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# GLOBAL AND REGIONAL PROCESSES AND PROBLEMS

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## CHINA MODEL IN GLOBALIZATION PROCESS\*

Cheng Long and Yang Ping

*The Chinese success depends upon five decisive factors: concise and pragmatic development theories, strict and efficient administrative system, economic structure supporting capitals with restriction, opening-up policy being implemented in a well-controlled and gradual manner, hardworking people with a creative spirit. The Chinese development confronts several problems: its cost is too high; some important relations have lost their balance; the reform of the political institutions has lagged behind the economic reform; some countries feel nervous about China's development, etc. To maintain its sustainability China must deal with five pairs of relations, namely those between social justice and efficiency, political reform and economic reform, economic development and ecological protection, native culture and foreign culture, and between righteousness and benefit. Finally, improving the China model will be beneficial to the world development.*

**Keywords:** *the China model, globalization process, success, problem, sustainability.*

No matter from which perspective, the presentation of the China model is an important event in the process of globalization. Why can China model achieve its success? What problems has it encountered? How to resolve the problems and keep its sustainable development? What effect will China model bring to the world? This article tries to discuss the questions.

### **On the Emergence of the China Model and Response**

It is generally considered that the phrase 'the China model' comes from Joshua Cooper Ramo's *The Beijing Consensus* (Ramo 2005). According to Ramo, 'the Beijing Consensus' differs from 'the Washington Consensus'. He notes, 'I looked into the "Washington Consensus" from beginning to end. It has clearly failed without question. There are two countries in the world that did not obey the way that "the Washington Consensus" offered. One is India, and China is the other one' (Ramo 2006: 8). Since then, it has become a heated discussion in Chinese and foreign theoretical field. It touches upon four major questions: How is it possible? What are its characters? What does it mean to the world? How will it develop in the future?

It has formed two standpoints overseas so far. One opinion fully affirms the China model and its achievement. The scholars supporting this kind of standpoint think that Chinese model was another alternative in the process of the world's modernization, to-

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tally alien from Euro-American model predominated by the Washington Consensus. The China model means innovation, sustainability, independence, self-control, a gradual progress, and the Chinese Communist Party's leadership *etc.* Its purpose is 'to establish wealthy and vigorous socialism'. Therefore, it has to absorb some reasonable capitalist factors. If capitalism was restored in China, it could be a kind of maintenance of capitalism (Ewing 2004). The rise of China will change the world in the most profound ways (Jacques 2009: 10). China sets up a new example for the developing countries. But it is imperfect yet and needs to be further developed. For example, the economic quality needs to be improved; the unfair distribution of social wealth is pressing for solution; the reform of political system must keep up with the advance of social and economic change; environmental protection should be strengthened.

The other opinion expresses some doubt about the China model. The scholars supporting this approach think that today it is still too early to speak about China model. Samir Amin, the President of the Third World Forum says: 'I think there is no point talking about this now. It is still in the process of searching and exploring' (Yu Keping *et al.* 2006: 44). Thomas Heberer maintains that China is in the process of a transition from plan economy to market economy. In this regard, we think the so-called 'China Model' is only an assumption (Heberer 2006: 113). Arif Dirlik thinks that 'George Bush and Chinese leaders did the same thing', and 'China reform mainly imitated the American model' (Dirlik 2006: 401). In other words, it has not fallen beyond the scope of the Washington Consensus. People even think that the China model is really a capitalism with Chinese characteristics. Just as some people say that 'Red Capitalism' is becoming the value orientation of the Communist Party of China (Dickson 2003: 157). Marxism has been replaced by the economic, social and political pragmatism (Yu Keping *et al.* 2006: 116–117). The traditional Leninist ideas are not suitable for China just as knife and fork are not suitable for Chinese diners (Huang Ping and Cui Zhiyuan 2005: 28).

