International Political Economy in China: The Global Conversation

Introductory comments by John Zerby,
Editor of the Chamber’s “Opinions and Analyses” page

Readers will find below comments on six articles published in the Review of International Political Economy, Volume 20, Issue 6, 2013. These articles may be purchased from the publisher, Taylor & Francis, either individually or as the entire issue at: http://www.tandfonline.com/toc/rrip20/20/6#.VRc9fPnQoW8. Abstracts may be downloaded freely. We decided to reproduce the abstracts on these pages for greater convenience in following the comments.

Our principle objective is to inform those who follow the information and links contained in the Chamber’s Internet site as to what is being published by scholars on topics of interest. It is particularly important, we think, to let everyone know what opinions Chinese academics, as well as Western academics who specialise in Chinese studies, are expressing in relation to China’s current and future position in the global community. The economics and politics of such opinions are referred to as international political economy. The six articles examined here are principally about opinions of Chinese academics.

1. Introduction – International Political Economy with China’s Characteristics

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Abstract

This article serves as an introduction to the five articles submitted for the special issue on International Political Economy (IPE) in China. In addition to summarising the special issue articles on key themes in IPE, we outline the genesis of IPE as a field of study inside China, detail the core characteristics of Chinese IPE, as seen in this special issue, and consider the limits of the development of Chinese IPE to date. Finally, we provide a road map for the development of the IPE field in China, and identify the potential contributions which the Chinese scholarship could make to knowledge creation in IPE, and to the global conversation, in the future.

Comments on the article by Bing Zhao

This paper, from one aspect, tried to summarise the shift of IPE scholars’ views about the relationship between USA and China in the past several decades – looking at USA from the Chinese side – though it was written in an awkward manner. I would like to express the change in the actual or perceived relationship between USA and China more directly.

First of all, whatever views were held and publicly claimed by academia/public in the past, there remains a fundamental difference in official ideology between the two countries. Such a difference has a significant impact on how the two sides view each other and thus influences the bilateral relationship between them. I illustrate this with five steps in the sequence of change.
1/ Prior to 1976, the relationship between China and USA were basically hostile with two quite separate and distinct systems. Each one could live without the other, and, from the Chinese side, the same view was held by the Party, the people and the academics.

2/ However, as China began to reform its system, mainly to adopt the market-economy system, the views of the Sino-USA relationship inside China started to diversified into three categories: official view, the public and the academics. The government tried to separate the political systems while merging elements of the economic systems, but the other two groups believed that the whole Western system, and in particular that of the USA, could be a model for China.

3/ Then, in about 2010, the Chinese government gradually realised that China could not align its position internationally with USA in many, and perhaps most, global issues. At the same time, academics and the public began to doubt China’s capacity to convert its Chinese economy according to “the American way”, partly due to the increase in income inequality in the Chinese society since 1980s.

4/ More recently (since 2013), the academics, the Chinese government and the public began to form a general view of not trusting USA both politically and economically. Now the entire Chinese society is united in its opinion about USA. This development was triggered by many factors including USA’s failures in middle-east, the meltdown in the financial system and in the recently acquired strength of the Russian Federation. I also believe that the in-depth understanding of the USA by more Chinese people who stayed long enough in the USA produced a less favourable attitude by removing some of the lustre that was acquired by viewing Americans from a distance.

5/ The future relationship between USA and China will move into a new stage of no more mystery in political and economical operations. It may be a bilateral relationship of their own. China is not an ally to the USA like Europe and Japan are, nor is the USA likely to welcome a China that is stronger than itself. Nevertheless, there would be no chance of China challenging USA as long as the ideology of both its civil society and the institutions of the state remain the same.

