

CHINESE MODERNIZATION CONSEQUENCES FOR THE REGION

Hidayat Ali Soomro

INTRODUCTION

Under the leadership of Deng Xio Ping, who as a programmatic reformer opened the Chinas doors for Foreign investment and transfer of technology during the 3rd plenary session of the 11th party central committee in December, 1978.

The economic reform, involved opening of China's doors to foreign investment and transfer of technology. The initial economic reform strategy shifted from heavy to light industries in order to increase consumer goods for a rapidly expanding population, light industries require less energy and provide more jobs, particularly jobs for export trade to earn the much needed foreign exchange which in turn enabled China to acquire advanced technology.

Soon after the June, 1989 Tiananmen crack down on the students and intellectuals who demanded speedier economic austerity and retrenchment, China's gross domestic growth (minus foreign investment) began to rise from 4 percent in 1989 to 5.2 percent in 1990, 7 percent in 1991, 7.8 percent in 1992, the forecast for 1993 in close to 8 percent. This growth of China compares rather favourably with the fast growing economics of NIC New Industrialized Countries for 1992; South Korea 7.3 percent, Taiwan 7.5 percent; and Singapore 6.1 percent, respectively¹.

China's weakness is in the economic sphere where Japan is the region's super power. What measure should lay the most emphasis on as contemplate order—building efforts? The best single measure today is economic affluence. Although China had been hoping to reach a level of 1,000 by the year 2000, it set this target upon the adoption of the four modernization on plan, modernization of agriculture, industry, science and technology and military². Its achievement is no longer feasible because of, among other problems population growth.

With the collapse of the world order which was dominated by the United States and the Soviet Union, America's world order as the only super power has become all important. However, in the 21st Century there will be a new important element, China has expanded political, economical and military relations.

In China at least, the expansion of commercial ties has met with widespread enthusiasm. The Chinese press regularly uses a new coinage, "the great golden peninsula", this refers to a vast region stretching from Yunnan to Singapore in the South, and India and Vietnam in the West and East, commonly cited in such analysis are three main "Scoules" along which Chinese commerce could penetrate the region. One through Burma, Vietnam and Laos, and other South Asia, India, Pakistan and Nepal.

The new world order have now become clear, privatisation, free trade, democratic dispensation and prosperity based on market economy. Today, countries like South Korea, Hongkong and Singapore are heading towards an entirely new role in the family of Asian nations, which Malaysia, Indonesia, Thailand, Philippines are standing by to follow. Japan has already joined the group of seven - United States, Britian, Japan, Germany, France, Italy and Canada. The rest of the Asia-Pacific countries, specially China is likely to join this club by the end of this century³.

In the second quarter of the next century, China will almost certainly be the greatest economic power on earth, and Hong Kong the richest city, an amalgam of New York, London, Amsterdam and Venice at the height of their trading power, richer than any city on earth has ever been before.

POLITICAL RELATIONS.

Under the leadership of Deng Xio Peng, who came to power as a programmatic reformer in December, 1978-79, the 11th party central committee of China opened the door for all kinds of countries, Socialist and Capitalist of the world. China has achieved notable success in the development of foreign relations, establishing diplomatic relations with some 158 countries. Good - neighborly friendly relations with bordering countries have resulted in the most fruitful

period of development and consolidation since the founding of the People's Republic of China in 1949. China has also enhanced relations with developing countries based on solidarity and cooperation, and has entered into mutually beneficial and improved cooperation with western countries on an equal footing through dialogue⁴.

