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# PREMISES, FACTORS AND EFFECTS FOR THE TRANSFORMATION OF IMPERIAL CHINA INTO GLOBAL CHINA

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## ABSTRACT

The study provides an overview of China's evolution towards the status of pole of economic power. In this respect, an incursion into the historical past of this state in order to explain its current behaviour has been made. Factors that contributed to the launching of modernization and democratization process have been identified. There has also been determined the position of this state in the world's centres of power through the analysis of economic indicators such as GDP, unemployment rate, imports and exports or foreign exchange reserves. The study is divided into three parts, each of them offering the necessary support to identify premises, factors and effects of China's transition to a market economy. The first part of the study describes the Chinese manner of approaching the international relations in the nineteenth century. The second part refers to China's transition from imperialism to global China, and the third part quantifies the effects of this transition through the indicators that were took into consideration.

## Keywords

Chinese Empire, China's economic growth, emerging economies, transition

## 1. INTRODUCTION

### AGE OF CHINESE SUPREMACY

With a multimillenary history that lasted and dominated comparable civilizations through amplitude and refinement, the Chinese Empire has drawn its territorial limits considering exclusively the surrounding seas and valuing the benefits they provide. Thus, ever since the Song Dynasty, China had supremacy in maritime technology, having fleets that could face any explorations and conquests (Kissinger, 2011). However, China's interest in neighbouring countries or in overseas colonies was low.

For instance, the relationship with India was successful only in the Silk Road era, when the two countries practiced only trade in goods and of religious nature (Buddhism), any other contact being hindered by two major obstacles: Himalaya Mountains and Tibetan Plateau. At the same time, China has maintained a certain distance from the Middle East, Persia and Babylon, invoking as a reason the presence of huge and hostile deserts of Central Asia. The relationship with Japan was also not friendly even if the two countries have shared a certain number of cultural and political institutions for several centuries. Regarding China's vision of Europe, the latter was classified as part of the Western Oceans, being incompatible with the Chinese lifestyle and culture and impossible to conquer.

Although aware of the significance of any collaboration with neighbouring societies (Korea, Thailand, Vietnam and Burma), once China has appropriated the status of *world's centre* and the self-titling as the *Middle Kingdom*, it has



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become a standard, a model of culture according to which other societies were evaluated and classified. In the vision of a great China, other smaller states had to assimilate the Chinese culture and to pay tribute (Kissinger, 2012).

Traditional Chinese mentality was transmitted to the modern age (Marchand, 2008). In 1863, the Emperor of China sent a letter to the US President Abraham Lincoln expressing his intent to establish a relationship between China and the United States. This letter was sent in a historical moment when China was defeated in two wars by Western powers who wanted to define the spheres of influence of its territory.

China's advantages were dictated not only by territorial dimensions and the number of its inhabitants. Until the Industrial Revolution China overtake the West states, being much richer than these. For centuries China was the most productive economy and the busiest economic area in the world. And this was due to the ownership of a vast system of channels that were linking major rivers and cities. François Quesnay said, in his work entitled *Le despotisme de la Chine*, that if it was united under one sovereign, an empire such as China would equalize the whole Europe.

China's perception of the world order that was beginning to establish differed significantly from the system that was taking shape in the Occident (Pomeranz, 2012). Meanwhile in the Westerners vision, the new international relations were existing due to a group of countries with relatively equal powers for whom the concepts of sovereignty and legal equality have become the foundation of international law and subsequent diplomacy, China never considered that it can be compared with other states, because it has never met a society having a comparable culture or amplitude. Thus, the fact that the Chinese Empire was entitled to dominate its geographic sphere was considered a law of nature, a divine command. Like the United States, China believed that it was owning a significant role in the world, but it did not agree the concept of the American universalism and the spreading its values in the world. Therefore, China did not export its ideas, but it let others to come to seek for them as a recognition of its exceptionalism and suzerainty of its government.

The organization of the Chinese government was reflecting the approaching of the global order in a hierarchical manner. Thus, China was maintaining links only with the tributary states (Korea, Thailand and Vietnam) through the Ministry of Rituals, while for more distant colonies it was founded the Court of Dependent Territories, the equivalent of the Ministry of Colonies, whose mission was to maintain peace and secure its borders. Its imperial role has turned China into a monument of culture that gave to the neighbouring people a special treatment depending on the degree of assimilation of the Chinese culture and the ritual compliance that were demonstrating obedience to China. On the other hand, as historian Owen Lattimore said, China's centrality and the boundless wealth could turn it at any time into a vulnerable target for the surrounding nations that wanted to invade it and possessed the necessary resources. In this respect, China's priority was not to conquer but to attract, through diplomatic and economic measures, potentially hostile countries and prevent the formation of alliances between the barbarians.