2. Chinese IPE Debates on (American) Hegemon

Wang Yong and Louis Pauly

Abstract

Reflections on hegemonic power have shaped the contemporary field of international political economy (IPE) within China. Shifts in the thinking of Chinese scholars correlate with China’s own changing role and location in a system still most profoundly influenced by the United States. But real and perceived changes in America’s position have also influenced the way in which Chinese IPE scholars are now reconceptualising the nature of global authority and the international position of China. In one generation, the mainstream of China’s IPE scholarship has moved away from its rigid Marxist origins and converged in substantial part with Anglo-American ideological traditions, now prominently including liberal institutionalism. Nevertheless, scholarship informed by other
traditions, including a re-imagined Confucianism, flourishes. Major policy-changing events clearly affect the work of Chinese IPE scholars, a phenomenon hardly unknown elsewhere.

Comments on the article by Bing Zhao

This essay is a good and true description of the fundamental changes of the Chinese side (as its government, academic and people) towards the American hegemony in the world. However, it would be better if the essay could also take into its consideration of USSR and post-Soviet Union era while the Chinese view movement was developed.

1/ When the ideology dominated the Chinese society, say before 1980, academic studies in IPE have strictly followed the Communist Party line. The official attitude of China to the American and the Soviet hegemony was clear, i.e. China claiming itself a brave country representing the entire third world which can disobey the world order that existed at that time.

2/ Trigged by the economic reform after 1980, the previous hard stand taken by the government was softened in order to justify the need of inviting foreign capital, technology and professional to China. They are mainly from the West represented by the USA.

3/ With the inflow of information about the West including the international institutions, whether regionally or politically orientated (NATO or European Union) or economy-related (IMF and ADB or WHO), the Chinese side learned how to deal with or make use of their functions in the world. The flood of information was so strong that it destroyed the earlier outcome of brain washing by the party’s propaganda. And the Chinese people are now, on average, far more well-informed than before. So the Chinese government had to take a more objective view of the Western world together with the institutions built under the leadership of the USA hegemony.

Basically, this attitude modification further advanced the possibility of academic exchange of researches conducted by IPE scholars and provided some room to recognise the positive contribution of those world institutions by which implied (never explicitly) that USA leadership in the West was not all as bad as they were once labelled. Together they all made the world better than without their operations.

3/ The breathing space in ideology, allowed some room for academic thinking including the research beyond the official opinion towards the USA hegemony. Then another two decades past, and the new generation of scholars armed with better English (no longer Russian) and Western-educated started to formally declare that IPE could be a subject of various thoughts. Through that generation, there came an even larger group of scholars whose involvement of IPE studies was completely influenced by the Western IPE doctrine in the Chinese domestic universities. Their research outcomes at that stage had advocated a greater emphasis on alternative thoughts about IPE rather than the old Marxist IPE theory.

4/ However, the development of accepting the USA hegemony as a fact took place, especially when the USSR collapsed into a less dominant figure in the world. The Chinese government – the Party – quickly trumped IPE scholarship in the fear that the pure Marxist IPE was threatened. In any given period, most of the Chinese IPE scholars will only write to support the then-current policies of the Chinese government.
5/ In fact, China views USSR (Russian) and USA both being world hegemonies. Prior to USSR collapse, China used to feel the political and military pressure from USSR and at the same time to feel the USA’s pressure of political and economic power plus the its explicit support to Taiwan independence.

With the transition from the USSR to the Russian Federation, China realised it had to take up the role of defending Marxist ideology against the West lead by the USA. But it also had to pragmatically work with the only super power – USA. This was a necessary condition for the relationship. It is interesting to note, during the same period, more Chinese scholars in IPE gave up the way of using Marxist IPE theory in their analysis of the world situation.

6/ Finally, the current opinion of the Chinese scholars in general and IPE scholars in particular is the belief that the American hegemony is weakening. The exchange of people between the USA and China in the past three decades has lost most of the mystery that existed between the two countries. Meanwhile, the continuous economic growth in China and the non-stopping troubles of military, financial and domestic inequality in the USA enabled the IPE Chinese scholars to reconsider their earlier blind admiration of the West, especially USA. Again, Russia’s resumed super power in the world made the Chinese academic believe there is no permanent or absolute hegemony. China wants to look after its own interest in the chaotic world one way or the other.

