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Modeling Identity. The Financial Crisis and China’s International Status

Introduction

In international relations, like in the world of social relations, identity itself can be defined as a unity and self-evidence of an actor that is derived from the cognitive acts of synthesis and integration by which the actor tries to ascertain the continuity and coherence of their life praxis. Such a continuity and coherence can be constructed in the light of experiencing a difference. The concept of identity in sociological theories of the subject includes the idea of a limited autonomy. The identity is limited, provisional and fragile, and it is all of these things unavoidably. It is recognized in the process of interactions with others. According to Jurgen Straub (2001), the process of forming the identity is inevitably connected with a specific experience of a crisis. On a certain level of development, states experience destabilization and their political orientations are called into question, which will only later give directions for the future actions (Marcia, 2007). Moreover, the inherent parts of identity are: personal characteristics, understood as the ability to bind anxiety, to perform effectively in the face of turmoil, independence of external pressure, autonomy and self-directedness, change in self-esteem and conformity. Peter Burke, for instance, claims that language is one of the most important markers of identity. Speaking or using the same language and the same notions is a simple and effective way of indicating solidarity. By the same token,

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speaking a different language is an equally effective way of distinguishing oneself from other individuals or groups (Blot, 2003).

Along with its growing economic status, China has drawn the international attention to itself. The question “who China is?” has become more than evident, China having been engaged in the World affairs as the UN or WTO member. The basic problem to be answered in the paper is how China judges the West and what kind of argument it uses to build its identity at the first stage and, at the second, to build its own model of development. The second issue to be discovered is what kind of role developing countries play in shaping their moral identity and to what extent it might be useful in order to avoid the image of the next capitalist power? Qin Yaqing advocates the idea that China’s identity depends heavily on different type of activities it has undertaken and on the level of its interaction with the outside world. He proves this thesis by claiming that during Mao’s times, China’s activities were revolutionary-oriented, which is why China possessed the “revolutionary identity”. Contrary to this, with Deng Xiaoping’s “hide China’s intentions”, the Middle Kingdom was a self-oriented actor. Taking the responsibility and being the member of major international bodies, such as United Nations, World Trade Organization, World Bank etc., China has changed its identity into “guannianxing rentong” – a concept-oriented identity. This means that China has expressed its hope to contribute to the World’s issues in the nonmaterial sphere (Qin Yaqing, 2009).

In a separate section, the Author discusses the issue of China’s self-perception as a developing country, the internal debates on the global economic crisis, China’s model of development and, finally, the major challenges and obstacles for the model. The major issues to be answered in the analysis are: how China intends to behave; why it is afraid of changing its status from the developing to a developed country and how the crisis affects and shapes China’s international behavior. On the one hand, the Chinese policy makers assumed the so-called Marxian approach to the problem of the crisis by saying that the capitalist World has provoked it, but, on the other, they have to rescue Western markets from the crisis in order to protect their own interest. Inevitably, the crisis puts China on the same level of “responsibility” with capitalist states. Although China is not the trouble maker, in order to rescue its own development it has to help “the Western capitalist” World.
China as a Developing Country

Since the establishment of the People’s Republic of China, China perceives the international relationships in terms of the duality between the developed and the developing countries, the North and the South, the poor and rich. In this context, China obviously puts itself on the weaker side. Sharing its sympathies with “the Third World”, apart from winning the financial benefits from international organizations, plays an important role in constructing China’s identity. The differentiation between “us” – the poor, undeveloped and oppressed nations and “them” – the rich, developed and capitalist ones, has played an important role in shaping China’s ideological and moral position in the World affairs. The ideological being standpoint was position gone with the reform era, but the second one, relating to moral status, remains unchanged.

