

THE INTERNAL AND EXTERNAL POLICIES OF CHINA AND ITS RELATIONS WITH THE EU

Lecture by Jian Gao, Ambassador of China to Hungary

ANITA SZIROTA

Abstract

The rise and blaze of China is one of the latest, and most interesting phenomena in international politics. Researchers, politicians, opinion-leaders in the field of economics show interest in the dynamic development of the country, and its growing influence in world politics. In the last few decades, China managed to show up development and innovation in all fields of life. In parallel, some changes can be recognised in its society, as social reforms are necessary results of the political and economical changes.

Keywords: China, economical prosperity, social stability, sustainable development, political trust, European Union

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On 13th February 2012 a lecture took place in the Central European University as a collaborative effort of CEU Center for EU Enlargement Studies (CENS), and CEU Department of International Relations and European Studies (IRES). At this conference entitled: “*The internal and external policies of China, and its relations to the EU*”, Jian Gao, Ambassador of China to Hungary said that in our interdependent world, it is inevitable that states work together. The base of this cooperation is, first of all, to strengthen mutual trust, primarily in the field of politics. Ambassador Gao also detailed, that maintaining a good relationship with the EU is beneficial for both parties. While the EU is one of the biggest investors in China, China has significant potentials to create workplaces.

China had been an inaccessible country for centuries. Nowadays, it not only has opened to the western world, but due to its achievements in the fields of politics, economics, education and research, it has the ability to define its interests more assertively. It has numerous western partners, which see tremendous potential in the country, especially in the area of economy. In addition, the country that emerged to among the top-ranked in the field of education and research, aims to advance mobility of its citizens. China established different student and instructor scholarships, exchange programmes in order to support the domestic and foreign specialists and the movement of intellectual capital.

One of the most conspicuous data is that China's GDP is ranked 2nd worldwide. We can see this as a milestone in the reputation of the country, and in the perception of its economic power. Besides, this fact has many other positive effects. For instance, the enabling business environment, which helps to attract investors to this country of low risk.

The Chinese export trade and GDP between 2009-2011:

	Export (billion USD)	Import (billion USD)	GDP (billion USD)	GDP/capita (USD)
2009	1.20166	1.0056	9,356	7,000
2010	1,578	1.327	10,32	7,700
2011	1,897	1.664	11,3	8,400

Besides the GDP's prominent position, the level of urbanization is also an evidence that China is able to keep abreast of the world. The city of Shenzhen- for example, grew out from a fishermen's village to a metropolis in 1-2 decades, where fishery was the only source of living before. Modern highways, skyscrapers and modernized public transportation show, that China is linked to the world's dynamism. Almost 400 million cars are on the roads. This is prominent in comparison to the entire world.

Albeit the aforementioned data gives a reason to trust in the future, Chinese people do not see only the bright side of their life. In order to see the whole picture, we must be aware of other circumstances, like 150 million people live under a daily income of 1\$, which highlights the problem of deep poverty. Although, China has metropolis that outdo the western world, nearly the half of the population lives in villages. This limits the possibilities of breaking out of poverty.

We could also have ambivalent emotions, when facing the fact that per capita GDP is far behind of western countries, whilst country's total GDP stands out. This is also a reason, why it is so difficult to present a complete picture of China. If we wish to go under the surface, we must look behind the numerical data, and explore interdependencies. The contrast that can be then observed, makes many say that China is rather an emerging state than a superpower.

In order to change this situation, and for China to make additional steps towards becoming an economic and political superpower, several reform efforts are in the making

First of all, China plans to develop the most important areas, such as education, health-care, and human resources. Creating workplaces and expanding the workforce are the bases of the reforms driven by the long-term goal of elevating the standard of living and raise per capita GDP, which would happen parallel to an expanding volume of the economy. It is important to note, however, that all reforms are based on the notion of sustainable development, taking into account the environmental aspects thereof.

Besides the natural environment, it is particularly important to protect the entirety of the Chinese society. Social stability is a keyword of internal politics. We must keep in mind that every state is only able to develop at its own pace. China must pursue these reforms in its own rhythm, because only then will reforms be successful.

One of the basic elements of the China-EU relations is cooperation. China's vital interest is to act cooperatively as they in fact mutually help each other. The USD 500 trillion trade volume between China and the EU proves this. As this good relationship goes back to nearly 30 years, it is in both parties interest to maintain and deepen their collaboration. China does not relate to the EU based on hegemonic interests, but strives to build mutual trust. As a result, the benefits can be maximalized for both parties.

China reacted positively to the crisis of the euro-zone, as it is willing to provide any help that are in China's means to help distressed countries. At the same time, this does not automatically mean financial aid.

Afterword

It is quite difficult to create an overall picture about China. Several factors must be considered that are under the surface and demand a more in-depth analysis. Considering the huge inequality among the strata of society, we can prognosticate that China has a long way in front of it to reach the status of great power. In some aspects, however, it is considered to be a great power, and its efforts and aims just strengthen this assumption.

Taking into account its economic potentials, China is a power that is becoming an even more successful actor in the international arena. The country is opened to the world and is willing to give a hand to those who need it.

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www.southeast-europe.org
dke@southeast-europe.org

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