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Abstract

One of the fundamental questions in the study of international political economy (IPE) is the foundation of order, stability and justice in international politics and economy. The study of international institutions and global governance is part of this larger inquiry. With China’s rising importance in the global economic system, it might be expected that IPE scholarship in China would give rise to uniquely “Chinese” approaches to this area of inquiry, approaches informed by China’s position in the world and China’s rich cultural and intellectual traditions. However, our examination of Chinese scholarship shows that thus far, it has produced little new knowledge and theoretical innovation. Why has this been the case? We argue that it is because (1) as a new field of study, IPE in China – including the study of international institutions and global governance – is still under the strong socialisation effect of Western scholarship; and (2) the institutional environment in China constrains the kind of research that promises new insights and innovative perspectives. We also discuss how scholarship in China could contribute to the positive evolution of IPE globally in the future, and the obstacles that may hinder this development.

Comments on the article by Bing Zhao

This essay evaluated the output of the Chinese IPE researchers for the past three decades and apparently reached three conclusions.
1/ So far in the IPE area, the authors believed that most of the theoretical framework was produced by the Western IPE scholarship and the Chinese researchers are a follower in the sense introducing those IPE concepts and theoretical work in the Chinese academic circle. And thus they were not very happy with the progress of the local scholarship. Such an assessment, in my opinion, is an underestimation of the efforts and outcome contributed by Chinese IPE researchers to the international strategy adopted by the Chinese government. Admittedly, the IPE theories were indeed originally written in English from the West. And so were about many of the existing international institutions created by the developed countries in the modern history, including the UN and World Bank and etc.

However, China did show the rest of the world that it was a quick learner. In a relatively short time span, China has not only participated, by joining, existing international bodies controlled by the West (numerous senior Chinese officials have been appointed in all of the major existing international establishments) but also has, in the past 10 years, moved to advocate and sponsor a few regional international establishments of its own: 1/the BRIC group, 2/the Shanghai Security Group (mainly with previous USSR provinces), 3/the Confucian Schools outside China, and 4/ the latest Asian Infrastructure Investment Bank. Meanwhile, China tried to give inputs into the process of reforming the existing international financial institutions such as IMF and World Bank. These attempts were strongly linked to the academic IPE policy-orientated studies of the existing institutions. The efforts of IPE scholars in acquiring a better understanding of the function roles of each of the world/region-wide establishments helped the formation of the IPE decisions by the Chinese government.

2/ The authors over-stressed their argument that the Chinese research should have led the world in the IPE theoretical publications. This is not a realistic expectation. One of the major obstacles to overcome was the prevailing control by the Chinese government over academic freedom in publication and the lack of reliable data/information inside China. This difficulty is not new and could be true to almost every sector in the Chinese society under the current Party leadership.

The authors failed to understand IPE’s broader aim: it is part of the social sciences in a general or unified sense, and it overlaps tightly with domestic and world economics and politics. It is more than an academic game; it is a policy guide for any government decisions pertaining to international affairs. Should the scholars in China be able to make use of existing Western theory to help the Chinese government, then it would be considered a great success of IPE researchers. For instance, China has not yet finished its border confirmation negotiations with almost every country adjacent to its territory. The authors seem to imply that theories must emerge before practical policy can be effective, so that these negotiations may not be resolved unless a theory is developed to act as a guide.

In most cases theories merge with practice. In the social sciences theories denote the more fundamental or the key elements in societal relationships. For example, liberal international relations theory places emphasis on the nature and configuration of state preferences. Realists emphasise capabilities above preferences and institutionalists (functional regime
theorists) look first at the structure of institutions and their information systems. It is possible that China’s relations with its neighbours will require a different configuration, perhaps one that places more emphasis on reconciling cultural differences. But any insights for such a configuration must arise with the task of solving practical problems, not as a “drawing board” exercise.