Since early 1950s, Chinese diplomacy declared its role in and contribution to the World’s affairs. In the article commemorating Sun Yat-sen, Mao Zedong emphasized that due to its position in the global affairs, China had an obligation to make “some” contributions to the mankind. In 1956, Zhou Enlai stated that although China was a relatively poor country, it would try to help other countries to develop their own economies (Guo Xinning, Xu Qiyu 2007). The Chinese assistance was based on “eight principles” declared in January 1964. It was supposed to be based on the following rules: the principle of equality and mutual benefit, without any special privilege for the Chinese side, providing some assistance in order to help the recipient countries to become gradually self-reliant and to find their own path of development, low interests rate, possibility to return the equipment and supplies that do not meet the agreed specifications and quality (Zhou Hong, 2009). After the Cultural Revolution Deng Xiaoping needed to change the whole path of China’s reforms. However, even under the new circumstances Deng Xiaoping admitted in May 1978 that “China is still very poor. That is why our contribution to the international proletarian movement is still very low. Our contribution to the humanity, mainly to the Third World, is dependent on our modernization and economic development. As a socialist country, China will always be in the Third World and never seek hegemony” (Deng Xiaoping, 1978). The contribution of the Chinese to the World’s peace and stability will be based on giving an equal opportunity for development to all the countries in the World. During the 1990s and at the beginning of the new Century,
China has been emphasizing its status of a developing country and the importance of the developing countries as such. Interestingly, since the early 1980s, China sticks to the “peace and development” rhetoric and in the Party reports both, Jiang Zemin (1997, 2002) and Hu Jintao (2007), repeated Deng Xiaoping’s formula of international relationship.

China’s perception as of a developing country emerged from the colonial rules and, similarly to other Asian and African countries, from the fact that it has suffered the imperialist bullying. During the Cold War era this relationship strengthened China’s position against the “American led anti-China chorus” and, in 1960s, against the Soviet Union. After the Cold War, during the early 1990s, the common identity of China and other developing countries streaked with the same experience with the West, which allowed China to come out the shadow of isolation after the Tiananmen crackdown.

Due to China’s unchangeable identity as a developing country during its period of reform, the cooperation has been intensified. The harmonious World concept should be understood as the developing countries’ voice. In his speech on hexie, in October 2005, apart from providing explanation of the concept of harmony by means of a variety of cultural dimensions, coming from sources such as Confucius’ great unity, through Universal Harmony, Hu Jintao used a kind of combination of Marxism, Maoism and Deng Xiaoping Thoughts. The Chinese leadership promotes six qualities: the rule of law, fairness and justice, honesty and fraternalism and harmony with nature (Mahoney, 2008). Using Confucius’ moral tone, China portrays itself as a moral power. The major part of Hu Jintao’s speech in the United Nations was devoted to the inequality and domination of the Western type of development. The morality is visible in promoting of the right for development. The current model of development has placed emphasis on economic growth, regardless of the social cost. In the new harmonious model the priority and the advantages gained from the global growth were given to people. The most significant priority should be given to people’s prosperity. A lot of importance was also attached to cooperation, equality, justice and opportunity for development. Moreover, the development should not be based on the state concept, but on human rights for prosperity. Although the problem of development might seem to be primarily of the economic nature, in fact is the major issue connected with human rights. In the context of building the common prosperity, the developing countries, together with China, should strengthen the South-South cooperation and promote the new concept of the human rights (Liu Jie, 2009).
China would enhance coordination, promote interests of the developing countries, increase development assistance, strengthen the development of human resources, enhance technological development capabilities, and build its market's potential. South-South should build a close cooperation to promote new international economy order, financial reform, improve trade environment and create favorable conditions to narrow the development gap. What is more, in political statement concerning hexie shijie, Hu Jintao failed to use the government as a legitimate representative of the nations. Instead, the statements contained the description of a state-state relationship, and the relationship between the developing and developed countries. It was the relationship between people, however, that has become the major component of the new harmonious order (Hu Jintao, 2005).

The observation of Hu Jintao’s speeches leads to an interesting conclusion that China preserves its people-to-people relationship as the consequence of finding its own legitimacy in the people, not government-oriented ideology. Renmin becomes the inherent part of the internal debate on being the socialist power. In this context, the Marxian ideology should be perceived, similarly to tianxia (all under the heaven), as an anti-government set of values. (Zhao Tingyang, 2009). The major reason for using reference to “the people” indicates that China puts itself into the poorest shoes and tries to defend its interest.