Recently, the issues on China model have also been of special concern for the Chinese scholars. The Compilation and Translation Bureau of the CPC Central Committee and Beijing University both convened large international academic conferences and exchanged opinions with foreign scholars face to face on China model, which made the studies on this issue more explicit. The three books, namely *China Model and the Beijing Consensus: Beyond the Washington Consensus* (Yu Keping *et al.* 2006), *China Model: A New Developmental Model from the Sixty Years of the People's Republic* (Pan Wei 2009) and *On China Model* (Zhao Jianying and Wu Bo 2010) collected the Chinese scholars' basic views. However, there still exist a lot of limitations in the current research. For example, some famous scholars regard 'a model' as a stationary notion, and propose to adopt the inactive attitude, such as 'to talk carefully', 'to talk slowly' and even 'no talk'. It affected to a certain degree the study on the thorough development. More important is the fact that some challenging and difficult questions put forward by foreign scholars have not been clarified.

### **How can China Model Succeed?**

According to Joshua Cooper Ramo, the Chinese success is based on three principles. 'The first theorem is repositions of the value of innovation. ...The second Beijing Consensus theorem is that since chaos is impossible to control from the top, a whole set of new tools is required. ...Thirdly, the Beijing Consensus contains a theory of self-

determination, which stresses using leverage to move those big and hegemonic powers that may be tempted to tread on your toes' (Ramo 2005: 228–229). After Joshua Cooper Ramo, there have been bitter disputes on the topic, but no unanimous agreement has been reached so far. Why can China achieve its success? In our opinion, there are five decisive factors.

1. *The concise and pragmatic development theories.* Here 'conciseness' means that the expression of theories tends to be exoteric and colloquial. The theory of socialism with Chinese characteristics is gradually formed in practice. And the keystone in different development periods is usually condensed into several words or sentences rather than a long statement which is easier for the public to comprehend. Deng Xiaoping set up a good example of producing idioms about development strategies, such as 'No matter white cat or black cat, it is a good cat that can grab rats'; 'Marxism pays most attention to the development of productive forces'; 'Socialism can also develop market economy'; 'Grasp both sides at the same time and attach sufficient importance to both'; 'Development is the absolute principle', etc. Jiang Zeming and Hu Jintao both followed Deng Xiaoping's style. The so-called 'pragmatic' approach means that the theory can resolve real problems and bring benefits to people. It is reported that from 1978 to 2007, the Chinese GDP annually increased by 9.8 per cent, and the per capita disposable income of urban dwellers rose from 343 yuan to 13,786 yuan, whereas rural population living below the poverty line was reduced from 250 to 140 million. The poor economic conditions, which perplexed China over a long period, have finally undergone fundamental changes (Hu Jintao 2008).

2. *The strict and efficient administrative system.* It is well known that the Communist Party of China is the only political party in power in China. And the Chinese constitution rules out multiparty election. The other eight democratic parties' groupings are not anti-party, but participative parties. The relationship between the participative parties and the Communist Party of China is not an opposition, but cooperation with mutual supervision. China refuses to introduce 'the separation of power into three branches' and 'a two-chamber system', but approves 'unicameral' of the people's congress. The CPC reiterates that China would propel democracy in a gradual manner. The combination of the 'top-down' and the 'bottom-up' organization is the typical characteristic of Chinese political system. The advantage of the structure is that it has a strict organization. It is easy to mobilize and concentrate the public strength to cope with the important events, and it is conducive to maintain social stability. For example, when hosting Olympic Games, combating the earthquake, and overcoming the bad impact of the world financial crisis, the advantages of Chinese administrative system have been brought to a full play. A Taiwan scholar, the author of the book titled *Success Derived from Administration of Chinese Style*, thinks that the supervision of Chinese type is very useful and becomes fairly widespread (Zeng Shiqiang 2010: 2).