3/ At the end of this paper, the authors appeared to deny the fact that good IPE theories are useful reference for any countries of the world. Instead they suggest that a new IPE theory based upon the Chinese culture and philosophy can be created to challenge IPE theories generated by scholars from other countries.

This request is a fallacy because the best IPE theory will be the one that can effectively address the bilateral/multilateral relationship among countries. What suits China may not be accepted by the other countries. International relationships can only be developed by a theory more or less welcomed by all participants. There is no need to develop an IPE theory exclusive for the Chinese government, but it may emerge in the future from what the Chinese government does.

4. Globalisation and the Role of the State: Reflections on Chinese International and Comparative Political Economy Scholarship
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Abstract

China’s rapid integration into the global economy has had undeniable implications for the Chinese state – it raises questions about how the state has simultaneously encouraged globalisation and, at the same time, tried to control for globalization’s impact on China’s economy, its culture, and on state policy and the state itself. These implications have not been lost on PRC-based scholars of international and comparative political economy, who have focused considerable – if, as we shall argue, incomplete – attention on globalization’s challenge to state sovereignty, to economic sovereignty, and on the economic role of the state. The article highlights features of the Chinese scholarship that are quite distinctive. This literature reflexively favours a strong role for the state in the context of globalisation. We also observe that the literature in general is not oriented to theory-building. Instead, scholarship is largely policy-driven; there is a strong impulse to provide positive policy advice to Chinese policy-makers. Most striking, the understanding of the state in the Chinese literature remains partial; there is a marked reluctance to delve into either empirical or theoretical study of the Chinese state itself – the state itself as a subject of critical analysis is rarely considered.

Comments on the article by Bing Zhao

The two words in the title – “globalisation” and “state” (meaning sovereignty) – when applied to the platform of IPE on which China and the rest of the world (the West mainly) their interaction became less straightforward.

Under the tide of globalisation, especially in the past 30 years, the concern from the developing countries is mostly over the dominant control of multinational corporations in many economic sectors inside their homeland. The fairness of dividing the operational benefits among the rich and the poor nations also caught a lot of attention.

Nevertheless the invasion of Western ideology and political system under the globalisation is less of a worry in many Asian countries such as Japan, Taiwan, Singapore and Korea. Instead, the democratic political system and the social order represented by the USA were welcomed and mixed well with the local culture and with academic research. It was the international interaction (speedy integration) that has made significant impact on the domestic policy formation/changes by individual nations. Over all, the process of achieving closer international integration has had a positive role to every nation involved.

It is true that complaints about the negative impacts of globalisation can also be heard from economists or politicians over issues such as domestic employment, effective monetary policies and preservation of traditional way of living in developed and undeveloped countries. Scholars in IPE have written a lot on these issues in various formats including the Chinese IPE research publication. However, the Chinese government is less comfortable with one issue of globalisation, that is the Western influence in general and anti-communism ideology in particular because this type of international integration may endanger their current control of its people in its absolutely sovereignty.

Apparently, the IPE scholars fully understood that the Chinese government has a dilemma dealing with international integration with the West. If the Chinese government welcomes the Western ideology as it did with Western technology and economic operation in China, their already shaking communist ideology will collapse quicker.

In my observation, the Chinese government could not care less about the ultimate fate of communism, but such an ideology provided legitimacy for the Communist Party to rule the country completely. Therefore, the Chinese government tried hard to integrate its country into the world economic system, a typical example was reflected in its compromises for resuming WTO membership on one hand. At the same time the Party refused any advocates of Western political system for the running the state business. Typical examples could be its position of religions/churches management and the protest against awarding Nobel Peace Prize to a Chinese national who was in prison for his political belief against the Chinese state authority.