In July 2005, at the Meeting of Leaders from China, India, Brazil, South Africa and Mexico in Gleneagles, Hu Jintao presented his view on globalization. In his speech, one can easily notice similarities to Mao Zedong’s Thought on the rich North and poor South. The problem of global injustice was broadly discussed, and the Chinese leader presented China’s view on the issue:

In order to seize the opportunities and rise to the challenges, developing countries should, on the one hand, rely on themselves to grow the economy through reform, innovation and persistent efforts to emancipate and develop the productive forces, and on the other, create a favorable environment for development by opening up to the outside world and actively participating in economic and technological competition and cooperation with other countries (Hu Jintao, 2005).

Although G20 was proposed by G7 the Finance Ministers in Germany in 1999, China has made a good use of this mechanism. Being the second global economy and the developing country simultaneously, China pushes the reforms further in order of reduce the US currency domination. The global crisis has created new opportunities for re-establishing the global economic governance framework, but it failed to introduce changes into the post-Cold War nation-state system. Moreover, the system
has been still based on the economic globalization and, in fact, on the capitalist and neo-liberal economic system. Within the framework, the developing countries’ status on the global scale can only be passive. The role of G20 was based on accepting the Western values and it was only a technical amendment to the Western type of economic system. The United States, Europe and Japan have still occupied the most important position in international economic structure. On the other hand, because of its huge population, internal disparities, corruption and pollution, China’s international economic status has been backward. Even the fact that it has been the second largest economy, has failed to change China’s status. (Wang Guoxing, 2010).

The above mentioned arguments put China in the position of the leader of the underdeveloped countries in G20. In fact, the E11 – developing countries in G20 have been weaker than the rest of developed countries. On the one hand, the developing countries’ share in the global economy was counted as only 22,1%, while that of the developed countries as 55,2%. Contrary to its place in the global economy, the average economic growth rate of E11 in 2009 accounted for 2,6%, while the global economic growth was -0.6%, and the developed countries’ economic growth rate -3.4%, respectively. However, apart from the economic growth, the developing countries have faced the problem of inflation. In December 2009, the CPI growth in India accounted for 14,97%, and in January 2010 the Central Bank increased the deposit rates of commercial banks by 75 basis points and was the first of the BRIC countries to tighten its currency policies. In Russia, by slow income growth, consumer demand and the ruble currency stability, the inflation rate in 2009 raised to 8,8%, the highest since the 1991 Soviet collapse. The inflation rate in China was last reported at 4,9 % in January, 2011. From 1994 until 2010, the average inflation rate in China was 4,25%, reaching the historical height of 27,70 % in October of 1994, and the lowest record of -2,20 % in March of 1999. In China, the inflation problem forced the People’s Bank of China to increase the reserve rates for banks seven times between 2018–2011 (Zhang Yuyan, Tian Feng, 2010).

Portrayed as the strongest among the weakest, China has taken the lead and built a strong position in negotiations with the developed countries. Although China has adhered to the open market, it has still been fighting against all forms of protectionism, raising the issue of equality and representation of developing countries in the decision-making process in the global financial institutions. The needs for the international financial regulatory mechanism, expanding the scope of regulation, specifying responsibilities and strengthening regulatory cooperation has become the major theme of discussions. On the one hand, the developing countries should be considered as the largest group of victims, but also as the most important force for the recovery of the World’s econo-
The global community should specify the major goals of the global economic governance and promote economic globalization towards well balanced, win-win directions. In this context, China’s diplomacy has repeated the old slogans of whether big or small, strong or weak, rich or poor, each country should be considered as an equal part of the global economy, and should participate in the governance process as equal, and enjoy the corresponding representation in the decision making process. This not only built China’s credibility and legitimized its position in the global, responsible governance, but also urged the country to strengthen its effectiveness. Only by mutual understanding, respecting mutual differences and considering different national circumstances, could the developed and developing countries promote and ensure cooperation. Global economic governance requires appropriate institutions and special arrangements that would promote equality (Renmin Ribao, 2009).