The stability and development of China not only accord with the fundamental interests of the Chinese people but also constitute a major factor for the maintenance of peace and stability in the Asia-Pacific region as well as in the world. Over the past ten years, China has firmly adhered to the policies of reform and opening to the outside world initiated by comrade Deng Xiaoping, therefore, great changes have taken place. At present, China enjoys political stability and social tranquillity, the solidarity of nationalities and continuous economic development. The Chinese people are filled with confidence and are advancing along the road for building socialism with Chinese characteristics. As a developed country with a large population, China well knows that it needs a relatively long historical period to realize modernization. In order to realize their goal, China must enjoy two prerequisites, namely, a long term and stable peaceful international environment extremely and long term political stability domestically. China follows an independent foreign policy of peace and always holds that differences in social systems, ideology, cultural traditions and religious beliefs should not become obstacles in establishing and developing normal relations between states. China would like to develop friendly relations with all countries and world on the basis of the five principles of peaceful existence, China does not constitute a threat to any country or region on the globe. China holds that not seeking hegemony and not engaging in power politics should become general principle abided by internationally. China does not seek spheres of influence and hegemony now, nor it will do so in the future when it becomes stronger. In recent years, friendly relations between China and its neighbours have been consolidated and developed which is the result of common efforts by China and its neighbours. This is in the common interests of China and the neighbouring countries and is instrumental to peace and development in the region and in the world as well⁵.

In order to achieve world peace and create an environment

beneficial to the development of all people there is now an increasing talk in the international community about the kind of international order to be built. China holds that the basic principles embodied in the UN charter such as equal sovereignty among member states and non—interference in internal affairs, should be observed by all UN member states. In light of the spirit of the UN charter and the universally acknowledged norms guiding international relations, and considering the changed international situation, the Chinese Government has some basic views on establishing a stable, rational and just new world order conducive to world peace and development. And China should like to explore these with every government in the world.

The new international relations should be established on the basis of the principle's of mutual respect for sovereignty and territorial integrity, mutual non—aggression, non—interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence centered on non—interference in each others internal affairs, and with the government and people of each country enjoying the right to choose their own social system and ideology accordingly to their national conditions.

Every country, big or small, strong or weak, rich or poor, has the right, as an equal member of the international community, to take part in international affairs and should make its due contribution to world peace and development.

China is strengthening political, economical and military ties with former enemies at its border. Over the past 45 years, China has fought wars against Russia and India, Vietnam, South Korea and Taiwan. China has signed cooperation accords with all its former adversaries in an effort to ease Asian anxieties. President Jiang Zamin has travelled to Moscow, Jakarta and Hanoi. Premier Li Ping went to South Korea, and Defence Minister Chi Haotian visited China's former foe India. In 1962, China fought a border war with India, relations remained tense for years, and China has been a major weapons supplier to India's regional rival, Pakistan. But last year, the worlds two most populous nations took steps to reduce military tensions along the border.

On the Korean peninsula, where a million Chinese troops died during the Korean war, China has been working to ease tensions over North Korea's nuclear weapons programme. China played a constructive role in negotiations with North America. In late October, premier Li went to South Korea to cement China's war wing relations with Seoul. He signed deals, expanding aviation links and economic ties. The growing ties would "greatly contribute not only our shared prosperity in the whole of North East Asia". At the recent Asian-Pacific economic cooperation forum in Jakarta, Jiang was welcomed by Indonesian president Suharto, who accused China of funding money to communist rebels in that country. On his way to home, Jiang stopped in Vietnam, which only 15 years ago fought a fierce one month war against China. But during Jiang's visit Vietnam and China granted a commission to settle the dispute.

New China also abolished all unequal treaties imposed by foreign powers on old China. It has done away with all social inequalities that came with colonialism. Worth particular mention is that on July 1, 1997, nine months after this year's national day celebrations, Hongkong, seized from old China in the opium war, will return to the motherland from British rule under a Sino-British agreement. China will also recover its sovereignty over Macao in 1999 from Portuguese rule under a similar agreement with Portugal.