3. *The economic structure that supports capital with restriction.* The current Chinese economic system is neither highly concentrated planning economy, nor free market economy of the typical Western model. It is a new kind of market economy combining both the visible hand (power) and the unseen hand (market) which complement each other. One can hardly find a description of this kind of market economy in the textbooks on Western economic systems. It is also definitely distinctive from the transformation of the Western countries from an agricultural community toward the industrial society. Here one should note the following points. Firstly, the economic system en-

courages the development of private ownership economy. But it does not mean to give up the dominant position of public ownership. Secondly, the government recognizes the necessity of coexistence of various modes of distribution. However, it emphasizes the premise of distribution according to work performance when promoting the coexistence of multi-type distribution. Thirdly, the government emphasizes the basic regulation of the market. And it also insists on the central government's dominant function. Fourthly, the government strives to enhance economy efficiency by all kinds of means. And it never forgets to promote social justice. Probably due to this reason, the economic model can stimulate people's enthusiasm and creativity, and ensure to some extent a guarantee of healthy and orderly competition.

4. *The opening policy being implemented in a well-controlled and gradual manner.*

It was in 1978, that China initiated the basic national policy of outward openness, which firstly aims at studying foreign experience in the sphere of technique, capital, talented person, and management in the world. Indeed, it was special economic zones that played a role of 'a window'. The development of special economic zones passed through four phases. The first phase from 1978 to the early 1990s was the period of the initial development of special economic zones. The second phase from Deng Xiaoping's South Talk in 1992 to the end of the 20<sup>th</sup> century was the period of their further expanding and more complete opening. The third phase from 2001 to 2006 was the period of the economic system transformation through joining the WTO. The fourth phase from 2007 up to the present is the period of setting up new relations featuring mutual benefit. We may summarize the characteristics of Chinese opening-up model as implementing opening-up in a vigorous, gradual and controlled manner, facilitating reforms and development by opening, participating actively in economic globalization while maintaining self-independence, insisting on opening-up dominated by national government while introducing market involvement. Indeed, it is obviously different from the Russian shock therapy.

5. *The diligent Chinese people with creative spirit.* There are three important elements about the historical background, which help to understand China's current development. Firstly, China experienced almost a hundred years of wars since 1840. Foreign invasion occurred now and then. For example, the Opium War (1840–1842), Sino-French War (1883–1885), Sino-Japanese War (1894–1895), the War when eight countries' allied troops invaded China (1900). A series of wars also took place within China. For example, the Taiping Rebellion (1850–1864), the Xinhai Revolution (1911), the Northern Expedition (1926–1927), China's War of Resistance against Japan (1937–1945), the War of Liberation of China (1945–1949). Those events almost exhausted national power and made people homeless and suffering from cold and starvation. Secondly, China had to cope with the disorder during the Great Leap Forward and the Great Cultural Revolution. The Great Leap Forward ignored the objective law and tried to rapidly achieve communism. The Great Cultural Revolution insisted to 'take class struggle as a key link' and went against the law of the development of productive forces. For a long period, it caused people to suffer a hard time for the shortage of the basic daily necessities. Thirdly, China is the most populous country in the world and makes up approximately one fifth of the world population. The average possession of resource is relatively inadequate. Its possession of mineral resource, farmland, grassland, water resource and fuel is only about 1/2, 1/3, 1/4, 1/7 of the world's average respectively. The history full of poverty, the tough life, and the lean resource has brought

up the Chinese enduring and hardworking spirit. People try to change their living by active production. This spirit is the subjective condition of the rapid development of the Chinese productive forces in the past thirty years.

### **What Problems does China Model Confront?**

In fact, China's development has been going on only for 33 years up to now. Although it has great achievements and has become the second largest economy in the world, at present it has to face numerous problems. In our opinion, attention should be paid to the following four major problems:

1. China's development is achieved at a high cost. Indeed, China's gross domestic product increased 15 times since the start of the policy of reform and opening in 1978. However, it pays high because of its obsolete production model. For example, the rate of mineral resource depletion increased more than 40 times. The proportion of the capital formation in GDP remains obstinately high. The capital formation ratio reached 34.9 per cent in 1980, 40.8 per cent in 1995, 42.7 per cent in 2000, and 40.7 per cent in 2006. The average energy consumption per 10,000 yuan of GDP costs more than 3–4 times of the world average level. The water consumption per 10 thousand yuan of GDP costs more than 193 kilogram, while the average level in the world is only 55 kilogram. Due to the lack of core technology, the Chinese enterprises have to pay more than 20 per cent of the price of every mobile, 30 per cent of every computer, 20–40 per cent of every digital control machine tool, to the foreign patent holders (Xu Guanhua 2006; Xu is the minister of Science and Technology of China). The average profit of the personal computer is less than 5 per cent. The average selling price of every DVD-player is less than 30 dollars. And enterprises can earn only 10 dollars after paying 10 dollars to the patent holders just because of the lack of core technology. In general, the Chinese labor efficiency is quite low. According to Ma Kai, the labor efficiency in the secondary industry is only equal to one thirtieth of the United States, one eighteenth of Japan, one sixteenth of France, one twelfth of Germany, and one seventh of Korea. The production efficiency of the per ton standard coal is only equal to 28.6 per cent of the United States, 16.8 per cent of EU, 10.3 per cent of Japan (Ma Kai 2004: 8). The added value ratio of products is only just about 26.3 per cent. Compared with that of the United States, Japan and Germany, it is 22 per cent, 22 per cent and 11 per cent lower respectively (Li Shimei 2004: 56).

2. Some important relations have lost their balance. We can explain this in the context of three aspects: firstly, the environmental protection is not taken seriously enough. Chinese eco-environment has been very weak. 65 per cent of national territory is highland or mound, 55 per cent of it being unfit for human inhabitation, and about 400 cities of 600 in the country are short of water. The total area of annual desertification has enlarged from 560 square km in the 1950s to 2460 square km in the 1990s, and almost 0.4 billion people suffer from the threat of desertification to different degree. The per capita arable land has been reduced from 2.82 mu in 1952 to 1.43 mu in 2003. Five of the seven big water systems have been polluted to a different degree. It is said that 75 per cent of lakes have different levels of eutrophication. The most serious situation is with the Dian Lake, the Nest Lake, and the Taihu Lake (Niu Wenyan 2004: 23).

Secondly, the development gap between cities and rural areas has increased. The ratio of resident income between cities and countryside has kept on increasing from 2.56:1 in 1978, and 1.86:1 in 1986 to 3.22:1 in 2005, 3.28:1 in 2006, 3.33:1 in 2007,

3.31:1 in 2008, and 3.33:1 in 2009. Under the strategies of 'urbanization' and 'speeding up urbanization', the authorities of many regions expropriated farmers' land on an unprecedented scale. They ruin farmers' plants, break farmers' old houses, seize farmers' land, force farmers to migrate, and give a very small land compensation according to the standard of the time of central planning. The disparity between cities and countryside has been widened further. The potential crisis exposed in countryside has become the most important problem to be handled urgently.

Thirdly, the unbalanced economic and social development has led to a number of problems. Although the economic structure has been adjusted, the social development has not improved correspondingly. One can observe serious disequilibrium in many social structures, for example, in the structure of population, employment, different areas, social class and stratum. Many social programs, such as education, science and technology, culture, medical care, health services, environmental protection, *etc.*, have not attained their respective development yet. Thus, the social undertakings seriously lagged behind the economic development. China is one of the most populous nations in the world and the majority of its population lives in the countryside. The employment situation will be a very rigorous trouble in the period of social and economic transition. The structural and technological unemployment will exist for a long time.

Fourthly, the contradiction of utilization of internal and external resources also gradually becomes obvious. One can prove this by the foreign and domestic experience that shows that the function of external factors in the developmental strategy of modernization becomes increasingly important. Since 1978, China has made a huge success with respect to introducing foreign capital and absorbing foreign advanced scientific technologies. However, there are still big problems. Think, for instance, of the utilization of mineral resource. Some countries, such as the United States, Japan, France, Germany, Sweden, Switzerland, Norway, Finland, the UK and Korea, have set up complete strategic mineral reservation systems. The United States even spends several billion dollars to store more than 93 kinds of mineral resources (Niu Wenyan 2004: 29). China is one of the largest oil-producing countries in the world, but its oil consumption increases so quickly that the output is far from meeting its demands. Now China imports more than 200 million tons of oil from abroad every year, and the oil dependency on foreign countries will continuously increase. In addition, China is also short of chrome, cobalt, platinum, sylvine, diamonds, *etc.*, and mainly depends on foreign import. Some China's preponderant mineral resources, such as tungsten, tin and antimony, are used up at a very rapid speed because of overexploitation.