The Crisis and the China Model

After the crisis broke out, debates on the causes of the crisis, its outcome and consequences for China and the whole World have been broadly discussed. Although economic globalization has given the benefits of spreading new technologies, it has been led by the developed countries. While the major goal of the West was to unify the World in terms of political, economic and social systems, it has led to disparities and contradictions among nations. (Jiang Ying, 2009). The system should be improved and the role of the West redefined. In March 2009, China suggested improving the international financial system by introducing reforms of the international financial regulatory system in order to accelerate the diversification of the international monetary system. The Chinese suggestion to reduce the dependence on the dollar and U.S. dollar fluctuations was supported by Russia, India, Brazil or Indonesia (Wang Guoxing, Chen Qing 2010).

The global economic crisis has strengthened the theoretical discussion, but, at the same time, the shortage of practical findings on how to resolve the problems effectively has been neglected. Although the Chinese authorities focused mainly on the internal impact of the crisis on the Chinese economy and society, like in analyses by Sun Liping and Mao Yishi, 30% of articles published on the websites for intellectuals has been related to the theoretical problems, analyzed by Cui Zhiyuan or Wang Yongli, among others. Minority of scholars have touched the problem of the Global Order and impact of the crisis on China’s foreign relations, as published by Zheng Yongnian. (compare graph no 1).
The most interesting debates were stimulated by theoretical approach to capitalism and socialism as the subject of litigation. Usually, capitalism, as quoted from Engels, fuels itself in the crisis cycles which, gradually uncoiling, finally weaken the system and collapse. Some Chinese scholars used the Marxian view saying that even after the recovery of the capitalism system, the contradictions would bring about the more violent crisis and build the platform for transition to socialism and, inevitably, to communist society (Liu Haixia, 2009). However, contrary to the abovementioned statement, as observed by Gao Feng (2010), the socialist systems, like the Paris Commune, the Soviet Union or Eastern European countries collapsed. Within the short history of 200 years, capitalism has suffered from more than 20 global crises and, paradoxically, has survived and strengthened its position in the World. This has exposed the socialist ideology to ridicule. The key answer is backed by the reason of the technological revolution that has contributed to the development of the capitalist world. In this new phase, war and revolution in the traditional understanding of these words, cannot be carried out. Every new stage in capitalism, however, is closely related to the fate of socialism. How to improve socialism has remained a burning issue. How to define the current stage of history? The contemporary capitalism has changed its nature and has failed to fit the past definitions of Marx or Lenin. Although it is still the monopoly capitalism, in its form and shape it differs from the way in which it was
described in the past (Gao Feng, 2009). Financial globalization has promoted the endless expansion of financial derivatives, and at the end of 2007, the global stock of derivatives amounts to 630 trillion U.S. dollars. “The globalization of financial accumulation as the dominant system” has become an inherent part of critical discourse and Marxian deliberation on capital itself. The United States have become the most noticeable example: while the manufacturing sector constituted 27% of GDP in 1950, in 2007 it fell down to 11.7%, and, over the same period, virtual economy created the proportion of GDP from 11.37% to 20.67%. In the last two years, the vitality of capitalism has been questioned and has seriously shaken the world’s confidence in the Western system. The global public opinion has voiced reservations about the capitalist free market economy. The most skeptical of the future of the Western model were the French: for 43% of the population the model went bankrupt. Moreover, some of the Asian journals have raised the question of superiority of China, as in Singaporean Lianhe Zaobao, and even Joseph Nye has propagated the end of American capitalism (Liu Zhiming, 2010).

As Wang Jian (2004) from the China Macroeconomic Institute argued, the nature of capitalism has altered its face. In the ‘virtual capitalism era’, as capital flows mainly through stock markets and bonds, China has become the center of global production and could lay down the conditions for the other powers. The situation of ‘real production’ helped China to afford its rising status.