In November 1992, at the invitation of US President Bill Clinton, Chinese President Jiang Zemin attended the unofficial conference for Asia-Pacific Economic Cooperation (APEC). Speaking at the conference, President Jiang made it clear that "China cannot develop without the world, and worldwide development needs China. A stable, developed and prosperous China will pose no threat to any country, but instead will make even greater contributions to peace and development in the Asia-Pacific Region and the world as a whole." The statements of the Chinese President fully reflect China's sincere desire to safeguard peace, promote development and seek cooperation. The summit between the leaders of China and the United States was held in a positive and constructive atmosphere and marked a new beginning in Sino-American relations. The recent China visit by German Chancellor Kohl promoted mutual understanding, facilitated mutually beneficial bilateral cooperation on equal terms, and was conducive to developing economic and trade

relations with the European Community. Facts have once again proved that mutual respect and dialogue carried out on an equal footing are the only appropriate method to promote a consensus, narrow differences, and develop cooperation between various states⁶.

As the world approaches a new era, China welcomes the bright prospects for the process of development. China hopes to enhance mutual understanding and further develop equal and mutually beneficial cooperation with all countries in the world in order to make even greater contributions to world peace and the development of human civilization.

China in 50 years' time will have the means, but no particular need, to assume the dominant role in the world that the United Kingdom once did, or the United States still does. Indeed, the very notion of a "Super Power" will be outdated in this far more global economy. Instead, as China and rest of Asia become increasingly important, Europe, and the US will come to terms with having proportionately less influence and accept the new-comers as equals⁷.

In such an interdependent world, mutual respect and compromise will ensure peace and security, China will not, as some fear, be a danger with 20% of the world's people and much less of its arable or resource-rich land, China will not be self-sufficient in food and many other commodities. Friendly trading relations and cooperative development with the rest of the world will be essential, China will, be this time, the world's largest and donor.

Beijing in the mid-21st Century will be cultural centre as cosmopolitan as New York or London. China's history, movies, pop-music and art will have followers the world over. After English, Putonghua will be the most studied—and commonly heard—language around the globe. The country will attract more tourists, and business travellers than any other, which the Chinese will form the world's biggest nation of travellers⁸.

ECONOMY

With the collapse of the Berlin wall in November, 1989, an event that signalled the end of the cold war and unleashed a great

tide of change that has since been rolling across the world. Among the most notable developments have been the industrial seawakening in the United States and rise of China.

A different kind of awakening has gone on in China, where Beijing came to realize that socialism no longer has the power to hold the country together. This recognition was driven home by the turmoil on Tiananmen Square in June 1989, and the termination of the cold war not long thereafter. Looking at the world around him, prominent leader Deng Xio Ping concluded that China's only choice was to move further in the direction of capitalism. Thus, when he went on his well known tour of Southeastern province in 1992, speeches he delivered emphasized the need to apply market principles and open doors, China has already gone for in this direction, and as a result its economy has been zipping along at dizzying speed, reminiscent of Japan's own high tempo growth in the 1960. In the post cold war world, conditions are prosperous for China's rise.⁹

However with the start of 1990s, China has begun to take on a new and important dimension for America. The biggest fact is China's economic growth. Since the start of the 1990, China's real GDP has been growing at an annual average rate of close to 10 percent. Against this background, US-China trade expanded rapidly from \$ 14.3 billion American exports to \$ 5 billion, Chinese exports \$ 9.3 billion in 1988 to \$ 40.3 billion \$ 8.8 billion and \$ 31.5 billion in 1993. The big increase in American imports from China reflect the fact that factories built-in China by American investment totalling \$ 2 billion since 1980, began operating and shipping products back to America¹⁰.

In the Asia Pacific region, the situation with China, on the other hand, is totally different. China may not be, unlike Japan, capable in the medium term of competing with Americans in certain high technologies. It has however, a lot of the geopolitical wherewithal to contest American Power. Furthermore, the view that China will indeed emerge as the world's leading economy by the beginning of the next century is gaining increasing currency. As a recent World Bank study authored by the Oxford economist suggested, the Chinese economy may be to the opening of the next

century. The battle between China and the United States, therefore, on both geopolitical and geoeconomic fronts may assume truly titanic proportions¹¹.

