

## China-EU Relations in a Changing New World

Respected.....

Friends,

Ladies and Gentlemen:

More than 40 years ago, I spent about a year in this well-known London School of Economics and Political Studies as a student. 34 years later, in March 2000, I gave a report on China's foreign policy here to the Grimshaw International Relations Club as Chinese Ambassador to Britain. I am extremely happy and exiting today to be back again, and a bit nervous as well. Delivering a speech is my Alma Mater, I have a kind of feeling like going through an examination before so many strict professors and teachers.

I have felt strongly the great and fast changes in the world over the past 40 years and more. In the fall of 1966 when I joined LSE, China was bogged down in the turbulence of so-called "cultural revolution". China was regarded by Westerners at that time as an evil country. In 1997 when I came back to London as China's Ambassador, Asia was suffering from a severe financial

crisis. And China's best economic performance and her behavior of full responsibility to Asia and to the world were, perhaps the first time, sincerely acknowledged by the western world.

Now, China is the third largest economy and the third largest trade power in the world with the largest foreign reserves. The Chinese economy contributed more than 20% to global economic growth, and 19% to global trade growth in 2008. After the international financial crisis broke out, China introduced a proactive fiscal policy and moderately easy monetary policy as well as an economic stimulus package in a decisive manner to address the crisis. Meanwhile, China is an active player of significance in dealing with the present financial and economic crisis. China's important and positive role in the three G20 Summits has been fully recognized and praised. Many people are even wondering how fast China would become a superpower in full sense.

What has happened in China is not a phenomenon alone but a convincing demonstration of a world that is undergoing extensive and profound changes.

The greatest change since World War II was the

conclusion of the cold war in early 1990s. With the ending of confrontation between the two superpowers over half a century, people all over the world were expecting of peace and development in real earnest. But their fond dream was frustrated by the hegemonical ambitions of the United States. As the only superpower in the world, the U.S. cherished a blind belief in unilateralism and tried to build up an international order dominated by itself. They failed or denied to see the world trend towards multi-polarity and the development of globalization, and announced arrogantly that the U.S. could “go it alone”. For a time-being, the U.S. appeared so powerful that no country or international rule could exercise restraint over its behaviors. Nevertheless, the most effective power is the will of the people and the objective law of development of the times. We all now see clearly the consequences of the US’s post-cold war strategy and policy.

In the last 20 years or so, the first decade of the 21<sup>st</sup> century in particular, our world has witnessed more changes of all categories and types. Among them, I believe, two are most fundamental and outstanding with

global and strategic importance.

First, with the steady rising or reemergence of a number of developing countries, the world balance of power is undergoing changes of great significance. This has begun to reshape gradually the whole international landscape, politically, economically and socially. .

It is true that developed countries are still stronger and more influential at present, by and large. But the altering process is on the development and the equilibrium of forces will continue moving to a more balanced proportion. 20 years ago, the GDP of G7 accounted for 70-80% of the world total, and now only about 50-60%. In 2000, the GDP of the four BRIC countries was only 8% of the whole world and now the portion has been up to 15%. If the growth rate is taken into consideration, one will not fail to see a general tendency of rising and falling in comparison. Since mid-1970s, G7 has played almost decisive role in world economic issues, and even attempted at political affairs. But it was agreed in the recent Pittsburgh Summit that G20 will be a leading platform for the international community to tackle the financial crisis and advance the reform of the international financial system. As we all remember that G7 consists developed states alone, and half

of G20 are developing countries. Over the last a few hundred years, Crossing Atlantic area, mainly Europe and North America, has been the centre of the world and enjoyed all rights of words and deeds, while other continents overrode or ignored. This kind of situation is bound to change, since almost of the newly emerging countries are from Asia, Africa and Latin America. Consequently, countries that have enjoyed invested interests and privileges would face a challenge whether they are ready to treat the newly-emerging countries in equal terms.

Second, countries in the world have become more inter-dependent, sharing increasing interests and challenges. Large numbers of global issues request more effective global governance.

One, the development of globalization has made countries in the world much more linked and connected, and their interests are increasingly interwoven. Under such circumstances, any action from selfish motives with an aim of profiting at the expenses of others would often bring harms to oneself. There is less and less room for zero-games. Mutual cooperation for win-win results has become a universal concept and a new catch-word of the time.

Two, the world is far from real security and the international community is confronted with numerous security threats, traditional and non-traditional, and growing global issues. Old troubles of hot-spots such as problems in the Middle-East region are still hanging on and no ray of hope is in sight. The threat of terrorist violence and the danger of proliferation of massive destructive weapons, nuclear in particular, remain looming large over the world. Quite a number of countries are caught up in domestic political wrangles. Crises on natural resources, energy, food, water and what not have panicked human society again and again. Ever-worsening ecological environment and severe climate change are causing grave concerns and worries on human survival. Natural disasters such as earth-quakes, hurricane, tsunami and new epidemic diseases have frequently done damages to human life and properties. Then, the global financial crisis begun in the United States swept rapidly over the world and almost in an instant caused the world economy from boom to bust. Many parts of the world were somewhat plunged into a grave depression. Even till now, nobody can tell for sure when the crisis will be over and substantial recovery start.