China's history reflects an empire pleased by its power, which lacked large territorial ambitions. Therefore, China's reaction to those who were invading its territory was to be available to them through the services offered and a territory that could be reigned only by Chinese methods. Thus, as they were trying to dominate it, Chinese language and Chinese bureaucratic measures have turned themselves into parts of the Chinese land, being interested in accomplishing China's traditional national objectives.

## 2. THE TRANSITION FROM IMPERIAL CHINA TO GLOBAL CHINA

The belief of China that it is a supreme society, superior to all other societies with a special sense of uniqueness, lasted until the nineteenth century. As mentioned above, China vehemently argued that it has a sufficiently rich culture and rejected any other cultural influence which came from elsewhere. The rhetoric question that characterizes the sino-centrist period was formulated as follows: *Why change something when we have everything we need?* This attitude was due not only to the lack of imagination or hermetism, but due to the currents of thought that dominated Chinese culture since the 5<sup>th</sup> century BC, Taoism and Confucianism.

Since the nineteenth century, when the rich nations of Europe have started looking for new resources and markets in Asia, China has become their main target. Once independent and reliable on its greatness and wealth of resources, China has realized that it could not oppose any more to Europeans' requests, being forced to open its doors to the foreign traders and also to sign the so-called *unequal treaties* that were providing trade with China and the release of some territories.

A moment of historic significance was the outbreak of the *Opium War* by the Great Britain, completed by the occupation of Canton and Hong Kong. The British approach was established as a model for other nations, so that by 1900, more than



50 Chinese ports were controlled by Britain, Germany, Portugal or France. There were many rebellions and revolutions and the Chinese imperial system was gradually replaced with a republican system voided of any power or influence until the coming of Mao, who was the initiator of communist revolution and the founder of the People's Republic of China.

The period 1931-1945 marked a significant episode in the history of the evolution of the Chinese people as a result of the Japanese domination. Japan's desire to conquer China and dominate Asia was due to its belief that it belongs to a superior race, and this had devastating consequences for the Chinese. The period of Japanese domination was marked by numerous atrocities that have left deep scars into the Chinese people.

If the nineteenth century meant a tense stage for the Chinese people, as it was subject not only to their own restrictions, but also to external humiliation, the twentieth century took shape amid internal turmoil, foreign brutal occupation, destructive civil war and, not least, on the account of some devastating political conflicts. And this was reflected in the rhythm of China's development. Thus, in order to understand the features of modern China, it is important to consider each of the tensed moments of this nation. Firstly, one must take into consideration the revolution between 1911 -1912, which marked the end of the imperial era. Secondly, we must note the civil war between the Japanese and rival factions which took place between 1937-194. We also have to take note about the famine that accompanied the Great Leap Forward in the days of Mao Zedong or about the Cultural Revolution and the tragedies of the time when Ding Xiaoping was trying to modernize China, while suppressing the political trends of democratization (Lynch, 2009).

China's transition from a Confucianist past to modernity was therefore marked by violence. In the Sinic view, the acquirement of power could only be done by destroying enemies while political and social traditions were often neglected.

### **3. CHINA'S ROLE IN THE WORLD STRATING WITH THE 19<sup>TH</sup> CENTURY**

The political regime established by Mao Zedong had undergone a modernization program with the coming to power of Deng Xiaoping, a leader with an opened vision and an advocate of internationalization. He argued that acquiring the status of an independent nation was due to the development of China's trade contacts with the rest of the world generally and with the US in particular. Avid followers of Marxism, the Chinese people's representatives were willing to depart from their rigid ideas, reflected both in the internal and external policy, and to develop trade relations with capitalist countries of the world. On the other hand, the Occident was willing to accept and accept the liberalism of a communist regime in order to defend mutually beneficial trade relations.

The approach of Chinese foreign policy may be defined by toughness, by the refusal of any international agreement that could have threatened the freedom to express their beliefs and customs, by the reluctance to embrace the ethical issues promoted by the West. Additionally, China has been the adept of initiating and developing relationships with other authoritarian regimes that were condemned by the international organizations for the oppression of their people.

Starting with the nineteenth century, once under foreign domination, China has focused its efforts on fighting to recover its national greatness and towards the recognition by foreign states of its great power status. China did not want and does not want to revolutionize the world, but to affirm itself on a global level. For this reason it had adopted an unpredictable behaviour, reacting as situation dictates and not accordingly to predetermined rules.