At the third plenary session of its central committee in November, 1993, the Chinese communist party adopted a grand design aimed at completing the formation of a market economy in China by 2000. Its present course is maintained, at the beginning of the 21st Century per capita gross national product in China will have reached the level of 1,000 (in 1980 terms) and the standard of living will be vastly improved. The country will have abandoned its command economy, some times known as a planned economy, and should have almost completed its switch to a market economy. At this time it seems very likely that the political democratization of China will proceed dramatically and, more over, stability.

Economically, China's fast but sustained speed of development since its adoption of reform and open policies is attracting world wide attention. In the last five years, its gross National product (GNP) registered an annual growth of 12 percent. In 1995 its GNP reached 5,760 billion yuan (8.3 yuan to the US dollar), more than quadrupling the 1980 figure.

In agriculture, China has managed to feed its 1.2 billion population, about 22 percent of the world total, by tilling only 7 percent of the world's cultivated land, in 1995, it produced 465 million tons of grain, a moderate 4.2 percent increase over given years ago, but its edible oil crops jumped by 38 percent to 22.5 million tons; meat, by 74 percent to 50 million tons, and aquatic products, by 94 percent to 25.38 million tons. As a result the Chinese people today have a far richer diet than five years ago.

In 1995, China produced 94 million tons of steel, 1,3 billion tons of coal, 149 million tons of crude oil 1,000 billion Kwh of electricity 24.5 million tons of Chemical fertilisers (in terms of 100 percent purity), 2.9 million tons of Chemical fibres and 19.58 million colour televisions, these statistics have elevated China to the rank of industrial giants of the world though, in percapita amount, it still lags far behind developed countries¹².

Meanwhile, collective, self-employed and private sectors are growing at a faster speed than the state sector in recent years. They are playing an increasingly important role in the national economy.

China's policy of opening to the outside world has helped accelerate its economic growth by attracting huge amounts of foreign investment and technology.

During the five years of 1991-1995, China received a total of US \$ 160 billion in foreign capital, of which 70 percent is direct investment from foreign businesses and the rest from foreign governments and banks. The number of foreign-invested enterprises in China has reached 260,000 and their sphere of investment expanded from processing industries in early years basic industries and infrastructure and from coastal cities to interior regions. In 1995, China's total exports and imports reached US \$ 280.9 billion to rank 11th in the world's top trading nations. Its foreign exchange reserves stood at US \$ 73.6 billion by the end of the year.

Living standards of the Chinese people have been rising with the net income of urban citizens increasing annually by 7.7 percent and that of rural families by 4.5 percent in the last five years. The number of people living below the poverty line has been reduced to 65 million, about 5.4 percent of the total population, from 85 million in the 1980s.

China's successful launching of international communication satellites and manufacture of military and civilian aircrafts, ocean going ships, its rapid expansion of telephone networks and its construction of new East - West and North - South trunk railways and express highways, all these demonstrate that China's scientific and technological level, have reached new heights, the country has more than 19 million scientific and technical personnel working in the state sector alone.¹³

China already trains more scientists than most other countries, and it will be a leading centre for research and discovery, winning a healthy share of Noble Prizes. With a proud record in aerospace, engineering, medicine, semi-conductors and laser technology and other areas, China will have much to contribute to the world. By

necessity, China in 50 years, time will be at the forefront of environmental research, leading the world in such areas as electronic cars, clean power generation, the recycling of materials and conservation of natural resources.

In the country's current ninth five year plan (1996-2000), the government aims to control the population at 1.3 million quadruple, the 1980 per capita GNP and eliminate poverty as whole in the country so that the Chinese people can lead a relatively comfortable life by the end of this century. According to a long-range plan, by the year 2010, China will control its population at 1.4 billion and double its year 2000 GNP.

