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**China by the year 2050 - Development, Achievements and Challenges**

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I declare that I have authored this thesis independently, that I have not used other than the declared sources/ resources, and that I have explicitly marked all material which has been quoted either literally or by content from the used sources.
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1. Introduction

'The only role we can play in international affairs is that of a large developing nation'\(^1\) - this statement citing the Vice Chairman of the China Foreign Affairs Committee Nan Zhenzhong illustrates one of the main elements regarding China's concept of 'Peaceful Development' which was introduced in 2003. Founded upon Deng Xiaoping's economic reform in 1978 which lifted more than 500 million people out of poverty and turning the Republic into the second largest economy of the world, the Chinese vision aims at economic development by taking advantage of global peace and at the same time maintaining and contributing to the aforementioned by its own development.\(^2\)

In order to restore the former greatness of the nation, Chinese government has achieved a vast success which is why China sometimes is considered a 're-emerging' rather than an 'emerging economy'. However, there also still are major challenges which have yet to be overcome in the near and far future which leads to raising the question about China's state of development by the year 2050: Which role in international affairs will China be taking and to what extent will it have reached its ambitious goals and which of the contemporary or maybe new conflicts will it be struggling with?

The following analysis intends to answer these questions by setting the main focus upon Chinese development as far as economy and demography, Human Rights and the relationship towards its neighbourhood is concerned as these might be the most striking and essential aspects next to a vast range of remaining elements which will not be taken into consideration at this point. After providing an overview of the current state of development regarding each of these aspects it aims at identifying current and future possible challenges and implemented Chinese strategies for a resolution of these as well as addressing recommendations made by international institutions in order to support China in its process of development. Finally, taking into account the presented elements

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an attempt will be made to determine the possible position of the country within its international environment and therein to its state of development by the year 2050. Thus, the following analysis does not seek to foretell the whole future of the Chinese nation by the year 2050 as it might be, but much more it is intended to illustrate the major issues which will probably influence its further development and to point out the strategies for coping with these in order to achieve a successful development until 2050 and beyond. Within the analysis, it is important to take into account both the Chinese as well as external views upon the subject in question in order to provide a balanced set of arguments; therefore, the research is mainly based upon literature published by both Chinese and international institutions of research next to publications made by news agencies providing information on recent events and developments.

2. Analysis

2.1 Economy and Demography

The People’s Republic of China often also is referred to as ‘Zhongguo’ which is the Mandarin expression for ‘Middle Kingdom’ or ‘Central Country’ which mirrors its rich linguistic, cultural and political heritage as well as its geographical isolation and also is applicable to the aforementioned concept of an ‘re-emerging economy’.\(^3\) The growing importance of China in international economy only recently resulted in the decision of the International Monetary Fund of approving the Chinese Renminbi as the fifth main global currency.\(^4\)

With a Gross Domestic Product (GDP) of 13.176 US Dollar per capita in 2014 which is less than half of the Slovenian or Greek GDP, the growth rate of 7,3% of the same year will probably be replaced by 7% in 2015, 6,9% in 2016 and

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\(^3\) see Henry Kissinger: ‘On China’, New York 2011, p.3.

6.2% in 2017 which indicates a shift to slower growth.\(^5\) A change such as this one bears the risk of turning the former extraordinarily massive growth abruptly into a more tiring economy. This however, contrasts with the continually rising Gross National Income (GNI) recording 7,400 US Dollar per capita which puts China at an income level of a country with an upper middle income.\(^6\)

Moreover, there must be mentioned diverging much more optimistic predictions such as made by ‘(...) Goldman Sachs [in 2012 which] projects that China’s GDP should match America’s by 2027, and then steadily pull ahead.’\(^7\)

Additionally, one could take into account that the Chinese republic will also enhance its intellectual capital as currently, an increasing number of Chinese students are frequenting the best universities worldwide being located in the United States and regularly bring their skills back to China.\(^8\) In 2014, China was awarded rank 90 regarding the Human Development Index (HDI) as a highly developed country with a value of 0,727 exceeding the global average of 0,711.\(^9\)