3. The political reform lags behind the economic reform. Deng Xiaoping criticized the irregularity of Chinese political setup as early as more than 30 years ago. Today the Chinese political system has made great progress. However, the irregularity is still severe. The political and administrative system is so huge that it becomes too expensive. It is said that there are about 7 million civil servants in Chinese public sector. The CPC organization, the People's Congress, the Chinese People's Political Consultative Conference, and the government agencies of different levels constitute the political system. According to Ye Qing, a member of the National People's Congress, professor in Zhongnan University of Economics and Law and Deputy Director of the Statistics Bureau of Hubei Province, the administrative expenses of China ranks first in the world. The Chinese fiscal income increased from 113.2 billion yuan to 3,000 billion yuan from 1978 to 2003, so the growth rate is about 30 times. However, in the same period the ad-

ministration consumption rose from 5 billion yuan to 700 billion yuan, with an approximate growth by 140 times. And the average annual growth maintains at about 23 per cent in the recent years (Wei Yahua 2011: 10). The expenditure only for cars (banquets) and entertainment reached 900 billion yuan in 2007 (Si Yuan 2008: 12). Secondly, the political system lacks an efficient supervisory mechanism. It is said that 108 corrupted officers of provincial level or above (including deputy provincial level) have been caught and punished in line with law from 1978 to 2003. About 10 thousand corrupted officers fled overseas in the past ten years since 1998 and about 6,500 billion yuan were transferred abroad. Thirdly, the bureaucracy style is still serious in some party-government departments. Some officers are not committed to lead people to be wealthy, but concentrate on window-dressing projects in order to attain their own promotion.

4. Chinese development causes some countries' worries, which could be summarized in the following way. Firstly, it is related to the emergence of the Chinese nationalism. *Chinese Nationalism* (Unger 1996) and *China's New Nationalism* (Gries 2004) both discussed the problem. Some scholars think that Chinese Marxism has been replaced by nationalism. In addition, Chinese nationalism would inevitably menace peace in the world. 'China threatenism' is to a certain degree a response to 'Chinese nationalism' (Cheng Long 2009: 426–431). Secondly, the Chinese development would inevitably result in takeover of the resources, market and environment of the world. The Chinese goods have been examined about 1250 times by other countries from 1979 to 2009. Thirdly, the strength of Chinese military forces would bring invasion to other countries. Robert D. Kaplan once said that China would become the biggest factor that would disturb the structure of the current world (Kaplan 2010: 22–41). Japanese scholar think that the rise of China would make the Asian order rapidly move towards 'Chinese unipolar age'. China has replaced Japan and tries to found a new order. However, it is impossible that China will replace America in the near future. But 'China challenge' will emerge without any question. This not only refers to Chinese market and manufacture, but also to its expanding influence (Zhang Xili 2010).

#### **How to Maintain a Sustainable Development of the China Model?**

This is another question discussed by theoretical scholars. In our opinion, one should properly deal with five pairs of relations concerning the Chinese history and status quo.