All these depend on a peaceful international environment and domestic social stability and unity. For this purpose China will continue its independent foreign policy of peace and friendship with all nations of the world. It will continue its reform programs aimed at establishing a market economy, strive to build a much stronger material and technical basis for modernisation, and further improve the official standards of its people.

Also last year, with its total imports and exports amounting to US \$ 280 billion, Chinese ranked 10th among the world's top trading nations. China's dramatic rise as a trading nation is owed largely to its open policy, foreign funded enterprises accounted for about 40 percent of its total imports and exports last year. In the first quarter of this year, their proportion rose to 45.9 percent. By May this year, China's foreign exchange reserves reached US \$ 85 billion.

With political stability and a huge market, China is confident of its continued attraction for foreign investors. The government expects to receive another US \$ 150 billion in foreign direct investment in the next five years. By the end of 1995, China had approved a total of 260,000 foreign funded enterprises, almost half of which have gone into operation, and aggregate foreign investment had reached US \$ 135 billion marking China the second biggest recipient of international investment money in the world after the United States of America.¹³

Under the prevailing circumstances, western countries have begun to look at and understand China from a different point of view. Increasing numbers of interested parties have come to realize that world peace and development need China. In today's world it is impossible to isolate China, and those attempting to do so would simply inflict losses upon themselves. Relations between Western countries and China have never been based on common social systems, ideology or values, but rather on the basis of common interests.

Some fret about the future of Hong Kong after the colony reverts to China in 1997. But may be its Hong Kong that's taking over China. Already Hong Kong companies employ some 4 million people in neighbouring Guangdong province. As China continues to modernise and the provinces elude central government control, it is possible that China will become more like Hong Kong.

There's is no reason why Asia's parts of the world. But it means govt must lift the tax burdens on their citizens, reduce or eliminate the states involvement in the economy, stop pilling on regulations, and open their countries to free trade just as in Asia.

With 1.4 billion people, China will be the world's second most populous nation, India having overtaken it a decade or two before it will be one of the world's richest countries.

The economy will be far and away the world's biggest, at least tripple the size of that of the United States. China will be the world's biggest exporter or importer and producer or consumer of most goods and services.

The coastal regions, stretching from Hong Kong through Xiamen, Shanghai, Tianjin and Dalian, will have the same level of prosperity as North America and Western - Europe - and from a much bigger market.

Chinese - based multinationals will form the largest national grouping in the "top corporate 500" lists of 2046. That said, cross - border share holdings will make many companies genuinely international, with brands rather than share holdings defining

geographic origins. China will produce many indigenous brand names that will make their mark across the globe. Phoenix bicycles, Rainbow electronics and Tsingtao beer will be as well - known as campbells soup, "The Wall Street Journal", Rolls - Royce or Sony. Many new brands are likely to have their roots in the joint ventures being created today between chinese and foreign companies.¹⁵

China will similarly be a giant in the financial world. Hong Kong, the focal point of a metropolis covering the Pearl River Delta, will be the world's leading financial centre. The Hong Kong and Shenzhen stock exchange, listing sites for Chinese thousands of multinationals, will be the world's biggest. Its banking insurance and other services will similarly top the global charts - except in one market; foreign exchange. The expectations are that, the world currencies to be unified some time before 2046, though not before the Renminbi reaches parity with U.S. Dollar.

The argument about whether Shanghai will "take over" from Hong Kong will be redundant by the middle of the 21st century. An economy the size of China's will support at least a dozen major financial centres, each developing a niche in accordance with geography and tradition.