There has already been achieved great improvement as far as social inequality regarding income and access to basic services is concerned such as education, especially by implementing a tax reform as well as by restructuring the social security net previously known as the ‘hukou system’ which denied internal migrants the same rights as permanent residents.\(^10\) Currently, only about 6% of

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\(^8\) see ibid.


the rural population still live under the national poverty line.\textsuperscript{11} However, there still were about 98,99 million people living below this very line of 2.300 Renminbi per year in 2012 which is the second largest number of people living in poverty behind India.\textsuperscript{12} The remaining high level of inequality which is most visible by taking into account the discrepancy between rural and urban areas is determined by the Chinese GINI Index representing unequal distributions: Indeed declining from 49,1 in 2008 to 46,9 in 2014, it yet exceeds the warning level of 40 set by the United Nations.\textsuperscript{13}

Currently, the Chinese nation counts 1385,6 million people with a recent growth rate of 0,6% recording a continuous decrease related to the declining fertility rate of 1,67 children per woman for the year 2014 and an average life expectancy at birth of 75 years.\textsuperscript{14} Initially, this trend will result in a considerable decline of the working age population which will only be slowed down slightly by the recent relaxation of the one-child policy.\textsuperscript{15} By 2050 - according to Minsheng Bank Hong Qi, Chairman of the \textit{Pension Finance 50 Forum} - China will reach the level of being a super-aging society with more than 30% of people being older than 60 years.\textsuperscript{16} This development towards an ageing population would inevitably lead to imbalances within the social security system and to an even higher level of social inequality if there were not any measures taken towards

\textsuperscript{11} see Xiaohui Wang: 'Chinese officials said the aging population by 2050 will be over 400 million, pension missing 6 trillion' (translated from Chinese, original title: '官员称中国2050年老龄人口超4亿，养老金缺6万亿。'), 12th December 2012, http://www.chinadaily.com.cn/micro-reading/china/2015-12-12/content_14396012.html (accessed on 1st March 2016).
adapting the governmental social system to social change. According to the Organisation for Economic Co-operation and Development (OECD) and the World Bank these especially include economic and ecological reforms for sustainable green growth, changes addressing increasing urbanisation and agricultural as well as measures of adjustment for the social system reforms in order to reduce social inequality such as to improve access to public services; finally, recommendations are made for investments in education and innovation to complement a progressive development. The prevailing inequality is closely connected to China's approach and notion of the implementation and protection of Human Rights which will be analysed in the following.

2.2 Human Rights

With the Bangkok Declaration released in March 1993 as a statement representing '(...) the Asian region's stance on human rights (...)', China and the participating countries introduced the intention of setting their own standards of human rights opposing the universal perception on this very subject. The Human Rights Watch Report of 2015 clearly shows that China has fallen short of meeting the international standards ever since. The Republic remains an authoritarian state which curbs fundamental rights such as the freedom of expression, association and assembly as it still shows hostility to criticism of any

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kind; restrictions on media and the internet such as strict conditions for the use of 'WeChat' - the Chinese version of 'WhatsApp' -, carrying out the announced anti-corruption campaign in a way which undermines the rule of law, NGOs which in fact are run by government or the imprisonment of human rights defenders are only a few examples mirroring the attitude of the government towards this issue.\textsuperscript{19} Limits of freedom of religion by the removal of Christian crosses in public, the control over religious personnel appointments and the ethnic, cultural and religious suppression of the inhabitants of Tibet or the Xinjiang Uighur Autonomous Region (XUAR) as well as the absence of sufficient rights regarding sexual orientation and gender identity and rights for citizens with disabilities are further aspects lacking a legal basis as well as the actual implementation.\textsuperscript{20} Moreover considering international affairs, the Republic claims to approve of a political solution of conflicts such as the civil war in Syria or the conflict between Sudan and South Sudan, but has already passed its 4th veto in the United Nations Security Council preventing the Syrian case being taken to the International Criminal Court. Furthermore, Amnesty International reported lower numbers of cases of death penalty indeed, however, China still holds a leading position as far as executions are concerned.\textsuperscript{21}