China stepped into the nineteenth century by putting into value it's both traditional and revolutionary elements. In the first decade of the 3<sup>rd</sup> millennium China tried to adapt its old values that made it to last in time to modernity, thus surviving any attempts of destruction. But even if it implemented a restructuring and capitalist organization model, this process was led by a government that was communist, authoritarian and follower of the idea of total political control. Nowadays, the opinions regarding the Chinese democracy are divided, but they have as a common denominator the suspicion of its success. The communist system remained emblematic and was agreed by most of the young Chinese. Although some of the smartest Chinese become dissidents or left the country, most of them remained loyal to the values of the communist system, considering it a safe opportunity for promoting themselves. Any attempt to protest against the Chinese government was stopped. Therefore, the opposition among Chinese intellectuals is rare, the working class and religious minorities are the only groups that dare to rebel, thus turning into enemies of the state.

Specialized literature is currently presenting two different aspects of the same power system. On one hand, it is about the durability of the communist oppression and extreme nationalism of the Chinese people and, on the other hand, about the



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gradual transformation of a communist nation into a nation opened to the initiation and development of economic, political and diplomatic relations with the rest of the world.

Nowadays, in the context of globalization and intensification of economic and political relations worldwide, establishing a hierarchy of centres of power became primordial. The accession of China to the world economic and political life scene in an alert and sustained rhythm raises questions about China's goals and its long-term strategies regarding others. The experts current concerns are based on how the conflicts of interest can be resolved when an economic power recognized as a world leader is threatened by the rise of another.

The identification of the role that China plays in the world's economic life is a result of a comparative analysis of its main economic indicators. In this respect, there were considered the following countries: India, Japan, South Africa, Canada, Mexico, USA, Brazil, France, Germany, Italy, Russia, Spain and the United Kingdom. The results depict this state as the leader of emerging economies (BRICS) and the main competitor to the USA.

**Table 1. GDP and its growth rate (\$100 million)**

Country/Region	Growth rate of GDP (%)				
	2005	2009	2010	2011	2012
Globally	4.58	-0.59	5.22	3.95	3.15
China	11.31	9.21	10.45	9.30	7.80
India	9.05	5.04	11.23	7.75	3.99
Japan	1.30	-5.53	4.65	-0.57	2.00
South Africa	5.28	-1.53	3.09	3.46	2.55
Canada	3.11	-2.80	3.17	2.57	1.84
Mexico	3.18	-5.99	5.31	3.92	3.95
SUA	3.07	-3.07	2.39	1.81	2.21
Brasil	3.16	-0.33	7.53	2.73	0.87
France	1.83	-3.15	1.66	1.69	0.03
Germany	0.84	-5.07	4.02	3.10	0.87
Italy	0.93	-5.49	1.72	0.37	-2.37
Russia	6.39	-7.80	4.50	4.30	3.40
Spain	3.59	-3.74	-0.32	0.42	-1.42
United Kingdom	2.77	-3.97	1.80	0.92	0.17

Source: China statistical yearbook 2013, retrieved from <http://www.stats.gov.cn/tjsj/ndsj/2013/indexeh.htm> on 06.12.2014

The data in the above table reflects the ranking of states by GDP. Thus, the first place lies with the USA, followed by China, Japan and Germany. China has the highest GDP growth rate in 2005 (11.31%). The appearance of the global economic and financial crisis caused the decrease of this growth, but China remained the leader of the ranking, reaching 7.8% in 2012.

