for Christianity. In 1900 believers confronted the miserable prospect that their religion would not revive in a long time, and few would quarrel with such a pessimistic judgment.

Yet, after the colossal upheaval of 1900 and throughout the turbulent decades of the early 20th century, Christianity grew rapidly in the country. Not only did missionaries return to their posts, but also their converts multiplied dramatically. The number of Chinese Catholics in 1900 was 721,000, but by 1920 had increased to two million, while Protestants grew from 37,000 in 1900 to 346,000 in 1920 (Lutz, 1988, p.2). By 1936 Protestants numbered 700,000 while Catholics had reached about three million (Suman, 2006, p.150; Cary-Elwes, 1957, p.292). By time the communists came to power, the Protestant population stood at one million and the Catholic at more than three million (Lee, 2007, p.282). A wide range of sources provides data to confirm this steady trend over the thirty-
seven year span from 1900 to 1937, which witnessed a sixteen fold increase in Protestant converts and a quadrupling of the number of Catholic believers.

Scholars have offered differing opinions on what should be considered Christianity’s “golden years” during this period. Li Wei chooses the two decades from 1901 to 1921 (Song, 1995, p.50, p.69); Zheng Yongfu and Tian Hailin consider the post-1911 era as the golden age for the church (Zheng, 1994, p.1320), Gu Weimin makes it the 1900-20 decades (Gu, 1996, p.351), and Lin Zhiping settles on 1927-37 as the Ten Year Revival of Christianity (Shao, 1980, p.48). These positions all have their justification, yet from the longer perspective the whole 1900-37 period stands out exceptionally for the advancement of Christianity in China. (None of the above scholars questions the high-speed growth of the longer period). Most literature on this topic is narrative in nature, and explanation of this period of rapid growth not so strong on analysis. The ties between church, state and society leave room for further exploration. Various questions remain outstanding. How did Chinese rulers treat Christians and what measures did they enforce? Did missionaries adapt to the new situation? What role did native Christians play in the expansion of the religion? It must be noted that no single paper can cover the entire range of this historical phenomenon; this one sets out to offer some preliminary interpretations on some key facets of the problem.

**Chinese Official Flexibility**

It would be a rash to dismiss the conventionally accepted argument that the failure of the anti-Christian Boxers contributed to the revival of Christianity. After the dust settled, xenophobic forces were eliminated, bringing an end to anti-Christian violence, and enabling China to enter an unprecedented period of positive responsiveness to Christianity (Gu, 1996, p.351).

While the defeat of the Boxers may represent a “rupture” in the anti-Christian tradition, their elimination could not in itself automatically usher in a golden age for Christianity. To locate the truth, several factors should be examined. First of all Chinese official attitudes must be probed. Without government support by the Empress Dowager Cixi and her high officials, the Boxers would not have been able to launch such a widespread uprising. After they were crushed, the official stance changed abruptly. As William R. Manning observed, when Cixi returned to Beijing in late 1901 she and Emperor Guangxu “made a deep bow to the foreign onlookers … her attitude and expression seemed to appeal for forgiveness of the past and to show an intention of ushering in an entirely new phase in the relation of foreigners with the court” (Manning, 1910, p.864). While the nationalist Chinese interpretation that the Qing court now became a “puppet regime” is an exaggeration, it is true that the Qing government adopted a series of favorable measures towards foreign missionaries and their religious enterprise.

No sooner had the Boxers been suppressed than the government ensured that anti-Christian leaders were punished and pro-Boxer officials removed. In Shanxi, at least one person in every prefecture was prosecuted. In Hubei, any official who had been involved in Boxer riots lost all chance of holding official position again. The central government
requested that various levels of administrations treat foreign missionaries with decorum (Luo, 1964, p.283, p.291). According to one scholar, this protective measure enabled “missionaries… freely [to] enter China’s hinterland unchecked” (Luo, 2004, p.36). Although the regime never endorsed Christianity, its policies yielded results welcomed by missionaries. James Addison Ingle gratefully noted in 1902 that during a sermon in Hubei, “several of the officials had come to call, and one had sent men to guard the gate and prevent the intrusion of undesirable persons” (Jefferys, 1913, p.209). When Canadian Protestant missions returned to Henan, the provincial governor greeted them and ordered local officials to treat them in gentlemanly fashion, without any sign of arrogance (Song, 1995, p.111).

The rapid revival of the church was achieved partially through government compensation. As soon as the Boxer Rebellion ended, officials in affected regions signed agreements with missionaries and Chinese converts to pay for losses. As attested to in countless archival sources, these settlements made possible the ready rebuilding of churches and other facilities and the reestablishment of congregations. For example, Canadian missions in Anyang received $50,000 Canadian dollars, which enabled them to restore their premises and resume their work (Song, 1995, p.111).

The changed government attitude resulted in a lessening of anti-Christian violence. Compared with 400 major cases which occurred between 1840 and 1900, post-Boxer China experienced far less violence. This does not mean that anti-Christian sentiment disappeared; on the contrary, anti-Christian hostility continued due to property disputes, religious confrontations, cultural clashes, and social unrest. However, the new cases tended to be localized, sporadic and small-scale, even though a few outbreaks of violence shocked the whole nation, such as the Changsha incident of 1910 (No. 2 Archives, 1991, p.34). Whenever an incident of this nature occurred, officials responded swiftly by “arresting the principal convicts, safeguarding the church, and protecting the victims” (No. 1 Archives, 1985, p.193). Costly settlements prompted officials to adopt measures to forestall such incidents. After resolving a case in Ninghai in 1904, the governor of Zhejiang, Nie Jigui, traced the origins of new anti-Christian events to trivial lawsuits, which led him to advise the emperor that “it would be better to enforce measures of prevention rather than having to handle a case after its occurrence” (Shen, 1991, p.1965). In the same year, Zhang Zhidong, the viceroy of Hunan and Hubei, settled the Shinan case and then notified the emperor that “from now on, proper stratagems should be used to avert such potential troubles” (Shen, 1991, p.1985).

Casting a broad net, the imperial government issued edicts requiring officials to familiarize themselves with treaty clauses and diplomatic procedures pertaining to Christianity (Shen, 1991, p.1965). Under such prompting, official attitudes changed. James Addison Ingle noted in 1903 that the viceroy attended a missionary school’s ceremony and “spoke highest praises of what he saw” (Jefferys, 1913, p.223). Soon after the Boxer Uprising, Samuel Pollard wrote that “a gentleman – a Chinese official – has offered a thousand ounces of silver a year if the Methodists will send a missionary to open a school in his town” (Grist, 1971, p.126).

At the same time as the Qing were moving toward a more favorable position on Christianity, Sun Yat-sen, whose mission was to overthrow the dynasty, personally
advanced the cause of Christianity. Sun was deeply influenced by the religion when he attended a missionary school in Honolulu, Hawaii. He was baptized by Charles Robert Hager in Hong Kong in 1883. Throughout his life, he claimed to be a Christian, even though his platform was largely political (Soong, 1997). Sun justified his revolutionary commitment by claiming Jesus was fighting to transform the existing social, political and religious order. He declared: “I am not a church-bound Christian, but a Jesus-bound Christian. Jesus himself is a revolutionary” (Zheng, 1994, p.1319). When he organized the China Revival Society, Sun required new members make a solemn pledge by placing their hands on the Bible. Many of the participants in his uprisings in South China were Christians (Zheng, 1994, p.1317). When the Revolutionary Alliance [Tongmenghui] was established in 1905, Sun stated in its platform that “anyone who murdered a foreigner and who destroyed a church would be executed” (Zheng, 1994, p.1317). Sun Yat-sen and his fellow revolutionaries matched their words defending Christianity with actions. Six days after the Wuchang Uprising in 1911, the military commander at Wuhan issued an order to the local people that they were “not to harm foreigners and damage their property, in particular, not to burn … churches” (Xihai, 1986, p.24). Such measures led missionaries to welcome the 1911 Revolution as the dawn of a new era (Metallo, 1978, p.265).

Although the revolution was fundamentally political in nature, it had a number of clear linkages to the Christian church. Because of Sun’s prominent role in events, it was hailed by missionaries as a “Christian revolution” (Zheng, 1994, p.1321). Nelson Bitton remarked in 1914 that “the fact that many of the chief leaders of the revolution had been Christian students and that Sun Yat-sen was a confessed Christians, gave to the Revolution an indentification with Christianity … and the inclusion of Christian men in the first cabinet … brought the Church into undue prominence in this connection” (Bitton, 1914, p.211). One Christian scholar remarked that “Christianity became a popular religion because of the revolution … Christianity flourished and the fact that Sun, as father of the new republic, was a Christian, helped tremendously” (Suman, 2006, p.145). Sun took swift action on freedom of religion as soon as his presidency began. On January 5, 1912 in his proclamation to foreign nations, Sun “promised the Chinese with freedom of faith” (Zheng, 1994, p.1319). In a letter to his British Christian friend, Sun stated that “we are seeking religious liberty in China… under the new system, Christianity will certainly become prosperous” (Zheng, 1994, p.1320). On March 11, 1912, Sun signed “The Preliminary Constitution of the Republic of China” granting freedom of faith. Even if it was not solely designed for Christianity, it was tantamount to ending a century-long anti-Christian tradition as it created a legal arena in which believers could seek state protection. But Christianity also merited recognition for what it was, as Sun’s colleague, the famous revolutionary Huang Xing, said to missionaries in 1913: “Christianity is far more widespread in its influence than you missionaries realize. Its ideals have pervaded China … These ideas appeal to the Chinese; they largely caused the Revolution and they largely determined its peaceful character” (Wallace, 1914, p.88).

Sun Yat-sen’s political enemy, Yuan Shi-kai, maintained the above position in his constitutions. Yuan did not inherit Sun’s political ideals, but he had promised to respect the provisional constitution and the religious clauses became statute in the constitution of 1914. It may be said that Yuan already had taken the measure of the Christian presence in China,
as he had crushed the Boxer movement in Shandong in order to prevent entanglements with missionaries and the foreign powers, and he had handled the post-Boxer settlement there. As soon as he took power following Sun Yat-sen’s resignation in the spring of 1912, he received a deputation of Chinese Christian pastors and solemnly pledged his government would give equality of standing and opportunity to Christianity. A few days later, Yuan dispatched his representatives to a mass meeting in Beijing to publicly repeat that pledge (Wallace, 1914, p.83). Under Yuan, anti-Christian incidents further decreased and missionaries penetrated further into the interior. Wherever they traveled, their feelings were consistently positive, as William Charles White wrote in 1913 from Henan: “A new attitude with regard to Christianity has developed. The official heads of China are most sympathetic to Christianity, though they have not openly embraced it. The gentry and literati though not opposing Christianity are speaking in praise of it, are thinking out a suitable religion as a national religion for China” (Walmsley, 1974, p.122).

Yuan’s policy had its political motivations. Michael V. Metallo notes that most missionaries supported Yuan, as they viewed him as “probably the best ruler for China under the existing circumstances” (Metallo, 1978, p.280). What most pleased missionaries was his permitting Christians to join his cabinet and to serve as officials and staff at all levels of administrations. For example, in Guangdong, 65% of provincial staff were Christians, and in the newly formed parliament in Beijing, many were Christians, among them sixty Protestants (Luo, 2004, p.48). Yuan also enforced a number of measures favorable to the church. A few months after he assumed the presidency, his government allowed Christian services in the grounds of the Temple of Heaven (Wallace, 1914, p.83). This was a breakthrough in the history of Chinese ritual, as for hundreds of years the Temple of Heaven was the holy site for emperors to worship Heaven, central to traditional religious practices of Confucianism. The Temple of Heaven was reserved with other three temples in Beijing, those of Earth, Sun and Moon, for worship of supernatural deities. Now Christians came to venerate the Almighty at the Temple of Heaven, an act hitherto unimaginable.

Yuan Shi-kai’s government went further in employing Christianity to uphold his presidency. When Yuan faced an uprising in 1913, his government ordered all provincial governors and high-ranking officials to contact church leaders, entreating them to pray for Yuan as the national leader. While this may seem a strange request for a non-Christian regime to make, it was meant in full seriousness: “upon receipt of this telegram you are requested to notify all Christian churches in your provinces that April 27th has been set aside as a day of prayer” (Wallace, 1914, p.84). Yuan’s request appealed to Christians and one missionary exclaimed that this was an “instinct cry to God for help” (Wallace, 1914, p.84). Missionaries always had hoped to convert the ruling elite, and Yuan’s sympathies evoked a strong optimism in them. W. A. P. Martin remarked that Yuan “favors the Holy faith” and felt that Yuan could be “the Constantine for a Christian China” (Covell, 1978, p.262). However, Yuan discouraged such hopes, forthrightly informing an American missionary that “I am not a Christian ... I am a Confucianist” (Wallace, 1914, p.89). His later efforts to turn Confucianism into a state religion provoked Christians. Overall, it is fair to argue that he had been lenient to the church which he saw as a part of Chinese life, and he offered to missionaries that “unless the ethics of Christianity dominated … China, there
is no hope for the Republic” (Wallace, 1914, p.89).

After Yuan’s inglorious restoration of the dynastic system and his sudden death in 1916, his successors in North China carried on his program of tolerance, while Sun Yat-sen and his successors in South China continued their supportive policies. When Sun died in 1925, he called on his followers to fight against Satan as he had throughout his life. Two years after his death, his successor Chiang Kai-shek converted to Christianity, in the first instance because of his marriage to Meiling Song, but also because he saw himself as Sun Yatsen’s disciple and heir. The Nanjing government established under Chiang in 1927 proved not only supportive of Christianity but also worked closely with Christian missionaries and converts, leading many Christians to speak of the 1927-37 decade as the Ten Years’ Revival. However, the rise of power of Chiang and the Guomindang (Nationalist Party) brought the believers up against a new enemy: the communists. In general, most missionaries supported Chiang and viewed communism as a threat. This fear was justified as some missionaries were executed by the communists on the charge that they “have ruined China … become friends of Chiang Kai-shek, the greatest enemy of China” (Calvin College: Huizenga Collection). However, communist contact with Christian missionaries was minimal, as they occupied small bases in the mountains while fighting off Chiang’s attacks. The Christian enterprise continued to grow under Chiang’s political patronage.

Missionary Adoption of New Strategies

Primary sources and current historiography have been focused on the cultural clash embodied in the Boxer rebellion, which dealt a heavy blow to the church. In the wake of the uprising, foreign missionaries withdrew, watching hopelessly the desperate situation they left behind. This seems to confirm the dominant paradigm of cultural confrontation. Yet soon after the violence Christian missions entered a period of steady and sometimes rapid expansion. Given the emphasis put on the notion of cultural conflict, it is necessary to deal with the question of reconciliation in order to explain the revival and prospering of the church.

No sooner were the Boxers suppressed than missionaries returned to their posts to resume work or open new stations. Many came back with fervor as they believed that their enterprise would flourish after the tragedy. As Isaac Keter wrote in 1902, “the blood of the martyr is the seed of the Church” (Hevia, 1992, p.321). In the same year, James Addison Ingle, viewing the dramatic change in official attitude, wrote that “turning now to the field of our labor, we find ourselves face to face with opportunity such as the Church in China has never before seen … the land is open before us” (Jefferys, 1913, p.202).

In the changed world of post-Boxer China missionaries saw that they had to make adjustments to this new environment. American Protestant missionaries declared in December 1901 at a memorial service for Christian victims that they would not “press for punishment of the guilty, provided Chinese officials should make public atonement and impress the people with the necessity of respecting and protecting missionaries and their converts” (Manning, 1910, p.870). Missionaries naturally reflected on the ordeal they had...
suffered, but they also gave consideration to the wrongdoings of the imperialist powers that led to Chinese xenophobia. Edward W. Wallace commented that “it is shameful that ‘Christian nations’ have forced ‘heathen China’ to re-learn the arts of war which she thought she had outgrown centuries ago” (Wallace, 1914, p.91). China indeed had been the victim repeatedly in the 19th century of imperialist gunboats; thus, as James Endicott remarked, “the Chinese have some justification for their anti-foreign feeling” (Endicott, 2003, p.32). This sense of guilt urged missionaries to be more compliant and less assertive in front of the Chinese and prompted them to distinguish mission work from imperialist incursion.

To further demonstrate their personal integrity, missionaries sought to emphasize their selfless devotion to their calling. James Hudson Taylor declared that his mission would not take a single penny from the Boxer compensation, even though his China Inland Mission was offered a huge amount. He stated that he had nothing to request but only wanted to dedicate himself to the country he loved. He later summarized his calling in the following famous motto: “If I had one thousand pounds, China can take all of them; if I had one thousand lives, I would reserve none to myself but all to China” (Gu, 1998, p.2). Missionaries in the post-Boxer era also sought to separate their work from politics, in contrast to the actions of some of their predecessors, who had appeared as abettors of imperialist powers. They distanced themselves from their governments in order that the Chinese view them as agents of “God’s enterprise.” Jonathan Goforth proclaimed after the Boxer Uprising that all he wanted from Western governments was “to let Chinese rulers and people understand that our work is holy … we do not need any special support” (Song, 1995, p.233).

To help the Christian enterprise, missionaries wooed the elite and befriended officials. As officials became more hospitable, many missionaries came to be on good term with them. Quite a few fostered close relationships with local magistrates and provincial governors, such as William Charles White (later Anglican Bishop of Henan) did with the governor of Henan, through whom he exerted a great impact on the region (Song, 1995, p.80). To destroy the image of cultural imperialist and to pledge the Chinese their goodwill, some missionaries used the Boxer reparations to build schools. On one hand, this validated their magnanimity – in the words of Christian historian Wang Zhixin “it caused the anti-Christian psyche to evaporate” (Wang, 2004, p.213); while on the other hand these educational facilities attracted new converts and spread Christian values.

Indeed, education was a vital instrument for propagating the faith. Missionaries knew that building schools not only brought in students, but also established a channel for cultural dialogue. John R. Mott argued that it was important for the Chinese to be Christianized through retaining a tie with the church (Gu, 1996, p.378). With their effort, by 1915 the ratio of students in mission-run schools to those in Chinese public schools stood at 1: 6 (Gu, 1996, p.379). Numerous children were thus immersed in Christianity, but such immersion could blind them to native culture. The noted author Lin Yutang was born into a Presbyterian family and educated at a missionary school in Xiamen and then at St. John University in Shanghai. Later, he said he felt ashamed of his shallow understanding of his own culture. It was this painful guilt that urged him to become a pagan in order to learn Chinese literature (Malek, 2005, p.1088). The Lin case might be rare since many students
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held to the faith. Interestingly enough, Lin in his later years returned to Christianity.