1. On social justice and efficiency. There can be no doubt that efficiency is the foundation of social progress, and social justice is the guarantee to support social harmony. At the initial stage of Chinese reforms and implementation of opening-up policy, the government has to make efficiency the top priority in order to break equalitarianism and mobilize the masses' enthusiasm. However, the practice in the past thirty years indicates that it is easy to produce deep problems in distribution if the government implements and excessively promotes the policy of 'giving priority to efficiency with due consideration to social justice' for a long time. For example, the administration power and monopolization will distort and disorder the relation of distribution, jeopardize the protection of workers' rights and interests, expand the social strata gap, worsen the contradiction between cities and rural areas, and widen the gap in the distribution. Therefore, efficiency and social justice should be integrated. However, given that the forces represented by 'efficiency' and 'social justice' are unbalanced, the government, as a mediator, must harmonize the relation of efficiency and social equality. It should give up the policy of 'giving priority to efficiency with due consideration to fairness', be-

cause the policy has fulfilled its historical mission. If we dogmatically cling to the conclusion formulated for a special situation without taking into account changes in historical conditions and present realities, it will bring much more harm than good. The government should pay attention to the social justice more than to the efficiency.

2. On political reform and economic reform. With Chinese economic development, people's desire to take part in political activities is gradually becoming stronger. Certainly, pursuing freedom, democracy and human rights is the essence of Marxism. The Chinese leaders reiterate that democracy is the essence of socialism. But China will not copy the Western system of separation of powers into three branches and multi-party system. Overall, China is still stable, though riots frequently occur and people are not satisfied with the government work. However, China will not experience the shake-up like Russia in the 1990s. In accordance with all factors of the current situation, to perfect the existing system is the exclusive way for China's development. That implies more efforts to be taken to increase transparency and rationality in government's policy-making to ensure its ruling in a more scientific way. On the other hand, it should provide more opportunities for the society to timely voice their opinion. Finally, it still needs to explore and gradually expand the range of direct elections.

3. On economic development and environmental protection. It is an objective fact that there is no radical contradiction between economic development and eco-conservation. The basic way to carry out eco-conservation is to transform the pattern of economic development. We think there are three main points to achieve this goal. First, to search for the new industrialization model with Chinese characteristics. It demands the government to radically reform the mode of production by introducing technological and managerial innovations to save resources, to develop low-carbon economy and cyclic transformation economy, and to exploit new energy resources such as geothermal energy, solar energy, wind energy and biological energy, and to control the pollutant emissions strictly, so as to alleviate eco-environment pressure. Second, it is necessary to optimize the economic structure and break down the dual economic structure, to propel a steady integration of urban and rural areas, to preserve comprehensively eco-environment and construction, and to realize the combination of the eco-industry, livable environment and eco-culture. Thirdly, it is necessary to deepen economic reform and set up a system and mechanism to promote urban and rural integration; to perfect fiscal and taxation reform in order to contribute to scientific economic development; to propel the price reform for products of natural resources, and make the leverage of price be exerted more adequately in the process of structural adjustment; to further reform the capital market and financial system so as to make sure the development pattern change with the financial forces.

4. On traditional Chinese culture and foreign culture. Apart from providing people's spiritual power and affecting people's way of thinking, culture constitutes a part of life itself. In China during the era of Maoism, Marxism became a sacred and inviolable dogma, and rejected traditional culture and foreign culture without reason. Since the start of reforms and opening up policy in 1978, with the revival of the native culture and introduction of the western culture, Marxism was unprecedentedly shocked. How can one handle the relation among Marxist culture, native culture and foreign culture and achieve a multicultural fusion? It must be maintained being based on the principle of searching for common grounds while preserving differences. Then one should overcome the attitude that rejects foreign culture without any reason. And, finally, start in-



terpret Marxism in a proper way again. The essence of Marxism lies in carrying out human freedom and not 'class struggle'. It resembles 'Great Harmony' in China and 'liberty, equality, fraternity' in the West. A blind exclusion of foreign culture may result in the decline of national creativity. We should not only learn and absorb the foreign culture achievements, but also preserve the native cultural identity.