Furthermore, the reforms or adjustments of the capitalistic system have been another important issue. To some extent, the capitalist countries have changed their nature and institutional system in the way that the capitalism fails to be a real capitalism. The world economic crisis demonstrated the limitations of the role of a free market economy and urged governments to take measures to revive the economy. However, as before, capitalism constantly faces new problems and generates new social conflicts. During crises, like in the late 1920s, the society asked the authorities to take more responsibility for social and economic stability. That is why the Western governments have sometimes taken the adjustment measures, such as making intervention in the economy, creating new workplaces and alleviating social contradictions. Although the governments have taken measures against the crisis, they should not be considered as the socialist measures because only the socialist authorities could take the socialist responsibility. The crisis has created favorable conditions for the socialist movement (Li Yining, 2009).
In 2004, the Financial Times pointed the needs for having one’s own model of development. In case of China it was named “Beijing Consensus”, understood as a development model to achieve equitable, high-quality growth. The consensus demanded an extremely cautious implementation of policies such as privatization and free trade. The best idea of development was to experiment on a small scale, establishing the special economic zones, and actively saving the country’s territorial integrity and interests, as well as the accumulation of foreign exchange. The strategy definitely rejected shock therapy and a transformation pattern in favor of a “trial and check” strategy, as the Chinese saying goes “while crossing the river, touch the stones”. Along with its step by step economic reform, the Chinese government reformed the political system, and the “three represents” should be taken as best example. The “brilliant” effect of the Chinese reforms was possible to achieve due to the collective Confucianism culture and effectiveness of management by the Communist Party of China (Wang Zhijun, 2010). Through the pilot led reforms, China has summed up the experience and lessons, and, next, it will carry out the reforms. This should ensure the social stability and lead from the economic to political, social and cultural reforms. In fact, however, if the country has its own model, the model should be, if not exported, at least copied by others. The technical problems have risen: How to find other countries which, due to strict birth control policies, will safe around 27 trillion yuan of social compensation fee? (Shi Wei, 2006).

As adhered by the supporters of the China’s model, the Chinese go their own way, because imitating the experiences of other countries has failed to suit the national conditions. Moreover, the party integrates the Marxist role into practice and reinforces the communist leadership. The model is based on economy development as a central issue which determines the proper development of political, social and cultural structures (Xin Xiangyang, 2010). Chinese scholars have claimed that the China uses the model in a way contrary to Francis Fukuyama’s “end of history”, “end of ideology” and final victory of liberalism ideas. The model arising in China has challenged the Western ideology and has shown that, as a great and independent nation, the Chinese have their own way of development (Liu Tongfeng (2010). The calls to defend China’s own identity against the threat of Westernization can be interpreted as a reawakening of the dispute over universalism and relativism. The building of its own identity contrary to the “other” articulates the needs of understanding
For some scholars the Sinization of Marxism should be the remedy for the Western threat. The World in its ideological sphere is regarded as “western” and “non-western”. The uniqueness of China’s model is based on Socialism with Chinese Characteristics. Apart from the rapid economic development, the Communist Party has rectified “egoism”, creatively adjusting Marxism to the economic growth, it has combined the market economy with planned economy and built the fruitful development of the Marxian model, which could be learnt by other developing countries [Wang Xue, Zhang Zhi, 2009]. The major line of conflict is drawn between the capitalist logic of the West and non-capitalist logic of the others. Using the global economy, the West aspires to building the ideological unification of the World through building the global united identity. As a result, the conflict and the self-defense mood in the non-Western states has been build up [Wang Xinyan, 2010]. The model has been constructed under the shadow of humiliations and only pragmatic approach of seeking for the truth has enabled China to find a way out from backwardness [Wu Yumin, 2010].