MILITARY

The effective implementation of Deng's reforms was contingent, first of all, on getting the PLA out of politics - a long - lasting legacy of the Maoist period. This Deng did, slowly but successfully, under his aegis, radically transformed at all levels - by relieving troops of non-military duties in the localities, by dislodging regional military commanders from powerful political posts, and by scaling down military representation in national policy - making organs. At the same time, the Deng leadership restored political supervision over the PLA but did this in a restrained manner that did not intrigue on the professional prerogative of military commanders.¹⁶

The results of a decade of reforms have been mixed. The achievements have been extensive and impressive. Weapons have been improved, the PLA has been made leaner and more efficient, and

professional standards have been raised immeasurably. However, the achievements acquire a somewhat disproportionate glow because of the PLA's backwardness at the beginning of modernization. When viewed against the starting line, even modest progress seems considerable. And this progress has indeed been sufficient to raise the cost of invading China, thereby making such an improbable invasion even less likely. As a result of military modernization, China is more secure.

However, modest progress has not been sufficient to bring the PLA much closer to the level of front-rank armies. Its weapons are still largely out-of-date, and reform of its structures and styles has a long way to go. Compared with the Chinese army of the late Maoist period, PLA is much more modern, but compared with modern armies PLA is still backward.¹⁷

After almost a century of false starts, China seems finally to have embarked on a course of explosive economic growth and military assertiveness that will have strong impact not only on the region, but on the world at large. Currently, China is the only major nation in the world whose military is expanding, and it has the only communist system that is close to fulfilling the economic aspirations of its people. With the collapse of the Soviet Union, and the prevalent pacifist mood in Japan, China faces so serious regional threat.

Economic growth is already allowing China to increase its military capabilities, especially of its maritime force. China is likely to continue to pursue its strategic objectives by a combination of diplomatic, political and economic means, underpinned by its growing military strength.

Sustained increases in China's defence budget and the development of advanced naval and air forces, the report asserts, are not simply the result of economic growth, but also reflect changing strategic perceptions and priorities. As the document rather ominously sums up. Because of these uncertainties, recognise that the security environment could deteriorate, perhaps quite seriously in the future.

Related to the issue of Asian Security is the arms buildup in the region despite the end of the cold war and the reduction of

tension in Asia. The rate of arms buildup has been greater in East—Northeast than in South Southeast Asia as measured by the combined 1990 defense budgets of Japan, China, Taiwan, and North and higher than the major Southeast Asian States. For instance, China has increased its military spending by more than 13 percent per year since 1988. Military spending increases are also found for Japan, North Korea, Taiwan, Singapore, Pakistan and India. Reasons for the build-up may include the Asian nation's perception of American withdrawal of its military presence in Asia, fear of the Chinese military entering the competing maritime and territorial claims for the Spratly and Paracel Islands in the resource rich South China Sea. Fear of Japanese military resurgence, the need on the part of Asian coastal nations to protect their 200-mile Exclusive Economic Zones (EEZ) under the 182 law of the sea convention, and the opportunity for hard currency-rich Asian nations to take advantage of the large post-cold war era stock piling of weapons eager to be disposed of by many European nations, particularly the cash-strapped Russians.¹⁷

Most countries realize, China's military is not efficient, and Chinese are so busy with domestic affairs that they are unlikely to project force too quickly. That as China grows very rapidly and acquires more military equipment from the former Soviet Union, than some of other countries of Asia—not just Japan but South Korea and Southeast Asia will become quite concerned.

The collapse of the Soviet Union has allowed Chinese to rapidly advance this agenda and created power vacuums among many of the Chinese neighbours of which Beijing is taking advantages of, the Chinese have keyed the development of their out lying regions both in terms of economic development and security concern to establish symbolic relations with adjacent territories.

The growing political influence of the armed forces in China and a dwindling domestic oil supply are pushing Beijing to try enforce its claim to control nearly all of the South China sea. Such an effort if backed by the threat or use of overwhelming force, could secure Chinese access to extensive new offshore oil and gas reserves in the region—but at a very political cost. Virtually every country in South East Asia would oppose China's action, and the United States and Japan would probably throw their weight behind the regional states.¹⁸