Perhaps the most influential missionary impact on Chinese society and education in the post-Boxer era was the establishment of universities. From the building of Dongwu University in Suzhou in 1901, some twenty universities were founded in the following four decades in major Chinese cities such as Beijing, Shanghai, Nanjing or in provincial capitals (Gu, 1996, p.382). Although the number of college students was relatively small compared to the number in primary and middle schools, college students were drawn from the social elite and offered talents in short supply to the nation. For instance, by 1926, among the forty-three graduates from St. John University, seven had served as ministers in the Cabinet, sixteen became bureau heads of the central government, and fourteen found careers as managers of various railway companies (Gu, 1996, p.388). It is true that Christian converts seldom made up 50% of the student body; but as John Leighton Stuart expressed it in regard to Yenching University, the goal was Christianization not coercive conversion. Those graduates who held key positions naturally influenced Chinese politics and society, a benefit to the religion (Gu, 1996, p.385).

After 1900, missionaries gave more attention to medical care, one of the traditional channels to win converts. However, the difference was that before 1900 medical facilities consisted of small clinics and tiny dispensaries, but afterwards modern hospitals, nursing schools and medical schools mushroomed in China. According to Arthur Smith, by 1911 there were 170 hospitals and 151 dispensaries run by Protestant missionaries, and these accommodated 312,480 in-patients and 1,021,002 out-patients (Smith, 1912, p.265). In 1913, according to Bitton, the combined number of hospitals and dispensaries reached 386, serving 1,827,899 patients (Bitton, 1914, p.261). By 1937 French Catholic hospitals alone numbered more than seventy, while British and American Protestant hospitals totaled more than 300, along with 600 dispensaries or clinics (Gu, 1996, p.389). Modern medical facilities served to recruit converts, as many of them out of gratitude joined the church (Song, 1995, p.79). Sometimes missionaries offered free medicine to the poor on the condition that they believe in the Savior (Gu, 1996, p.390).

Missionaries in a sense were vanguards for social change as they championed reform of traditional social evils. They propagated the danger of opium and aided in rehabilitation of addicts; they helped prostitutes abandon their profession; they convinced widows not to commit suicide upon the death of their husbands; and most importantly, they vigorously fought for the abolition of foot-binding. In doing so, missionaries established for themselves a positive image as a force for righteousness, justice, and progress. More often than not, they justified their position by reference to Christianity. Foot-binding, a millennium-old practice of promoting feminine beauty while confining women inside the home, offers an example. Missionaries saw it as a brutal disfigurement, stating that “it ruined God’s creation … it usurped God’s power, and it is a heinous sin.” Under their prompting, local governments established foot-binding eradication bureaus, many of whose officials and staff inside were Christians (Song, 1995, pp.130-131).

Missionaries even tried to transmute Christian values into Chinese daily routines. Although they admired Chinese diligence, they argued that breaks in the year-round routine were necessary. C. H. Fenn introduced the idea of Western holidays by proposing a day off each week. While this proposal had its origins in Western customs, missionaries offered a
justification in terms of faith; China, by observing the Sabbath, would honor one of the holy commandments and, as Fenn noted, “if only China could enjoy the grace of this Sabbath ... the people would receive thriving energy for their body, heart and soul” (Calvin College: De Korne Collection). Under this advice the Republic of China eventually accepted Sunday as a day of rest, a contribution to Chinese life for which missionaries were responsible.

The intent of missionary benefactors was to diminish antagonism to Christianity and to promote its acceptability. Missionary organization of Red Cross voluntary service during the many civil wars of the early 20th century provided help to civilians caught up in the strife. In the chaos, missionaries avoided involvement in the military conflicts, but employed the Red Cross to save lives and assist the countless refugees (Walmsley, 1974, p.131). Missionary work in famine relief demonstrated the philanthropic side of Christianity even more strongly. Missionaries and native co-religionists purchased food, built soup kitchens, offered free meals and provided other assistance. Often missionaries served as heads of relief committees. They raised funds and oversaw their distribution to the stricken areas. When needed, they appealed to their home country for donations. During the 1920-21 famine, for example, William Charles White requested Canadian Protestants to offer alms, and in response churches in Canada raised $600,000 (Walmsley, 1974, p.132).

Although missionaries scored successes, they still encountered setbacks in evangelical activities. The immense size of the Chinese population posed a seemingly intractable problem. John Hawk wrote in 1907 that he travelled for 200 miles and in a short time had encountered half a million people: “while we would ask them if they knew of Christ, they would either reply in the negative or look amazed” (Saunders, 1972, p.37). John C. De Korne, after travelling for three weeks in Jiangsu and passing hundred of towns and thousands of villages, despondently recorded: “there is not now nor ever has been a single witness for Christ” (Calvin College: De Korne Collection). Lee Huizenga exclaimed in 1921 in Shanghai that Christianity “had but very little effect upon the Chinese people” in the city’s Old Town where “the influence of Christianity is still practically unknown to all appearance. What darkness! Send the light!” (Calvin College: Huizenga Collection). Even if thousands of missionaries worked in China, they and their Chinese co-workers were inescapably dwarfed by the size of the population they sought to reach. One missionary calculated in 1924 that on average one minister worked for over 50,000 souls, which was equivalent to “only five foreign workers to a mass of heathen greater than the population of Denver or Toledo, or only two foreign workers to a population as great as Ottawa or Quebec” (Calvin College: Beets Collection).

China’s traditional culture remained a barrier for missionaries as well. Many Chinese attended congregations out of curiosity. Once, James Addison Ingle was surprised on once occasion to find foreign missionaries looked at as “strange animals on exhibition” by the crowded thongs of a Chinese town. The local people waited the whole night because they “did not know exactly what sort of a beast he [the bishop] was, but dimly thought that he was something greater than a viceroy,” and “the sight of the foreign lady … would repay the loss of sleep” (Jeffrey, 1913, p.209).

Many missionaries were chagrined by the fact that many converts only offered lip service to Christian beliefs, as they joined the church solely for personal help or gain. Such
people were known in the memorable phrase as “Rice Christians.” Henry Beets described these lukewarm converts as “Chinese Christians [who] were only accepting Christianity for the ‘loaves and fishes’ – the gifts and positions bestowed by the missionaries” (Calvin College: Beets Collection). Material benefit rather than genuine faith motivated them to join the church, a phenomenon which proved a lasting frustration to missionaries. Competition from other religions also drew on converts’ loyalties. Buddhism emerged as a major rival. Henry Beets referred in 1924 to a “change for worse. We refer to attempts to have Buddhism revived” (Calvin College: Beets Collection). Indeed, all religions in China enjoyed revival, but Islam was primarily confined to ethnic minorities, Daoism’s recovery was limited, and Confucianism, while powerful in its hold on the population, remained a set of social and ethical practices without a formalized religious structure. Buddhism presented the chief rival faith, and to deal with it missionaries devised new strategies. For example, Norwegian missionary Karl Ludvig Reichelt, who went to China in 1903, adopted a bold approach to convert Buddhists. He believed that Buddhist monks were “other sheep” of the flock and that their acceptance of Christ would come about naturally. To attract them he used incense and bells, attired himself in Chinese costume, and adopted a vegetarian diet. He even created a lotus-cross as the symbol for his mission (Malek, 2005, pp.1039-57). His conversion of a hundred Buddhist monks may testify to the success of his own endeavors, but throughout China Buddhism remained the dominant religious force.

Between 1922 and 1927 the growing nationalist movement put much pressure on missionaries as Christianity was deemed unscientific, illogical, outdated, and unfavorable to social progress (Yamamoto, 1953, p.138). In particular Christianity was attacked as a support of the evils of imperialism and capitalism (Hodus, 1930, p.490). There were instances of anti-missionary violence, and in 1927 over 3,000 missionaries temporarily left China (Yamamoto, 1953, p.136). This situation was short-lived, however, and did not cause much damage to the overall missionary enterprise. The nationalist movement had both liberal and radical progenitors, the former often sharing Christian values or sympathies, the latter influenced by Marxism and Soviet Bolshevism. Many missionaries worried that China would be swept into the communist abyss. De Korne, in his “Bolshevization of China” (1927), feared that “the spirit that came from Moscow has made China more violently anti-foreign than she has been since the Boxer days” (Calvin College: De Korne Collection). However, the communists did not seize national power at this time, and did not cause much trouble for the missionaries. The only impact was inside the small communist controlled bases, beyond which missionaries were largely unaffected. It was not until 1949 that the impact of communism fully came home to them, when they were all forcibly expelled from China.

The Process of Chinese Indigenization

The Boxer Uprising was a landmark for the Chinese church, as native believers thereafter endeavored to build an indigenous Christianity. Indeed, the rebellion itself was a corollary of cultural conflict, as the “imbalanced” and “unfavorable” import of the religion allowed only a “passive” acceptance by native Chinese. After 1900, Chinese Christians
realized the importance of distancing themselves from foreigners. One scholar coins the term “active acceptance” to portray Chinese efforts toward indigenization (Yu, 1997, p.164). During the following thirty-seven years, many Chinese believers set a goal of self-rule, self-support, and self-propagation, which incidentally challenges Timothy Brook’s view that the roots of the Three Self Movement are to be found in the years of the Japanese occupation (Bays, 1996, p.336).

In fact, insufficient man-power, cultural hurdles and racial barriers made missionaries accept the imperative of an indigenous church. James Addison Ingle observed in 1902 that “we are absolutely unlike the Chinese in every physical, mental and moral habit. Our best intentions are misunderstood and many of our best efforts wasted. Our only hope is in native workers” (Jefferys, 1913, p.219). Consequently, missionaries began to support the indigenous movement. This was confirmed in 1907 at the centenary conference in Shanghai celebrating the Protestant arrival in China when the participants declared that “independence of foreign control is the inherent right of the Chinese church … it will solve in its own questions of organization and forms of worship, and it will build up its own theology” (Bitton, 1914, p.147). In his annual report in 1911, William Charles White told his home church that pastoral work in an organized Chinese congregation ought “to be done by a Chinese pastor” and that church affairs should be “carried on by the Chinese themselves” (Walmsley, 1974, p.107). Because of cultural differences, “no foreign Christian missionary can ever be completely fitted to express in its fullness, for men of another country than his own, the meaning of the Gospel of Christ” (Bitton, 1914, p.148).

Four models of Chinese-run churches emerged. The first was the combined church, within which Chinese Christians actively participated in initially foreign-run establishments and eventually became leaders. In fact, both Catholic and Protestant churches vigorously recruited Chinese as pastors, priests and staff. A number of Chinese were ordained as bishops and the number of priests increased rapidly. Eight hundred and thirty-four Chinese priests made up 35% of the clerical body of the Catholic Church in 1918; by 1926 the number rose to 1,184, comprising 41% of the total. In 1916, Chinese sisters in Catholic monasteries represented 66% of the total and this figure rose to 72% in 1926 (Charbonnier, 2007, pp.396-397). In 1926, the Pope consecrated six Chinese bishops at a four-hour ceremony in the Vatican. Protestant growth was more even more pronounced, as one source claims that by 1920 Chinese pastors outnumbered their foreign counterparts (Yu, 1997, p.82). With Chinese taking the lead, and foreigners pledging their continued support, this combined model enabled the church to grow at a remarkable pace.

The second model was the establishment of native churches with Westerners as advisors, which Chinese theologians like Zhao Zichen enthusiastically championed. In this model Western missionaries provided expertise and assistance if needed, but it was the Chinese who were in charge. Chinese leaders sought to disassociate themselves from politics as they engaged themselves deeply with Chinese society in their effort to build their “indigenous church” [bense jiaohui] (Shao, 1980, pp.550-552).

The third model was that of a totally autonomous Chinese church, what Daniel Bays termed a “wholly independent church” (Bays, 1996, p.265). According to one statistic, by 1926 more than 600 such self-reliant churches were operating throughout the country (Suman, 2006, p.149). As a result, a new generation of native theologians emerged as they
built their own churches free from foreign control and aid. Famous leaders, such as Yu Guozhen, Ni Tuosheng [Watchman Nee], Yang Shaotang, Rao Yumin, Wang Mingdao and Song Shangjie became nation-wide famous figures. Wang Mingdao, for example, was born to a Christian family in 1900 during the turmoil of the Boxer siege of Beijing, and attended foreign-run missionary schools. Nevertheless, he believed that the Chinese church should be totally independent. It was this belief that urged him to be rebaptized by a Chinese pastor in freezing winter water, challenging his first baptism by foreigners (Harvey, 2002, p.20). Later Wang built “The Christian Tabernacle” that attracted many thousands of converts, without a single dollar from foreign sources.

The fourth model was to turn the army into a Christian school. The most prominent example of this was provided by Feng Yuxiang, a famous and powerful general in northwestern China in the 1920s. Feng’s positive reputation arose partially from his faith, as he used Christianity to train his soldiers. Sun Yat-sen’s son, Sun Ke, said that “ever since he [Feng] became a Christian, he enforced strict disciplines in his army and never harassed people … His troops possess high revolutionary spirit and are top-notch soldiers” (Shao, 1980, p.382). A foreign missionary was amazed in 1923 at such a Christian army and hoped that “General Feng can do a great deal towards the Christianization of his whole army” (Calvin College: Huizenga Collection). Feng not only influenced his soldiers but also their families, relatives and friends. An American observer noted that Feng’s army was “a Christian school for the common people” (Davis, 1925, p.8). It is not surprising that many missionaries called Feng China’s Oliver Cromwell (Calvin College: Kalsbeek Collection).

With the rising tide of nationalism, Chinese Christians strongly attacked imperialism in order to display their independence from foreign religious domination. By portraying Jesus as an anti-imperialist fighter and by stressing his death at the hands of Roman imperialists, they sought to show that Christianity was in no way linked to imperialism (Shao, 1980, p.374). In condemning foreign imperialism and exclusively concentrating on Jesus as savior, they even criticized foreign missionaries and their 19th century methods of propagating the gospel. As Wesley Shen wrote in 1927, “imperialism and capitalism should be overthrown” and “missionaries who came with foreign gunboats should be opposed” (Suman, 2006, p.149).

To underscore the indigenous nature of the Chinese church, Chinese theologians offered their own interpretations of Scripture. In recent years the native theology which took shape in the 1900-37 period has been extensively examined in the writings of Watchman Nee, Wang Mingdao, Zhao Zichen and other independent church leaders. It is interesting to note that many theologians interpreted Jesus from the Chinese humanistic tradition by portraying him as “an extraordinary person,” “a thorough human being” and “a great lover [of humanity]” (Malek, 2005, p.1233). Some Christian thinkers elaborated on the importance of their faith in saving China. Ma Xiangbo put it bluntly that religion, by which he implied Christianity, “is the only solution to the problem of human life” (De Bary, 2008, p.776). Xie Fuya argued that Christianity could fulfill China’s needs of national revolution, social revolution and spiritual revolution when he said in 1935 that “Christianity is revolutionary – at least Jesus himself is a symbol of a lump of raging fire. He threw the most explosive bomb to the old system, old culture and old thought … He
was determined to establish a brand new society – a ‘Heavenly Kingdom’ of justice, freedom, equality and love” (Shao, 1980, p.649).

To enhance awareness of Christianity among the Chinese and to strengthen the converts’ faith, each church made full use of newsletters, posters, paintings, pamphlets and magazines. News reports treated church life, special tracts explained the Bible, pastoral editorials addressed special issues, and even cartoons delivered visualized spiritual meanings. Reports and stories were often couched in easy-to-comprehend vocabulary. Many journals and magazines had a long history, such as Wang Mingdao’s Lingshi Jikan [Spiritual Food Quarterly], which ran from 1927 to 1955 (Harvey, 2002, p.41). Central to publication of the Christian message was the Bible, and it enjoyed wide distribution. Many Christian scholars endeavored to standardize its translation and some studied it in its Greek and Hebrew origins to better understand it. One source states that the Bible was the publication most in demand in the 1910s. Although its sales dropped briefly in 1916 due to the depletion of the old Beijing version, the new translation in 1919 resulted in sales of the Bible in whole or in part leaping to four million copies a year (Suman, 2006, p.146).

To make a distinction between the Western church and native church, and to attract more believers, Chinese Christians worked to adopt a liturgy with native features. In the Declaration of the Chinese Church of 1922, Chinese Christians criticized the wholesale takeover of Western rituals, which was seen as “deplorable mimicry, unbeneificial to the long-term reconstruction and existence of Chinese Christianity.” Instead, “bold experiments should be undertaken “to safeguard the present church as truly indigenous” (Shao, 1980, pp.520-521).

Chinese Christians realized the danger of living in a religious vacuum isolated from society. From the beginning of the century they actively participated in reform movements directed against foot-binding, gambling, opium-smoking and superstition. As time passed, Chinese Christians devoted themselves to new social programs. By the 1930s a movement was underway to go to the rural areas to disseminate the Gospel. Christian thinker Yan Yangchu called on co-religionists to plunge themselves into the countryside to spread education and propagate religion. He advised them to change their focus from the urban centers to the rural areas, and urged them to “first rusticate themselves and then convert peasants” (Shao, 1980, p.508). This movement brought many urban Christians into contact with the great mass of the peasant population.

Chinese Christians gave full support to Sun Yat-sen’s Three Principles of the People, the official ideology of the Republic of China since the 1920s. They also advanced their own interpretation of the link between the Principles and Christianity. Apart from stressing that Sun Yat-sen was a Christian, they stressed that the Three Principles possessed a unique religious character. According to Xu Songshi, only Christianity enabled the Chinese to develop the true spirit of democracy under which national independence, equal rights and the welfare of all would be realized. “The Christian Three People’s Principles, after all, are to reform the country by establishing ‘the Heavenly Kingdom’ on earth” (Shao, 1980, p.480). In this way, Christianity fitted comfortably into the contemporary official political ideology.

Chinese Christians studied their religious rivals to find ways of increasing their own numbers. Confucianism, Buddhism and Daoism had enjoyed a lofty position in the past, but
Daoism was now enfeebled, and Confucianism was under sustained intellectual attack since the New Culture Movement began in the mid-1910s. Buddhism, however, was enjoying a revival and was a formidable rival of Christianity in gaining souls. Christians therefore concentrated on Buddhism, condemning its believers for their lack of interest in social issues and their pursuit of unattainable other-worldly goals. However, Christians had to admit that Buddhism, originally a foreign religion, had taken deep root in Chinese soil. Zhao Zichen called on Christians to study the history of Buddhism. He identified six factors to account for Buddhist success in China: finding common ground with Chinese culture, gaining official support, facing challenges with courage, training talented leaders and faithful believers, effectively translating their scriptures, and relying on art as a medium for propagation (Shao, 1980, pp.282-286). These enabled Buddhism to penetrate into Chinese life and become an indigenous religion. Christianity should follow the same path for its own prospering.