Still with the change of leadership in 2013, there has also been achieved improvement, for instance by abolishing the aforementioned 'hukou system' discriminating against internal migrants and arbitrary detention and a greater access of disabled people to the essential university entrance exams.\textsuperscript{22}

Additionally, there was made a statement by a government official affirming the protection of citizens through Chinese law regardless of their sexual orientation and the first two cases of discrimination based upon sexual orientation and

\textsuperscript{20} see ibid.
concerning the offer of 'conversion therapies' for homosexuals have been taken to court. Currently, there is carried out a programme of partnership involving Chinese law companies, universities, civil society institutions and the Danish Institute for Human Rights in order to contribute to an increased realisation of civil and social rights. As reported by the United Nations, China has ratified eight of the 18 international human rights treaties and has officially declared six of these. According to Mo Jihong, research fellow at the Institute of Law of the Chinese Academy of Social Sciences however, an essential issue remains as the conventions are not implemented by adopting but rather by transforming them as it requires the use of domestic law and it is impossible to quote directly from international documents at court.

On the whole, major efforts towards an enhanced recognition and implementation of human rights based upon international standards will be required in order to secure and contribute to further progress of Chinese development. In contrast, a strategic alignment established upon the consideration of international affairs can be identified as far as the Chinese relationship towards its neighbouring countries and the Asian region as a whole is concerned which will complete the analysis of challenges and prospects for the future of China.

2.3 Relationship towards its Neighbourhood

The most prevailing aspect of Chinese policy towards its neighbouring states will be the territorial disputes in the South China Sea which can be traced back to the year of 1894. Chinese deployment of missiles and the construction of artificial islands and infrastructure are the main elements by which the state

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attempts to obtain its territorial claims of the different islands in question.\textsuperscript{27} It was reported only recently that China deployed new surface-to-air missiles on an island being part of an archipelago which is also claimed by Vietnam and Taiwan.\textsuperscript{28} China itself considers its own increasing military assertiveness, also regarding its rising military expenses, only as self-defence as reaction to other powers.\textsuperscript{29} In order to achieve further progress by pursuing its objectives in a peaceful co-operative way, it will be crucial to settle or at least to contain the conflict regarding the territory in the South China Sea. Elements which are essential for a resolution could be resource sharing of gas, petroleum and fishing yield within the disputed areas, military-to-military communication, the enforcement of co-operation within a multilateral framework, for example by a closer partnership of China with ASEAN, and international arbitration of the cases concerning territorial claims.\textsuperscript{30}

Apart from the territorial disputes, China has made considerable progress towards enhanced and peaceful co-operation with its neighbours. According to President Xi Jinping, there has been made a shift of its focus from 'great power politics' and the strategic partnership with the United States towards enforced diplomacy in order to ‘(...) promote friendship and partnership with our neighbours.’\textsuperscript{31} Next to its strategic aim of creating an economic 'Silk Road' and 'Belt' throughout the region, it has also made proposals for smaller economic


corridors such as a link between China and Pakistan and China, Bangladesh, India and Myanmar.\textsuperscript{32}

Moreover, despite recent tensions and provocations there can also be discovered some positive steps within the Sino-Indian relationship as there have been taken up new talks about the issue of the disputed border between the two states as well as further political contacts.\textsuperscript{33} After the change in office in 2013, first visits by the new leadership were made to neighbouring states and the government established new separate strategic partnerships and intensified bilateral relations, for example with Malaysia and Indonesia; besides, negotiations concerning a Sino-Japanese-Korean Free Trade Agreement have been taken up and China provided its surrounding countries with financial assistance after the financial crisis in 2008 by creating such an FTA with the members of ASEAN.\textsuperscript{34}

Most strikingly however, is China’s ambition to create and participate in a regional as well as international multilateral network of strategic co-operation and partnership. As regards great financial institutions such as the Asia Infrastructure Investment Bank (AIIB), the New Development Bank BRICS (NDB BRICS) and the Chinese Development Bank (CDB) as well as economic organisations such as the Shanghai Co-operation Organisation (SCO) or the proposed Regional Comprehensive Economic Partnership (RCEP) countering the Trans-Pacific Partnership (TPP), it becomes visible how much effort the Chinese government has been putting in order to fuel the development of the region as well as its own progress.\textsuperscript{35} As a result of the treaty of amity and co-


operation between China and ASEAN, the country replaced the United States in being the most important trade partner of both South Korea and Japan.\footnote{Isaac Stone Fish: 'Is China Still A Developing Country?', Foreign Policy, Washington 25th September 2014, http://thediplomat.com/2015/04/how-china-seeks-to-shape-its-neighborhood/ (accessed on 1st March 2016).}