5. On morals and benefit. We should realize that the unity of 'righteousness' and 'benefit' is not only the essence of socialism, but also the requirement of developing socialist market economy, bringing about sustainable development, and constructing a spiritual civilization of socialism. The experience of the Great Cultural Revolution shows that socialism can lose people's enthusiasm if we only stress the strength of spirit and ignore people's material needs. Therefore, since 1978 the Chinese government attaches great importance to people's material needs. It has greatly aroused people's initiative and creativeness, and significantly improved production efficiency. However, one can hardly deny that the social spirit value has once been underestimated in the process of developing market economy. It caused egoism, money worship, hedonism and corruption in real life. According to *World Daily* (April 23, 2011), China has become one of the three countries with the most popular worship of money in the world (other two countries are Japan and Korea). Although we have doubt about the claim, we do need to be aware of the phenomenon.

### **Will China Model Threaten the World?**

The rise of any large country and development of extreme nationalism and imperialism in history would result in concerns on threat to the world. But with the increasing globalization progress, the big countries' epochal themes and the models of development have been changed radically.

1. The development of China mainly depends on reforms and progress of science and technology. During the early period of globalization, imperialism went abroad to make colonial invasion using the achievements of scientific and technological revolution and industrial revolution. After the Second World War, most of the former colonial nations sought for independence, and several organizations, for example, the United Nations were set up which aimed at securing peace and cooperation in the world affairs. Since the end of the Cold War, the world has been moving towards multi-polarization. Throughout the world the forces for peace prevail over the forces for war. In our opinion, a new world war will not break out for a fairly long time. Since 1949, China has consistently pursued an independent foreign policy. The motivation of national development mainly comes from the people's urge and desire to improve their life. The direct path relies on the system's reform and technological progress. However, the world is still far from being stable. China strengthens its military force for the sake of national defense against imperialism, as well as to maintain national unity. The United States has never stopped selling advanced weapons to Taiwan, and instigating independence in Xinjiang and Tibet. The Chinese government certainly could not ignore and remain indifferent toward such actions.

2. Marxism is still the national ideology. The phenomenon called by foreign scholars 'the Chinese nationalism' may lead to three situations. First, some intellectuals sometimes publish extreme speeches because of the discontent of the United States' hegemony and the Japanese militarism. It often stirred up some nervousness in other countries. Secondly, it means some scholars try to revive traditional Confucianism to replace Marxism. This is a so-called 'cultural nationalism'. Thirdly, it implies the patri-

otism that was advocated by government and nongovernmental organizations. Towards the above-mentioned three kinds of situation, the Chinese government respectively holds different attitude. That means that nationalism has never become the official consciousness. What the Communist Party of China insists on is still Marxism. The Communist Party of China, on the one hand, clarifies what Marxism is and what socialism is, and how to build socialism, and on the other hand, declares that Marxism should be integrated with Chinese national peculiarities. The concept of the Chinese Communist Party is to advance along the road of socialism with Chinese characteristics and to learn from other countries but without copying their models.

3. The Chinese development will create enormous business opportunities and boost international economic growth. Just as Dr. Kissinger pointed out, China's economic growth was really astonishing, but its starting point was much lower than that of the industrial countries. According to different estimates, its starting point was only equal to 10–25 per cent of America's GDP. Thus, even if China went on with a growth rate of 10 per cent, it could not reach 2.5–3 per cent of sheer growth in the US in the near future. Our military expenses take up 3.5 per cent of gross domestic product, but the expenses that China spends on defense equal only to 1/10 of the US's figure (Su Jinxiang and Qi Lin 2007: 22). An article published in *Business Week* argued that Japan felt keenly discomfort as regards China growth. Today, the Japanese business and political elites sent out different voices. China is no longer the origin of disaster, China is more and more a sort of salvation that helped Japan to carry out an economic recovery in the last ten years. David Lampton points out that the most important thing is that China has become an engine of the regional and global economic development. Washington keeping a steady strategic relationship with Beijing has outstripped its narrow self-interest of security (Su Jinxiang and Qi Lin 2007: 155). Leonid E. Grinin suggests that China would be unable to take the USA's place in the World System (Grinin 2011: 7). It is true, as China really needs a relatively long time to reconstruct its development model. In fact, the Chinese government has recognized its shortcomings and has reduced its target of growth rate of the 12<sup>th</sup> Five-Year Plan to 7 per cent per year.

#### NOTE

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