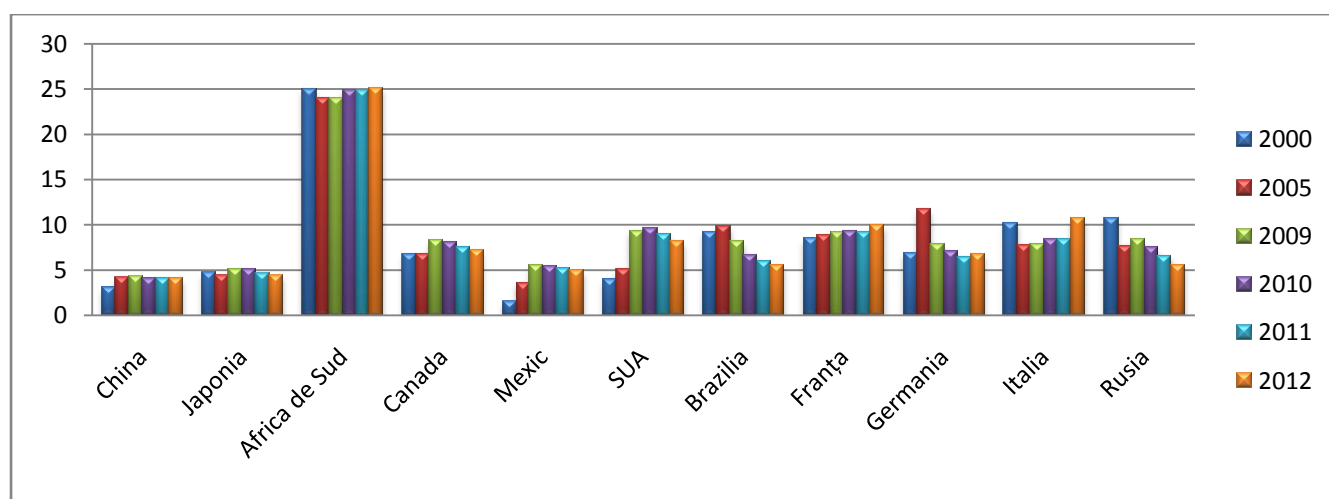


**Table 2. The unemployment rate in developed and emerging countries of the world**

Country/Region	2000	2005	2009	2010	2011	2012
China	3.1	4.2	4.3	4.1	4.1	4.1
Japan	4.7	4.4	5.1	5.1	4.6	4.4
South Africa	25.0	23.9	23.9	24.9	24.9	25.1
Canada	6.8	6.8	8.3	8.0	7.5	7.2
Mexico	1.6	3.6	5.5	5.4	5.2	5.0
SUA	4.0	5.1	9.3	9.6	9.0	8.1
Brasilia	9.2	9.8	8.1	6.7	6.0	5.5
France	8.5	8.9	9.2	9.3	9.2	9.9
Germany	6.9	11.7	7.8	7.1	6.5	6.8
Italy	10.2	7.7	7.8	8.4	8.4	10.7
Russia	10.7	7.6	8.4	7.5	6.6	5.5

Source: China statistical yearbook 2013, retrieved from <http://www.stats.gov.cn/tjsj/ndsj/2013/indexeh.htm> on 06.12.2014

According to Table 2, at the level of the states that were analysed, South Africa has the highest values of unemployment (25.1 in 2012), followed at a considerable distance by Italy (10.7 in 2012), France (9.9 in 2012) and the USA (8.1 in 2012).

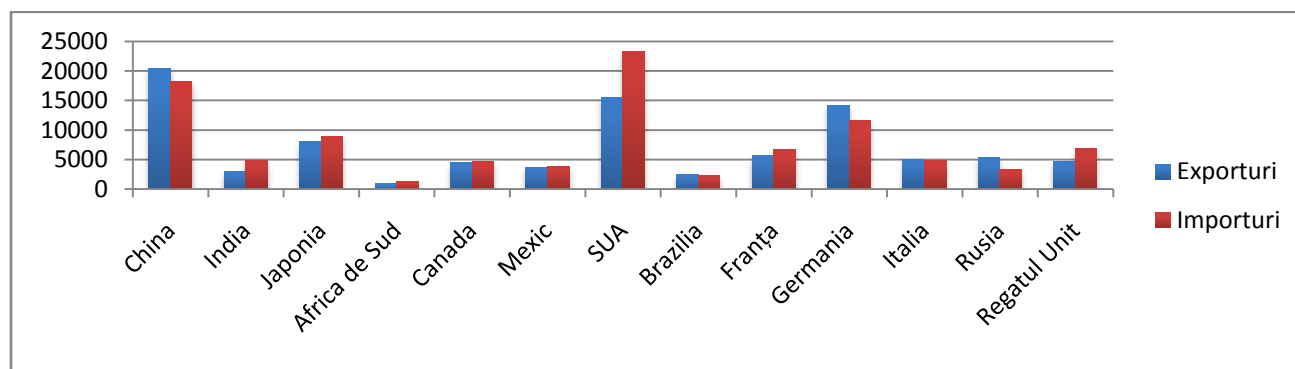


**Figure 1. The evolution of unemployment in the period 2000-2012**

For the time frame analysed, China recorded the lowest values of the unemployment rate (4.1% in 2012), followed closely by Japan (4.4% in 2012) and Mexico (5.0% in 2012).