Chinese Christians facilitated a cultural dialogue with Confucianism, as they realized its long-term influence could not be immediately eliminated. This was especially the case with one of its most prominent features, ancestor worship. When confronting this issue, Chinese Christians now adopted a position more flexible than the earlier one of outright rejection of the practice. Li Qinren, a Christian writer of a 1920s pamphlet entitled “Ancestors Should Be Worshipped,” argued straightforwardly that Christians should worship ancestors. While criticizing traditional attributes of ancestor worship such as meat sacrifices, paper-burning, and fengshui offerings, Li called for deep reverence of the great ancestor [God], upkeep of well-maintained cemeteries with ancestors’ names on the tombstones, display of ancestors’ portraits at home, and use of ancestors' property for training educated, morally upright citizens so that laws would not be broken and disgrace not brought to the deceased (Calvin College: Kalsbeek Collection).

To demonstrate their patriotism to fellow citizens, Christians unambiguously expressed their love of country by vowing “to fight for national survival and common national hopes” (Shao, 1980, p.651). This became more salient after Japanese conquest of Northeast China [Manchuria] in 1931. While some believers hoped for the League of Nations to stop Japanese aggression, many Christians supported national resistance and non-cooperation with Japan. In their eyes, Japan’s aggression was evil and China’s self-defense would be assisted by God (Shao, 1980, p.482). They publicized their position and actively participated in anti-Japanese activities such as the December 9 Movement in 1935 (Dong Wang, 2008, p.55). In this way, Christians displayed that they were not indifferent to the national crisis, but passionate in their country's defense.

**Conclusion**

The story of Christianity in early twentieth century China has been dominated by a scholastic focus on cultural clashes. Indeed, the 1900-37 period starts with xenophobic Boxers who indiscriminately victimized believers, and ends with aggressive Japanese
occupiers who enforced policies to restrict Christianity. Between the two dates, as one missionary observed, “China was in a constant state of turmoil from warlords, bandits, communist-inspired student agitations, and finally the Japanese invasion” (Perkins, 1967, p.14). Presumably, Christianity would suffer a setback, but in fact it experienced unprecedented growth. The multifold growth of churches and new converts naturally has caused these thirty-seven years to be called the golden age of the religion. A close review of the whole twentieth century highlights the importance of the 1900-37 period as a special time for Christianity.

In order to explain this golden age it is necessary to go beyond the church itself. The Christian revival must first focus on changing official attitudes. As a response to the national disaster of 1900, the sudden change of official stance dramatically benefited Christianity. As soon as the Boxers were suppressed, the Qing enforced a number of measures to safeguard missionaries, compensate them for their losses, and handle any anti-missionary incidents promptly. Interestingly enough, all the post-Qing claimants to power – SunYat-sen, Yuan Shi-kai and Chiang Kai-shek – were friendly to the church. They enacted constitutions giving Christianity legal equality and Christians freedom of faith. Whether motivated by political calculation or by personal belief, these men by their favorable measures shaped a positive relationship between church and state and offered an unrestricted milieu for the religion to prosper.

The Boxers taught foreign missionaries a serious lesson about rising nationalism and convinced them that new strategies must be adopted for the Chinese church. Native Chinese Christians should be brought into leadership roles, while missionaries had to show that they were spiritual workers, not imperialist invaders. Missionaries actively participated in fighting social evils, such as foot-binding and opium-smoking. To build a stronghold in society, they kept good relationships with officials and befriended social elites. For long-term influence, they established modern universities, middle schools and countless elementary schools. To be seen also as Samaritans, missionaries engaged in a wide scope of philanthropic activities, such as famine relief, refugee assistance and medical care. Even though missionaries encountered obstacles to their work, their evangelical enterprise went well. In 1931 H.A. Dykstra took satisfaction in observing that “since the Boxer troubles the missionary movement had been one of practically unhampered splendid progress” (Calvin College: De Korne Collection).

Attention should be given to native believers because the survival and growth of the religion were in part due to their response to demands of the time. Using a number of models, they moved toward indigenization, seeking common ground with Chinese culture. To highlight their new identity, Christian thinkers postulated Chinese style doctrines and practices. Using the vernacular language, they spread the biblical message through varied kinds of publications. Most importantly, they were determined not to shut themselves in the cloister, but rather to actively engage themselves in social reform and national salvation. All in all, Chinese Christians intended to establish a native church, a phenomenon unknown to the nineteenth century, but which would last to the present day. It was during the first thirty-seven years of the century that the Three Self Church had its origins.

Self-reliance enabled Chinese Christians to establish self-sustaining independent churches. Their success in doing so was significant. Yet they still faced great challenges as
they knew that Christians only constituted a tiny portion of the national population, only about one percent of the total. “Christianity is only the religion of a small minority,” Zhao Zichen admitted in 1935, but its believers “should strive forward to turn this small minority to be a crack force penetrating into human hearts and society… and use that one as ten thousands … which would be the true contribution of Christianity” (Shao, 1980, p.292). By 1937 the Chinese boasted an impressive number of church leaders, church staff and churchgoers, even though their numbers were still small in the population as a whole. Without doubt, the role played by Chinese Christians, now working in a new socio-political milieu with foreign missionaries, should be seen as the most important factor explaining the exceptional growth of the church during its twentieth century golden age.

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Labor Law Reforms: China’s Response to Challenges of Globalization

Yunqiu Zhang

Abstract

The post-Mao years witnessed vigorous labor law reform efforts in China, which can be partly understood in terms of globalization, economic and legal. In the economic globalization, China was increasingly integrated into the world economic system and exposed to international pressures to reform its traditional labor system and follow internationally-accepted labor rules. In other words, the economic globalization created the need for labor law reforms in China. In the legal globalization, China was apparently the recipient or borrower of foreign legal ideas including ideas about labor legislation. These ideas inspired the Chinese to build a new legal system concerning labor.

During the post-Mao reform years, China carried out vigorous labor law reforms as witnessed by the promulgation of numerous laws/regulations on labor issues. What were the dynamics behind these labor law reforms? This paper is an attempt to answer this question by focusing on the influence of globalization, which is understood in two senses—economic and legal. It argues that in the economic globalization, China was increasingly integrated into the world economic system, which compelled China to reform its traditional labor system and follow or adjust to internationally-accepted rules or conventions in conducting economic activities including labor management. In other words, the economic globalization created the need for labor law reforms in China. Globalization also had a legal dimension—legal ideas or practices of different nations disseminated globally and interacted with or influenced one another. In this legal globalization, China was apparently the recipient or borrower of foreign (Western and other Asian nations’) legal ideas including ideas about labor legislation. These ideas were introduced into China through various channels and exerted significant impact on Chinese authorities and legal profession, inspiring them to build a new legal system concerning labor.

This paper is divided into three parts. The first part reviews the challenges globalization posed for China’s traditional labor system. The second part examines how the Chinese responded to these challenges by focusing on China’s labor law reform practices. The last part deals with the limitations and prospect of China’s labor law reform.

Challenges of Globalization for China’s Labor System

Since the early 1980s, when China formally adopted the open policy as a component part of the economic reform, China has been increasingly integrated into the world economic system and become an important player in the economic globalization, as
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witnessed particularly by the presence of large numbers of foreign businesses in China and by the country’s steady involvement in international trade. The economic globalization posed significant challenges for many of China’s orthodox or socialist institutions or practices, including the socialist labor system, and compelled China to change them in accordance with internationally-recognized principles. The economic globalization challenged China’s labor system in three ways. First of all, foreign businesses introduced into China a new and typical capitalist labor relationship, which needed to be handled with new mechanisms or rules. Furthermore, China’s trading partners, especially the Western nations, increasingly tended to link international trade and labor standards and pressure China to raise its labor standards. In addition, international organizations such as the International Labor Organization (ILO) kept close watch over China (and other countries)’s labor conditions and persistently urged it to follow the labor standards set by the ILO.

**Foreign investments and the emergence of new labor relations**

The post-Mao reform era witnessed China becoming one of the most attractive destinations for foreign investments. As of the end of 1997, total registered foreign-related enterprises in China amounted to 304,821, 145,000 of which were in full operation (ZJ/N, 1998, p. 340). Foreign enterprises introduced into China a typical wage labor relationship unknown to Chinese workers under the socialist system of Mao years and absent from Chinese state-owned enterprises in most of the post-Mao reform era. Compared with its socialist counterparts, the relationship in foreign-related enterprises had two salient characteristics. The first was the sharp division between labor and management (or employer) as two distinct entities, both attempting to maximize their own interests—wages and profits respectively. (While in the socialist labor relations, the division between labor and management was blurred with the intrusion of the state). Secondly, the formation of labor relations in foreign-related enterprises was based on the working of market mechanisms or the principle of demand and supply, with employers enjoying the right to hire or dismiss workers and the latter the right to choose their employers. (While under socialism, the allocation of labor was realized by the state through administrative means). The labor relationship in foreign-related enterprises in post-Mao China can be understood as a contract between workers and employers and bore a strong resemblance to its counterpart in modern Western (capitalist) countries.

On the other hand, the labor relationship in foreign-related enterprises in China differed significantly from those in modern Western countries. In the Chinese context, the labor relationship was marked by the overwhelming power of foreign employers over Chinese workers and accordingly the precariousness of Chinese workers' interests. The employers' advantages derived not simply from their ownership of properties, but also from the unique Chinese circumstances: the abundance of surplus labor forces, the appeasing attitude of Chinese officials (particularly at the local level) toward foreign investors, and the lack of labor legislation or effective enforcement of labor legislation particularly in the 1980s and early 1990s.
The market-oriented economic reforms in the post-Mao years brought about large numbers of surplus laborers and massive unemployment in both urban and rural areas. In cities, with state-owned enterprises being increasingly restructured (or rationalised and privatized), millions of workers were laid off. One statistic source indicated that laid-off workers numbered 8,147,998 at the end of 1996 (ZLTN, 1997, p. 406). In the countryside, as households became basic units of production, which greatly increased agricultural productivity, and arable land shrank, many rural laborers found themselves redundant. The number of redundant rural laborers in 1991 was estimated to be 150,000,000 (Chen, 1993, p. 303). Hence arose the situation in which the supply of labor far and persistently exceeded the demand for labor. The existence and availability of large numbers of surplus laborers benefited foreign employers, allowing them room to manoeuvre in dealing with or controlling their Chinese employees, especially in holding down wages and enforcing labor discipline. Employers could easily find replacements for undesirable workers.

At least in the 1980s, foreign employers' power in the workplace almost remained unchecked by the Chinese state. As Chinese local bureaucrats vied vigorously with one another to attract foreign investments, thereby promoting local economies and improving their own performance records, they were prone to appease foreign employers and to show more favors to them than to Chinese workers. Obsessed with creating and preserving a favorable investment environment, local officials tried to forestall any labor unrest that would irritate foreign investors. To speed up the introduction of foreign investment projects, local bureaucrats stressed simplification of registration procedures and tended to eschew bargaining with prospective investors by lowering standards for sanitation and safety in workplaces. More often than not, they remained inactive with regards foreign employers' misconduct (Zeng, Tian, and Ding, November 11, 1993). The appeasing attitude on the part of local officials served to reinforce the power position of foreign employers over workers and even encourage the employers' belligerency in dealing workers (interviews, 1997).

In short, foreign employers enjoyed a unique power position in their relations with Chinese workers. Some of them were ready to take advantage of this position in order to maximize their own economic benefits. In so doing, they often infringed upon labor's interests and rights, which turned out to be the direct and major source of labor disputes in foreign enterprises. Violations of workers' interests ranged from arbitrary extension of work hours, random deduction of wages, neglect of workers' welfare, poor working conditions, failure to sign or abusing labor contracts, to personal insults. These violations gave rise to increasing cases of labor dispute and labor unrest which often involved stoppages, strikes, and petitions to state authorities and distribution of handbills or posters by workers to voice their grievances and complaints. In the city of Qingdao, cases of labor dispute that were handled directly by city- and district-level arbitration agencies alone numbered 750 in 1994 and increased to 1,251 in 1995, and 1,426 in 1996. About 80% of these disputes occurred in foreign-related enterprises. The number would be much larger if cases of labor disputes settled by lower-level agencies such as township- and enterprise-level mediation committees were included. Union leaders at the three levels (city, district, and enterprise), workers in foreign-related enterprises, and scholars of labor studies in Qingdao all acknowledged that the labor-management relationship in foreign enterprises had been
fraught with tensions. Some union leaders confided that the situation of labor relations in these enterprises was so bad that they would feel embarrassed to disclose it to the outside world. Workers seemed to have had no misgivings in expressing their grievances and complaints (interviews, 1997). In Guangdong province in 1995, there occurred 3,042 “collective visits to government agencies” (jiti shangsu) and stoppages, each involving at least 30 workers; and hundreds more happened in 1996. Between 75% and 80% of them happened in foreign-related enterprises (Dubao cankao, no. 10, 1997, pp. 17-19).

The labor-capital conflict in foreign-related enterprises posed a serious challenge to the Chinese state, for the conflict threatened to disrupt the normal operation of foreign businesses, which were a main source of state revenue; and, if unchecked, it would spill over to other types of enterprises including state-owned ones and to cause widespread social instability, which would in turn undermine the state's legitimacy. In any case, the state's interests were at stake. It thus became imperative for the Chinese state to intervene to ensure harmony and stability of the relations between Chinese labor and foreign capital. Yet, the Chinese state deemed it unwise to intervene directly by administrative means as it did in the pre-reform years. After all, it was facing a different business world which involved foreigners. Within foreign-related enterprises, there was no established presence of state power. Any direct intrusion into them by the Chinese state would arouse suspicions of foreign investors, who had been used to operating businesses in the environment of a free market economy. In the meantime, the Chinese state became committed to building a market economy and tended to refrain from direct interference with the management of enterprises including foreign-related ones. Therefore, it was necessary for the Chinese state to tackle the issue of labor-capital conflict in foreign-related enterprises with new means, the most important of which was labor laws (or regulations).

Pressure from trading partners and the International Labor Organization

With China becoming an increasingly influential trading nation, it came under ever more pressure from its major Western trading partners, mainly the United States, to improve its human rights record including labor conditions. Since the mid-1987s, the United States government persistently advocated linking trade issues and labor standards, insisting that core labor standards as set by the International Labor Organization (ILO) be adopted universally by all nations, developed and developing. These core labor standards, essentially based on conditions of developed nations and referring to workers rights as human rights, included 1) freedom of association; 2) freedom to collective bargaining; 3) freedom from forced or compulsory labor; 4) minimum age of employment; and 5) minimum standards of work. In the past decade or so, the United States government has issued annual reports on other countries’ human rights situation, especially targeting and criticizing developing countries for their alleged violations of human rights. As a major trading partner of the United States, China was also and perhaps more often than other countries subject to U.S. criticisms. Before the mid-1990s, the United States always took labor issues into consideration in annually reviewing China’s permanent normal trading status (PNTS). During the U.S.-China negotiations over China’s accession into the World
Trade Organization (WTO), the leading U. S. labor organization, the AFL-CIO, urged the U.S. representatives not to reach any agreement over China’s WTO membership and furthermore it requested revocation of China’s PNTS on the ground that China failed to respect human (or workers’) rights (Liu J., 2001, pp. 451-452). Although China took pains to dismiss the American accusations and strongly defend its human rights record, it could not afford to totally ignore these accusations and therefore must take measures to improve the workers’ conditions in order to preserve its normal trade relations with the United States. Strengthening labor legislation was one of such measures.

In the process of globalization, China also increasingly came under the scrutiny of the International Labor Organization (ILO). China was one of the founding states of the ILO and served as permanent Governing Body member of the government group. Before 1971, China had been represented by the Taiwan regime in the ILO. The year of 1971 witnessed the restoration of China (PRC)’s legitimate seat in the ILO. In 1983, China sent, for the first time, a delegation to the 69th ILO Conference thus formally resuming its activities in the ILO. Since then, China regularly attended ILO-related gatherings and became actively involved in its legislative and technical activities. In January 1985, the ILO set up its China-ILO Beijing Bureau staffed with ILO officials, which has ever since significantly facilitated the dialogue and cooperation between China and the ILO (Liu W., 2001, pp. 141-147). Using ILO's unique tripartite structure, the Beijing Bureau works in close collaboration with the government, the workers' and employers' organizations to promote decent work for all. The concept of decent work is built on four strategic pillars: the promotion of fundamental principles and rights at work; employment, enterprise creation and human resource development; social protection; and social dialogue. The Decent Work Agenda supports a move towards an integrated development strategy that links rights at work and social dialogue with employment policies and social protection. The ILO officials and experts frequently conducted labor-related activities in China such as offering seminars and training courses, assisting the Chinese in setting up vocational training centers, and organizing exchanges of personnel and field trips. The ILO has been known as the most vocal international champion of labor rights. Its presence in China doubtless put the country’s labor conditions under the international supervision. If just for the sake of creating a good international image for itself, the Chinese government had to demonstrate its concern, in one way or another, for workers’ interests and rights within China. As of March 2, 2009, the Chinese government had ratified twenty-five of the over 170 International Labor Conventions passed by the ILO, twenty-two of which were in effect. These conventions would serve as indispensable references for China’s labor law reforms.

The above discussion indicates that economic globalization (foreign investment in particular) and the accompanying international pressure and supervision (especially from the United States and the ILO) created the need or urgency in China for establishing new labor rules or laws congruent with internationally-recognized labor principles. One strategy the Chinese adopted to meet this need or urgency was to vigorously conduct labor law reforms and in so doing they comprehensively reviewed foreign labor legislative practices and borrowed heavily from them.
Before delving into the issue of labor legislation in the reform years since the late 1970s, it may be useful to first briefly review the labor legislation situation in the pre-reform era between 1949 and the late 1970s. This era can be divided into two periods with 1956 as the line of demarcation. During the first period (1949-1956), the Chinese regime attached enormous importance to labor legislation and proclaimed various labor laws and regulations which covered a wide range of labor issues such as labor contracts, wages, work hours and vacation, labor safety and sanitation, protection of woman workers, labor insurance, trade unions, and settlement of labor disputes. Among these laws and regulations were "The Trade Union Law of the PRC" (1950), "Provisional Measures on Handling Labor-Capital Relations" (1949), "Provisional Measures on Signing Collective Agreement between Labor and Capital in Private Industrial and Commercial Enterprises" (1949), "Regulations concerning Procedures of Settling Labor Disputes", and "Regulations on the Organization and Functions of Urban Labor Dispute Arbitration Committees" (1950) (Yuan, 1994, pp. 109-110). The regime's interest in labor legislation was to a large extent shaped by the realities of the contemporary business world, whose main characteristic was the existence of large numbers of private-owned enterprises. Within these enterprises, labor and capital constituted two distinctive interest groups and frequently became involved in disputes with one another. Keenly concerned with consolidating its power by restoring the urban economy, the Chinese Communist regime was anxious to maintain a stable industrial labor relationship. While claiming to be the representative of the working class, the regime had to accommodate itself to private businesspeople (particularly the so-called national bourgeoisie) whose managerial expertise was indispensable for operating modern enterprises and in the meantime whose suspicion of the new regime was strong. Such realities compelled the regime to handle labor relations with great cautions—by labor legislation rather than by administrative power.