Indeed, although China's military budget has increased substantially in recent years, it has dropped as a percentage of state expenditures as other areas get top priority. As to compare China's defence budget with that of other countries to get a proper perspective. India, which is slightly smaller and less populous than China, has an annual defence budget of more or less the same size, much smaller Japan, means which, whose constitution forbids the deployment of troops abroad, has a defence budget of US\$ 30 billion. The U.S has only a quarter of China's population, but its defence budget is US\$ 200 billion. China's defence budget rose to Rmb 58 billion (US\$ 6.7 billion) this year from Rmb 43.2 billion last year an increase of 34% (in March, Beijing said the increase was about 22% to Rmb 52.4 billion) but prices in China rose 13% in 1993 and are expected to climb by more than 10% this year. The main purpose for this increase in the defence budget is to offset the impact of the reduction of the purchasing power of the money. Actually there is no big increase of defence expenditure. Chinese defence-spending figures and security is questioned by foreign specialists. However, a Chinese military affairs expert at the National Defence University in Washington, the 3 million strong Chinese army backed by nuclear Weapons and 5000 air craft "the budget simply does not add up. The London based international institute for strategic studies estimates that China's actual 1994 defence budget is Rmb 100 billion.

It is upgrading its surface and submarine forces and building up its marines and the craft to deploy them. It has acquired advanced Russian Combat aircraft and inflight refueling capabilities. It had talks with France this month on acquiring the aircraft carrier *clamminess*.

Beijing claims sovereignty over virtually the entire sea, including the spratly archipelago. Six other countries China, Taiwan, Vietnam, Malaysia, Philippines and Brunei, have overlapping claims on the Islands, and keep troops stationed on many of atolls and reefs they control. Last year they discovered China had occupied one of the tiny Islands.¹⁹

China has contracted the U.S. oil company, the drill exploratory wells near the spratly, in an area that Vietnam, for its part, has approved applications by U.S firms to join European and

Asian companies drilling for oil off its shores in the South China Sea.

The spratly issue, which Tokyo views very seriously because Japan's dependence on imported oil, natural gas and industrial materials slipped via South China Sea.

About \$ 1,000 billion worth of trade moves through the sea lanes linking the Pacific and Indian Oceans every year. The area is thought to be rich in oil, gas, minerals and fish, all of increasing importance to China's industrialising economy.

This is just one of a large number of territorial disputes in the waters between China and its neighbours, and the underlying basis for most of them are the possible oil and for reserves in area.

In history China never invaded any foreign country. Apparently for getting the army's February 1979 cross-border thrust into Vietnam, launched in retaliation for Vietnam's invasion of Cambodia.

China has long been a peace-loving country and the Chinese people greatly cherish peace. Development plans in China call for and depend on a peaceful international environment China will not join any military bloc, will not seek a sphere of influence, will not engage in hegemony, and neither shall it become a superpower. China has no soldier nor military base abroad, and poses no threat to any country. China has been and will always be a force working to maintain world peace, no matter what might transpire in the world. China will maintain an independent foreign policy of peace, and will advance the principal of fostering friendly cooperative relations with other countries based on five principles of peaceful co-existence.²⁰

China is in a different situation. The best way for China is to keep a little distance from any bloc—like grouping of countries. China is a very big country with huge population. If China joins a bloc, there is bound to be some fear that China would dominate. Also as a permanent member of the UN Security council, China has world wide obligations.

China in principle cannot support this, because China's policy is the self reliance of each country and non intervention in each others affairs. China is not inviting any body to defend them, nor is interested in invading any part of the world. China is encouraging every country to defend itself. If regional countries unite, they can resist outside aggression. If we invite super power to defend us, it would just stay on.²¹

China formally acceded to the Treaty on the Non—Proliferation of Nuclear Weapons in 1992, and for the first time participated as Party to the Treaty in the preparatory work for the 1995 conference early this year.