In general, the IPE study/research cannot be further progressed in China due to the fear of ideology of Western norms being invasively adopted by the vast number of Chinese people. To a certain extent, the Chinese government adopted a tight standard in drawing a line between integration of East-West economic operations and a lack of integration with
Western ideology in its sovereignty control in the political sector. Given the fact that there is no conventional election of governments in China, the governing legitimacy is a very sensitive issue. And IPE scholars must thread their writings carefully in the subject of the impact of globalisation on state sovereignty.

1/ Globalisation of economic relationship helped to bring in higher rates of economic growth and higher standards of living, and this fully supported the legitimacy of 1940 ruling regime. The improved living standards, in particular, enhance the Party’s ruling power and minimised resentment in the general society.

2/ Another way of providing evidence of continuous ruling in China by the Party was to show that China (excluding Taiwan area) be recognised worldwide with respect and enjoyed a leadership image on par with the Western countries. Improved international image also provided supporting material to justify the claim that the “New China” since 1949 is superior to any previous governments/dynasties in China’s history.

The above determination is well exemplified by the state-sponsorship of training athletics with a single aim of winning gold medals as soon as the Chinese leadership decided to resume participation in the Olympic Games in early 1980s.

Meanwhile China tried to eventually achieve its ambition of making the Chinese currency a major reserve currency not just a matter of freely convertible currency. If this can be achieved, the government leadership will win more support by domestic grass-roots supporters (though there is no suffrage mechanism yet in China) because so far only the USA’s currency is a dominating reserve currency.

In a nutshell, the view of the fuller consequences of globalisation versus sovereignty by the Chinese government is made somewhat more complicated compared to the rest of the world, meaning on top of the conventional sovereignty issue, there is also a real possibility of losing the Party line of ideology by adopting the full globalisation.

5. Turning Point: International Money and Finance in Chinese IPE
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Abstract
Unlike the depth of international political economy (IPE) research on finance and money in North America and Britain/Europe, or the amount of work that has been done inside China on the IPE of international trade, the IPE of global finance and money is still at a nascent stage inside China. The paper examines the evolution of Chinese IPE research on global finance and money and suggests that research in these issue areas appears to be reaching a turning point. The main empirical finding is that this shift in knowledge production has been induced principally by China’s emergence as a financial force and the national developmental concerns this entails, as well as by the onset of the 2008–09 global financial
Based upon the previous readings on IPE survey of the Chinese scholars in this field, this essay made me think that IPE scholars in China are apparently trapped in the following conditions:

1/ Their research efforts are trying to make more sense of IPE in Western perspective and so far their research methods are dominated by their counterparts in the developed countries. The previous Marxist approach to study IPE was regarded by them as less relevant to the changed world or to current views of IPE.

2/ They focus mainly on the current affairs around the world. This survey made it very clear that their publication include almost all the current economic/finance/political topics globally. However, these scholars are not as technically well armed as those who are professionally trained in banking, economics, accounting and international relationship. Their research outputs therefore are not producing new theoretical frameworks.

3/ Meanwhile, those Chinese IPE scholars have limited freedom in publications. The Chinese government has a very tight leash for protecting the official ideology. IPE scholars are requested to use whatever theories are currently available to assist the government with policy solutions. Thus the survey repeatedly complained that there is no new theoretical material from the Chinese IPE scholars.

4/ One of the conclusions I was able to derive from those IPE surveys is these scholars in China play almost the same role as political/economic commentators in Australia (such as Ross Gittins and Malcom Maiden). Besides, IPE is actually an overlapping subject across international economics, international relations and issues mixed with politics, economics and conditions of individual countries. IPE scholars in China are at their productive best in weaving comprehensive analysis and suggesting options in press.