A turning point in the history of labor legislation came in 1956 with the establishment of the socialist command economic system, which remained intact until the late 1970s. Under this system, the previous labor-capital relationship was replaced by the labor-state relationship. The state owned and managed all major industrial and commercial enterprises and regarded all workers as its employees, resulting in what Walder identifies as workers' "organized dependency" upon the state (Walder, 1986; 1983, pp. 51-76). Within these enterprises, egalitarianism prevailed and effectively precluded social differentiation among workers and accordingly labor disputes no longer constituted a major problem. Party ideology and orders came to function as ultimate criteria for the handling of labor issues. Under such circumstances, labor legislation was no longer considered as necessary and indeed was neglected. Legislative bodies on labor issues either ceased to function or were dissolved and many labor regulations were declared invalid (Yuan, 1994, p. 110).

The situation began to change in favour of labor legislation in the late 1970s, when the market-oriented economic reform was initiated. State-owned enterprises gradually became independent economic entities under the doctrine of separation between enterprises and government. Within these enterprises, a relatively clear division emerged between
labor and management as distinct interest groups and labor disputes became inevitable. More important were the emergence and flourishing of private businesses including foreign-related ones, which were basically outside state power and within which a typical wage labor system prevailed and labor disputes occurred much more frequently and intensely.

All these combined to convince the Chinese regime of the necessity of labor legislation and prompt it to take actions in this field. Up to 1994, more than 160 labor laws and regulations were promulgated and put into effect by the national authorities. There were still others that were enacted by local authorities. Some of them were particularly concerned with labor relations in foreign enterprises. The first national-level labor rule that particularly concerned foreign enterprises was Regulations Concerning Labor Management in Chinese-Foreign Equity Joint Ventures of the PRC (1980) promulgated by the State Council. Rules of this type also included Measures on Implementation of the Regulations Concerning Labor Management in Chinese-Foreign Equity Joint Ventures of the PRC (1984), Regulations Concerning the Autonomous Power over Employment and Wages, Insurances, and Benefits of Employees in Foreign-related Enterprises (1986), The Circular on Improving and Strengthening the Work on Labor Issues in Foreign-related Enterprises (1993), all being jointly made by the Ministry of Labor Affairs and the Ministry of Personnel, and Regulations concerning Labor Management in Foreign-related Enterprises (1994) by the Ministry of Labor Affairs and the Ministry of Foreign Trade and Economic Cooperation. Similar national-level rules were also scattered in such legal documents as The Law on Chinese-Foreign Equity Joint Ventures of the PRC (1979), The Law on Foreign-Owned Enterprises of the PRC (1986), The Law on Chinese-Foreign Contractual Joint Ventures of the PRC (1988), which were passed by the National People's Congress.

Legislation particularly directed at labor relations in foreign enterprises was also started at the local level (provincial and municipal). In this regard, the Special Economic Zones (SEZs) and other coastal open cities were in the vanguard in comparison with other (interior) regions. Established in the 1980s, the five SEZs—Shenzhen, Shantou, Zhuhai, and Xiamen (designated as SEZs in 1980), and Hainan (designated as a SEZ in 1988)—were the first Chinese territories open to foreign investments and to develop an export-oriented economy and hence the first regions in China to become involved in economic globalization. The majority of the enterprises here were foreign-related: equity joint ventures (hézì qiye), contractual joint ventures (hezuo qiye), and wholly foreign-owned enterprises (duzi qiye). It was in these regions that a capitalist-style labor relationship made its first appearance. This explains why these SEZs also took the lead in pursuing labor legislation that would suit the need of a globalized economy. Between 1981 and 1997, the authorities of the SEZs promulgated seventy-four “local-level” (difang xing) laws and regulations (fagui), nineteen of them being made by local People’s Congresses and the rest by local governments. These laws/regulations can be put into two categories, general (or comprehensive) and special. A general labor law/regulation was one which covered a variety of labor issues: 1.) A special labor law/regulation was devoted to one specific labor issue, be it employment, labor contract, collective labor contract, labor supervision, labor disputes, wages, labor safety and sanitation, workers’ social security, or health insurance; 2.) In drafting these laws/regulations, local legislative authorities (policy-makers) in the
Special Economic Zones were inspired and drew heavily on international conventions or internationally-accepted principles (as practiced by countries or regions with mature market economies) such as freedom and equality in employment (freedom of job-seekers and employers to choose each other); socialization (shehuihua) of labor security (pensions, health, industrial injuries, unemployment, and childbirth); socialization of occupational training; labor dispute settlement mechanism involving mediation, arbitration, and court trial; and labor market or labor allocation based on the supply and demand in the market. A more specific example of the SEZ’s compliance with international labor conventions was the *Shenzhen Special Economic Zone Regulations on Wage Default by Enterprises, 1996*, which was based on Hong Kong’s legislation on wage defaults in bankrupt enterprises (Xia, 2000, pp.163-199).

Local labor legislation also proceeded in earnest in other open coast urban centres since the late 1980s. For instance, the Qingdao city government and the city's People's Congress respectively promulgated *Provisional Regulations on Labor Management in Foreign-related Enterprises in Qingdao (1988)* and *Regulations on Labor Management in Foreign-related Enterprises in Qingdao (1993)*. Shandong Provincial People's Congress passed *Regulations on Labor Management in Foreign-related Enterprises in Shandong (1994)* and *Regulations on Trade Unions in Foreign-related Enterprises in Shandong (1996)* (*QDDF*, 1989, pp. 88-96; *ZDH*, 1995, pp. 1162-1167; 1118-1122; and *DZRB*, May 13, 1996). These labor laws and regulations addressed all major aspects of the labor relationship in foreign-related enterprises. While aimed at protecting the "lawful" interests of both labor and capital, they put overwhelming emphasis on labor's rights and interests. Take *Regulations on Labor Management in Foreign-related Enterprises in Qingdao (1993)* as an example. This document consists of eleven chapters: (1) general provisions; (2) recruitment of workers; (3) labor contracts: (4) wages; (5) work hours and vacation; (6) social insurance and benefits; (7) labor training; (8) labor safety and sanitation; (9) labor disputes; (10) labor supervision; (11) legal responsibilities; and (12) additional notes. They can be divided into three groups in terms of their points of emphasis. Group one includes chapters 1 and 12, which outlines the goal and principles of the regulation as well as the scope of its application. Group two includes chapters 2, 3, 9, 10, which are neutral and constrain both labor and capital. Chapters 3 and 9 seem particularly important for the purpose of this study. The former stipulates that employers and workers must sign labor contracts, which should set forth the rights and obligations of the two sides, in accordance with the principles of "voluntarism and equality and of negotiation and mutual agreement" (ziyuan pingdeng, xieshang yizhi); and it also sets conditions for suspension of labor contracts. Chapter 9 is about channels or procedures for settling labor disputes: through enterprise-based mediation committees, or district- or city-level arbitration committees, or courts. Group three, including chapters 4, 5, 6, 7, 8 and 11, is the main body of the regulations and almost exclusively deals with employers' obligations and workers' interests. Chapter 4 provides for standards of wages: average wages should be 120% as much as those in the state enterprises of the same industry; minimum wages should not be lower than those in state enterprises; wage rates should be raised every year in proportion to growth in production; payment of wages should not be defaulted. Chapter 5 stipulates that daily and weekly work hours should not exceed eight and forty-eight respectively; extra
work hours should not exceed two hours daily, six hours weekly, and 120 hours annually; pays for working extra hours and on holidays should be 50\% and 100\% higher than normal wages respectively; breaks (45 minutes during an eight-hour work day) and nursing time for women workers (twice daily, 30 minutes each time) should be allowed. Chapter 6 requires foreign enterprises to pay a certain portion of fees for workers' old pension, unemployment insurance, and medical care as well as housing subsidies. According to chapter 7, employers should provide workers with vocational and technical training. Chapter 8 obliges the management to take efficient measures to improve working conditions and strengthen labor protection and guarantee labor safety. Chapter 11 outlines legal penalties (mainly fines) that would be imposed on employers should they fail to fulfil their obligations (QDDF, 1989, pp. 88-96).

In addition to these labor rules particularly relating to foreign enterprises, a series of general laws and regulations were passed by the national authorities in the early 1990s and applicable to all enterprises within China including foreign-related ones. The two most important of them are Regulations on Handling Labor Disputes in Enterprises within the PRC (1993) and The Labor Law of the PRC (1994) promulgated respectively by the State Council and the National People's Congress. The former particularly focuses on the two main kinds of agencies for settling labor disputes, namely, the enterprise mediation committee and the city or district (county) arbitration committee, their compositions, functions as well as working procedures. What seems important is that labor was given a greater say than capital in the labor dispute-solving process. In both types of agencies, which were tripartite (representatives from labor, trade union, and capital formed the enterprise mediation committee; representatives from government, trade union, and general economic administrative organs formed the arbitration committee), trade union representatives were an integral part and, in the case of enterprise mediation committees, served as directors. Beside being represented by trade unions, workers were given a direct voice in the enterprise mediation committee (ZFQ, 1993, pp. 690-693).

The Labor Law is China's most comprehensive national-level legislation on labor relations. In addition to all the main points covered in other labor regulations, the Labor Law also contains new provisions, particularly concerning women's interests. Chapter 7, "Special Protection for Female and Non-Adult (between 16 and 18 years old) Employees", stipulates that woman employees in their periods be not asked to work high above the ground, under low temperatures, and in cold water or to do jobs of high labor intensity (above grade three); woman workers pregnant for seven months be not asked to work overtime and night shift; their maternity leave be not less than 90 days. Like all other labor regulations, the Labor Law almost puts one-sided stress on workers' rights and interests and employers' obligations (Yuan, 1994, pp. 309). The rationale for such a legislative orientation is that labor is too weak and vulnerable vis-a-vis capital and hence needs more concern. Within a year or so after the passing of the Labor Law, a set of more specific national-level labor regulations were drafted or promulgated as its supplements and all were applicable to foreign-related enterprises. Among them were Regulations on Minimum Wages, Regulations on Employees' Work Hours, the Labor Contracts Law, the Social Insurance Law, the Unemployment Insurance Law, the Safe Production Law, Regulations
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As in the case of local legislation in the Special Economic Zones, the drafting of the national-level Labor Law was also influenced by international labor conventions and by labor legislation in those countries with mature market economic systems. In preparing the Labor Law, the Chinese referred to and translated into Chinese major conventions passed by the International Labor Organization and the labor laws of over fifty countries and regions including the United States, Canada, Chile, Germany, France, Spain, Japan, the Philippines, Singapore, Taiwan, Hong Kong, Macau, and Saudi Arabia and compiled them into four book-length volumes (Yuan, 1994, p. 13; Guan and Zhao, 1994, pp. 1047-1840).

It is not surprising that China’s Labor Law contains many stipulations compatible with labor laws of these countries or regions. The Labor Law, for example, stipulates that a labor contract must be signed by the employer and the employee on the principle of voluntarism and equality and it can be terminated by either side. Apparently, this stipulation legalized the freedom in employment, a major market principle long practiced worldwide; it provides for the signing of collective contract and collective negotiations between the trade union (as workers’ representative) and the employer over such matters as wages, work hours, vacations, safety and sanitation, insurance, and benefits; it stipulates that a system of minimum wages be set up by local governments and that eight-hour workday and forty-four weekly work hours be practiced (in 1995, the State Council further shortened the weekly work hours to forty); and it also sets, as mentioned above, some basic standards for the protection of women and minor workers. All these reflected to some extent international influence on China’s labor legislation.

Foreign enterprises in China were thus subjected to two sets of labor legislation, one particularly related to labor-capital relations in these enterprises and the other generally concerned with both Chinese and foreign enterprises. This dual labor legislation on foreign enterprises reflected the overriding concern of the Chinese regime over labor-capital conflicts in these enterprises and was the regime's response to the increasing labor disputes in them. The strained labor relations in foreign enterprises created enormous pressures on the Chinese regime and forced it to seek the help of labor legislation. However, passing labor laws and regulations was one thing, effectively implementing them was another which proved to be more challenging. A major obstacle to legal implementation lay in workers’ lack of “legal consciousness (falu yishi)” or “consciousness of the rule of law (fazhi guannian)”. Many workers were even unaware of the passing and existence of labor laws and regulations, let alone used them to protect their own interests. Coupled with such ignorance on labor’s side was the unfamiliarity with or contempt for Chinese labor laws on the part of many foreign (especially East-Asian) employers, which resulted in frequent breaches of labor laws in foreign enterprises. To tackle these problems and ensure that labor legislation would not remain dead letters, the Chinese regime adopted a variety of measures, including promotion of legal education among workers and expansion of the labor supervisory system (laodong jiancha zhidu). Legal education was aimed at “awakening” workers on their rights and obligations as stipulated in labor legislation and enhancing their willingness and ability to resort to laws for self-protection. In cities such as Qingdao and Nanjing, city- and district- level unions often organized legal study or
discussion sessions among workers and provided legal advice to them. Workers with relatively sound legal knowledge were encouraged to form voluntarily legal consultative groups with the duty to assist their fellow workers. These groups sometimes even represented workers in proceeding against employers (interviews 1997; GR, August 22, 1995). While legal education was primarily intended to equip workers with the legal weapon for self-protection, it also had the effect of reminding workers of their obligation of abiding by labor laws and refraining from any illegal activities.

If the legal education campaign focused on acquainting workers with labor legislation, the labor supervisory system was designed to check and redress breaches of labor legislation by employers. In Qingdao, this system was initially put in to practice on a trial basis in 1993 and vigorously expanded since 1995. Under the labor supervisory system, local authorities set up labor supervisory agencies composed of full- and part-time personnel known as “labor supervisors”; the latter were dispatched regularly to enterprises to check whether labor laws and regulations were followed by employers and they would impose sanctions such as fines on those law-violating employers and demanded them to redress the violations within a certain period of time. Sometimes, labor supervisors went to check an enterprise based on letters of accusation from workers. It seems that foreign employers were a primary target of the labor supervisory system. In Qingdao in 1996, for example, 90% of foreign-related enterprises and 80% of Chinese private ones were subjected to checking by labor supervisors, while only 30% of state- and collective-owned enterprises were checked (interviews, 1997).

**Limitations and Prospect of China’s Labor Law Reform**

The preceding pages suggest that the Chinese authorities, local and central, made remarkable efforts to accommodate internationally-accepted labor standards or principles in carrying out labor law reforms. In adjusting to these principles, they proved highly cautious and selective rather than hasty and indiscriminate, especially in conducting national-level labor legislation. Generally, it took them a long time to draft and pass a labor law/regulation. For instance, the central government spent as long as fifteen years (1979-1994) to produce the nation’s first Labor Law, partly because of the regime’s uncertainty and hesitation about whether China ought to accept and practice foreign, or more accurately capitalist, labor legislative principles. Only with the deepening of market-oriented economic reforms and increasing economic globalization did the Chinese regime gradually come to realize the necessity and feasibility to do so. Besides, the Chinese authorities seemed only interested in those foreign labor standards which they felt fit China’s concrete socioeconomic conditions—standards concerning specific or technical labor problems such as wages, work hours, labor contracts, vacations, job training, employment, and labor protection. As for the fundamental labor rights or “core labor standards”, which were set and advocated by the International Labor Organization and other international organizations and which were often identified as basic human rights, the Chinese authorities (legislators) proved unready to incorporate them into China’s labor laws. Among these fundamental labor rights were freedom of association, right to collective
bargaining, freedom from forced or compulsory labor, non-discrimination in employment, minimum age of employment, and minimum standards of work. These rights were either absent from or diluted in China’s labor laws/regulations. For example, the Labor Law does provide for the formation of trade unions, but not free and independent trade unions. According to this law, the formation of trade unions needed prior approval from higher level unions and ultimately from the official national-level All-China Federation of Trade Unions. Without independent trade unions, workers would be hardly able to engage meaningful collective “bargaining”, which was referred to as collective “negotiation” in Chinese labor laws/regulations, with employers. The Chinese preferred “negotiation” because it sounded less confrontational than “bargaining”. Chinese labor laws also failed to confirm workers’ right to stage strikes, which could be a potentially effective bargaining chip for workers in dealing with their employers. The labor Law only stipulates that workers “may or can” rather than “have the right” to sign collective contracts with employers, which might mean dispensability of collective contracts. Although it outlaws discrimination in employment based on race, ethnicity, gender, and religion, the labor Law ignores discrimination based on social origins (for example, the rural background or rural household). Also absent from Chinese labor laws were stipulations on the abolition of forced labor and child labor. This partly explained why forced labor as embodied by the systems of reform through labor (laogai) and education through labor (laojiao) and child labor were prevalent in China. All these problems with China’s labor laws/regulations indicate that China’s efforts to embrace internationally-accepted labor standards or principles were far from adequate.

These problems, however, do not necessarily suggest a bleak prospect for China’s labor law reforms or for its accommodation with international labor conventions, especially those fundamental labor rights or core labor standards. Many Chinese policy-researchers and scholars already stressed the irreversibility of economic globalization and the accompanying legal globalization and the necessity of China’s further compliance or convergence with international rules. For example, some of them have already advocated that Chinese workers’ right to strike and to organize free trade unions should be legalized, the rigid household registration system which excluded peasant workers from many urban occupations should be dismantled, and the system of reform and education through labor should be abolished (Liu Jianwen, 2001, pp. 467-491).

Conclusion

Based on the above analyses, the following conclusions can be drawn. Economic globalization as embodied by the presence of foreign enterprises changed the landscape of Chinese industrial relations by introducing into China a new and typical wage labour relationship, which was characterized by tensions and conflicts between labor and management. Keenly concerned with maintaining stability of production in foreign enterprises, the Chinese state deemed it imperative to intervene to help improve labor-capital relations in them. Yet, the state became aware that the traditional way of handling labor issues by direct Party-state intervention or control was not applicable in foreign
Labor Law Reforms

enterprises. Foreign employers would not accept such intervention in the first place and any abrupt intrusion of state power into foreign enterprises would undermine foreign investors’ confidence in doing business in China and hence jeopardize China’ economy. Besides, China’s integration into the world economic system also exposed China to mounting pressures from its major trading partners and the ILO to comply with internationally-recognized labor standards. Under such circumstances, the Chinese state was compelled to establish and use new institutions that were compatible with international conventions and acceptable by foreign employers. One of the new institutions the Chinese resorted to was labor rules (laws or regulations). In short, economic globalization spurred the Chinese regime to pursue labor legislation. In carrying out labor law reforms, the Chinese authorities reviewed and borrowed foreign experiences and incorporated many internationally-accepted principles into China’s labor laws.