The model has been directed towards the developing countries. Contrary to the Western type of logic, it has strengthened the right for individual countries’ development, and by these means it has provided the countries with a better position in negotiations with the West. After the Cold War, during the early 1990s, the common identity derived from sharing the same experience with the West, allowed China to come out the shadow of isolation. Having its own model has underlined China’s own identity, and “the third wave of democracy” attracted the Third World and even some leftist in the West. Furthermore, due to China’s unchangeable identity of a developing country, during its reform period the cooperation has been intensified. As Yan Yanming [2010] claims, the South-South dialogue resulted in strengthening the voice of the developing countries for equality and justice. The support of the developing countries ensures the World’s peace and stability. Together with its partners, China has the same political goal that differs from the goals of the capitalist countries. Although they are under pressure of the “big power”, they hope to build the multilateral World with “unity in diversity” as a major ideological wisdom [Liu Qingjian, 2006]. In fact, during the era of reform, as mentioned by Wu Yumin [2010], the „evil of capitalism” has affected the status of workers and peasants. The situation has drawn
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the attention of the authorities to the problem of social justice, to which they reacted with promoting “harmony among people”. The intervention of the government and the regulation of the free market should finally bring equality and justice.

**Challenges of International Market**

The theoretical discussion should be interpreted as a rhetorical clash over who is better in applying the socialist principles and who will really win the competition. The reality has been more complex, though. China should keep the eye on the Western type of development as a major reason for crisis. The crisis has affected China’s export-oriented economy and, finally, unsettled China’s economic growth. This has stimulated the needs for further reforms: internal consumption and the development of tertiary (Wu Jinglian, 2009). Apart from the ideological oriented discourse, however, the most important factor has been how to find a proper way to balance the social justice and the capitalist logic of bringing the profits.

Contrary to the abovementioned arguments, which are rather rhetorical in nature, some people argue that China should learn from the West and treat the crisis as a lesson. The global economy dropped down to 3,3% [4.9% calculated by PPP], and was lower than in 2007 – 3,6% [calculated as 5,2% at PPP]. The developing countries’ growth rate was 7,1% and it was higher than the growth in the developed countries. According to Zheng Bingxi (2010), the rest of the World should provide a remedy for the current situation. The developing countries should expand the South-South cooperation in trade and investment and stimulate internal consumption in order to reduce dependence on the U.S. market (Zheng Bingxi, 2008).

Moreover, in China, the government revenues grow faster than the GDP – 16% to 10,4% from 1995 to 2007 respectively and, what is more important, faster than citizens’ incomes: 8% yearly in urban areas, 6,2% in rural areas. The capital collected by the authorities was used for the development and investment. From 1992 to 2007, the salaries of the average people dropped down from 68,8% of GDP to 52,3%, while the salaries of governmental officials and entrepreneurs grew by 16 %. Even in the crisis, the Western countries could handle its development. According to Chen Zhiwu (2009), the capital market in the West has become a catalyst for innovation. The stock market has inspired peo-
ple’s enthusiasm, it built the possibility of “being young with the great capital” and the basis for innovation. Contrary to this, for 30 years, China’s development was based on the export led market economy and national investment. Although the crisis in the West has provoked some skeptical voices about the Western model, China has no choice, but to promote the development of financial markets, deregulation, rather than enhance control and let its own companies like Lenovo, Sinopec to follow the principles of free market economy. Otherwise, the competitiveness of China’s financial industry would get weaker (Chen Zhiwu, 2009). The people have become the biggest victim of the crisis and, in this context, the role of government should be limited to strengthen people’s confidence in the market economy and to prevent spreading of negative beliefs (Gong Qiang, 2009).