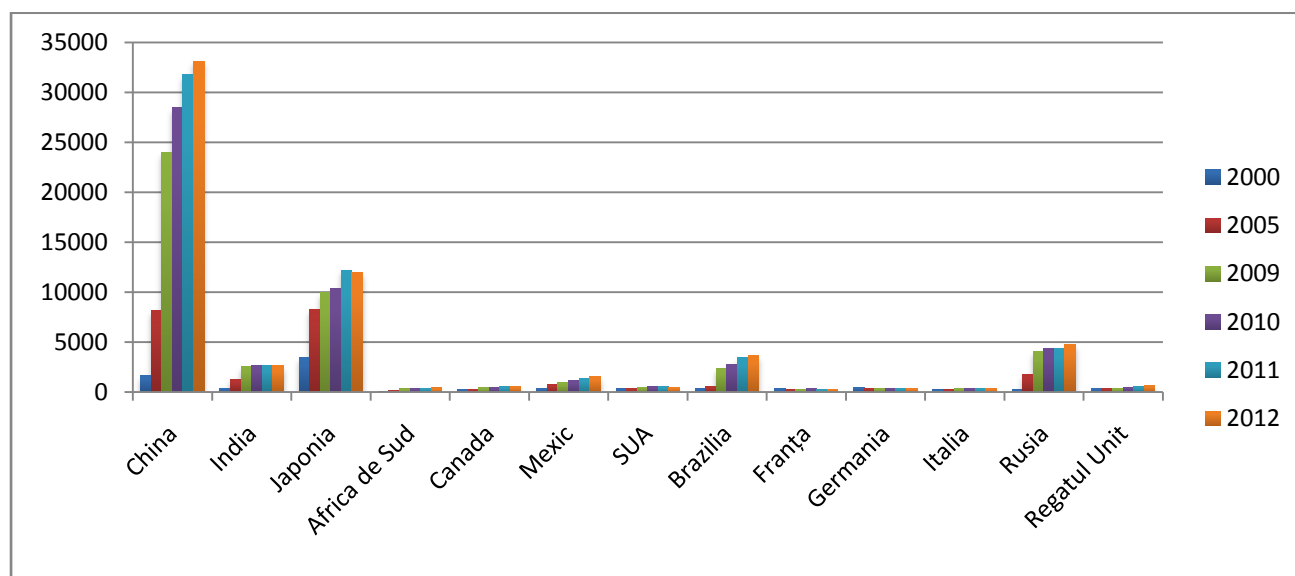


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**Figure 2. Imports and Exports (\$100 million)**

The above picture reflects the value of imports and exports for the two major economic powers of present days, China and the USA. Although similar in terms of imports, the two countries differ in terms of trade deficit, China recorded a surplus and the USA a deficit of the trade balance.



**Figure 3. Foreign exchange reserves**

Accordingly to the above image, China is placed in the first position in the ranking of the world's developed countries in terms of foreign exchange reserves. This is due to massive capital inflows and the return of foreign funds that accelerated domestic lending. USA is the opposite, having values of foreign exchange reserves that are comparable with South Africa, France, Germany or Italy.

As a result of the data interpretation in the above tables and graphs it can be observed the upward trend of the Chinese economy and the downgrade of USA regarding foreign reserves, unemployment rate and the trade balance. We are further interested, to what extent can China contribute to the overthrow of the American hegemony and to the transfer of power centre from North Atlantic area in the Pacific area.





#### 4. CONCLUSIONS

The current global context is characterized by permanent confrontation on political, social and especially on economic level and favours the appearance, strengthening and enhancing of multilateral relations. These have to ensure not only the acquirement of a worldwide reputation, but also collaboration and coordination in order to assure the welfare and the prosperity of the nations. Nowadays, thanks to the dynamics of integration processes to the highest level, countries that have similar levels of development want to extend and attract less developed economies in order to strengthen their positions at a global scale. An example of this is China, an increasingly important actor on the life stage of global economy.

China became a country with a great economic potential. The current concerns of the specialists have as common denominator the problem of the internal contradictions that this state is still facing in terms of modernization and democratization processes. Although Mao Zedong's economic vision was abandoned, China remains an exponent of Marxism. Thus, there is a large dose of suspicion on the prospects of democracy in China.

China does not have an imperial policy and does not try to impose economic or political systems on other countries. It wasn't a colonial power and most of the neighbouring states do not see it as a threat like the Western powers that have a colonial past. It registered a progress in a very short time, which gave it the opportunity to equalize some Western powers and to be a candidate in the new world economic hegemony. This makes it particularly appreciated by the Arab states. Monetary reserves that China holds are conferring it the advantage of negotiating profitable business, paying a lot better than some of its competitors.

Although it claimed it did not want to become an international political power, but an economic power, China's spectacular economic development cannot hide the reality of a more peaceful regime than in the communist era, but still repressive enough. In order to become a global power, China should be able to compete in terms of military capabilities, international economic and financial influence, high technologies and, not the least, from the point of view of social life. And these aspects remain desirable, yet unattainable.

#### 5. ACKNOWLEDGMENTS

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