It should be clarified that the process of labor legislation in post-Mao China was by and large indigenous. It originated from the Chinese regime’s need of building a market economic system under which the state-owned enterprises were to be transformed into independent economic entities and the government was to relinquish its direct management of these enterprises. Changes in this direction started from the late 1970s and early 1980s. With the receding of state power, enterprises gained more autonomy in operation. In the meantime, labor relations in these enterprises underwent a transition from labor-state relationship to a contract between labor and management, both as relatively independent entities. In other words, the labor relationship gradually became marketized and took on more of the traits of the wage labor relationship as prevails under the capitalist system. These changes meant that it was no longer desirable or possible for the state to directly wield its power over labor issues within the enterprise and required that new mechanisms be designed for coping with such issues. The new mechanisms that would be in agreement with the regime’s general orientation of building a market economy could be none other than such institutions as labor laws. Here lies the fundamental rationale for the state efforts of promoting labor law reforms and labor legislation. These remarks by no means contradict the arguments made in this study about the critical influence of economic and legal globalization on the process of labor law reforms in China. My point is that this process sprang from the very logic of China’s economic reforms, and specifically from changes in labor relations within state-owned enterprises; yet it was greatly accelerated or given new impetus by the presence of foreign enterprises and international pressures. The strained relationship between foreign employers and Chinese workers gave rise to a sense of urgency among Chinese policy-makers to quicken their steps in formulating labor laws.

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China’s Foreign Investment

China’s Foreign Investment and Assistance: Implications for Cambodia’

Development and Democratization

Kheang Un

Abstract

With a strong economy and newly acquired confidence following three decades of rapid economic expansion, China has pursued an outward looking policy based upon foreign direct investment, development assistance and trade targeting particularly the developing world. Such expansion has drawn concerns over its impact on human rights, democratization and the environment. This paper assesses these concerns by examining Sino-Cambodia relations over the past sixteen years. It concludes that while trade, development assistance, and investment have had positive effects on Cambodia’s economic development, concerns that these engagements have derailed deeper democratization in Cambodia are not deterministic. Cambodia’s authoritarian trajectory is less a product of China’s engagement and more of the Cambodian elites’ defiance of Western efforts at democratic promotion and belief in state developmentalism—economic prosperity with tight political control.

Introduction

Following three decades of rapid, sustained economic growth, the People’s Republic of China (hereafter PRC or China) has emerged as a strong economic and political player in Asia and beyond. With a strong economy and newly acquired confidence, China has expanded its engagement with multilateral institutions, regional organizations and developing countries. China’s engagement with developing countries rests on its outward foreign direct investment, development assistance and trade. Although China’s engagement in the developing world has contributed to the latter’s economic growth, such engagement has raised concerns over its negative impact on human rights, democratization, and the environment. Reactions to such concerns have been reflected in Sino-Cambodian relations through a complex intertwining in areas of trade, investment, diplomacy, development assistance, and culture over the past decade. Although it is agreed that China’s close engagement has contributed to opening up Cambodia to the regional and global economy and thus economic growth, critics have charged that these developments have not only moved Cambodia deeper into China’s sphere of influence but also increased the power and legitimacy of the autocratic regime in Phnom Penh, thereby hindering Western countries’ efforts to promote deeper democratization.

This paper addresses the implications of China’s trade and development assistance for Cambodia’s economic growth and democratization. It is divided into four sections; the first traces the historical background of Sino-Cambodian relations, including China’s support for the murderous Khmer Rouge regime. Second, the paper examines Beijing’s
strategic deployment of soft power and its application to Cambodia. Third, it analyzes China’s investment and assistance and its impact on Cambodia’s economic and democratic development. This paper concludes that while Chinese trade and development assistance have had positive effects on economic development in Cambodia, its impact on Cambodia’s democratization is not deterministic. Critics who blame China for derailing deeper democratization in Cambodia overlook first the nature of Cambodia’s domestic politics and the appeal of China’s soft power, and as well as the complexity of the relations between Cambodia and the donor community and the latter’s often fractured efforts to promote democracy in Cambodia.

**Historical Background**

Sino-Cambodian post-colonial diplomatic relations began in 1958 as Cambodia searched for friends who could help it navigate the conflict that would engulf Indochina over the next two decades. Cambodia’s search coincided with China’s quest for influence in the Third World. Following a meeting between Prince Norodom Sihanouk and Premier Zhou Enlai at the 1955 Bandung Conference of the non-aligned movement, the PRC and Cambodia established formal diplomatic relations in 1958. China soon became one of Cambodia’s major patrons in the latter’s quest for neutrality (Sihanouk, 1958-1959) until Prince Sihanouk was disposed by a military coup in 1970.

The PRC, after the end of the Vietnam War in 1975, was concerned about Vietnam’s attempt to cultivate a unified Indochina. This troubled the PRC not because it was concerned about the Vietnamese threat per se, but because the PRC feared the fall of Indochina into the hands of a pro-Soviet Vietnam. This would eventually enable the Soviet Union to encircle China from multiple fronts (Ross, 1988, p. 40). As a consequence, the PRC offered military assistance, including military advisors, to Democratic Kampuchea (DK) which ruled Cambodia from 1975 to 1979 before it was toppled by the Vietnamese army (Kiernan, 1991, pp. 132-33; Short 2006). The DK regime undertook an extremely radical, utopian revolution copying distorted elements of Mao Zedong’s Great Leap Forward and Cultural Revolution to construct the Khmer Rouge version of a Super Great Leap Forward. In the course of the social, cultural, psychological and physical destruction of Cambodia, the DK caused an estimated 1.7 million deaths from starvation, execution, and overwork, the highest per capita rate of mass killing in modern world history (see Chandler, 1991; Kiernan, 1995; Becker, 1998).

As news about the DK’s “killing fields” spread worldwide, the legitimacy of the DK’s resistance to the Vietnamese backed People’s Republic of Kampuchea (PRK) could not be justified; therefore, a more acceptable anti-Vietnamese/PRK coalition was needed. China, the United States, and the Association of Southeast Asian Nations (ASEAN)—overlooking the DK’s grave human rights violations—backed the Khmer Rouge and two other resistance movements against the Vietnamese army and Vietnamese backed government in Phnom Penh. Within this context, political scientist Muthia Alagappa (1993, p. 201) argues, the Cambodian conflict emerged as “bilateral (Khmer-Vietnamese) and domestic (intra-Khmer) became internationalized by the dynamics of deep-seated Thai-
Vietnamese and Sino-Vietnamese antagonisms, and global Sino-Soviet and Soviet-American rivalries” (see also Chanda, 1989). These rivalries sustained the Cambodian conflict for over a decade. In 1988, Hun Sen wrote in an essay that “China was the root of everything that was evil in Cambodia” (Jeldres, 2003).

Following the collapse of the former Soviet Union and its satellite states, a comprehensive agreement to the Cambodian conflict was reached in 1991. The peace-agreement led to the 1993 United Nations sponsored elections in Cambodia which produced an internationally legitimate government. During the first four years following the establishment of the Cambodia’s new government, diplomatic relations between the PRC and Cambodia, which was reestablished in 1993, remained mixed. While maintaining diplomatic relations with the PRC, the Cambodian government permitted Taiwan to operate a liaison office in Phnom Penh. Legitimate and illegitimate businesses from Taiwan grew while those from the PRC were limited. The watershed of reestablishing close Sino-Khmer relations began in 1997, with Hun Sen’s strategic diplomatic calculation to search for a powerful international ally when his international legitimacy was in question following his violent ouster of his democratically elected senior coalition partner, Prince Norodom Ranariddh. The United Nations Security Council, under pressure from the United States, voted the Cambodia seat left vacant in 1997 as a punishment for Hun Sen’s violent grab of power. Cambodia’s donors suspended its financial assistance to Cambodia, cutting its financial blood supply.

As a move to offset the decline in international diplomatic and financial support for his government, Hun Sen played the China card by “promptly expelled Taiwan’s unofficial liaison office from Phnom Penh” (Marks, 2000). This policy pleased the PRC, which in 1998 offered Hun Sen a reciprocal response of US2.8 million dollars in military assistance. In 1999, the PRC provided an additional US18.3 million dollars in foreign assistance and US200 million dollars in interest free loans—the largest Chinese assistance to any country to that date (Marks, 2000). In response to China’s indifference to Hun Sen’s use of violence to consolidate his power, Hun Sen stated:

Although some international community members have not yet clearly understood the real situation in Cambodia, a number of friendly countries have maintained their just and fair stance on the Cambodian issue. Among them, the PRC, which has firmly adhered to the principle of peaceful coexistence, continues to respect the Kingdom of Cambodia's independence and sovereignty and does not poke its nose into Cambodian internal affairs (quoted in Marks, 2000).

**PRC’s Soft-Power and Cambodia**

China’s foreign policy under Moa Zedong stressed self-reliance and the export of Maoist revolution abroad, of which Cambodia was an infamous recipient during the second half of the 1970s (Quinn, 1992). The outcome was disastrous for recipient countries as well as for China. Instead of bringing about economic growth and national prestige, Maoist revolution led China to economic disaster and international humiliation and isolation. Since
the 1980s following reforms initiated by Deng Xiaoping, Chinese foreign policy shifted from an ideological to a “ruthless pragmatic” path. This pragmatism centers on a number of core principles. First, only “economic prowess”—not ideology or military—can lead China on the path to greatness. Second, the route to economic growth can be constructed on the principles of peaceful development or global harmony (Pang, 2007; Cho and Jeong, 2008). Peaceful development requires the maintenance of good relations with foreign governments, reassuring the nations in China’s neighborhood and beyond that China’s rise will not be a threat to world order. To advance its foreign policy objective of peaceful development, the PRC adopted a new foreign policy tool based on the concept of “soft power” or a “charm offensive” (Kurlantzick, 2006a, b and c; Pang, 2007; Nye, 2005).

In contrast to “hard power” which is projected through military force, “soft power,” according to Joseph Nye, “rests on the ability to shape the preferences of others .... [It] is the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country’s culture, political ideals, and policies” (quoted in Dambaugh, 2008; see also Nye, 1990). Recently, analysts have discussed other attributes of the notion of soft power. Soft power entails not only the attractiveness of a country’s use of ideas, culture, and politics, but it also encompasses diplomacy, foreign aid, trade, investment, and market access to induce other countries to cooperate with, share or follow China’s world view and development model (Lum, Morrison and Vaughn, 2008; Pang, 2007; Kurlantzick, 2006a, b, and c).

To many developing countries, Beijing’s use of soft power has created a new ideology, the “Beijing consensus,” which does not require neo-liberal policies to achieve economic development. In other words, “an authoritarian political system can be maintained while also pursuing high economic growth,” through the adoption of developmental state strategy (Cho and Jeong, 2008: 463-64). As far as human rights is concerned, Beijing stresses “red rights” a second generation of human rights which emphasizes the rights to basic needs such as food, clothing, housing, shelter, and medical care. Beijing also stresses differences in historical, cultural, and economic developments among world nations to justify its claim that Western style democracy and human rights are not suitable for all nations. The Beijing consensus, with its focus on social harmony and order, serves as a countervailing force to the previously dominant “Washington consensus,” which stressed a market economy with democratic government (Nye, 2005). The Beijing consensus is popular with both authoritarian and semi-authoritarian governments because in their views it produces “win-win” outcomes wherein Beijing can help them attain economic growth without interfering in their domestic political affairs.

The year 2000 was the beginning of the systematic implementation of sophisticated PRC diplomacy based on “soft power”, directed largely to the developing world (Dambaugh, 2008). As far as developing countries are concerned, China’s soft power projected through a “charm offensive” entails “… no interference [meaning] no political strings attached…” (Pang, 2007; see also Lum, Morrison and Vaughn, 2008). Kerry Dumbaugh (2008, p. 12) describes “no strings attached” by noting, “Chinese money generally comes with none of the good governance requirements, human rights conditions, approved-project restrictions and environmental quality regulations” commonly found attached to aid and investment from Western countries.
China’s Foreign Investment

Since the early 2000s, Cambodia is an illustrative case of the employment of the PRC’s new diplomatic soft power. First, China has used a “charm offensive” in the form of senior leadership diplomacy. Since the early 2000s, top Chinese officials, including former President Jiang Zemin, former Chairman of the National People’s Congress Li Peng, former Premier Zhu Rongji, and current Premier Wen Jiabao, have all visited Cambodia (Ministry of International Cooperation and Peace, Kingdom of Cambodia, 2009). Each of these visits was punctuated with announcements of Chinese economic assistance. For instance in 2006, Premier Wen Jiabao announced a US$600 million dollar aid package. To further legitimize Sino-Khmer diplomatic ties, both Cambodian, and Chinese leaders touched the close historical link between revered King Norodom Sihanouk and the PRC’s founding fathers—Chairman Mao Zedong, Zhou Enlai, and Deng Xiaoping.

Further, China has also promoted cultural connections and strengthened its relationships with the ethnic Chinese community in Cambodia by providing financial assistance for construction of Chinese language schools, publication of Chinese language textbooks, and scholarships for Cambodian students to study in China. The Chinese government also provided assistance for human resource development by sponsoring training programs for Cambodian government officials in China (author’s interview with official at the Ministry of International Cooperation and Peace, August 4, 2009; see also Kurlantzick, 2006a). Furthermore, China has also funded Cambodia’s prestige construction projects, such as the Council of Ministers building and a planned botanical garden.

More noticeable is Chinese development assistance to Cambodia which has not only increased dramatically but also diversified. The increase from 2006 to 2007 was 75%, from US$53.2 million dollars to US$92.4 million dollars (The Cambodian Rehabilitation and Development Board of the Council for Development of Cambodia, 2008, p. 8). As of 2007, China has extended assistance to Cambodia through internationally coordinated mechanisms in line with its commitment to engage in world affairs through bilateral as well as international multilateral institutions. In 2007 as part of its expanding involvement in multilateral institutions, China offered aid through the Consultative Group—91.5 million out of the 689 million total multilateral package to Cambodia (Lum, Morrison, and Vaughn, 2008). It is difficult to track China’s aid to foreign countries because it is neither “provided in regularized annual allotments” nor publicly revealed for reason of avoiding domestic public criticism of wasteful spending in light of domestic needs (Dumbaugh, 2008). For 2007-2009, on a bilateral basis, China pledged US$236 million dollars compared to US$337 million dollars, and US$215 million dollars by Japan and European Union respectively (see Table 1). Thus far, China has funded relatively fewer development assistance programs; however, when one counts loans and support for public works, infrastructure and hydropower projects, China is one of Cambodia’s largest donors.

Table 1: Foreign Aid to Cambodia from key donors

<table>
<thead>
<tr>
<th>Countries</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>22.1</td>
<td>34.3</td>
<td>40.6</td>
<td>43.3</td>
<td>51</td>
<td>58.1</td>
<td>54.9</td>
<td>52.7</td>
<td>N/A</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11.6</td>
<td>15.4</td>
<td>17</td>
<td>20.6</td>
<td>20.7</td>
<td>23.7</td>
<td>37.8</td>
<td>35.3</td>
<td>35.8</td>
</tr>
</tbody>
</table>
According to the United States Congressional Research Service, China has become the “primary economic patron” of Cambodia (Lum, Morrison, and Vaughn, 2008). Its investments in Cambodia have risen exponentially with over 3,000 companies investing in natural resources, agriculture, textiles, and tourism. Information on the nature on Chinese firms operating in Cambodia is scarce. Dr. Kao Kim Houn, Secretary of State, Ministry of Peace and International Cooperation, indicated in an interview with the author that the Cambodian government sometimes does not know whether a Chinese firm is a state-owned or a private entity (Phnom Penh, January 23, 09). However, it should be noted that in Cambodia Chinese companies that invest in critical natural resources, construction and hydropower plants are state owned, a pattern that reflect China’s industrial investment in the developing world and in Africa and Southeast Asia in particular (Wang, 2002). In Cambodia these key state-owned companies include Sinohydro Corporation, Chian Yunan Corporation for International Techno-Economic Corporation, China Heavy Machinery Corp., China Southern Power Grid Company, China National Offshore Oil Corporation (CNOOC), Guangdong Chenguan Enterprise Investment Group, and China National Machinery and Equipment Import & Export Corporation (Middleton, 2008a; Global Witness, 2009; Middleton, 2008b; Barney, 2005). Anecdotal evidence shows that private Chinese companies also conducted trade in Cambodia and invested in various sectors of Cambodian economy such as restaurants, tourism, gambling, and fitness club.

Chinese investment in Cambodia climbed from just 17 million or 1.3 percent of total domestic and foreign registered capital and fixed assets in 1994 to 688,737,099 million or 43.12 percent of total domestic and foreign registered capital and fixed assets in 2005.
China’s Foreign Investment

(Hing, 2006: 205-216). Chinese investment continued to soar and reached just slightly under four billion dollars in 2008. Such dramatic increases make China by far the largest investor in Cambodia. (See Table 2).

Table 2: Foreign Investments from Key Countries

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</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>194,426,480</td>
<td>114,380,500</td>
<td>11,187,260</td>
<td>99,626,186.8</td>
<td>6,861,645</td>
<td>24,051,875</td>
<td>15,276,803</td>
<td>11,686,650</td>
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<tr>
<td>Thailand</td>
<td>7,142,150</td>
<td>207,596,571</td>
<td>533,807,889</td>
<td>34,757,898</td>
<td>86,572,266</td>
<td>36,618,927</td>
<td>43,467,305</td>
<td>17,859,701</td>
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<td>Vietnam</td>
<td>N/A</td>
<td>369,499.2</td>
<td>N/A</td>
<td>871,030</td>
<td>1,002,540</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1,417,000</td>
<td>2762881067.15</td>
<td>249,075,421</td>
<td>118,708,924.5</td>
<td>147,301,978</td>
<td>30,866,720</td>
<td>3,823,800</td>
<td>78,489,614</td>
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<tr>
<td>Singapore</td>
<td>94,870,800</td>
<td>145,794,981</td>
<td>64,885,646</td>
<td>27,697,278</td>
<td>33,261,340</td>
<td>3,331,185</td>
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<td>13,990,907</td>
<td>856,990</td>
<td>3,703,302</td>
<td>23,216,421</td>
<td>3,533,229</td>
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<td>9,455,100</td>
<td>247,139,194</td>
<td>8,452,328</td>
<td>N/A</td>
<td>29,321,181</td>
<td>4,088,690</td>
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<td>China</td>
<td>17,000,000</td>
<td>7,502,387</td>
<td>404,267,931</td>
<td>58,019,499</td>
<td>179,553,154</td>
<td>82,462,384</td>
<td>32,355,061</td>
<td>9,314,745</td>
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<tr>
<td>Taiwan</td>
<td>1,215,000</td>
<td>21,943,300</td>
<td>288,605,355</td>
<td>90,720,846</td>
<td>223,202,205</td>
<td>84,832,631</td>
<td>35,241,929</td>
<td>92,632,989</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>7,306,781.51</td>
<td>129,219,992</td>
<td>34,481,855</td>
<td>86,551,155</td>
<td>138,787,638</td>
<td>52,249,785</td>
<td>8,862,925</td>
<td>1,934,076</td>
</tr>
<tr>
<td>Japan</td>
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Foreign Investment (continued)

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<tr>
<th>Country</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<th>2008*</th>
</tr>
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<td>110.12</td>
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<td>7,005,050</td>
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China’s Foreign Investment

<table>
<thead>
<tr>
<th>Country</th>
<th>2002</th>
<th>2003</th>
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<th>2005</th>
<th>2006*</th>
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<td>8,100,450</td>
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<td>102,214,163</td>
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<td>64.09</td>
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<td>N/A</td>
<td>3.10</td>
<td>120.62</td>
<td>12.43</td>
</tr>
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China waived tariffs for over 400 products from Cambodia, over 90 percent of which are agricultural goods and raw materials (Heinrich Boll, WWF and IISD, 2008, p. 3). Bilateral trade between China and Cambodia reached 933 million in 2007, though the balance of trade heavily favors China. In 2007, China exports to Cambodia amounted to 882 million, while the latter’s export to the former was only 51 million (Xinhua, 2008). China’s largest investment in Cambodia is in hydropower plants, entailing cumulative investments of approximately one billion dollars (Fullbrook, 2009). Four hydropower plants have been constructed or are under construction while 19 other dam projects are undergoing feasibility studies (Middleton, 2008). China has also invested in the development of a special economic zone in the port city of Sihanoukville with projected completion by 2015. This special economic zone, when finished, is expected to house some 300 companies with 80,000 job opportunities and US$2 billion dollars in export revenues projected (ASEANAffairs, 2008). Furthermore, China has also invested in agribusiness—many of the projects are in joint partnership with Cambodian businesses. Another of China’s major investments in Cambodia is in the garment sector.