Since all those threats and challenges are of global nature, no single country or a group of countries could cope with them alone. Those issues have a direct heavy bearing on the future and fate of the world and each country is deeply affected, it is absolutely necessary and demanding for all peoples and nations to join hands and work together in facing up to the challenges.

From the two big changes in the world, we can draw five conclusions:

One, development remains the major issue of the world and has gained in importance.

Two, the call for democracy in international relations has become stronger.

Three, the recognition of need to address security challenges through cooperation has become increased.

Four, peace, development and cooperation are and will continue to be the trend of the era.

Five, the present international system, including the international financial system, is in for major changes. Reform is imperative.

As the largest developing country with one fifth of the world's population, China's emergence as a global power is certainly the most influential event in the present epoch. That

has posed an unavoidable question to all countries in the world, developed countries in Europe and North America in particular—how to look upon China's development and how to deal with a developing China.

Frankly speaking, Westerners in general have failed to have a realistic, deep and comprehensive understanding over decades. To know a real developing China, it is necessary to get beyond the historical. Cultural and ideological divide, get rid of the Cold War thinking and prejudice, and see China and its policies from a perspective of development. If you find it too difficult to learn all aspects of China, you should at least learn to know the following three general points.

First, China is unswervingly follows the path of peaceful development. That means:

One, the total purpose of China's development is for the continuous raising of the quantity and quality of the Chinese people's life, material and cultural, and contribute to the progresses of the world, but not for world domination and hegemony.

Two, China's development is mainly relying on China's own human and material resources, but not on external expansion and plunder. China attaches great importance to



cooperation with other countries and regions on the basis of equality and mutual benefit. China works hard for win-win outcome in cooperation and never seeks self-development at the expenses of others' interests.

Three, China stands for common development and common prosperity. China cannot develop in isolation from the rest of the world, nor can the world enjoy prosperity and stability without China. China has done its best to help other countries in their development and regarded this as its own duty.

Four, China needs more than ever a long-term peaceful and stable international environment for development, and the successes of China's development have likewise enforced world peace.

Second, China is developing a harmonious society.

China's development is not just for some high GDP figures or, as some people in the West advocate, for the consolidation of the rule of the Communist Party. China is building now a moderately prosperous society in all respects and for the real and full benefits of the Chinese people. For this, China is applying the Scientific Outlook on Development. That requires taking development as the essence, putting people-first as its

core, comprehensive, balance and sustainable development as its basic requires and overall consideration as its fundamental approach.

Third, China is promoting building a harmonious world of lasting peace and common prosperity. The key concepts are:

--Peace.

--Cooperation.

--Win-win Results.

--Diversity and Tolerance.

The great changes in international situation have presented both increased opportunities and challenges before China and Europe. Under the current situation, it is all more important for China and the EU to strengthen cooperation in all fields. China has attached great importance to growing relations with the EU and has all along put China-EU relations high on the agenda. Thanks to the concerted efforts of both sides, Chins and the EU have overcome the difficulties of last year, and bought their relations back to the track of steady development. The two sides should observe the following in properly addressing new challenges under the changed circumstances and further consolidate the foundation of China-EU comprehensive strategic

partnership.

1、 Properly address such global issues as climate change and financial crisis. Those global challenges not only require concerted response from China and the EU but also provide new opportunities and impetus for the two sides to deepen cooperation and uplift their relations.

2、 Properly address differences of disputes caused by difference in the stage of development and cultural tradition. As long as the two sides adopt a forward-looking approach, bear in mind the overall interests of China-EU relations, stay committed to dialogue and cooperation, the problems will be solved properly.

3、 Properly address the Tibet-related and Xinjiang-related issues. These issues involve China's core interests of sovereignty, territorial integrity and national security, and there is no room at all for compromise and concession.

4、 Properly address the long standing or even permanent differences between the two sides in the political system and ideology. Should the EU side attempt to develop its relations with China with influencing and changing China's political system and ideology as the goal, it would be moving in a wrong direction and nor would it achieved any good result.

“Harmoniously comprehensive cooperation with differences” is the correct description.

As for China-UK relations, I do not have much to say. I am very happy to see the momentum of development has been kept as ever, as the present momentum started in my term of ambassadorship. There is no change that Britain is the largest investor in China and the third largest trade partner with China among EU countries. But the volumes have changed greatly. I am looking forwards to China-UK relations with great expectation and strong confidence.