More to the point, in the financial crisis, China, as the world’s biggest trading nation, has become the biggest victim of protectionism. China has entered the period of trade friction and the inevitable relationship with its major trade partners (Zhang Lei, 2010). To some extent, this neglects the shortage of Chinese export oriented and comparative advantages oriented economy. From 1978, the economic growth has depended on export – in 1985 9.1%, in 1990 14.2%, in 2000 – 23.4%, in 2008 37.8%. During the global crisis, in 2008, in more than ¾ of Guangdong’s toys producers closed down their business, and the ongoing export drooped down of 53%. In the first half of 2009, the China’s global export fell down by 23.5% (Wei Song, 2010). The abovementioned factors have shaken the Chinese pro-export economy. Combating the crisis, China should effectively improve the development of technology and technological achievements, build solid basis for new loans, improve the capital market, investment and financial system and mechanisms to enhance private investment. Secondly, according to Michael Porter’s theory, China should follow the path of a developed country and build an effective industrial cluster. This would enhance transfer of technology and integration of product and improvement of profit. Without the industrial integration China will fail to build its position on the international market. According to the modern economy theory, China is still in a typical dual type of economy. The characteristics of structural surplus rural labor force is very obvious. In face of the financial crisis, China’s traditional labor-intensive and export-oriented enterprises have reduced the employment. The pressure on society has built the basis
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for the transformation of traditional agricultural society to industrialization of agriculture. Promoting “the business citizens”, like in 1980s, the US or Japan should be taken seriously. Financial institutions should focus on improving financial services, providing a rich variety of financial products and increasing the “business people” financial support; as well as on exploring “small loans + business + credit community development training” model actively (Jiang Dingyi, 2009). China’s financial market, in comparison with the United States, is still in early stages of development. Therefore, it should also accelerate the financial reform and financial innovation to improve the financial system. In the last 30 years, the United States have become the leader of the financial markets. By contrast, China’s financial innovation is insufficient and financial products are simple, and need to be improved, otherwise it cannot meet the economic demands. In fact, China has been playing auxiliary role for the Western development (Hu Huangban, 2009).

Conclusion

Along with its growing economy, the international status of the Middle Kingdom has been changing. The change from a developing to developed country announced by the Western media triggers the internal, theoretical debates inside the academic cycles. Basically, China faces dual track problems: rhetorical-propaganda issues and the reality of global trade and markets.

In reality, capitalism has been more attractive for the Chinese, and has made socialism fall behind. For the officials, the Chinese model should be a combination of capitalism and socialism, but they have been afraid of “losing their face” by de facto promoting capitalism. China has felt anxious about being a leader, but the rule of socialism, as pointed by some Chinese scholars, will defend itself. Sticking firmly to its beliefs, China should promote socialism, justice and equality. According to Marxist’s view, equality will never be fully achieved unless people are economically equal. That is the reason why the abused classes need their representation and access to the means of subsistence (Worsley, 2002). In this context, political criticism does not require from people to learn new ideas or facts, but to look at their ‘actual situation and relations’, and distinguish right from wrong (Pleasants, 2002). Moreover, it seems
to be written into the dialectical materialism that every economic order grows to a state of maximum efficiency, but in the meantime produces contradictions and, as a result, leads to self-annihilation. The new order should be based on morality, equality, justice and, what is more important, should challenge the Westphalian state-centric system, which was the major source of exploitation. The Marxian set of values has an influence on China’s judgment of globalization and relationship with the developing countries.

Sharing the same identity with other “aggravated parties”, China could easily build the coalition of good will e.g. in United Nations. The position of being the defender of oppressed nations was used by China to the fullest. As before, the developing status ensured the establishment of coalition in the United Nations and, during the crisis, building of the “anti-US dollar coalition of good will”. Identifying itself with the developing countries, China put itself on the same level as “the poorer ones” and tries to find the way to protect their interests. This comparison finds expression in China’s declaration of unity with the Third World and, de facto, its unchangeable policy towards the developing countries (Wang Xinyan, 2010).

On the other hand, the major paradox of China as a strong, rising economic power is that in order to secure its own economic growth, China has to promote multilateralism and liberal values of free trade market. As a consequence of the crisis, the level of American import has dropped down and has affected the Chinese market. To act in the interest of China, Beijing has to take the step towards rescuing American and Western markets (Zhou Jiren, 2009).

In order to keep its growth alive, China vows for liberal trade, contrary to its official statements of equality and justice. Moreover, the internal disparities and technological backwardness has forced China to promote rhetorical justice and equality. However, the specific approach to its own identity as the developing country has become the inherent part of China’s Marxian oriented discourse. According to Yu Keping, the former director of the Central Compilation and Translation Bureau, as long as capitalism will exist, socialism will be the inherent part of global processes. Adhering to the dialectical persecution, even within the changing nature of international relations from the ‘nation-state period’ to the ‘the post-state period’, China promotes its developing country status.
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