**China’s Investment and Assistance**

**A Win-Win Situation?**

Analyses of China’s intentions in Cambodia vary. One theory postulates Cambodia has been incorporated into China’s grand security strategy in an anticipated multi-polar world—one which is centered around China (Schmidt, 2006). Cambodia’s seaport of Sihanoukville can serve as one location in a “string of pearls”, strategic locations from which to secure vulnerable sea-lanes of communication and protect seaborne energy supplies. China also plans to use the seaport at Sihanoukville particularly for the delivery point for oil imports from the Middle East (Story, 2006; Perlez, 2006). Furthermore, in
conforming to China’s 10th Five Year Plan (beginning in 2001) which considers the Mekong region as a top priority, China in collaboration with the Asian Development Bank funded infrastructural development projects such as roads, rails and bridges in the Greater Sub-Mekong region that link Cambodia and the rest of peninsular Southeast Asia to its Southwestern land-locked region to mitigate uneven economic growth that has over the past three decades favored China’s coastal region (Schmidt, 2006, p. 48-49). This infrastructure has contributed substantially to Cambodia’s economic transformation. It has linked previously remote Cambodian provinces to not only the country’s economic center but also the broader Southeast Asian economy and beyond.

Another objective of China’s assistance in Cambodia and in other developing countries is to proudly promote its culture, language and civilization, projected as culturally deterministic nationalism (Hua, 2009; Cho and Jeong, 2008). China’s assistance to Cambodia aims at promoting the study of Chinese culture and language, particularly among Sino-Khmer. A former Chinese Ambassador to Cambodia, Yan Tingai, once stated: “popularization of the Chinese language in Cambodia far exceeds that in any other Southeast Asian country. This feather in the cap of Cambodia’s Chinese has made an enormous contribution to both glorifying Chinese culture and developing the friendship between Cambodia and China” (Marks, 2000). China also established a FM radio station whose broadcast focuses on teaching Mandarin and Chinese history.

Cambodia’s ruling party—the Cambodian People’s Party (CPP)—has also gained substantially from China’s investments and assistance. The CPP has gained legitimacy through its investment in infrastructure, particularly bridges and roads, with funding from multilateral institutions and bilateral agencies. Funding from these institutions—even though crucial—are insufficient to address Cambodia’s infrastructure needs; and the Cambodian government is often frustrated by the imposed conditions of this aid. China’s economic assistance not only injects additional needed funding to infrastructure development, but it is also less troublesome. Middleson (2008b, p. 44) expressed this issue succinctly:

The reality is that many borrowing governments, including the Cambodian government, are pleased to accept Chinese support, mainly for the construction of physical infrastructure that dispenses with burdensome and costly environmental and social safeguard standards in order to accelerate their economic development. The Chinese government considers even serious human rights abuses an internal affair. As such, grants and loans through which the Chinese State Council’s foreign policies are implemented are not attached to conditionalities on good governance.

As part of the PRC’s “going out strategy,” the Chinese government promotes Chinese FDI manufacturing in host countries of light industrial goods such as textiles, machinery and electrical equipment that could process Chinese raw materials (Wong and Chen, 2003). This pattern is reflected in Chinese companies’ investment in the garment sector, which is the backbone of Cambodian exports and serves as a primary source of employment. This sector contributed 80 percent of recorded exports, provided 350,000 jobs, and added 2% to Cambodia’s GDP since 1995. Furthermore, the garment sector has also generated thousands of jobs in indirect employment. Remittances sent by garment factory workers have transformed many rural villages where recipients have been able to invest in
agricultural production resulting in a higher standard of living. In addition to its contributions to Cambodia’s overall economic growth, the garment sector also serves as a model for good labor practices which have won approval from both importing countries and conscientious consumers in the West (Ear, forthcoming).

Furthermore, China’s investment in hydro-power plants helps the Cambodian government toward achieving its economic development plan, which includes the provision of cheap reliable electricity as a major component not only for industrial zones but also for rural Cambodia. Currently, only 20% of households have access to electricity and the government plans to increase that number to 70% by 2030 (Middleton, 2008b, pp. 25-26). Furthermore, on top of other issues such as infrastructure bottlenecks and poor governance, businesses cite high electricity costs as an obstacle to doing business in Cambodia. At present, Cambodia buys electricity from Vietnam and Thailand, but it has plans to reverse these trends following the completion of several major hydropower plants. The demand for electricity in Thailand will increase by 50% by 2021, while that demand in Vietnam will quadruple by 2015, surges that will be unmet by domestic supply (Middleton, 2008a). Therefore, Chinese investment in hydropower plants will reduce the price of electricity and increase the availability of electricity in rural areas. The increase in electricity supply and infrastructure improvement will further develop Cambodia’s economy, while strengthening the CPP’s popularity and legitimacy.

A Negative Effect?

Many critics argue that the Chinese government uses its influence and financial assistance to promote Chinese companies and Chinese interests (Kurlantzick, 2006a, 2006b, 2006c). There are grounds for suspicion given the nature of Chinese companies’ involvement in Cambodia, the secrecy of the bidding process for contracts for minerals rights, hydropower plants and economic land concessions. Foreign diplomats believe that “backroom deals” for Chinese companies do exist (McDermid and Sam, 2006). These backroom deals tend to exist in strategic sectors such as agro-businesses, minerals and oil which China considered critical for sustainable economic growth.

The Cambodian government denies this allegation. Dr. Kao Kim Houn, Secretary of State, Ministry of Peace and International Cooperation, Kingdom of Cambodia, contends that analysts and the press overreact to China’s involvement in Southeast Asia in general and in Cambodia in particular (interview with author, Phnom Penh, January 2009). Overall, the Chinese government fulfills the need of the Cambodian government and given their shared philosophy on politics and economic development there appears to be little friction between them. An official of a multilateral institution stated that “China goes to recipient countries doing what they want. The Cambodian government wants infrastructure, so the Chinese government builds infrastructure for Cambodia (interview with author, Phnom Penh, January 2009).

However, it should be noted that China’s assistance and investment in resource rich areas around the globe serves “to facilitate preferential access to such resources, especially oil” (Medeiros, 2006). One of the key objectives of outward foreign direct investment
China’s Foreign Investment

(OFDI) is to acquire natural resources to meet the ever increasing demand for natural resources that are not fully met by domestic sources (Cai, 1999). A large proportion of China’s OFDI, which amounts to US16 billion dollars, was in mining and energy (Henrich Boll, WWF and IISD, 2008, pp. 1-2).

China’s investment in Cambodia is no exception, the focus is on resource exploration and extraction. Many of these projects, critics argue, do not take into account the impact on human rights and the environment. “China’s goal is to extract natural resources to serve its commercial purposes. Thus, rather than a ‘win-win’ situation,” Sam Rainsy, President of Cambodia’s main opposition party, said “China’s engagement produces a situation of ‘win-win-lose’ in which corrupt officials win and the unscrupulous investors win, but the Cambodian people lose” (McDermid and Sam, 2006). One western diplomat concurred, comparing the Chinese companies to “locust” who “consume natural resources, animals, minerals” disregarding “environmental protection” (McDermid and Sam, 2006).

The investments in agricultural plantations and hydropower plants is another good example. A Chinese state owned company, Fuchan, in partnership with Cambodian Pheapimex, developed an agricultural plantation in the northeastern province of Mondulkiri covering an area of 300,000 hectares. Another Chinese state-owned company, China Cooperative State Farm Group, in a joint venture with Pheapimex, developed a vast area in Kampong Chhnang and Pursat provinces. These companies did not produce an Environmental Impact Assessment as required by law. The impact of these joint ventures on local communities is extremely severe, including: population displacement, loss of access to land and resources, food insecurity and impoverishment (Middleton, 2008b; Global Witness, 2007; Barney 2005). Another Chinese state affiliated firm, Wuzhishan LS, was accused by human rights groups of colluding with Cambodian government officials to grab land from indigenous peoples (Kurlantziick, 2006a). A Chinese SOE, the Everbright Group—as documented by the environmental watchdog, Global Witness—violated Cambodia’s Environmental and Forestry Laws and infringed on local communities’ livelihoods (Global Witness, 2003).

Furthermore, through joint ventures, these Chinese SOEs strengthened the financial positions of Cambodian business tycoons. These tycoons have formed a symbiotic relation with the ruling CPP whose electoral success and legitimacy rest on vast networks of mass based patronage sustained largely by financial contributions from Cambodian business tycoons (Un 2005; Un and So, forthcoming).

China’s investment in hydropower plants is yet another example, according to critics, of the country’s disregard for the impact its investments have upon local people and the environment. The examination of the final decision of the Canadian International Development Agency (CIDA) to withdraw funding from investment in a hydropower project—the Kamchay Dam—illuminates the difference between Chinese and western practices as far as human rights and environment is concerned. In the early 1990s, CIDA conducted a feasibility study of the Kamchay Dam. Although the agency confirmed the economic feasibility of the project, it withdrew from the project following pressure from a coalition of Cambodian and international non-governmental organizations who view the social and environmental costs of the project far exceeding its benefits (Middleton, 2008b, p. 59).
Chinese companies and their funders feel no such pressure. Middleson of the International Rivers writes that: “In many cases, very little detail is publicly available regarding the projects [hydropower plants] themselves, the agreement reached between the Cambodian government and the project developer, and the potential social and environmental impacts” (Middleson, 2008b, p. 28). A major funder for the hydropower plant in Cambodia is the China Export-Import Bank. Although the Bank adopted environmental policies in November 2004 regarding its financing of construction projects, “[T]here remains, however, little evidence of the guidelines for rigorous implementation on the ground to date” (Middleson, 2008a; see also Middleson 2008b, p. 46). As a result, hydropower dams have been constructed in protected national forests potentially flooding animal sanctuaries and precious tropical ecosystems.

However, it should be noted that the rise of Chinese investment in Cambodia is not attributed straightforwardly to Chinese pressure as some critics have charged. First, Chinese companies’ successes in securing investments in Cambodia are partly facilitated by shared values between Chinese investors and Cambodian business communities dominated by Sino-Khmers. Fareed Zakaria (2008, p. 103) characterizes this phenomenon: “few Chinese have really internalized the notion that abstract rules, laws, and contracts are more important than a situational analysis of a case at hand ….” He further states that “[s]ocial relations and trust are far more important than paper commitments” (Zakaria, 2008, p. 112). The lack of transparency, rules and regulations in conducting business in Cambodia have prevented many Western companies from investing in Cambodia (a Western Business and legal consultant, interview with author, January 2007; a senior Western diplomat, interview with author, August 4, 2009). However, such an environment does not deter Chinese companies whose business collaborations with their Sino-Khmer counterparts are based on mutual trust and experience in operating in a non-transparent and corrupt environment in their own country (Johnston, 2005; particularly chapter 7). As elsewhere in Southeast Asia (see for example Yoshihara, 1988 and Yeung 2000), in the role of ethnic Chinese in facilitating and collaborating investment is crucial because of their political-economic ties with the ruling elites who exercise discretion in awarding contracts and granting permits for businesses.

Emerging markets, such as Cambodia, are often considered risky by Western and typical shared holder companies whose investments generally focus on short term return of profit. Many Chinese enterprises operating overseas, including in Cambodia, are either state owned or affiliated. These companies receive financial backing from state-owned financial institutions such as the China Export Import Bank and the China Development Bank to promote Chinese investment in apparently risky markets. These banks “largely implement the macroeconomic policies and political directions of the Chinese central government” (Middleson, 2008b, 43). As a result, these enterprises can adopt a longer term risky business horizon, foregoing short term benefits for long term gains, a practice that private Western companies are not willing to undertake (Official of a multilateral institution, interview with author, January 2009).
For China, aid is “value neutral.” Such neutrality, according to many critics, can block efforts for the promotion of democracy, sustainable and inclusive development and environmental protection. In other words, much of China’s assistance worldwide tends to perpetuate the status quo of authoritarian and semi-authoritarian regimes (Zakaria, 2008, pp. 118-119). Referring to China’s involvement in Southeast Asia, Joshua Kurlantzick argues that soft-power allows China to have growing influence, though with potentially dire consequences “for a region of nascent democracies and weak civil societies,” undertaking efforts to develop democracy and establish the rule of law and good governance (Kurlantzick, 2006c).

In Cambodia, it is argued that Chinese investment and assistance strengthen the ruling CPP because such investment and assistance offer the Cambodian ruling party a cushion against pressure from Western donors and international financial institutions which otherwise would have been able to use the Cambodian government for meaningful political reform (Sullivan, forthcoming). Since 1993, Western countries have provided billions of dollars for economic rehabilitation and promotion of good governance. Over a decade later, the Cambodian government has, as Duncan McCargo (2007) suggests, gotten “away with authoritarianism.” By examining the Prime Minister Hun Sen’s rhetoric on the neutrality of China’s aid to Cambodia, it can easily be assumed that China’s influence counter Western intervention in Cambodia, particularly over the latter’s efforts to promote good governance—a rubric term for judicial, political and anti-corruption reforms. The argument is that Western donors’ adoption of a firmer stance on governance issues by threatening to link aid to reform outcomes “will push Cambodia further into the pockets of its biggest donor—China” (Global Witness, 2009). Under these circumstances, Western donors have to soften their stance when dealing with the Cambodian government.

This author’s conversation with officials of multilateral institutions and the Cambodian government indicated that Western donors in fact have limited influence on the Cambodian government. China’s assistance to and investment in Cambodia, according to an influential senior Western diplomat, “is not necessarily an impediment” to the promotion of democracy and human rights in Cambodia. However, the diplomat added, such aid and investment does offer the Cambodian government more “confidence” in dealing with Western donors (interview with the author, Phnom Penh, August 4, 2009). The fundamental problem is not so much the PRC’s engagement in Cambodia as much as the donors’ lack a unified, consistent and forceful voice when dealing with the Cambodian government (Ray, 2007; Dr. Koa, interview with author January 23, 2009). Given the lack of unity within the donor community and Cambodia’s imbedded neo-patrimonial politics, the ruling CPP has been able to adopt a selective response toward political reform. They accommodated donors’ pressure to reform certain sectors—such as social services and health—which do not threaten their power base and personal economic interests (Hughes and Un, 2007 and Hughes and Un, forthcoming). At the same time, they resist reforming areas that potentially undermine their grip on power, such as governance, the judiciary and anti-corruption laws. Such patterns will likely continue, I would argue, with or without China’s investment or assistance.
Conclusion

This article has documented the surge in overseas assistance and inflow of FDI from China to Cambodia over the past sixteen years. This rise forms part of Beijing’s foreign policy strategy—increasingly recognized as the “Beijing Consensus”—wherein Beijing uses its newly acquired economic power (financial assistance, investment and market access) to gain political support from developing countries and access to their natural resources. This strategy is based on, according to Beijing, the principle that financial assistance, investment and market access is value neutral; therefore, they should not be linked to any conditions, as is often practiced within the framework of the Washington Consensus.

However, critics charge that the hidden agenda and interests imbedded in Beijing’s notion of neutrality has negative implications for recipient countries in general and under this investigation, Cambodia. While China’s investment in resource exploration and extraction in Cambodia has infringed on the local environment and human rights, its financial aid and investment have blocked efforts by internal as well as external actors to promote democracy, the rule of law and human rights in Cambodia.

The truth of the matter is more complex and appears more positive than critics have charged. China’s investment and assistance have helped transformed Cambodia’s economic landscape bringing more prosperity—of course unevenly and with a certain degree of human rights abuses—as they link Cambodia’s peripheral areas to its core and Cambodia as a whole to regional and global economies. The charge that Cambodia’s authoritarian trajectory a by product of China’s engagement is only partially accurate. With or without China’s pressure, the Beijing Consensus is appealing to the Cambodian ruling elite who share the belief in state developmentalism—economic prosperity with tight political control. Cambodian elites’ defiance of Western efforts to promote deeper democratization existed even before the presence of China’s investment and development assistance as evidenced in the 1997 CPP’s coup against FUNCINPEC, a violent consolidation of power in the midst of western intervention.

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China’s Foreign Investment


China’s Foreign Investment


An Emerging South-South Coalition Strategy:

China, Africa and Latin America

Tricia Gray

Abstract

Concomitant with the astronomical rise of China in international politics, there has been an increased frequency and intensity of foreign relations between Global South states. This research attempts to, first, illuminate these largely overlooked foreign policy activities, and, second, to evaluate the implications of the trends. A South-South strategy is based on improving the position of developing countries in multilateral organizations, struggling against international marginalization, enhancing economic and technical cooperation, and challenging hegemonism and imperialism. This study concludes that a South-South coalition framework is a useful model for understanding Global South states’ foreign policy behavior and for addressing future conflicts.