6. Constructivism and the Study of International Political Economy in China

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Abstract
This paper surveys constructivist scholarship in the study of international political economy (IPE) in China. Chinese scholars in the field of IPE have until recently rarely used constructivism as an approach to study IPE for two reasons. The first, like Western IPE, is the short history of constructivism as a theoretical perspective. The second, unlike Western IPE, stems from the long-standing dominance of Marxism, China’s official state ideology, in the academic field. In China, Marxism’s materialist core shapes the basic research questions of IPE. Unsurprisingly then, constructivist analysis is quite alien to the dominant intellectual discourse in China. Nonetheless, of late, more Chinese scholars have begun to apply constructivist analysis. This paper surveys these developments and is divided into three sections. The first section provides an overview of how Chinese Marxist scholars approach the major issues of IPE as they relate to China. The second section provides an overview of the work of liberal-minded Chinese scholars who work on major IPE issues, another counterpoint to the Marxist school. The third section, which is the major focus of this paper, examines how Chinese scholars have applied the constructivist concepts to study major IPE issues in the Chinese context.

Comments on the article by Bing Zhao

This paper intends to address the shifting/diversification of research methods that are applied in IPE research/publication. I sensed the coverage is comprehensive enough but whatever the updated research approaches, being Marxists, Confucius, or Constructivist are less effective to find the core business in the IPE reality of China.

The relationship between China and rest of the world in general and USA in particular should be broadly covered by two issues:

1/ Economically, the success of China’s development relies heavily on the global exchange of trade in goods and services, resources and technology as well as financial supports. In that sense, China is a late comer and many of international institutions relating to the world economy (IMF, WHO and WTO, etc.) in this regards were already in operation for decades. China has to toe the basic lines of the so called international norm.

2/ At the same time, the mainland Chinese society could have been in alignment naturally with most of the countries just like Taiwan and Singapore at different development stages (even being dealt with such as Vietnam, Malaysia and Korea). Asian culture is not an issue in healthy international relationship. However, China is different in terms of its government embracing the Marxism doctrine ever since its establishment in 1921, and continued to do so after the Soviet Union collapsed in late 1980s. This very fact has lead China to have a consistent ideological issues in its relationship with the West democratic societies.

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2 A formal definition of constructivism as applied to international relations is surprisingly complicated. It is often placed at one end of the spectrum with rationalists on the other and rationalists are generally defined as those who believe that the world consists largely of unchanging facts that must be evaluated on the basis of reason and logic. There is no room, therefore, for introspection and subjectivity. It follows that constructivists should be those who not only accept but often rely on introspection and subjectivity. The difficulty is that defining something on the basis of what it isn’t often creates ambiguity as to what it is, and a number of different streams of constructivism exist. This opens the possibility of a “middle ground” between the two extremes. Refer to Maja Zehfuss, Constructivism in International Relations: The Politics of Reality, Cambridge University Press, 2002.
Under these two assumptions:

3/ On one hand, the Chinese government recognises the fact that without some cooperation with the rest of the advanced countries headed by USA, it cannot win in the economic front – to modernise China. Thus the government is running a compromising policy to the West, hoping that eventually China will be is one of the most developed nations. All the observations of the past 30 years in its economic reforms bear the evidence of such a pragmatic foreign policy.

4/ On the other hand, the Chinese government intends to hold the position that without the type of Western democratic system, China can be reborn into an advanced society which is significant better than the West society in terms of living standard and welfare, namely, socialism with Chinese characteristics. Thus, the government views its relationship with the West is a zero-sum political game. The game role for China is to refuse any proposals for freedom of opinion/speech/alternative opposition parties. We have observed enough tactics resisting the intrusion of the Western ideology into the Chinese society to give some certainty to this role.

In the long-run, the political zero-sum game between USA (representing the Western developed countries) and China will eventually have one winner and thus will lead to more furious competition (not necessarily in war) because both parties are trying to prove the other one is a failure. Only time will tell at this stage.

Recent international events to a large extent did not convincingly prove that the American hegemony is winning in the Islamic world, neither there is sufficient proof of the Chinese way of running its country is a better choice for its own people let alone for the other developing countries.

In a nutshell, the survey of constructivist method of studying IPE in the Chinese academic makes me suspect that they followed too much on trees but missed the big picture of the forest by not addressing the major issues between China and USA at the moment.

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