NPT is one of the most universal international legal instruments in the field of disarmament and arms control. Since its entry into force, NPT has played an irreplaceable role in the prevention of nuclear weapons proliferation and promotion of nuclear disarmament and peaceful uses of nuclear energy. At a time of drastic changes in the international situation and some positive developments in nuclear disarmament as well as increased need of the developing countries to utilize nuclear energy for their economic development, the positive value of the NPT has been ever more widely accepted and recognized. The international community is anxious to see an early realization of the three major objectives of the Treaty for the benefit of preserving international peace and security and promotion of economic development and technological cooperation.

Therefore, the Chinese Government has consistently and resolutely pursued a policy of not advocating, encouraging or engaging itself in nuclear weapons proliferation and not to provide any assistance to any country for the development of nuclear weapons. After its accession to the NPT, China has faithfully fulfilled its obligations as provided by the Treaty. China's international cooperation in the peaceful uses of nuclear energy is guided by these basic principles, i.e., subject to International Atomic Energy Agency (IAEA) safeguards; for exclusive peaceful purposes; and no transfer to any third party without the prior consent of China. Further more, China's nuclear imports are also for exclusive peaceful purposes and China has placed on voluntary basis part of its civil nuclear facilities under IAEA safeguards.²²

CONCLUSION

In the post—cold war era the People's Republic of China is rapidly emerging as an economic and political power on the world horizon. As has been mentioned in this paper that China's GDP is growing with an annual growth rate of 10 percent.

In its recent move China is cementing economic and political blocks with its neighbouring countries. The recent visit of President Jiang to Far East, India and Pakistan is the best example to quote.

The China's relations with the United States seems to be dominated by trade links between both countries. It seems that the United States has kept the issue of human rights on the back burner. This also is the result of growing economic strength and political say which China is enjoying at the moment.

In its relations with Russia, China is also trying to further cement friendly relations with its giant neighbour in the field of economics and politics. The recent extradition treaty between both countries in the second week of December, 1996 is the best example in this regard.

Militarily, China is trying to catch-up the United States and Russia in the post—cold war era, especially in the field of international missile development. It is generally believed that in the early 21st century China will catch—up the U.S and Russia in this field, both qualitatively and quantitatively. Though China's neighbours—India, Japan, South Korea and Vietnam—are feeling uneasy with its military development.

In sum, all this development in China is certainly the result of its open door policy—the post—cold war era.

REFERENCES

1. James C.F. Wang, Comparative Asian Politics, Power, policy and change - U.S.A 1994 p.93.
2. Economics Eye, A quarterly Digest of Views from Japan Published by Keizai Koho Centre, Japan, Summer, 1992, p.16
3. Dawn February 4, 1995
4. Peace Chinese people's Association, March, 1994-p.3
5. Peace Chinese People's Association, March, 1992-p.3
6. Op.cit., Peace Chinese People's Association, March 1994-p.6.
7. Far Eastern Economics Review Commemorative Edition Telling Asia's Story 50h Anniversary issue, 1996-p.188
8. Ibid.
9. Economic Eye, A quarterly Digest of Views from Japan Published by Keizai Koho Centre, Japan, Winter, Japan, 1994-p.20
10. Japan update, Published by Keizai Koho Centre, June, 1994, p.22
11. Japan update Published by Keizai Koho Centre, 1995, p.13
12. Daily Dawn, October 1, 1996
13. Ibid.
14. Op.cit, Far East Economic Review Special Adition Telling Asia's Story 50th Anniversary issue, 1996-p.188
15. William A. Joseph (Edi) China Briefing, 1991 published in cooperaion with the Asia Society U.S.A. 1992, p.39-40.
16. Ibid.

17. Op.cit Comparative Asian Politics, Power, Policy and change U.S.A 1994, p.338.
18. Daily Dawn, 24th October, 1996.
19. Daily Dawn, December 17, 1994.
20. Chinese People's Association for peace and disarmament, Beijing: 25, March, 1992.
21. Japan update Published by Keizai Koho Centre, March, 1993-p.3
22. Chinese People's Association for Peace and disarmament, Beijing June, 1994-p.8.