Emerging South-South Relations in the New International System

Concomitant with the astronomical rise of China’s ranking in international politics, there has been a dramatic increase in relations among China, Latin America and Africa. The increased frequency and intensity of foreign relations has been extremely rapid, and this research attempts to, first, illuminate these largely overlooked foreign policy activities, and, second, to evaluate the implications of the trends. A study of foreign policy actions of Global South states reveals that they are taking coordinated actions for a South-South strategy. Although China has long been resistant to officially joining much less leading such a coalition, recent foreign policy statements and actions suggest that China is ready and willing to do so. In conjunction with the rise of other regional leaders, like Brazil in Latin America and South Africa in Africa, a South-South coalition has the potential to achieve significant gains for Global South states in economic growth and international decision making. On the other hand, such a coalition may also spark conflicts in the international system. This study concludes that a South-South coalition framework is a useful model for understanding Global South states’ foreign policy decision making and for addressing future conflicts.

The article begins by explaining the premise of a South-South strategy in international relations and China’s role within the coalition. The precursor to the current South-South approach was Third Worldism from the late 1950s. China has always accepted the three worlds theories, but they have only recently directly participated in Global South cooperation. The next three section sections analyze the evidence of foreign relations among China, Latin America and Africa in specific South-South objectives. South-South coalition politics center on economic relations, and the initiatives reveal trade in commodities exchange, with the largest economies, and through state-to-state partnership
An Emerging South-South Coalition

for investment and financing. The South-South coalition also pursues a strategy of diplomatic cooperation through international organizations. A South-South coalition offers Global South states some short term benefits in trade and financing and strengthens negotiating power in international politics. On the other hand, there are also limitations and contradictions in both principle and practice that warrant further consideration. Thus, research on South-South coalition politics adds to our understanding both areas for cooperation and conflict.

From the Bandung Generation to the Beijing Consensus

In 1955 the Bandung Conference convened leaders of the Asia and Africa to find common goals and design international strategies for the developing world. The Bandung theory of three worlds distinguished the alliances of the West, of the socialist states and of the non-industrialized states in Africa, Asia and Latin America (Van Ness, 1974). The Bandung Conference established the goals of a Third World strategy that persist in the recent South-South coalition: improving the position of developing countries in multilateral fora, struggling against international marginalization (White, 2004), enhancing economic links and technical cooperation among the developing states (Sridharan, 1998), and challenging hegemonism and imperialism (Mora, 1997). During the period of decolonization and within the context of the Cold War bipolarity, power politics and nascent international organizations impeded Third Worldism. Global South states worked together to generate common proposals for change, but they also cooperated – and much more extensively - with the superpowers in return for security and economic benefits.

Rosenbaum and Tyler (1975) proposed that a South-South coalition would be enhanced by an increasingly institutionalized international system that provides more frequent and more significant fora for coordinating the influence of Global South states. The international system of the new millennium has more numerous and more effective international institutions, which, coupled with the growth of the Global South states, have created new instruments of influence in international relations. Joseph Tulchin and Ralph Espach argue that, “Institutionalism offers ruletaker nations a strategy by which they can position themselves to become rulemakers” (2001, p.16). In 2004 White asserted that through multilateral organizations “… South-South relations seem to have acquired a breath of fresh life and begun rejuvenating” (White, 2004, p. 526). White argued, for example, through multilateral organizations countries like Brazil and South Africa have collectively advanced the profile and status of developing countries and added their needs to the global agenda.

Despite disparities and variations among Global South states, their common asymmetry to the Global North provides a common position from which to aggregate their numbers in multilateral organizations. The United Nations (UN), the World Trade Organization (WTO) and other multilateral organizations, especially those that are regionally based, offer the Global South states the opportunity to exercise influence in international politics by virtue of their numbers. The South-South coalition strategy does help explain common proposals, for example, to increase the decision making powers of
Global South states in the IMF and as permanent members of the Security Council. Although those proposals have still not been realized, there is some evidence of success in the diplomatic arena.

The WTO has exemplified a South-South strategy since China became a member in 2002. The Group of 20 (G-20) formed at the WTO Cancún meeting in 2003, and it has successfully blocked agreements that would not advance the interest of the Global South in relation to the states of the Global North. Global South states have also successfully utilized the WTO dispute settlement body not only to challenge the US and European Union (EU) in trade issues but also to resolve conflicts amongst themselves. Mexico, for example, is one of the few states to deny China market economy status and sided with the US in anti-dumping charges against China. This is but one international organization for South-South coalition politics, either as a mechanism to advance Global South interests or to peacefully resolve conflicts through multilateral organizations. The next sections analyze South-South coalition politics in the foreign policies of China, Latin American states and African states to examine in more detail and compare systematically the economic relations and diplomatic coordination of the Global South states.

South-South Foreign Policy in China

China has long seen the Third World as a vital element of China’s opposition to hegemony, by either the US or, formerly, the Soviet Union, and it has also championed itself as a leader of Third World (Smith, 1986; Worden, 1986; Yu, 1977). Mao’s three worlds theory emphasized the first world of the superpowers (i.e., the US and the USSR), the second world of the other developed states in Europe and Japan, and the Third World of the developing states of Asia, Africa and Latin America (Yu 1977; Kim 1998). China also sees itself as part of the Third World developing states in the Bandung three worlds theory. This section examines China’s foreign policy principles and recent initiatives for a South-South Coalition.

China’s foreign policy is based on the Five Principles of Peaceful coexistence: 1) high level contact to promote understanding and cooperation, 2) equality and mutual benefits that would promote new forms of economic cooperation, 3) people-to-people exchanges in the areas of culture, education and sports, 4) consultation in international affairs for mutual support and to jointly safeguard international affairs for developing countries, and 5) expanded diplomatic ties (Premier Li, 1995). These principles were actually established in agreements with India in 1954, and the Non-Aligned Movement also adheres to these principles, offering common framework for Global South foreign policies and their global coordination.

Despite the general decline of Third Worldism in the 1980s, this was actually the period in which China began to reinvigorate its South-South agenda. In the post-Mao era China began pursuing a go-global strategy through the Open Door Policy, which emphasized an opening to trade and investment opportunities in the international arena. In 1983 China hosted a South-South Conference, endorsed Third World candidate for United Nations Secretary General, and supported Argentina in the Malvinas conflict. Worden
explains that, “China began to see South-South cooperation not as alternative to the new international economic order, but as a way to that end through the means of an exclusive but informal Third World vehicle” (Worden, 1986, p.90). In 1988, Deng Xiaoping declared that good relation with Latin America would become an exemplary case of South-South relations (Premier Li, 1995).

China gained credibility among Third World nations while also demonstrating that China could perform as a rational, reliable and useful link between the developing and developed worlds. China claims that the Third World states are all equals and need no leader, but it does posit itself as an advisor and facilitator with “… a sort of political elder brother posture which in fact places China in a superior position” (Harris and Worden, 1986, p.6).

During the 1990s China activated its South-South strategy through speeches and coordinated efforts in international organizations (IOs). Indeed Beijing hailed a new era of South-South cooperation in 2000 (Furniss, 2006) and increased their profile in IOs. In 2000 China created the Forum on China African Cooperation Africa (FOCAC). The African Research Bulletin reported that Wen's 2006 visit to Africa illustrated Beijing’s gradual shift from giving priority to relations with global powers to building political capital with underdeveloped countries (Africa-China: Win-Win, 2006).

China’s foreign policies toward Africa and Latin America demonstrate a strategy of securing access to resources, gaining new markets and investment opportunities and advancing itself as a global leader with a South-South agenda. For the past thirty-five years China’s economy has grown at an average annual rate of 9 percent and has accounted for 25 percent of the global economic growth since 1995 (Devlin et al., 2006, p.195). In 2003, China’s portion of global consumption accounted for 40 percent of the cement, 30 percent of the coal and steel, and 25 percent of aluminum and copper, and that same year China became the second largest oil importer. Moreover, China is the largest economic power in the Global South with its $2.7 trillion economy, while that is still dwarfed by the US $13 trillion economy. China is, therefore a necessary but not sufficient partner to a South-South coalition.

China’s demand for natural resources is huge and growing, especially its demand for 700 barrels a day oil – a number not projected to be reached by between 2010-2015 (Harks, 2007, p.34). Notably the top suppliers of oil to China are states from the Global South: Saudi Arabia and Angola, and China concentrates its interactions with oil producing states in Africa and Latin America. China is the world’s largest consumer of copper, tin, zinc, platinum, steel and iron. Latin America is China’s largest supplier of these goods (Seligman, 2006). As the regions consisting of the most states, Latin America and Africa appeal to China as a voting bloc in the UN, China, Latin America and Africa have also pursued an institutionalization of their relations through various configurations of South-South relations, such as the India-Brazil-South Africa (IBSA and IBSA+China), Asian Pacific Economic Cooperation (APEC), the FOCAC and the Brazil-Russia-India-China (BRIC) summits.

As one of the five permanent members of the UN Security Council, China is the de facto representative of the Global South in matters of international security, but until recently it was largely a silent partner. Since the 1990s China has taken a more active role
in UN peacekeeping, in some cases in defense of non-intervention and but also as an active partner in collective security. In 2004 China sent a 125-man riot police detachment as part of the UN peacekeeping force for Haiti (Ellis, 2005). By the by 2007, China had sent more than 1,500 peacekeeping troops to take part a number of UN missions in Africa (Nduru, 2004, p.1). In 2007 a Chinese general was appointed to command a UN peacekeeping mission for the first time, overseeing troops monitoring a cease-fire in the disputed territory of the Western Sahara. China’s more recent actions on the UN Security Council, such as using the veto power and participating in peacekeeping missions, demonstrate both China’s political will and capacity to contribute to a South-South coalition.

China is well known for an economic and diplomatic agenda that is not tied to political expectations or demands (Forero, 2005; China seizes, 2006; Hilsum, 2006). Yet, the exception to China’s no strings diplomacy is the issue of Taiwan, which China defines as a vital national interest and security issue. As of 1970, only a few states had diplomatic relations with China, but this changed after the Peoples Republic of China achieved diplomatic recognition and assumed its seat as a permanent member on the UN Security Council (Cheng, 2006). By 2009, there were twenty-three states worldwide that recognized Taiwan as an independent nation, and twelve of those were in Latin America. Thus, the number of states in Latin America and Africa has been important for China’s goals, and Latin America represents the remaining arena for this diplomatic rivalry.

China has rarely applied its UN veto power, but they have been willing to use it on the issue of Taiwan (Li, 2005). In 1999, China wielded a rare veto against continuing a peacekeeping mission to Macedonia soon after Macedonia established relations with Taiwan. China had sent more than 250 Chinese police on similar peacekeeping missions in East Timor, Bosnia, Liberia, Afghanistan and Kosovo, and in the end, Macedonia switched diplomatic recognition to PRC that same year. Since 2007 China has even begun to play a more constructive role in UN peacekeeping in Sudan. In July 2007 China supported UNSC Resolution 1769 authorizing 20,000 peacekeeping forces in Darfur, although it does not contain the threat of sanctions that could harm China’s oil interests; some believed the concession due to scrutiny over the 2008 Olympics (Heidt, 2007). Moreover, through its UN ambassador, Wang Guangya, helped negotiate Sudanese acquiescence to the mission (Bezlova, 2007; Schell, 2007) and on Hu’s trip to Khartoum, after warning other countries to stay out, he hastened to remind al-Bashir that, “Darfur is a part of Sudan, and you have to resolve this problem” (Schell, 2007, n.p.).

According to Joshua Cooper Ramo, a former foreign editor of Time magazine who now lectures at Tsinghua University in Beijing, believes that China's success in economic growth and poverty reduction acts as an example to the rest of the world of an alternative path to development. Ramos contends that a new Beijing Consensus as a model driven by a desire for equitable, peaceful, high-quality growth that favors stability, self determination and, above all, flexibility. Ramos asserts that the Beijing Consensus, “offers a vision for how technological globalization [sic] changes things [in a way] that is far more nuanced and frankly useful than much of what is sent out from Washington or Geneva” (quoted in Furniss, 2006, p.55).

An UN Conference on Trade and Development (UNCTAD) survey shows that since 2004, China has been the fifth largest overseas investor and is rapidly increasing both the
number of its investments and the number of states in which these investments are made (Xinzhen, 2006, p.21). The largest increases have been in the developing regions. China’s loans to Africa in 2004 were three times the total development aid provided by Organization for Economic Development and Cooperation (OECD) countries that year; China has overtaken the World Bank and offered more than three times the World Bank’s financing in 2006. China’s rise as a global power and its increasing willingness to initiate South-South partnerships bode well for increased bargaining power for such a coalition.

**South-South Foreign Policy in Latin America**

China and Latin America share common interests, such as opposition to hegemony, support for nonintervention and the establishment a new international economic and political order as a key economic partner with many compatible trade objectives (Delamer et. al., 2004; Mora, 1997; Zhang, 1998). China is trying to build a consensus with the countries of Latin America in international issues through the promotion of multipolarity and multilateralism, with the intention of confronting US unilateralism and to reduce the influence of Taiwan in the region (Pérez Le-Fort, 2006, p. 100). According to Pérez Le-Fort:

The objectives of China toward the region [of Latin America] have changed since the end of the Cold War and have reoriented toward the search for strategic bilateral relations in order to improve cooperation and coordination in international issues and for economic integration (Pérez Le-Fort, 2006, p. 100; my translation). Both China and Latin American states support South-South coalition principles and collective strategies such as the Non-Aligned Movement (NAM) and UNCTAD in the 1960s-1970s and the Group of 20 (G-20) in the 2003 WTO meeting. Since the 1990s China has gained observer status in many regional bodies, including the Organization of American states (OAS), InterAmerican Development Bank (IDB), Latin American Integration Association, Economic Commission on Latin American and the Caribbean, as well as in subregional bodies such as the Rio Group, Mercosur (Mercado Común del Sur, or Common Market of the South), Caribbean Development Bank and the Andean Community. Observer status in the OAS allows China to attend the diplomatic proceedings and to participate in certain activities (Ellis, 2005; Li, 2005; Zhang, 2006; Pérez Le-Fort, 2006).

China’s competition with Taiwan for diplomatic recognition makes Latin America a strategic area because it is home to the most state supporters of Taiwan. By 1995, China had diplomatic relations with seventeen Latin American countries. In 2009 twelve Latin American states accounted for a majority of Taiwan’s diplomatic allies. Virtually all of these states are the small poor states of Central America or the Caribbean Islands. Since 2004, three states (Dominica, Grenada and Costa Rica) have switched their recognition to China, and one state, Saint Lucia, switched to Taiwan. When Dominica severed ties with Taiwan in 2004, Beijing rewarded the small Caribbean island state a $112 million aid package (Rohter, 2004). Early in 2005 Chinese Vice President Zeng Qinghong made state visits to Mexico, Peru, Venezuela, Trinidad and Tobago, and Jamaica in successful
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attempts to secure official declarations for a ‘One China’ policy. Most recently, in 2007 Costa Rica, a consistent supporter of the Taiwan since 1949, switched its recognition.

In another example of diplomatic coordination, China and Latin America have forged a common position on human rights since the late 1990s. In 1997 China gained the support of Argentina, Brazil and Colombia, Cuba, Dominican Republic, Ecuador, Mexico and Uruguay on the UN Human Rights Committee to agree that applying international standards to China was tantamount to meddling in its internal affairs (Zhang, 1998). The Chinese and Latin American foreign ministers expressed their shared views on human rights through their consensual opposition “to unilateral actions taken by certain countries that harm the sovereignty of other countries and human rights issues” (Chinese, Rio Group, 2000). Reciprocally, China supports the human rights records of Venezuela and Cuba and, with help from Global South states, undermines UN efforts to intervene on behalf of human rights in Sudan and Zimbabwe.

**Figure 1: China-LAC Trade Volume, 1992-2007 (US$ billion)**

Sources: Jiang, 2006, p. 10; US Census Bureau, 2008.

China has been dramatically increasing its trade with partners in the region in both exports and imports, but substantial trade links have only emerged between China and Latin America within the past two decades. From 1988 to 2001 the growth in trade increased sixfold, doubling between 2001 and 2003, and jumping 67 percent from 2003 to 2004 (See...
Chinese exports to Latin America were $5.3 billion in 1999 and in 2004 they had reached $18.3 billion and China imported $22 billion worth of Latin American goods, which was 600 times more than they did in 1999 (Ballve, 2006, n.p.). Between 2004 and 2005, China increased Latin American imports another 60 percent (Donnelly, 2006; Devlin et al., 2006). The total volume of Sino-Latin American trade was $13b in 2000 and $40 billion in 2004 (Jiang, 2006, p.10). China’s state-run Xinhua news agency reported that exports to Latin America grew 52 percent in the first nine months of 2008 to $111.5 billion (Painter, 2008, n.p.). Despite low value in terms of all global trade, the rates of growth in trade between Latin America and China have been exponential in recent years. In 2006 the level of Sino-Latin American trade was still only two percent of China’s total volume of global trade (Cheng, 2006, p. 502). Moreover, Latin America trade with the US is more than $130 million dollars annually (Hornbeck, 2004), which is almost three times the volume of trade with China.

Trade between Latin America and China is concentrated in a few key partners and in a few products. At the turn of the millennium, China’s top five Latin American trade partners – Brazil, Chile, Mexico, Argentina and Peru - account for 85 percent of imports from the region, and in 2005 the top seven trade partners (see Figure 2) generated 80 percent of the trade (Gutierrez, 2001; Jiang, 2006). In 2004 China had more than $1 billion dollars invested in LA with the majority of investments in oil (Venezuela), iron ore (Peru, Brazil) cooking oil (Brazil) and textiles (Mexico) (Pérez Le-Fort, 2006, pp. 98-99). An IDB study on Sino-Latin American trade reveals that the top trade partners from the region actually rank as China’s top three trade partners in a few key products. Chile is China’s top supplier of copper, Brazil of iron ore, and Argentina of soybeans and soybean oil, and Brazil is the second largest supplier of soybeans (Delamer et. al., 2004).

China has been pursuing oil exploration with smaller states in the region; for example, in late 2004 China invested $100 million in drilling exploration in Ecuador (Li, 2005). In 2006 the Andean Petroleum Company, a consortium of two state-owned Chinese oil companies, won a bid to buy Canadian owned EnCana Corporation with oil and pipeline interests in Ecuador for $1.42 billion. The deal includes a pipeline with a 75,200 barrel per day capacity and a reserve capacity of 143 million barrels. China also has a 45 percent stake in Pluspetrol, Peru’s largest operator, a 50 percent stake, held jointly with India, in Colombia’s Omimex de Colombia, and has committed $5 billion for investments in the oil industry (China Jockeys, 2006).