With respect to these measures that have been taken and are yet to be extended regarding regional as well as international co-operation, the great interconnection and interdependence has become a crucial element of China’s concept of ‘Peaceful Development’ as has been stated by a research fellow for the Institute for International and Strategic Studies at the Party School of Central Committee of the Communist Party of China needing ‘(...) equal efforts from both China and other countries’\footnote{François Godement: ‘Introduction’ and ‘China’s Neighbourhood policy: a CICIR roundtable’, European Council on Foreign Relations: ‘China’s Neighbourhood Policy’, p.1-4, London et al. February 2014, http://www.ecfr.eu/page/-/China_Analysis_China_s_Neighbourhood_Policy_February2014.pdf (accessed on 1st March 2016).} for its realisation. Even taking into account the fact that there still is a great gap of security co-operation throughout the Asian region, China’s ambitions are visible by the fact that it intends to establish a new security co-operation architecture in Asia through the Conference on Interaction and Confidence Building Measures in Asia (CICA); however, to be able to use this framework in order to deal with the absence of security co-operation, it will be essential to include further countries which are of vital importance such as Japan, Australia as well as numerous members of ASEAN.\footnote{Chen Jimin: 'Understanding China’s Peaceful Development', China United States Exchange Foundation, China US Focus, Hong Kong 17th February 2014, http://www.chinausfocus.com/foreign-policy/understanding-chinas-peaceful-development/ (accessed on 1st March 2016).} By creating such a multilateral partnership, China would contribute notably to its aim of its own further development.

Regarding the aspects having been discussed, initially it may be stated that the ambition towards creating a multinational framework and co-operation may be considered the core of the Chinese vision of ‘Peaceful Development' which is also emphasised frequently by the Chinese government in official statements in

order to pacify the international community ['] (...) what the Chinese people long for is a world of peace and development.\textsuperscript{39} For the case that China meets this claim in the future, it can be assumed that by 2050, it will have been able to create a peaceful, co-operating and highly interconnected network of partnership with its neighbourhood as well as throughout the whole world.

3. Conclusion and Future Development

With respect to the preceding analysis of essential aspects of Chinese development which will be central in a China by the year 2050, the republic has the '(...) potential to be a modern, harmonious and creative high-income society.'\textsuperscript{40} The commitments which currently are being made in order to achieve this already contribute to approaching further progress and positive development. However, if the Chinese government intends to reach this goal in a sustainable way, it will have to take measures of adjustment in order to improve its current acting '(...) like a superpower without bearing the responsibilities of one.'\textsuperscript{41} This implies that it will be of the utmost importance to advance regarding its own economic and social structure, the implementation of human rights as well as further improvement of relations towards its neighbouring countries and at the same time to refrain from further actions which may be perceived threatening or provocative. Furthermore, in order to reach its ambitious goals by the proclaimed 'Peaceful Development' until 2050 and beyond, it will be necessary to apply these approaches in international affairs as well, for example to address issues such as global warmth or


international security.
On the whole, China is an example of a major success in running through a development from a country of low to middle income and - by pursuing its own successful strategies and complementing these by adding further measures as has been analysed - the vision of China by the year 2050 may be a rather positive one. Therefore, another fairly interesting aspect for the future might be the possibility of China serving as a role model for Africa considering economic transformation and reduction of poverty; already now, there seems to take place an intensification of co-operation and dialogue on this topic between the two continents. If China contributed - next to its own development - to the positive development of another or even several other countries, it would probably be fair to say that the People's Republic of China would have reached its goal of 'Peaceful Development' in a most sustainable and indeed peaceful manner.
4. References

4.1 Primary Sources


4.2 Secondary Sources