![Figure 2: China’s Top Trade Partners in Latin American (US$b)](chart)

<table>
<thead>
<tr>
<th>State</th>
<th>Brazil</th>
<th>Mexico</th>
<th>Chile</th>
<th>Argentina</th>
<th>Panama</th>
<th>Peru</th>
<th>Venezuela</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Trade volume</td>
<td>$15b</td>
<td>$8b</td>
<td>$7b</td>
<td>$5b</td>
<td>$3.2b</td>
<td>$2.9b</td>
<td>$2.1b</td>
</tr>
</tbody>
</table>

Source: Jiang, 2006

Given China’s comparative advantage and interest in Latin America’s commodities, Sino-Latin American trade patterns could actually shift the economic structure of Latin America.
An Emerging South-South Coalition

America and create significant labor dislocation, especially since Chinese competition is most notable in labor intensive industries, such as the textile industry (Ellis 2005). The wage ratios between China and Brazil and China and Mexico are three to one and five to one, respectively (Devlin et. al., 2006, p.200). Ellis notes that:

… Increasing trade with China could reduce the number of jobs in the region and deepen poverty. To the extent that extractive industries traditionally involve major concessionary arrangements with governments and major capital investments…socialist China ironically could deepen the corruption and class disparities that have traditionally plagued the region (Ellis, 2005, p.30).

Some reports show opposite trends in Latin American exports with a reduction in the share of primary products and a shift toward industrial products (Mindge, 2006; Jiang 2006, p.10). With either scenario, however, there remains the potential for negative environmental impacts such as from extractive industries and clearing the rainforest for soya production.

Sino-Latin American economic relations have moved away from simple trade and toward a combination of trade, economic assistance, investment and joint ventures (Zhang, 2006). In 2004 almost half of Chinese overseas investment abroad went to Latin America (Ellis, 2005). There are also signs that China is diversifying its trade with the deconcentration of investments in Asia and shifts toward Europe and Latin America (See Figure 3). Considering that total foreign direct investment in Latin America dropped from $78 billion in 2004 to $36 billion in 2005 (Landau, 2005, p.42), the surge in Chinese investments and trade deals within the region could not have come at a more propitious time.

Figure 3: The Distribution of Chinese Overseas Investments (%), 2003-2004
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Sources: Zhang and Wang, 1988; Zhang, 1994; Premier Li, 1995; Mora, 1999; Landau, 2005; Ellis 2005, Asia Pacific Foundation of Canada, 2005.

Although most of Latin America has enjoyed a trade surplus with China over the 1990s, trade competition may become more of an issue in the future. In 2007, 40 percent of Chile’s exports went to Asia-Pacific and for Peru it was 19 percent, but Mexico only sent 3 percent of their exports to China, and they also had a $28 billion trade deficit with China (Painter, 2008). Brazil's 2006 China-bound exports exceeded Chinese imports by just $400 million, and this was down from $2.4 billion in 2003, and for the first time since 2000, Brazil is had a trade deficit with China in 2007 (Waldmann, 2007, p.1).

South-South Foreign Policy in Africa

Sino-African relations date back to the liberation movements of the 1950s and 1960s and Sino-African relations show similar patterns as Sino-Latin American relations. Sino-African economic relations have focused on trade, heavily concentrated in energy commodities, joint ventures and investments in the energy sector and economic aid in the form of soft loans and debt relief. China has a vast wealth of capital, more advanced technology and administrative experience, and Africa has an abundance of unexploited natural resources, especially in terms of energy resources. Africa also has an advantage in its numerical weight in international diplomatic arenas with more than fifty states versus less than thirty-five in Latin America. African countries have given crucial diplomatic support to China, backing the resumption of the permanent seat in the United Nations and entry into the WTO (Zhou, 2007).

The 1990s accelerated relations coincided with decline in Western interest in continent, and 1996 and President Jiang Zemin announce a “Five Point Proposal” for a new relationship with Africa believing that the African conflicts and instability that began in the 1990s were drawing to a close and that they are ripe for an economic takeoff (Vines, 2007; Payne and Veney, 1998).

In 2000 China created the Forum on China African Cooperation. Africa (FOCAC) as crucial to China’s foreign policy goals and relations are likely to be expanded and strengthened as the states become emerging powers. Indeed, since Beijing hailed a new era of South-South cooperation in 2000, the Chinese have been making their presence felt in Africa (Furniss, 2006). He Wenping, director of the West Asia and African Studies Section of the Chinese Academy of Social Sciences in Beijing, stated,

Both China and Africa are opposed to unilateralism and the use of force. ...China believes that through developing South-South cooperation, we can improve North-South dialogue and establish multilateralism in the world. We also want to strengthen the UN and other multilateral organizations and encourage them to pay more attention to development and anti-poverty concerns (quoted in Furniss, 2006, n.p.).

The pace of China’s engagement in Africa quickened in 2003 for two reasons: 1) Hu takes over as president and an energy crisis in China focused minds in Beijing on the urgent need for energy diversification, 2) the 2005 attempt by the China National Offshore Oil
An Emerging South-South Coalition

Corporation (CNOOC) to gain control of US firm Unocal when an $18.5b bid collapsed under pressure from US Congress. In many ways, US protectionism was a wake-up call and motivator for more frenetic activity by Chinese companies, and the Unocal episode taught Beijing that it would have to be aggressive in competing for natural resources. China is outbidding Western contractors on infrastructure projects in Africa, while providing soft loans and using political means to increase its competitive advantage in acquiring natural resource assets (Vines, 2007).

Africa has been an important focus for Beijing’s new era of South-South relations, even declaring 2006 as the Year of Africa. The African continent averaged 5.5 percent annual growth between 2001 and 2006, which is their highest rate in three decades (Comment, 2007; Wood, 2006). In the late 1990s Africa-China trade amounted to just $5 billion a year, but this has grown tenfold. Sino-African trade has grown by 400 per cent in four years (Furniss, 2006, n.p.). Sino-African trade reached $40 billion in 2005, representing a fourfold increase since 2001, and trade increased another 40 percent between 2005 and 2006 (Kirchick, 2007). In 2006 China's exports to Africa were $26.7 billion and its imports from Africa at $28.8 billion, rising 43 percent and 37 percent, respectively (Zhou, 2007). Two-way trade is expected to reach $100bn by 2010 (Batson and Oster, 2006; Comment: China, 2007). China has displaced the UK to become Africa’s third largest trade partner after France and the US. China’s trade with Africa is still proportionately small accounting for only 3 percent of its global trade (Vines, 2007, p. 217), but Figure 4 below shows that China is quickly approaching the levels of US-African Trade.

**Figure 4: Sino-African Trade 1990s-2006 ($USb)**

![Figure 4: Sino-African Trade 1990s-2006 ($USb)](image)

**Source:** Harks 2007, Vines 2007, Schell 2007

Through patient diplomatic, military, and especially economic overtures, a resource hungry China with an eye on Africa’s oil has been extending its reach across the continent (Kirchick, 2007). Chinese officials dubbed 2006 the “year of Africa” and Chinese government officials visited nineteen African countries in the first six months of the year,
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signing more than 100 bilateral agreements covering politics, economics, trade, infrastructure, culture, education and science and technology. Premier Wen Jiabao’s made an eight-day tour of Africa (Egypt, Ghana, Republic of Congo, Angola, South Africa, Tanzania, Uganda) in June (Africa-China: Win-Win, 2006). In November 2006 representatives of forty-eight states, including forty heads of state, gathered for the Beijing Summit of the FOCAC where political leaders met to discuss challenges of globalization and development. The summit highlights China’s growing engagement with the region and underscores China’s willingness to wield diplomatic clout (Oster, 2006). The plan that came out of FOCAC included doubling aid to Africa, debt relief, expanded access for goods of low-income countries to the Chinese market, training and building schools and hospitals (Africa-China: Hu’s, 2007). Chinese and African enterprises signed fourteen business deals valued at $1.9 billion (Batson, 2006) and pledged $5 billion, which will be primarily used to encourage Chinese companies to invest in Africa (China-Africa Cooperation, 2007; Batson, 2006). In January 2007 China sent its foreign minister, Li Zhaoxing, on a six-nation African visit, coinciding with the release of a government white paper outlining its African policy. Amid the usual talk of mutual benefit and friendly co-operation, the paper called for greater Sino-African military co-operation, and said China would, “when conditions are ripe”, be willing to negotiate a free-trade agreement with the continent (Asia: No, 2007).

As in Latin America, trade and investment between China and Africa is concentrated in a few states and specific products (see Figure 5). China’s foreign direct investment in Africa is mostly channeled to the resource rich countries of Angola, Nigeria, South Africa and Sudan; 50 percent of Africa’s exports to China are oil and 85 percent of Africa’s exports to China come from five oil and mineral exporting countries: Angola, equatorial Guinea, Nigeria, Republic of Congo and Sudan (Vines, 2007, p.214; Hanson, 2008). The oil producing states send a significant portion of their exports to China: Sudan 68 percent, Angola 37 percent and Equatorial Guinea 22 percent, while the largest economies of Nigeria and South Africa send 1 percent and 3 percent, respectively, to China (Furniss, 2006). China gets about one-third of its oil imports from Africa (Hanson, 2008).

Figure 5: China’s top trade partners in Africa

<table>
<thead>
<tr>
<th>State</th>
<th>Angola</th>
<th>South Africa</th>
<th>Sudan</th>
<th>Nigeria</th>
<th>Egypt</th>
<th>Top 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of China-Africa Trade</td>
<td>24%</td>
<td>17%</td>
<td>8%</td>
<td>7%</td>
<td>6%</td>
<td>62%</td>
</tr>
<tr>
<td>$25.3b</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

By 2001 China had acquired a 40 percent holding in the assets of the Greater Nile Petroleum Consortium and in 2004 secured lease operating rights in Chad, Nigeria and MorTaiwanco (Africa-China: From strength, 2004). In 2006 China’s state-run energy firm, CNOOC, announced the purchase, for $2.27 billion, of a 45 percent stake in a Nigerian oilfield (Asia, 2006). In 2007 China secured four oil drilling leases from Nigeria involving $4 billion in investments and bought a controlling stake in the Kaduna oil refinery (Harks, 2007). However, China faces the same obstacles as Western investors in the oil industry. The Movement for the Emancipation of the Niger Delta (MEND) has threatened Chinese interests and nationals following the signing of new oil and gas deals during President Hu’s April 2006 visit and in 2007, fourteen Chinese telecommunications and oil workers in Nigeria were abducted and later released.

In the spirit of South-South cooperation, Beijing has written off $10.5 billion worth of debt from 31 African countries since 2000 and created tax exemptions for 190 imports from 25 countries. In 2006 China committed $8.1 billion in lending to three states (Angola, Mozambique, Nigeria), while the World Bank committed $2.3 billion for all Sub-Saharan Africa (French, 2006, p.127). China has cancelled the debts of thirty African countries equaling $1.4 billion and announced $1.3 billion in new aid (Comment: China, 2007). In 2007 on President Hu's third visit to Africa he committed $5 billion over the next three years in soft loans, grants and export credits to help rebuild Africa’s infrastructure (Versi, 2007, p.11).

Many of these investments are controversial in the international community due, in part, to China’s relations with such notorious regimes as Sudan and Zimbabwe. China has repeatedly blocked or weakened UN Security Council resolutions to impose sanctions or send peacekeeping missions to address the Darfur crisis. Despite the internal crisis and the international sanctions, the Sudanese economy has experienced 13 percent growth in no small part to their trade with China. China receives 60 percent of Sudan’s oil and is their largest foreign investor, and Beijing also supplies arms in contradiction to the UN arms embargo. In 2007 President Hu granted Sudan a $13 million interest free loan to build a new presidential palace and cancelled $70 million in bilateral debt (Kirchick, 2007). In June 2006 China offered over $1 billion in energy and mining deals to Zimbabwe and although neither China nor Zimbabwe indicated how the investment would be repaid, the deal will give Beijing access to the country’s mineral deposits, which include the world’s second largest deposits of platinum as well as gold, chrome, nickel and diamonds. Zimbabwe has also made agreement with China to improve state radio and television transmissions in return for chrome supplies (Cooperation and Trade, 2006).

In 2005 the Congress of South African Trade Unions (COSATU) called China's trading policies toward Africa "colonial" because they focus on exploitation of mineral and natural resources, but not building Africa’s industrial capacity. COSATU said Chinese imports already cost South Africa 55,000 jobs since 2003 (Eagle, 2006). “The challenge is to find openings to engage China, to ensure that past mistakes of postcolonial development and investment in Africa are not repeated, and to increase the likelihood that China’s engagement goes beyond natural resource extraction to contribute to Africa’s development and prosperity” (Vines, 2007, p.219). However, the present nature of Sino-African trade-largely products in return for resources has raised concerns that relations between China
and Africa has the potential to become akin to that of the old European colonial empires (China-Africa, 2007).

Some African leaders, including South Africa’s Thabo Mbeki, warn China against becoming a new “colonizer.” Some critics have compared China to Europeans powers at the turn of the twentieth century that asserted their imperialist claims in Africa.

The Chinese bristle at any such comparison, especially considering the country’s well known insistence that its rise should never be seen as threatening anyone, as well as the corollary claim, taught to every Chinese school child, that their country has never practiced imperialism - and by implication never will. Certainly, China cannot so far be accused of using its advance into Africa to bolster its strategic position in the world. Indeed, military concerns have played a remarkably small part in China’s return to the continent as a major player (French, 2006, p.128).

Prospects and Pitfalls for a South-South Coalition

This discussion of the framework for South-South coalition politics in international relations and the supporting evidence from relations between China, Latin America and Africa illustrate the growth of South-South coalition politics. The rise of a more cohesive and strengthened South-South coalition have increase the bargaining power of Global South states and, in particular, advance the more powerful actors of the Global South, such as Brazil or South Africa, to a higher level of global power. The South-South strategy also helps reinforce and support domestic goals of economic growth and political stability. Thus, the prospects are promising for Global South state’s to increase their global power, continue economic growth and create a multi-polar international system.

The increased bargaining power will be tied to two factors: 1) the capacity of the South-South coalition to bargain collectively within international institutions and as alternative to a North-South dialogue, and 2) the ability of the South-South coalition to affect changes in international decision making, such as the recent successes in the WTO dispute settlements. Global South states are also increasingly creating South-South blocs, such as IBSA, FOCAC, or BRIC as alternatives international organizations and as additional mechanisms for multilateralism. The South-South coalition is premised on the principles of peaceful coexistence and is showing signs of greater support for collective security; these are seen in China’s increasing support for UN peacekeeping or in supporting regional peacekeeping such as the African Union in Darfur.

The pitfalls of a South-South coalition involve encouraging authoritarian leaders, increasing militarization of those regimes, undermining international regimes for human rights and humanitarian intervention and negative consequences of the economic model. The post-9/11 period has witnesses a shift toward a South-South coalition, but it may also recuperate the most conservative elements without a progressive internationalism and at best establish illiberal democratic regimes (Hadiz, 2004). South-South cooperation has sometimes meant the shielding of authoritarian regimes, such as Zimbabwe or Sudan, or in concerted efforts to weaken UN monitoring of human rights.
There is the potential for greater coordination among states within Global South, but the relations could also promote conflict among pivotal states (Rosenbaum and Tyler, 1975). The South-South strategy for mutual development emphasizes state-to-state exchanges among the Global South, which remains concentrated in a few countries and in historical patterns of exports of commodities and agricultural products. This economic model runs the risk of creating growth without development and trade contradictions between the Global South partners. Additionally, this may also bring China into direct conflict with the states of the Global North who already often see China as a threat to the international order and who will increasingly compete for global resources.

Cases from Africa demonstrate that growing economic ties with China means losing jobs in the local market or failing to create jobs for locals as Chinese workers are imported in joint projects (Eagle, 2006; French, 2006). The potential for friction between China and Africa is particularly acute in the textile and footwear sectors, as a massive influx of cheap Chinese products has dealt a blow to Africa's manufacturing sector. "Ten years ago there were 320,000 workers in South Africa's shoe factories. Now there are less than 50,000. Most of the shoes sold in South Africa come from China. The most expensive ones are imported from Italy," Garth Shelton, a professor of international relations at Witwatersrand University says (Nduru, 2004, p.1). Competition from Chinese manufacturers in third-country markets has also hit African industries. Following the liberalization of the international textiles trade in 2005, the value of the clothing and textiles from five African countries fell by 17 percent, causing widespread job losses -- 3,000 in Kenya, 12,000 in South Africa and 15,000 in Lesotho (Furniss, 2006, n.p.). Moreover, “starter” industries that Africans may enter into (e.g., textiles, furniture making, plastics and cheap electronics) are likely to be dominated by China for a long time to come. In fact, China's cheap textiles and clothing imports put 65,000 South Africans out of their jobs (Africa-China: Win-Win, 2006).

China has been important in offering financial assistance that has helped reduce their debt burden, offer capital, technology and infrastructure for extractive industries, and offer soft loans with no conditionalities attached. China is unburdened at home by opposition parties, human rights watchdogs, or a free press and asks no questions about its trading partners' domestic repression, so that its "mutual noninterference policy" makes it the ideal partner for despotic states (Kirchick 2007). Sarah Wykes, senior campaigner with Global Witness, a British nongovernmental organization working to expose the links between natural-resource extraction and human-rights violations. Nowhere is this more clearly illustrated than in Angola, China's largest supplier of oil. Donors had refused to lend the Angolan government the funds it needed for reconstruction without commitments to move forward on issues of human rights, good governance and fiscal transparency. "Then, in 2004, there's suddenly this US$2billion export credit deal with the Chinese. And the Angolan government no longer needs any concessional loans from the IMF or the World Bank" (quoted in Furniss, 2006, n.p.).

The pitfalls for China stem from the instability and volatility of the Global South in terms of the regimes themselves as well as the continued patterns of trade in commodities. China will have to overcome its policy of noninterference:
An Emerging South-South Coalition

In the longer term, after the flush of excitement from the rush of new investment and attention from the East has passed, more and more Africa will come to this stance for what it is, a shirking of responsibility and excuse for doing whatever suits Beijing. In the African context, where poverty is the norm, where institutions are weak, and where the temptation for corruption is as powerful as anywhere on earth, preaching non-interference equal moral abdication (French, 2006, p.132).

This presents a risk to China’s need for access to resources and may present the reluctant power with increased confrontations with anti-Chinese sentiments from within the states and growing involvement in their domestic affairs to protect Chinese economic interests.

Conclusions and the Future Research Agenda

China has increased its support of a South-South coalition within the past few decades, and the South-South coalition can help developing states grow and diversify trade ties and can magnify negotiating power in diplomatic arenas. All states involved, albeit to varying degrees and in myriad contexts, need to balance short-term, macroeconomic gains against long-term needs. The South-South coalition offers to aggregate resources and encourage cooperation for common goals in order to advance the interests of the Global South states in the international system. But like all grand strategies there are variable outcomes for coalition partners and possible resistance from non-partners. South-South partners may not be able to even reach much less maintain consensus and they may also choose alternative foreign policy strategies, for example, to cooperate with Global North states or oppose a Global South state. The South-South coalition strategy, however, is growing in state-to-state relations and through IGOs. This framework for analysis raises many new question for research to help understand how to promote cooperation among and how to avoid conflicts in international relations.

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